

# Public Document Pack

## Cabinet

Wednesday, 18th November,  
2015 at 10.00 am

**PLEASE NOTE TIME OF MEETING**

Council Chamber - Civic Centre

This meeting is open to the public

### Members

Councillor Simon Letts, Leader of the Council  
Councillor Daniel Jeffery, Cabinet Member for  
Education and Children's Social Care

Councillor Mark Chaloner, Cabinet Member for  
Finance

Councillor Satvir Kaur, Cabinet Member for  
Communities, Culture and Leisure

Councillor Jacqui Rayment, Cabinet Member for  
Environment and Transport

Councillor Dave Shields, Cabinet Member for Health  
and Adult Social Care

Councillor Warwick Payne, Cabinet Member for  
Housing and Sustainability

Councillor Christopher Hammond, Cabinet Member  
for Transformation

(QUORUM – 3)

### Contacts

Cabinet Administrator

Judy Cordell

Tel. 023 8083 2766

Email: [judy.cordell@southampton.gov.uk](mailto:judy.cordell@southampton.gov.uk)

Head of Legal and Democratic Services

Richard Ivory

Tel: 023 8083 2794

Email: [richard.ivory@southampton.gov.uk](mailto:richard.ivory@southampton.gov.uk)

## **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.

### **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](http://www.southampton.gov.uk)

### **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.

**Mobile Telephones** – Please switch your mobile telephones to silent whilst in the meeting.

### **Use of Social Media**

The Council supports the video or audio recording of meetings open to the public, for either live or subsequent broadcast. However, if, in the Chair’s opinion, a person filming or recording a meeting or taking photographs is interrupting proceedings or causing a disturbance, under the Council’s Standing Orders the person can be ordered to stop their activity, or to leave the meeting

### **Southampton City Council’s Priorities:**

- Jobs for local people
- Prevention and early intervention
- Protecting vulnerable people
- Affordable housing
- Services for all
- City pride
- A sustainable Council

### **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](http://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

### **Procedure / Public Representations**

At the discretion of the Chair, members of the public may address the meeting on any report included on the agenda in which they have a relevant interest. Any member of the public wishing to address the meeting should advise the Democratic Support Officer (DSO) whose contact details are on the front sheet of the agenda.

**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.

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

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

### **Municipal Year Dates (Tuesdays)**

<b>2015</b>	<b>2016</b>
16 June	19 January
14 July	9 February ( <b>Budget</b> )
18 August	16 February
15 September	15 March
20 October	19 April
17 November	
15 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.

### **RULES OF PROCEDURE**

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

### **DISCLOSURE OF INTERESTS**

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

### **DISCLOSABLE PECUNIARY INTERESTS**

A Member must regard himself or herself as having a Disclosable Pecuniary Interest in any matter that they or their spouse, partner, a person they are living with as husband or wife, or a person with whom they are living as if they were a civil partner in relation to:

(i) Any employment, office, trade, profession or vocation carried on for profit or gain.

(ii) Sponsorship:

Any payment or provision of any other financial benefit (other than from Southampton City Council) made or provided within the relevant period in respect of any expense incurred by you in carrying out duties as a member, or towards your election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.

(iii) Any contract which is made between you / your spouse etc (or a body in which the you / your spouse etc has a beneficial interest) and Southampton City Council under which goods or services are to be provided or works are to be executed, and which has not been fully discharged.

(iv) Any beneficial interest in land which is within the area of Southampton.

(v) Any license (held alone or jointly with others) to occupy land in the area of Southampton for a month or longer.

(vi) Any tenancy where (to your knowledge) the landlord is Southampton City Council and the tenant is a body in which you / your spouse etc has a beneficial interests.

(vii) Any beneficial interest in securities of a body where that body (to your knowledge) has a place of business or land in the area of Southampton, and either:

a) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body, or

b) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you / your spouse etc has a beneficial interest that exceeds one hundredth of the total issued share capital of that class.

### **Other Interests**

A Member must regard himself or herself as having an, 'Other Interest' in any membership of, or occupation of a position of general control or management in:

Any body to which they have been appointed or nominated by Southampton City Council

Any public authority or body exercising functions of a public nature

Any body directed to charitable purposes

Any body whose principal purpose includes the influence of public opinion or policy

### **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

### **BUSINESS TO BE DISCUSSED**

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

### **QUORUM**

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

- 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**

### **1 APOLOGIES**

To receive any apologies.

### **2 DISCLOSURE OF PERSONAL AND PECUNIARY INTERESTS**

In accordance with the Localism Act 2011, and the Council's Code of Conduct, Members to disclose any personal or pecuniary interests in any matter included on the agenda for this meeting.

## **EXECUTIVE BUSINESS**

### **3 STATEMENT FROM THE LEADER**

### **4 RECORD OF THE PREVIOUS DECISION MAKING (Pages 1 - 2)**

Record of the decision making held on 20<sup>th</sup> October, 2015 attached.

### **5 MATTERS REFERRED BY THE COUNCIL OR BY THE OVERVIEW AND SCRUTINY MANAGEMENT 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 REVENUE FINANCIAL MONITORING FOR THE PERIOD TO THE END OF SEPTEMBER 2015 (Pages 3 - 46)**

Report of the Cabinet Member for Finance summarising the General Fund and Housing Revenue Account revenue financial position for the Authority for the six month period to the end of September 2015, attached.

## **ITEMS FOR DECISION BY CABINET**

**9 COURT LEET PRESENTMENTS 2015 (Pages 47 - 70)**

Report of the Head of Legal and Democratic Services detailing the presentments accepted at Court Leet, any action taken to date and Cabinet Members and officers identified to lead on the response and any future action, attached.

**10 SOUTHAMPTON FAIRNESS COMMISSION REPORT AND RECOMMENDATIONS  
(Pages 71 - 76)**

Report of the Cabinet Member for Communities, Culture and Leisure outlining the findings and recommendations of the Southampton Fairness Commission, attached.

**11 ESTATE REGENERATION IN MILLBROOK AND MAYBUSH – DEVELOPMENT OF HOUSING SCHEME AND GRANT FUNDING FOR AFFORDABLE HOUSING SCHEME □ (Pages 77 - 92)**

Report of the Cabinet Member for Housing and Sustainability seeking approval to develop two adjacent sites; Woodside Lodge, Wimpson Lane and 536 – 550 Wimpson Lane, attached.

**12 CUSTOMER STRATEGY 2015-2018 (Pages 93 - 98)**

Report of the Leader of the Council seeking approval for the Customer Strategy 2015-2018, attached.

**13 THE GENERAL FUND AND HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME UPDATE 2015/16 TO 2018/19 □ (Pages 99 - 144)**

Report of the Cabinet Member for Finance informing Cabinet of any major changes in the overall Capital Programme, identifying how the revised programme has been financed and identify priorities in line with the Capital Strategy, attached.

**14 GENERAL FUND REVENUE BUDGET 2016/17 TO 2018/19 □ (Pages 145 - 178)**

Report of the Chief Financial Officer setting out the General Fund Revenue Budget proposals for Consultation for 2016/17 to 2018/19, attached.

**15 HOUSING REVENUE ACCOUNT REVENUE BUDGET 2016/17 TO 2018/19 □  
(Pages 179 - 196)**

Report of the Chief Financial Officer setting out the Housing Revenue Account revenue budget proposals for consultation for 2016/17 to 2018/19, attached.

Tuesday, 10 November 2015

Head of Legal and Democratic Services

# Agenda Item 4

## SOUTHAMPTON CITY COUNCIL EXECUTIVE DECISION MAKING

### RECORD OF THE DECISION MAKING HELD ON 20 OCTOBER 2015

#### Present:

Councillor Jeffery	Cabinet Member for Education and Children's Social Care
Councillor Chaloner	Cabinet Member for Finance
Councillor Kaur	Cabinet Member for Communities, Culture and Leisure
Councillor Shields	Cabinet Member for Health and Adult Social Care
Councillor Payne	Cabinet Member for Housing and Sustainability
Councillor Hammond	Cabinet Member for Transformation

Apologies: Councillors Letts and Rayment

#### **COUNCILLOR PAYNE IN THE CHAIR**

#### 16. HIGHWAYS ASSET MANAGEMENT PLAN

DECISION MADE: (CAB 15/16 15512)

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

- (i) to approve the Policy and Strategy documents (Appendix 1 and 2) forming part of the revised Highways Asset Management Plan; and
- (ii) to delegate authority to the Highways Manager following consultation with the relevant Cabinet Member to approve the individual asset group plans that will form the operational delivery elements of the revised Highway Asset Management Plan.

#### 17. ETHELBERT AVENUE CONSERVATION AREA APPRAISAL AND MANAGEMENT PLAN

DECISION MADE: (CAB 15/16 15104)

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

- (i) to approve the attached Conservation Area Appraisal and Management Plan; and
- (ii) to approve the revised Article 4 Direction, and instruct the Head of Legal and Democratic Services to make the Article 4 Direction by the Non-Immediate Direction procedure.

#### 18. CHANGES TO EXISTING REVENUE AND CAPITAL BUDGETS

DECISION MADE: (CAB 15/16 15888)

On consideration of the report of the Cabinet Member for Finance, Cabinet agreed to recommend the following to full Council:

- (i) To note the current 2015/16 General Fund revenue position as detailed in paragraph 11.
- (ii) To note the Medium Term Financial Forecast will be further updated for the November budget report to Cabinet.
- (iii) To approve the savings proposals, as set out in Appendix 1 to this report and paragraph 16 to 23.
- (iv) To approve the use of reserves in 2015/16 to manage any potential shortfall in capital receipts resulting from timing delays of actual receipt as a result of complex land disposals as detailed in paragraph 22.
- (v) To note the remaining budget shortfall for 2016/17 to 2019/20 as set out in paragraphs 24 to 26.
- (vi) Delegate authority to the Chief Financial Officer to action all budget changes arising from the approved efficiencies, income and service reductions and incorporate any other approved amendments into the General Fund Estimates.
- (vii) Delegate authority to the Chief Financial Officer (CFO) following consultation with the Cabinet Member for Finance to do anything necessary to give effect to the recommendations in this report.

19. STANDING ADVISORY COUNCIL FOR RELIGIOUS EDUCATION (SACRE) – AMENDMENTS TO CONSTITUTION

DECISION MADE: (CAB 15/16 15813)

On consideration of the report of the Interim Principal Officer for Education and Early Years, People, the Cabinet Member for Education and Children's Social Care agreed to adopt the amended Constitution as attached at Appendix 1.



# Agenda Item 8

<b>DECISION-MAKER:</b>	CABINET		
<b>SUBJECT:</b>	CORPORATE REVENUE FINANCIAL MONITORING FOR THE PERIOD TO THE END OF 30 <sup>th</sup> SEPTEMBER 2015		
<b>DATE OF DECISION:</b>	18 NOVEMBER 2015		
<b>REPORT OF:</b>	CABINET MEMBER FOR FINANCE		
<b><u>CONTACT DETAILS</u></b>			
<b>AUTHOR:</b>	<b>Name:</b>	Mel Creighton	<b>Tel:</b> 023 8083 4897
	<b>E-mail:</b>	<a href="mailto:Mel.Creighton@southampton.gov.uk">Mel.Creighton@southampton.gov.uk</a>	
<b>Chief Financial Officer:</b>	<b>Name:</b>	Andrew Lowe	<b>Tel:</b> 023 8083 2049
	<b>E-mail:</b>	<a href="mailto:Andrew.Lowe@southampton.gov.uk">Andrew.Lowe@southampton.gov.uk</a>	

<b>STATEMENT OF CONFIDENTIALITY</b>
N/A

## **BRIEF SUMMARY**

This report summarises the General Fund and Housing Revenue Account (HRA) revenue financial position for the Authority for the three months to the end of September 2015, and highlights any key issues by Portfolio which need to be brought to the attention of Cabinet.

## **RECOMMENDATIONS:**

### **General Fund**

It is recommended that Cabinet:

- i) Note the current General Fund revenue position for 2015/16 as at Qtr 2, which is a forecast over spend at year end of £3.04M against the working budget, as outlined in paragraph 4.
- ii) Note that the forecast over spend for portfolios is £9.30M as outlined in paragraph 5.
- iii) Note the previously agreed actions being put in place to address the overspend position as described in paragraphs 9 and 10.
- iv) Note the performance to date with regard to the delivery of the agreed savings proposals approved for 2015/16 as detailed in Appendix 3.
- v) Note the performance against the financial health indicators detailed in Appendix 4.
- vi) Note the performance outlined in the Quarterly Treasury Management Report attached as Appendix 5.
- vii) Note the performance outlined in the Quarterly Collection Fund Statement attached as Appendix 7.

### **Housing Revenue Account**

It is recommended that Cabinet:

- viii) Note the current HRA budget monitoring position for 2015/16, as at Qtr 2. There is a forecast overspend at year end of £0.33M against the budget approved by Council on 11 February 2015, as outlined in paragraphs 34 and 35 and in Appendix 6.

## REASONS FOR REPORT RECOMMENDATIONS

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

## ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2. Not applicable.

## DETAIL (Including consultation carried out)

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

## Financial Summary

4. Appendix 1 sets out a high level financial summary for the General Fund, and shows that the overall forecast outturn position for the Council is an overspend of £3.04M, as shown below:

**Table 1 Summary Forecast Outturn Position**

	<b>Forecast Outturn Variance £M</b>	<b>Forecast Outturn Variance %</b>
<b>Baseline Portfolio Total</b>	<b>9.30 A</b>	<b>5.3</b>
Capital Asset Management	0.70 F	
Other Income & Expenditure	5.33 F	
Non-specific Government Grants	0.23 F	
<b>Net Total General Fund</b>	<b>3.04 A</b>	<b>1.7</b>

5. As shown in the Table 1, the forecast portfolio revenue outturn on net controllable spend for the end of the year compared to the working budget is an overspend of £9.30M. This is an improvement of £0.36M against the baseline set at Qtr 1 and this is analysed below:

**Table 2 Portfolio Forecast Outturn Position**

<b>Portfolio</b>	<b>Baseline Forecast Outturn</b>	<b>Qtr 2 Forecast Outturn</b>	<b>Movement Variance</b>

	Variance £M	Variance £M	£M	%
Communities, Culture & Leisure	0.49 A	0.69 A	0.20 A	2.8 A
Education & Children's Social Care	5.84 A	7.75 A	1.91 A	4.9 A
Environment & Transport	0.51 A	0.11 F	0.60 F	2.6 F
Finance	0.13 F	0.68 F	0.55 F	1.5 F
Health & Adult Social Care	2.94 A	2.64 A	0.30 F	0.5 A
Housing & Sustainability	0.01 A	0.15 F	0.16 F	8.8 F
Leader's Portfolio	0.00 -	0.85 F	0.85 F	7.5 F
Transformation	0.00 -	0.00 -	0.00 -	0.0 -
<b>Portfolio Total</b>	<b>9.66 A</b>	<b>9.30 A</b>	<b>0.36 F</b>	<b>0.20 F</b>

6. The significant issues affecting each portfolio are set out in Appendix 2.
7. It should be noted that £10.3M of potential savings in 2015/16 were reported to August and October Cabinet. Approval for these savings proposals will be sought at the Council meeting in November. At present the assumption being made is that these savings will not be carried forward to assist in balancing the budget position for 2016/17 due to the adverse position being reported in 2015/16. It is assumed that the £10.3M will be transferred to the Medium Term Financial Risk Reserve.
8. However the adverse variance in 2015/16 needs to be addressed by the actions described in paragraph 9 so pressures are not transferred into 2016/17.
9. Children's Services are currently forecasting to overspend by £7.75M. Of this sum Looked After Children account for £5.22M. It is therefore proposed that at this stage £5M is included within the budget forecast to address this pressure. With regards to the other pressures within this portfolio a number of actions are taking place in line with the actions detailed in paragraph 11.
10. It should be further noted that in June 2015 the Chancellor announced the need to make £200M worth of savings from the current year Public Health funding. Following a consultation process, the reduction for this Council has been confirmed as £1.06M. Further consultation is being undertaken on the impact for 2016/17. It is expected that in year and future year reductions in funding will be managed within the Public Health resource however, it should be noted that this has the potential to increase the forecast deficit position for 2015/16.

### **Actions being taken to address the adverse position**

11. Portfolios plan to take remedial action to manage a number of the significant issues highlighted in this report. Specific actions are included within Appendix 2 where applicable.
12. In addition there are a number of actions that have been put in place to address the adverse position. These actions are:
  - a. The individual service areas are working with finance and transformation to draw up recovery action plans to minimise the amount of pressure being carried forward into

2016/17.

- b. Vacancy Freeze – all directorates have been instructed to hold posts vacant and to not recruit with only minimal exceptions to be agreed by Directors for critical posts.
- c. Non Essential Spend – all directorates have been instructed to cease spending on any non-essential non pay expenditure.
- d. Any posts which have been held vacant and not covered by temporary arrangements for over 6 months will be deleted.
- e. A review of the Medium Term Financial Strategy Model has been undertaken and the outcome is reported elsewhere on the Agenda.

### **Capital Asset Management**

13. A review of the current year borrowing and investment activity has identified a net forecast underspend of £0.7M against budget. This is due to:
  - £0.9M lower borrowing costs due to lower than expected need to borrow.
  - £0.5M increase in interest received on investments
  - Offset by £0.7M increase Minimum Revenue Provision (MRP) requirement as a result of a change in the policy for funding MRP to generate additional revenue savings.

### **Other Income and Expenditure**

14. At Qtr 2 the forecast position shows a forecast favourable position of £5.33M against other income & expenditure. This reflects a revised figure of £4.76M for assumed use of the risk fund and £0.56M additional income from contractual refunds.

### **Non-Specific Government Grants**

15. Additional non-specific Government grant income not included in the budget is anticipated resulting in a forecast favourable variance of £0.23M as follows:
16. The amount of Education Services Grant that the Council receives is based on the number of pupils in maintained schools in the city. This number is continually updated as schools convert to academies. Based on known academy conversions this financial year, the amount forecast to be received in 2015/16 is expected to be £0.39M more than budget.
17. Local Reform & Community Voices Grant is expected to be £0.05M more than budget.
18. Housing Benefit Admin Subsidy Grant is expected to be £0.13M lower than budget.
19. Council Tax Support New Burdens Funding received in May was £0.08M lower than budgeted.

### **Risk Fund**

20. Potential pressures that may arise during 2015/16 relating to volatile areas of both expenditure and income are managed through the Risk Fund. A sum of £4.76M is included in the working budget to cover these pressures. As evidence is provided to substantiate the additional expenditure or reduction in income, allocations from the risk fund will be considered.
21. The Risk Fund, which originally stood at £4.50M, now totals £4.76M. The funding allocated is shown below:

**Table 3 Current Risk Fund Position**

		<b>£M</b>
<b>Opening Risk Fund Provision 2015/16</b>		<b>4.50</b>
<b>Portfolio</b>	<b>Service Activity</b>	
Health & Adult Social Care	Care Act Pressure	0.80
Education & Children's Social Care	City Catering	(0.36)
Communities, Culture & Leisure	Arts & Heritage	(0.18)
<b>Risk Fund Provision June 2015</b>		<b>4.76</b>

22. At this stage of the year it has been prudently assumed that the remainder of the Risk Fund will be fully utilised in 2015/16 but this position will be actively reviewed. The provision made within the Risk Fund will be reviewed as part of the development of the budget for 2016/17 to ensure that a sufficient allocation is included for such pressures in the future.

#### **Contingency**

23. The contingency totals £0.25M and it has been assumed that it will be fully utilised by the end of 2015/16.

#### **Approved Carry Forward Requests**

24. Carry forwards from 2014/15 totalling £0.3M were approved by Council on 15<sup>th</sup> July 2015. The appropriate budgets and forecast spend have now been included within the reported portfolio position for 2015/16.

#### **Potential Carry Forward Requests**

25. There is currently one potential carry forward request for an item within the Leaders Portfolio. A budget of £0.45M has been earmarked within the planned maintenance programme to facilitate a match funding bid to be submitted to the Heritage Lottery Fund to enable improvements to the Art Gallery. It is anticipated that the outcome of the bid and any potential approval of funding may slip into the next financial year. Therefore a carry forward request may need to be submitted at yearend to ensure the match funding is still available to support the bid.

#### **Significant Portfolio Issues**

26. The significant issues for each portfolio are detailed in Appendix 2 by Portfolio.
27. 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 significant issue, where applicable, which represents the pessimistic and optimistic forecast outturn position. This range is included within the detail contained in Appendix 2.
28. There are, however, certain 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 below and the favourable variances in the second.

**Table 4 Significant Adverse Variances**

<b>Portfolio</b>	<b>Corporate Issue</b>	<b>Adverse Forecast £M</b>	<b>See Reference</b>
Education and Children's Social Care	Divisional Management & legal	0.73 A	E&CSC1
Education and Children's Social Care	Quality Assurance	0.21 A	E&CSC2
Education and Children's Social Care	Specialist Core Services	0.80 A	E&CSC3
Education and Children's Social Care	Looked after Children & Provision	5.22 A	E&CSC4
Education and Children's Social Care	MASH & Early Help	0.59 A	E&CSC5
Education and Children's Social Care	Education – Early Years and Asset Management	0.15 A	E&CSC6
Environment & Transport	Domestic Waste Collection	0.60 A	E&T 1
Environment & Transport	Waste Disposal	0.22 A	E&T 2
Health & Adult Social Care	Long Term Care	2.49 A	H&ASC 1
Health & Adult Social Care	Provider Services	0.50 A	H&ASC 2
Health & Adult Social Care	Reablement	0.68 A	H&ASC 4

**Table 5 Significant Favourable Variances**

<b>Portfolio</b>	<b>Corporate Issue</b>	<b>Favourable Forecast £M</b>	<b>See Reference</b>
Environment & Transport	E&T Contracts Management	0.55 F	E&T 3
Environment & Transport	Development Management	0.23 F	E&T 5
Environment & Transport	Travel	0.21 F	E&T 6
Finance	Partnership	0.33 F	FIN 1
Finance	Finance Service	0.12 F	FIN 2
Finance	Business Support	0.12 F	FIN 3
Health & Adult Social Care	ICU System Design	0.32 F	H&ASC 3
Health & Adult Social Care	Adult Services Management	0.44 F	H&ASC 5
Health & Adult Social Care	ICU Provider Relationships	0.47 F	H&ASC 6
Leaders	Central Repairs & Maintenance	0.45 F	LPOR 1
Leaders	Property Services	0.46 F	LPOR 3

### **Implementation of Savings Proposals**

29. Savings proposals of £16.73M were approved by Council in February 2015 as part of the overall budget package for 2015/16. The delivery of the savings is crucial to the financial position of the authority. Below is a summary of the progress as at the end of the first quarter to highlight the level of risk associated with delivery and Appendix 3 contains further details:

**Table 6 Analysis of Achievement of Savings**

	%
Implemented and Saving Achieved	67.4
Not Yet Fully Implemented and Achieved But Broadly on Track	12.8
Saving Not on Track to be Achieved	19.9

30. Where savings are not on track to be achieved and a high level of risk is associated with delivery then this is due to non-implementation in some cases but also due to the impact of factors such as rising demand for services which have meant that despite being implemented the estimated level of financial savings have not materialised.
31. The overall financial shortfall in the delivery of the savings proposals is currently forecast as £3.12M or 18.7% of the total to be delivered which is shown by Portfolio in Appendix 3.
32. The financial implications of the delivery of these proposals are reflected in the current forecast position, areas of ongoing concern have been fully reviewed, and appropriate action plans are being put into place. In addition, any implications for the budget for 2016/17 and future years will be addressed as part of the development of the budget.

### **Financial Health Indicators**

33. 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 4 outlines the performance to date, and in some cases the forecast, against a range of financial indicators which will help to highlight any potential areas of concern where further action may be required.

### **Quarterly Treasury Management Report**

34. The Council approved a number of indicators at its meeting of 11 February 2015 and Appendix 5 outlines current performance against these indicators in more detail, along with an economic update and key information about the Council's borrowing and investments.
35. As at the 30<sup>th</sup> September 2015 the Council held the following levels of borrowings and investment:

**Table 7 Investment and Borrowing as at 30<sup>th</sup> September 2015**

	<b>£M</b>	<b>Average Yield/Rate %</b>
<b>Investments</b>		
Cash	36.9	0.53
Long Term Bonds	19.1	1.69
Corporate Bonds	36.5	0.86
Other Bonds	1.5	0.90
Property Fund	7.00	4.78
<b>Total Investments</b>	<b>101.1</b>	<b>-</b>
<b>External Borrowing</b>		
Public Works Loan Board (PWLB)	237.5	-
Market Loans	9.0	-
<b>Total External Borrowing</b>	<b>246.9</b>	<b>3.34</b>

36. A review of the current year borrowing and investment activity has identified a net forecast underspend of £0.7M. This is as a result of lower borrowing costs £0.9M (due to lower than expected need to borrow) and additional interest on investments of £0.5M. This has been offset by an increase in the Minimum Revenue Provision (MRP) requirement as a result of the change in the policy for funding MRP to general additional revenue savings.

#### **Housing Revenue Account**

37. The expenditure budget for the HRA was set at £77.13M and the income budget at £77.39, resulting in a net transfer to balances of £0.26M. The forecast position for the year end on income and expenditure items shows an adverse variance of £0.33M compared to this budget.
38. The significant variances are detailed in Appendix 6 but include:
- Overspend on Responsive Repairs £0.65M;
  - Shortfall in Rental Income £0.63M;
  - Overspend on Housing Management £0.30M;

Offset by:

- Increase in income from Leaseholders £0.65M; and
- Reduced borrowing requirement for Capital Programme £0.60M.

#### **Collection Fund**

39. Each billing authority is required to estimate the level of surplus or deficit on the Council Tax and Business Rate Element of the Collection Fund at the end of each financial year in



order that these amounts can be included in the budget calculations for the coming financial year.

40. A forecast position for the Collection Fund as at the end of September 2015 has been made. The following table details the overall forecast changes.

	<b>Council Tax £M</b>	<b>NDR £M</b>	<b>Total £M</b>
Change in 2015/16 Surplus	1.40	5.20	6.60
(Reduction)/Increase in yearend Surplus brought forward from 2014/15	(0.50)	1.00	0.50
<b>Overall 2015/16 Surplus</b>	<b>0.90</b>	<b>6.20</b>	<b>7.10</b>
<b>SCC Share of Surplus</b>	<b>0.80</b>	<b>3.00</b>	<b>3.80</b>

41. The council's share of the surplus for council tax is £0.8M and its share of the business rates surplus is £3.0M, giving a net surplus of £3.8M. These will be taken into account in setting the 2016/17 Council Tax and General Fund Budget. Appendix 7 details the Collection Fund Surplus/Deficit account for 2015/16.
42. It should be noted that a reduction in the bad debt provision of £0.90M is included within the change in surplus for Council Tax of £1.40M. Bad debt provision is based on an estimate of the likely level of bad debts linked to collection rates. A review has been undertaken and this has led to a reduced estimated requirement for 2015/16.

## **RESOURCE IMPLICATIONS**

### **Capital/Revenue**

43. The revenue implications are contained in the report. There are no capital implications.

### **Property/Other**

44. None.

## **LEGAL IMPLICATIONS**

### **Statutory power to undertake proposals in the report:**

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

### **Other Legal Implications:**

46. None.

## **POLICY FRAMEWORK IMPLICATIONS**

47. None.

**KEY DECISION?** Yes

<b>WARDS/COMMUNITIES AFFECTED:</b>	All
------------------------------------	-----

**SUPPORTING DOCUMENTATION**

**Appendices**

1.	Forecast Revenue Position Qtr 2
2.	Portfolio Summaries
3.	Savings Position 2015/16
4.	Health Indicators
5.	Treasury Management Qtr 2
6.	HRA Qtr 2
7.	Collection Fund Qtr 2

**Documents In Members' Rooms**

1.	None
2.	

**Equality Impact Assessment**

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

**Privacy Impact Assessment**

Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.	No
--	----

**Other Background Documents**

**Equality 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.	General Fund Revenue Budget Report 2015/16 to 2017/18 (Approved by Council on 11 February 2015)	

**This page is intentionally left blank**

# Agenda Item 8

## Appendix 1

### GENERAL FUND 2015/16 OVERALL SUMMARY

	Working Budget £M	Qtr2 Forecast £M	Variance £M
<b>Portfolios</b>			
Communities, Culture & Leisure	7.09	7.28	0.69 A
Education and Children's Social Care	38.97	46.72	7.75 A
Environment & Transport	22.31	22.20	0.11 F
Finance	35.60	34.92	0.68 F
Health & Adult Social Care	57.85	60.50	2.64 A
Housing & Sustainability	1.81	1.66	0.15 F
Leader's Portfolio	11.34	10.48	0.85 F
Transformation	0.64	0.64	0.00 F
<b>Sub-total for Portfolios</b>	<b>175.61</b>	<b>184.91</b>	<b>9.30 A</b>
<b>Levies &amp; Contributions</b>	0.63	0.63	0.00
<b>Capital Asset Management</b>	10.23	9.53	0.70 F
<b>Other Expenditure &amp; Income</b>			
Direct Revenue Financing of Capital	0.00	0.00	0.00
Trading Areas (Surplus) / Deficit	(0.02)	(0.02)	0.00
Net Housing Benefit Payments	(0.76)	(0.76)	0.00
Open Spaces and HRA	0.44	0.44	0.00
Risk Fund	4.76	0.00	4.76 F
Contingencies	0.25	0.25	0.00
Addition to / (Draw From) Reserves	0.46	(0.10)	0.56 F
<b>Sub-total for Other Expenditure &amp; Income</b>	<b>5.13</b>	<b>(0.20)</b>	<b>5.33 F</b>
Proposed August Budget Savings	(10.35)	(10.35)	0.00
Transfer to Earmarked Reserves	10.35	10.35	0.00
<b>Net Revenue Expenditure</b>	<b>191.60</b>	<b>194.87</b>	<b>3.27 A</b>
<b>Funded By:</b>			
Addition to / (Draw From) Balances	(7.13)	(7.13)	0.00
Council Tax	(77.27)	(77.27)	0.00
Non-Specific Government Grants & Other Funding	(51.37)	(51.60)	0.23 F
Business Rates	(50.14)	(50.14)	0.00
Council Tax Collection Fund (Surplus) / Deficit	(3.21)	(3.21)	0.00
Business Rates Collection Fund (Surplus)/Deficit	(2.37)	(2.37)	0.00
<b>Total Funding</b>	<b>(191.60)</b>	<b>(191.83)</b>	<b>0.23 F</b>
<b>(SURPLUS)/DEFICIT</b>	<b>0.00</b>	<b>3.04 A</b>	<b>3.04 A</b>

**This page is intentionally left blank**

### KEY REVENUE ISSUES – QUARTER 2

The Portfolio is currently forecast to over spend by **£0.69M** at year-end, which represents a percentage over spend against budget of **10.0%**. The Portfolio forecast variance has moved adversely by **£0.20M** from the position reported at Quarter 1. 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.

	<b>Forecast Variance £M</b>	<b>%</b>	<b>Movement from Quarter 1 £M</b>	<b>%</b>
<b>Communities, Culture &amp; Leisure</b>	<b>0.69 A</b>	<b>10.0</b>	<b>0.20 A</b>	<b>4.7</b>
Potential Carry Forward Requests	0.00		0.00	

A summary of the quarterly movements in the Portfolio forecast variance, are shown in the table below:

Division / Service Activity	<b>Forecast Variance Quarter 2 £M</b>	<b>Forecast Variance Quarter 1 £M</b>	<b>Movement £M</b>	<b>Ref.</b>
Leisure Client	0.09 A	0.11 A	0.02 F	COMM 1
Gallery & Museums	0.09 A	0.19 A	0.10 F	COMM 2
Archaeology	0.08 A	0.00	0.08 A	COMM 4
Social Fund & Property	0.25 A	0.00	0.25 A	COMM 5
Other	0.18 A	0.19 A	0.01 F	
	0.69 A	0.49 A	0.20 A	

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

**COMM 1 – Leisure Client (£0.09M adverse; £0.02M favourable movement)**

**Contractual utility inflation is due on the Active Nation contract.**

**Forecast Range £0.10M adverse to £0.05M adverse**

Additional budget of £0.08M may be sought from the Risk Fund when the cost forecast for utility inflation on the Active Nation contract is more certain. There is a favourable movement of £0.02M compared to Quarter 1.

**COMM 2 – Gallery & Museums (£0.09M adverse; £0.10M movement)**

**There is a shortfall in venue income due to lower visitor numbers than anticipated.**

**Forecast Range £0.35M adverse to £0.15M adverse**

The main variance is a forecast shortfall in income of £0.08M for SeaCity Museum. This includes a draw from the Risk Fund of £0.18M and an adverse movement of £0.06M compared to Quarter 1.

**COMM 3 – Prevention & Inclusion Service (£0.17M adverse; no movement)**

**The cost of children held in secure accommodation by court order pending release or conviction.**

**Forecast Range £0.25M adverse to £0.10M adverse**

As previously reported, additional budget may be sought from the Risk Fund when the cost forecast for children held in secure accommodation is more certain.

**COMM 4 – Archaeology (£0.08M adverse; £0.08M adverse movement)**

**There is an adverse forecast variance due to higher operational costs.**

**Forecast Range £0.10M adverse to £0.05M adverse**

There are higher operational costs forecast that are only partially covered by additional income. Bidding for some anticipated project work from new clients has been unsuccessful. Following a review of the anticipated costs, actions have already been undertaken to reduce spend where possible and this is included within the forecast position.

**COMM 5 – Social Fund & Property (£0.25M adverse; £0.25M adverse movement)**

**There is a forecast over spend due to the withdrawal of external funding**

**Forecast range £0.30M adverse to £0.25M adverse**

Until 31<sup>st</sup> March 2015, the Department for Work and Pensions provided Local Welfare Provision funding to provide transitional support to residents following the end of Crisis Loans and Community Care Grants.

Although the Local Welfare Provision has been withdrawn, cases are still being referred to the Council and the estimated cost of support services this year is £0.38M. £0.13M of this will be met by an approved carry forward of Council funding from 2014/15.

**EDUCATION AND CHILDREN'S SOCIAL CARE PORTFOLIO**

**KEY ISSUES – QUARTER 2**



The Portfolio is currently forecast to over spend by **£7.75M** at year-end, which represents a percentage over spend against budget of **19.9%**. The Portfolio forecast variance has moved adversely by **£1.9M** from the position reported at Quarter 1. All forecasts are constructed from the bottom up through discussions with individual budget holders and are then adjusted to take into account the wider Portfolio view.

	<b>Forecast Variance £M</b>	<b>%</b>	<b>Movement from Quarter 1 £M</b>	<b>%</b>
<b>Education and Children’s Social Care</b>	<b>7.75 A</b>	<b>19.9</b>	<b>1.90 A</b>	<b>32.6</b>
Potential Carry Forward Requests	0.00		0.00	

A summary of the quarterly movements in the Portfolio forecast variance, are shown in the table below:

<b>Division / Service Activity</b>	<b>Forecast Variance Quarter 2 £M</b>	<b>Forecast Variance Quarter 1 £M</b>	<b>Movement £M</b>	<b>Ref.</b>
Divisional Management & Legal	0.73 A	0.47 A	0.25 A	E&CSC1
Quality Assurance	0.21 A	0.14 A	0.07 A	E&CSC2
Specialist Core Services	0.80 A	0.70 A	0.10 A	E&CSC3
Looked after Children & Provision	5.22 A	4.07 A	1.15 A	E&CSC4
MASH & Early Help	0.59 A	0.29 A	0.30 A	E&CSC5
Education – Early Years & Asset Management	0.18 A	0.15 A	0.03 A	E&CSC6
Other	0.02 A	0.02 A	0.00	
	<b>7.75 A</b>	<b>5.84 A</b>	<b>1.90 A</b>	

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

**E&CSC 1 – Divisional Management and Legal (£0.73M adverse; £0.25M adverse movement)**

The over spend on this budget is due to

- the additional cost of Legal Services relating to the placement of children looked after,
- an increase in demand for translation services,
- the unlikelihood of achieving the procurement savings target,
- interim cover for vacant posts and,
- specific project work to assist with reducing the number of children looked after.

**Forecast Range £1.00M adverse to £0.25M adverse**

Interim managers have been required on a short term basis to cover vacant posts and for specific project work to assist with reducing the number of children looked after. The additional cost of interim managers has led to a forecast overspend of £0.21M, and has increased by £0.14M since quarter 1 due in the main to a requirement for additional capacity requirements at service manager level. The provision for agency social workers is forecast to overspend by £0.10M to take account of the anticipated need for additional social work resource over and above the position accounted for within team budgets.

There is a forecast overspend of £0.16M relating to the increase in demand for translation services which has continued from 2014 onwards, and has increased by £0.06M since quarter 1. In addition, a pressure has arisen of £0.15M to reflect the unlikelihood of the portfolio achieving the Council's agreed procurement saving. Managers are still considering how this saving can be achieved.

Finally, the increase in demand for external counsel fees relating to the placement of children has resulted in a forecast overspend of £0.14M on Legal costs.

**E&CSC 2 – Quality Assurance (£0.21M adverse; £0.07M adverse movement)**

**The increasing number of children in care has resulted in an increase in the statutory work undertaken by the Independent Reviewing Officers team.**

**Forecast Range £0.30M adverse to £0.00M adverse**

The increase in statutory work has led to a need for additional capacity within the Independent Reviewing Officers (IRO) team and a forecast overspend of £0.14M within this team. As a result, over & above budgeted interim independent reviewing officer cover is required on a temporary basis during 2015/16. The inability to recruit permanently to management posts has also contributed to this overspend.

The requirement for agency cover within the Data Team has led to a forecast overspend of £0.05M which was not identified at quarter 1.

**E&CSC 3 – Specialist Core Services (£0.80M adverse; £0.10M adverse movement)**

**Agency staff have been employed to cover increasing caseloads and there is an inability to recruit and retain experienced social workers.**

**Forecast Range £1.25M adverse to £0.25M adverse**

As previously reported, the level of vacant social work posts within the Protection and Court Teams (PACT) has been higher than previously anticipated, and agency cover has increased from an average of 12 in quarter 1 to the current level of 15. It is envisaged that the need for agency cover will reduce, (reaching its lowest point of 6 vacant posts covered by agency staff from 1<sup>st</sup> January 2016 until 31<sup>st</sup> March 2016). Agency social workers cost on average twice as much as a permanent social worker.

In addition, increasing caseload numbers have led to a need for interim social workers over establishment. There are currently 8 social workers above establishment, which are forecast to reduce over time with 2 social workers over establishment anticipated from January 2016 onwards.

The adverse movement is due to two factors. Firstly, the number of additional agency social workers over establishment is higher than anticipated, leading to an increase in the forecast overspend of £0.07M. Robust action is being taken to reduce these social work staff, and it is still envisaged that the number of social workers over establishment will reduce down to an average of 3 by quarter 4. Secondly, the annual cost of market supplements for PACT of £0.03M has been reflected within the monitoring position.

#### **E&CSC 4 – Looked after Children and Provision (£5.22M adverse; £1.15M adverse movement)**

**There are significant numbers of children in care above the budgeted level, in particular, in fostering and residential placements with external providers.**

#### **Forecast Range £6.00M adverse to £4.00M adverse**

The increasing number of children requiring specialist support packages has led to a forecast overspend of £1.433M on residential placements, which represents a movement of £0.75M since quarter 1. Since these placements can cost up to £785 per day, (or £899 per day for a civil secure placement), a small increase in the number of children requiring such intensive support can have a significant impact on the financial position.

Management action is being taken to address this overspend, including the establishment of a residential panel to ensure that each placement meets the need of the child in the most cost efficient way.

The forecast overspend of £3.12M on fostering has mainly arisen as a result of an increase in placements from Independent Fostering Agencies (IFA's) (forecast overspend of £2.22M) and SCC foster carers (forecast overspend of £0.62M) than originally anticipated. IFA placements tend to cost between 2 and 3 times as much as an SCC foster placement. The IFA forecast overspend has increased by £0.42M due predominantly to a re-assessment of the anticipated volume of new placements required per month. Further work is currently being undertaken to address this overspend and identify children for re-unification.

There were 41 adoption agency placements that either commenced during the last quarter of 2014-15 or during 2015-16. The ongoing financial liability for these placements has led to a net forecast over spend of £0.51M, after taking into account those placement costs that should be met from the new inter agency adoption fee grant. The cost of these adoption placements is mitigated by avoiding the recurring cost of foster care fees.

The table outlines the activity levels for 2015/16:

Service	Daily Rate Range	Children Numbers							Year End
		Budget	Budget	Actual	Actual	Actual	Actual		
		Apr 15	Mar 16	Jun 2015	Jul 2015	Aug 2015	Sep 2015		
Fostering up to 18	£22 - £91	285	254	330	330	318	312	315	
Independent Fostering Agencies (IFA)	£85 - £275	134	109	164	172	174	170	177	
IFA Parent and Baby Placements	£176 - £324	6	6	5	5	6	6	6	
Inter Agency Fostering Placements	£58 - £127	1	1	1	1	1	1	1	
Supported Placements or Rent	£9 - £54	5	5	5	5	5	3	5	
Residential - Independent Sector	£129 - £785	12	12	14	17	22	22	22	
Civil Secure Accommodation	£713 - £899	1	1	2	2	2	1	0	
<b>Sub-total: Children in Care</b>		<b>444</b>	<b>388</b>	<b>521</b>	<b>532</b>	<b>528</b>	<b>515</b>	<b>526</b>	
Residential (Not Looked After)	£108 - £333	4	4	1	1	1	1	1	
Supported Placements or Rent (Not Looked After)	£9 - £54	1	1	7	7	4	4	4	
Over 18's	£8 - £236	32	56	45	39	41	38	46	
Adoption Allowances	£3 - £38	95	95	88	88	84	86	96	
Special Guardianship Allowances	£2 - £44	115	115	103	105	106	107	108	
Residence Order Allowances	£7 - £22	13	13	14	14	12	13	13	
<b>Total</b>		<b>704</b>	<b>672</b>	<b>779</b>	<b>786</b>	<b>776</b>	<b>764</b>	<b>794</b>	

Figures for CIC exclude disability placements, UASC's and children placed at nil cost (e.g., with parents)

### **E&CSC 5 – MASH & Early Help (£0.59M adverse; £0.30M adverse movement)**

Agency staff have been employed over the established structure to ensure that the statutory requirement to cover caseloads for children in need can be met. In addition, agency staff have been required to cover vacant social work posts within the MASH and Early Help Service.

#### **Forecast Range £0.75M adverse to £0.40M adverse**

An increase in the demand for the Early Help service including the need to cover statutory work for children in need has led to the necessity to recruit additional social workers and assistant team managers over the established structure. It is envisaged that this additional support will only be required on a short term basis.

The adverse position has increased by £0.30M due to a more accurate assessment of the requirement for agency staff working within the Early Help service, together with the cost of market supplements paid to social workers being reflected in the monitoring position for the remainder of the financial year.

A number of management actions are being taken to address this overspend including reviewing the need for agency staff and setting a cap on the rates paid to staff agencies, (based on the grade of the post to be covered).

### **E&CSC 6 – Early Years & Asset Management (£0.18M adverse; £0.03M favourable movement)**

The adverse variance primarily relates to Home to School Transport for Special Schools (HTSTS) due to increased demand.

#### **Forecast Range £0.80M adverse to £0 adverse**

Home to school transport for children attending Special schools is currently forecast to overspend by £0.25M, due to the impact of the continuing increase in school transport numbers and costs at Special Schools. This correlates with the recent increases in capacity at the Special Schools. This adverse variance was partially offset by favourable variances against Asset Management & Capital Strategy team from staff vacancies, (£0.03M) and extra income from broadband charges, (£0.02M) and from more schools buying back the IT service, (£0.02M). The latter is also a favourable movement since quarter 1.

## ENVIRONMENT & TRANSPORT PORTFOLIO

### KEY ISSUES – QUARTER 2

The Portfolio is currently forecast to under spend by **£0.11M** at year-end, which represents a percentage under spend against budget of **0.5%**. The Portfolio forecast variance has moved favourably by **£0.62M** from the position reported at Quarter 1. The 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.

	<b>Forecast Variance £M</b>	<b>%</b>	<b>Movement from Quarter 1 £M</b>	<b>%</b>
<b>Environment &amp; Transport</b>	<b>0.11 F</b>	<b>0.5</b>	<b>0.62 F</b>	<b>2.8</b>
Potential Carry Forward Requests	0.00		0.00	

A summary of the quarterly movements in the Portfolio forecast variance, are shown in the table below:

Division / Service Activity	<b>Forecast Variance Quarter 2 £M</b>	<b>Forecast Variance Quarter 1 £M</b>	<b>Movement £M</b>	<b>Ref.</b>
Domestic Waste Collection	0.60 A	0.49 A	0.11 A	E&T 1
Waste Disposal	0.22 A	0.10 A	0.12 A	E&T 2
E&T Contracts Management	0.55 F	0.28 F	0.27 F	E&T 3
Off-Street Parking	0.06 F	0.15 A	0.21 F	E&T 4
Development Management	0.23 F	0.08 F	0.15 F	E&T 5
Travel	0.21 F	0.04 F	0.17 F	E&T 6
Other	0.12 A	0.17 A	0.05 F	
	<b>0.11 F</b>	<b>0.51 A</b>	<b>0.62 F</b>	

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

**E&T 1 – Domestic Waste Collection (£0.60M adverse; £0.11M adverse movement)**

There is a forecast adverse variance on employee costs.

**Forecast Range £0.70M adverse to £0.50M adverse**

The main adverse forecast variance of £0.40M is the cost of temporary agency cover for staff sickness absences. This is an adverse movement of £0.08M from Quarter 1, as the action plan improvement is taking longer than expected to generate savings.

The action plan for the service, set out in the following table, could improve the forecast position by £0.03M (figure in bold).

<b>Action</b>	<b>Amount Saved/Income increase</b>	<b>Expected Delivery Date of Saving</b>
Improve Supervision to reduce sickness rates and associated agency costs.	A saving of £0.14M has already been taken into account in the forecast.	March 2016
Implement changes to collection arrangements and simplify procedures to improve efficiency and reduce costs.	An improvement of <b>£0.03M</b> over the last 6 months of the year. This is not currently included in the forecast.	March 2016
Garden Waste Collection Service.	Increased income of £0.03M has already been taken into account in the forecast.	March 2016
Online Waste Collection Calendar.	A print saving of £0.02M has already been taken into account in the forecast.	October 2015

**E&T 2 – Waste Disposal (£0.22M adverse; £0.12M adverse movement)**

There are various forecast changes with an adverse overall variance.

**Forecast Range £0.25M adverse to £0.15M adverse**

There are adverse forecast variances on disposal costs at the Civic Amenity Waste Centres of £0.05M and on general collected household waste of £0.08M. There is an adverse movement of £0.08M from Quarter 1 on these disposal costs.

There are also adverse forecast variances on income from profit share of £0.06M and on HWRC income of £0.04M. There is an adverse movement of £0.03M from Quarter 1 on these income areas.

**E&T 3 – E&T Contracts Management (£0.55M favourable; £0.27M favourable movement)**

There are forecast savings on contract indexation and street lighting energy costs and additional income forecasts.

**Forecast Range £0.40M favourable to £0.60M favourable**

There a favourable forecast variance of £0.17M on the PFI Street Lighting contract sum, a favourable movement of £0.06M, due to further contract deductions. Additionally, there is also a favourable forecast variance of £0.12M on the street lighting energy cost, a favourable movement of £0.03M, due to lower consumption.

Reported for the first time, there is a favourable forecast variance on Highways Partnership Third Party Income share (re 2014/15) of £0.10M, as the income is higher than was anticipated. There are new favourable forecast variances on TMA permit income of £0.04M and on a provision for drainage works of £0.05M.

#### **E&T 4 – Off-Street Parking (£0.06M favourable; £0.21M favourable movement)**

**There is a forecast favourable variance due to lower spend on operational costs.**

**Forecast Range £0.10M adverse to £0.10M favourable**

There is a forecast favourable variance due to lower spend on operational costs of £0.09M, reported for the first time. This is due to the impact of the initiative on non-essential spend.

There is an adverse forecast variance on Off-Street Parking income of £0.18M, which is a favourable movement of £0.02M from Quarter 1. The favourable variance on other income, partly from suspended parking bays, of £0.08M is a favourable movement from Quarter 1. There is also a favourable variance on rates of £0.09M, which is unchanged from Quarter 1.

#### **E&T 5 – Development Management (£0.23M favourable; £0.15M favourable movement)**

**There is a forecast favourable variance mainly due to increased income.**

**Forecast Range £0.20M favourable to £0.30M favourable**

There is a favourable forecast variance of £0.14M on income from planning applications, a favourable movement of £0.09M from Quarter 1. This reflects a higher level of applications, including two recent proposed major developments in the City. There are also favourable forecast variances on employee budgets of £0.03M, and on CIL administration fees of £0.04M. Additionally, there is a favourable forecast variance £0.02M from staff charges to PUSH, which is unchanged from Quarter 1.

#### **E&T 6 – Travel (£0.21M favourable; £0.17M favourable movement)**

**There is a forecast favourable variance due to lower Concessionary Fares costs.**

**Forecast Range £0.20M favourable to £0.40M favourable**

The total forecast number of Concessionary Fare journeys and the forecast average fare are being monitored closely throughout the year. At Quarter 2, based upon the current passenger journeys and the calculated average fare, it appears appropriate to forecast a favourable variance on the scheme of £0.20M. This is a favourable movement of £0.15M from Quarter 1.

## FINANCE PORTFOLIO

### KEY ISSUES – QUARTER 2

The Portfolio is currently forecast to under spend by **£0.68M** at year-end, which represents a percentage under spend against budget of **1.9%**. The Portfolio forecast variance has moved favourably by **£0.55M** from the position reported at Quarter 1. All forecasts are constructed from the bottom up through discussions with individual budget holders and are then adjusted to take into account the wider Portfolio view.

	<b>Forecast Variance £M</b>	<b>%</b>	<b>Movement from Qtr 1 £M</b>	<b>%</b>
<b>Finance</b>	<b>0.68M</b>	<b>1.9</b>	<b>0.55F</b>	
Potential Carry Forward Requests	0		0	

A summary of the quarterly movements in the Portfolio forecast variance, are shown in the table below:

Division / Service Activity	<b>Forecast Variance Quarter 2 £M</b>	<b>Forecast Variance Quarter 1 £M</b>	<b>Movement £M</b>	<b>Ref.</b>
Partnership	0.33F	0.19F	0.14F	FIN 1
Finance Service	0.12F	0.00F	0.12F	FIN 2
Business Support	0.14F	0.00F	0.14F	FIN 3
IT	0.07F	0.00F	0.07F	FIN 4
Other	0.02F	0.06A	0.08F	
<b>Total</b>	<b>0.68F</b>	<b>0.13F</b>	<b>0.55F</b>	

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

**FIN 1 Partnership (£0.33M favourable; £0.14M favourable movement)**

**Saving against assumed annual contract uplift / service credits.**

**Forecast range not applicable**



As previously reported a favourable variance of £0.13M has arisen against the Capita contract as the actual annual contract uplift is lower than the percentage increase assumed when the budgets were approved for the year. This revised base has now been reflected in both current and future year's budgets. In addition one-off service credits totalling £0.06M have been received to date as part of the contract performance measurements.

The £0.14M favourable movement has arisen from ongoing contract changes, reflected in current and future year's budgets.

**FIN 2 Finance Service (£0.12M favourable; £0.12M favourable movement)**

**Salary under spends**

**Forecast range not applicable**

The favourable variance reflects salary under spends from vacant posts across the Finance Service

**FIN 3 Business Support (£0.12M favourable; £0.12M favourable movement)**

**Salary under spends**

**Forecast range not applicable**

The favourable variance has arisen following a detailed assessment of the full financial implementation of the new Business Support structure which went live from 1<sup>st</sup> April. The variance reflects the early achievement of the 2016/17 proposed saving achieved from Phase 1 of the Business Support review.

**FIN 4 IT Services (£0.07M favourable; £0.17M favourable movement)**

**Rationalisation of PCs**

**Forecast range not applicable**

The favourable variance has arisen primarily from the managed rationalisation of PCs and laptops across the authority resulting in an in-year saving to SCC.

**HEALTH & ADULT SOCIAL CARE PORTFOLIO**

**KEY ISSUES – QUARTER 2**

The Portfolio is currently forecast to over spend by **£2.64M** at year-end, which represents a percentage over spend against budget of **4.6%**. The Portfolio forecast variance has moved favourably by **£0.29M** from the position reported at Quarter 1. All forecasts are constructed from the bottom up through discussions with individual budget holders and are then adjusted to take into account the wider Portfolio view.

	<b>Forecast Variance £M</b>	<b>%</b>	<b>Movement from Quarter 1 £M</b>	<b>%</b>
<b>Health &amp; Adult Social Care</b>	<b>2.64 A</b>	<b>4.6</b>	<b>0.29 F</b>	<b>-0.5</b>

Potential Carry Forward Requests	0		0	
----------------------------------	---	--	---	--

A summary of the quarterly movements in the Portfolio forecast variance, are shown in the table below:

Division / Service Activity	Forecast Variance Quarter 2 £M	Forecast Variance Quarter 1 £M	Movement £M	Ref.
Long Term	2.49 A	2.32 A	0.17 A	H&ASC 1
Provider Services	0.50 A	0.69 A	0.18 F	H&ASC 2
ICU System Redesign	0.32 F	0.23 F	0.09 F	H&ASC 3
Reablement	0.68 A	0.20 A	0.48 A	H&ASC 4
Adult Services Management	0.44 F	0.22 A	0.66 F	H&ASC 5
ICU Provider Relationships	0.47 F	0.42 F	0.05 F	H&ASC 6
Other	0.20 A	0.16 A	0.04 A	
	<b>2.64 A</b>	<b>2.94 A</b>	<b>0.29 F</b>	

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

**H&ASC 1 – Long Term (£2.49M adverse; £0.17M adverse movement).**

**Volume of care provision that caused an over spend in 2014/15 for this service activity has continued into 2015/16. In addition there will be slippage in the achievement of savings agreed in both February 2014 and February 2015 for reductions in volume of care.**

**Forecast range £2.00M adverse to £3.50M adverse**

As reported at Quarter 1 the Long Term budget is not achieving the previously agreed savings targets for reductions in care. This adverse position has increased in quarter 2 because of the cost of additional Older Persons and Physical Disabilities' packages of £0.23M. This has been offset by a reduction in Learning Disabilities' packages of £0.19M.

The Long Term Care adverse position has further increased since quarter 1 due to additional staffing costs of £0.13M from the requirement to cover vacancies and sickness by temporary staff, in addition there are redundancy and compromise agreement costs and non achievement of the market supplement saving.

**H&ASC 2 – Provider Services (£0.50M adverse; £0.18M favourable movement).**

**The delay in the final outcome of the Kentish Road and Southampton Day Services review has created an adverse variance.**

### **Forecast range £0.10M adverse to £1.00M adverse**

As reported at Quarter 1 the savings associated with the review of Kentish Road and Southampton Day Services are not going to be achieved. Since Quarter 1 the position has moved favourably by £0.09M due to an over achievement of the saving from Woodside Lodge. An additional saving of £0.09M has occurred from a reduction in overtime costs and a staff vacancy.

### **H&ASC 3 - ICU System Redesign (£0.32M favourable; £0.09M favourable movement).**

#### **Savings created from reduction in contract costs and decommissioning**

#### **Forecast range £0.10M favourable to £0.50M favourable**

There is an under spend of £0.23M from various contracts most notably £0.11M from the decommissioning and transition budget. This has increased by £0.06 due to further contract savings and £0.02M from a reduction in staffing hours as well as additional income of £0.01M, which has been received as a contribution towards an existing post.

### **H&ASC 4 - Reablement (£0.68M adverse; £0.48M adverse movement).**

#### **The review of rehabilitation and reablement services saving is unlikely to be achieved**

#### **Forecast range £0.10M adverse to £1.00M adverse**

As previously reported £0.20M of the Rehab and Reablement saving was not expected to be achieved due to the delays whilst the proposals are fully considered and consulted. In line with the cabinet report presented in August the review of the rehab and reablement saving is unlikely to be saved in this financial year but is expected to be achieved in 2016/17 onwards, creating a revised saving shortfall of £0.40M at Quarter 2. There has been additional staffing and agency costs incurred since Quarter 1 of £0.39M to cover sickness and vacant posts held awaiting the outcome of the Rehab and Reablement review. Of this sum £0.31M is within the Single Point of Access and Hospital Discharge Team.

Additional costs of £0.09M have been incurred within City Care, due to the regrading of posts in line with the corporate job evaluation scheme. This has been offset by additional income of £0.13M and savings on supplies, services and travel of £0.08M. The Management team are undertaking a review of agency employment and as part of this they are looking to identify where less costly permanent appointments can be made to reduce the overall pressure/cost.

### **H&ASC 5 – Adult Services Management (£0.44M favourable; £0.66M favourable movement).**

#### **Agency Saving Target forecast not to be achieved offset by Care Act underspend**

#### **Forecast range £0.10M favourable to £0.70M favourable**

The previously reported adverse position of £0.22M was due to the non achievement of the agency saving agreed at Council February 2015. Since Quarter 1 this has been offset by Care Act funding of £0.68M that is funding activity that has already been undertaken and included within the forecast elsewhere in the Portfolio.

### **H&ASC 6 – ICU Provider Relationships (£0.47M favourable; £0.05M favourable movement).**

**The retender of the Supporting People contract has generated a saving**

## Forecast range £0.10M favourable to £0.70M favourable

There have been further savings of £0.06M within the Supporting People contract since Quarter 1. The total forecast saving is now £0.46M. This is a recurring saving which is already included within the 2016/17 budget.

### HOUSING AND SUSTAINABILITY PORTFOLIO

#### KEY ISSUES – QUARTER 2

The Portfolio is currently forecast to under spend by **£0.15M** at year-end, which represents a percentage under spend against budget of **8.2%**. The Portfolio forecast variance has moved favourably by **£0.16M** from the position reported at Quarter 1. All forecasts are constructed from the bottom up through discussions with individual budget holders and are then adjusted to take into account the wider Portfolio view.

	<b>Forecast Variance £M</b>	<b>%</b>	<b>Movement from Quarter 1 £M</b>	<b>%</b>
<b>Housing and Sustainability</b>	<b>0.15 F</b>	<b>8.2</b>	<b>0.16 F</b>	<b>8.8</b>
Potential Carry Forward Requests	0.00		0.00	

A summary of the quarterly movements in the Portfolio forecast variance, are shown in the table below:

Division / Service Activity	<b>Forecast Variance Quarter 2 £M</b>	<b>Forecast Variance Quarter 1 £M</b>	<b>Movement £M</b>	<b>Ref.</b>
Housing Renewal	0.09 F	0.00	0.09 F	H&S 1
Private Sector Housing	0.06 F	0.00	0.06 F	H&S 2
Other	0.00	0.01 A	0.01 F	
	<b>0.15 F</b>	<b>0.01 A</b>	<b>0.16 F</b>	

The CORPORATE issues for the Portfolio are:

#### H&S 1 – Housing Renewal (£0.09M favourable; £0.09M favourable movement).

There is a forecast under spend on staffing due to vacant posts.

Forecast range £0.05M favourable to £0.10M favourable

Three vacant posts have now been identified within Housing Renewal that will not be filled this year. Two of these posts are expected to contribute towards savings proposals for 2016/17. This has resulted in a forecast favourable variance of £0.08M.

In addition to this, a forecast saving of £0.01M has been identified on supplies and services budgets within Housing Renewal, due to the implementation of the essential spend initiative.

**H&S 2 – Private Sector Housing (£0.06M favourable; £0.06M favourable movement).**

**There is a forecast under spend on staffing due to vacant posts.**

**Forecast range £0.05M favourable to £0.07M favourable**

There are two vacant posts within Private Sector Housing that will not be filled this year, resulting in a favourable forecast variance of £0.08M.

However, there is an adverse forecast variance of £0.02M, due to a reduction in income from mandatory licence fees.

**LEADERS PORTFOLIO**

**KEY ISSUES – QUARTER 2**

The Portfolio is currently forecast to under spend by **£0.85M** at year-end, which represents a percentage under spend against budget of **6.9%**. The Portfolio forecast variance has moved favourably by **£0.85M** from the position reported at Quarter 1. All forecasts are constructed from the bottom up through discussions with individual budget holders and are then adjusted to take into account the wider Portfolio view.

	<b>Forecast Variance £M</b>	<b>%</b>	<b>Movement from Qtr 1 £M</b>	<b>%</b>
<b>Leaders</b>	<b>0.85 F</b>	<b>6.9</b>	<b>0.85F</b>	
Potential Carry Forward Requests	0.45F		0.45F	

A summary of the quarterly movements in the Portfolio forecast variance, are shown in the table below:

<b>Division / Service Activity</b>	<b>Forecast Variance Quarter 2 £M</b>	<b>Forecast Variance Quarter 1 £M</b>	<b>Movement £M</b>	<b>Ref.</b>
Central Repairs & Maintenance	0.45F	0.00	0.45F	LPOR 1
Property Portfolio Management	0.06A	0.00	0.06A	LPOR 2

Property Services	0.46F	0.00	0.46F	LPOR 3
<b>Total</b>	<b>0.85F</b>	<b>0.00</b>	<b>0.85F</b>	

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

**LPOR 1 – Central Repairs and Maintenance (£0.45M favourable; £0.45M favourable movement).**

**Slippage of funding associated with Heritage Lottery Fund Bid**

**Forecast range not applicable**

As noted in the previous report a budget has been earmarked within the planned maintenance programme to facilitate a match funding bid to be submitted to the Heritage Lottery Fund to enable improvements to the Art Gallery. It is anticipated that the outcome of the bid and any potential approval of funding may slip into the next financial year. Therefore a carry forward request may need to be submitted at yearend to ensure the match funding is still available to support the bid.

**LPOR 2 – Property Portfolio Management (£0.06M adverse; £0.06M adverse movement)**

**Reductions in Investment Property rental income offset by saving in Property Management fees**

**Forecast range not applicable**

The £0.22M adverse variance on rental income is unchanged. Whilst it is difficult to guarantee income levels, this latest forecast position will be kept under close review with Capita Valuation to ensure that all necessary efforts and actions are being undertaken to ensure that actual rental income levels can be achieved at least in line with budget.

This is now partly offset by a favourable variance of £0.16M on Property Management fees. This represents the early achievement of the 2016/17 proposed saving set out in the 18<sup>th</sup> August Cabinet report, together with a lower level of revaluation work required in the current year.

**LPOR 3 – Property Services (£0.46M favourable; £0.46M favourable movement)**

**Under spends across utility budgets plus impact of spend moratorium and reduced dilapidations costs**

**Forecast range not applicable**

A favourable variance of £0.16M has arisen within Admin Buildings and reflects the early achievement of the 2016/17 proposed saving on utilities costs, together with the impact of the spend moratorium on non-essential spend.

In addition a one-off saving of £0.3M has been identified following a detailed review of potential one-off dilapidations liabilities arising from the vacation of properties occupied by the Council as part of the wider accommodation strategy.

## IMPLEMENTATION OF SAVINGS PROPOSALS

	Total Savings 2015/16		Forecast Shortfall 2015/16		Implemented and Saving Achieved			Not Fully Implemented and Achieved But Broadly on Track			Saving Not on Track to be Achieved		
	Budget £000	Forecast £000	£000	%	%	Budget £000	Forecast £000	%	Budget £000	Forecast £000	%	Budget £000	Forecast £000
<b><u>Portfolio Savings</u></b>													
Children's Services	(1,616)	(1,335)	281	17.4%	12.4%	(200)	(200)	61.9%	(1,000)	(1,000)	25.7%	(416)	(135)
Communities, Culture & Leisure	(424)	(374)	50	11.8%	78.8%	(334)	(334)	9.4%	(40)	(40)	11.8%	(50)	0
Environment & Transport	(4,142)	(4,009)	133	3.2%	78.6%	(3,256)	(3,256)	21.4%	(886)	(753)	0.0%	0	0
Finance	(2,294)	(2,294)	0	0.0%	97.8%	(2,244)	(2,244)	2.2%	(50)	(50)	0.0%	0	0
Health & Adult Social Care	(4,098)	(1,438)	2,660	64.9%	30.2%	(1,238)	(1,238)	0.0%	0	0	69.8%	(2,860)	(200)
Housing & Sustainability	(123)	(123)	0	0.0%	55.3%	(68)	(68)	44.7%	(55)	(55)	0.0%	0	0
Leader's Portfolio	(2,234)	(2,234)	0	0.0%	95.3%	(2,130)	(2,130)	4.7%	(104)	(104)	0.0%	0	0
<b>Sub-Total</b>	<b>(14,931)</b>	<b>(11,807)</b>	<b>3,124</b>	<b>20.9%</b>	<b>63.4%</b>	<b>(9,470)</b>	<b>(9,470)</b>	<b>14.3%</b>	<b>(2,135)</b>	<b>(2,002)</b>	<b>22.3%</b>	<b>(3,326)</b>	<b>(335)</b>
<b><u>Corporate Savings</u></b>													
Business Support	(800)	(800)	0	0.0%	100.0%	(800)	(800)	0.0%	0		0.0%	0	
Agency	(1,000)	(1,000)	0	0.0%	100.0%	(1,000)	(1,000)	0.0%	0		0.0%	0	
<b>Total</b>	<b>(16,731)</b>	<b>(13,607)</b>	<b>3,124</b>	<b>18.7%</b>	<b>67.4%</b>	<b>(11,270)</b>	<b>(11,270)</b>	<b>12.8%</b>	<b>(2,135)</b>	<b>(2,002)</b>	<b>19.9%</b>	<b>(3,326)</b>	<b>(335)</b>

**This page is intentionally left blank**



# Agenda Item 8

## FINANCIAL HEALTH INDICATORS – QTR 2

Appendix 4

### Prudential Indicators Relating to Borrowing

	<u>Maximum</u>	<u>Forecast</u>	<u>Status</u>
Maximum Level of External Debt £M	£727M	£403M	Green
As % of Authorised Limit	100%	55.4%	Green
	<u>Target</u>	<u>Actual YTD</u>	<u>Status</u>
Average % Rate New Borrowing	5.00%	0.0%	Green
Average % Rate Existing Long Term Borrowing	5.00%	3.33%	Green
Average Short Term Investment Rate - Cash	0.48%	0.53%	Green
Average Short Term Investment Rate - Bonds	0.48%	0.86%	Green
Average Long Term Investment Rate - Bonds	1.00%	1.69%	Green
Average Return on Property Fund	2.50%	4.78%	Green

### Minimum Level of General Fund Balances

		<u>Status</u>
Minimum General Fund Balance	£5.5M	
Forecast Year End General Fund balance	£12.8M	Green

### Income Collection

	<u>2014/15 Outturn</u>	<u>Actual YTD</u>	<u>Status</u>
Outstanding Debt:			
More Than 12 Months Old	25%	0.19%	Amber
Less Than 12 Months But More Than 6 Months Old	6%	7%	Green
Less Than 6 Months But More Than 60 Days Old	14%	20%	Green
Less Than 60 Days Old	55%	55%	Green

### Creditor Payments

		<u>Status</u>
Target Payment Days	20	
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	84.6%	Red
* including schools	84.1% *	Red *

### Tax Collection rate

	<u>Target Collection Rate</u>	<u>QTR 2 Collection Rate</u>		<u>Status</u>
		<u>Last Year</u>	<u>This Year</u>	
Council Tax	94.9%	53.30%	54.5%	Amber
National Non Domestic Rates	98.7%	58.01%	58.0%	Amber



### QUARTERLY TREASURY MANAGEMENT REPORT – MONTH 6

#### **1. Borrowing Requirement and Debt Management**

As at the 30 September 2015, the council's overall outstanding long term borrowing was £247M, at an average rate of 3.34% and an average maturity of 23 years, this has fallen by £5M since 1 April due to maturing debt which has not yet been replaced. The total long term debt portfolio is made up of loans from the Public Works Loan Board (PWLB) of £238M and market loans of £9M.

Included within the PWLB portfolio is £35M of variable rate loans, which is currently averaging 0.71% for the year and are helping to keep overall borrowing costs down. Whilst in the current climate of low interest rates this remains a sound strategy, the Council need to review these regularly and if appropriate switching into fixed rate loans if interest rates start to rise rapidly.

The Council does not have any temporary borrowing at present having repaid outstanding balances during 2014/15 and whilst these have remained affordable and attractive, due to our higher than expected level of cash (and subsequent investments) no need has arisen.

As at the 31 March 2015 the Council used £92M of internal resources in lieu of borrowing which has been the most cost effective means of funding past capital expenditure to date. This has lowered overall treasury risk by reducing both external debt and temporary investments. However, this position will not be sustainable over the medium to long term and the Council will need to borrow to cover this amount as balances fall.

Based on the latest Capital update the Council is expected to borrow up to £88M between 2015/16 and 2017/18. Of this £53M relates to new HRA capital spend, £19M for the GF capital spend and the remainder for the refinancing of existing debt and externalising internal debt to cover the expected fall in balances.

No new borrowing has been taken to date and none is expected to be taken until the third quarter of the year and will be assessed in conjunction with the development of the capital programme, cash balances and advice from the Council's treasury advisor.

#### **Budgeted Expenditure**

The interest cost of financing the Authority's long term and short term loan debt is charged corporately to the Income and Expenditure account. The interest cost in 2015/16 of financing the Authority's loan debt is currently expected to be £9.2M compared with an approved estimate of £11M, a saving of £1.8M, of which £0.9M relates to the GF. This is mainly due to variable interest rates being lower than those estimated, no new long term borrowing being taken in either 2013/14 or 2014/15, slippage on the HRA capital programme and deferring any new borrowing to later in the year.

#### **2. Investment Activity**

The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves.

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. Security of capital has remained the Council's main investment objective. This has been maintained by following the Council's counterparty policy as set out in its TM Strategy Statement for 2015/16.

Counterparty credit quality is assessed and monitored with reference to: Credit Ratings; credit default swaps; financial statements, information on potential government support and reports in the quality financial press.

### **Internal investments**

There has been an increase in balances since the beginning of the year (£92M), peaking at £125M in mid- April. Based on previous years the balance will be expected to fall around December when we have traditionally needed to borrow short term from the money markets, however based on projected balances there should be no need to borrow short term if current levels of spend continue, unless we feel it is prudent to protect against possible interest rate rises.

As reported previously, following advice from our advisors Arlingclose, we have invested longer term deposits in covered bonds with a view of investing up to our £35M limit for long term investments (currently £19.1M plus external investment of £7M) to optimise investment income. In addition the Authority has invested £38M in shorter term bonds including £36.5M in corporate bonds as an alternative to fixed term deposits with banks as although the risk of insolvency remains, there is no risk of pre-emptive bail-in by the regulator and corporates are far less geared than banks. These deals will generate around £550K for the year plus and additional £19k from deals we have entered into since the end of the quarter.

The Authority has internal investments amounting to £94.1M, with an average rate of return of 1.23% as detailed in Table 1 below:

**Table 1: Quarter 2 Investments**

<b>Investments</b>	<b>At 30 September 2015 £000</b>	<b>Date of Maturity</b>	<b>Yield %</b>	<b>Rating</b>
<b>Cash</b>				
Standard Life MMF	10,000	Call	0.50	A+
Aberdeen MMF	7,000	Call	0.49	A+
Federated Prime MMF	4,690	Call	0.48	AA-
J P Morgan MMF	2,424	Call	0.46	AA-
Goldman Sachs MMF	44	Call	0.45	AA
Blackrock MMF	2,055	Call	0.45	AA-
Deutsche MMF	38	Call	0.45	AA-
Invesco MMF	15	Call	0.40	AA-
Santander UK Plc	600	Call	0.40	A
HSBC Bank PLC	5,000	Call	0.80	AA-

Barclays Bank PLC	5,000	Call	0.50	A
<b>Total Cash</b>	<b>36,866</b>		<b>0.53</b>	
<b>Corporate Bonds</b>				
Anglian Water Services Financing Ltd	1,449	30/10/2015	0.87	A-
Prudential PLC	5,068	16/11/2015	0.91	A
Network Rail Infrastructure	4,708	27/11/2015	0.53	AA-
Daimler AG	4,941	10/12/2015	0.86	A-
Westpac Banking Corp	2,368	23/12/2015	0.84	AA-
United Utilities Water Ltd	1,347	29/12/2015	1.26	BBB+
Linde Finance BV	4,588	29/01/2016	0.99	A
Yorkshire Building Society Covered Bond	4,031	23/03/2016	0.76	AAA
Heathrow Funding Ltd	4,994	31/03/2016	0.92	A-
Svenska Handelsbanken AB	2,197	26/05/2016	0.95	AA-
Rolls Royce PLC	856	14/06/2016	0.77	A-
<b>Total Corporate Bonds</b>	<b>36,547</b>		<b>0.86</b>	
<b>Other Bonds</b>				
Volkswagen Financial Service NV	1,490	26/05/2016	0.903	A
<b>Total Other Bonds</b>	<b>1,490</b>		<b>0.903</b>	
<b>Long Term Bonds</b>				
Bank of Scotland PLC Covered Bond	3,257	08/11/2016	0.68	AAA
Lloyds Bank Covered Bond	2,005	16/01/2017	0.67	AAA
Nationwide Building Society Covered Bond	1,484	17/07/2017	0.67	AAA
Leeds Building Society Covered Bond	2,002	09/02/2018	0.81	AAA
Barclays Bank Covered Bond	1,001	12/02/2018	0.71	AAA

Yorkshire Building Society Covered Bond	3,234	12/08/2018	1.94	AA+
Leeds Building Society Covered Bond	3,004	01/10/2019	0.94	AAA
European Investment Bank - Bond	1,069	15/04/2025	5.27	AAA
European Investment Bank - Bond	1,054	07/06/2025	5.16	AAA
European Investment Bank - Bond	1,039	07/06/2025	5.49	AAA
<b>Total Long Term Bonds</b>	<b>19,149</b>		<b>1.69</b>	
<b>Total Investments</b>	<b>94,072</b>		<b>1.23</b>	

### **External Managed investments**

On the 30 April 2014 the Council invested £5M in property funds which offer the potential for enhanced returns over the longer term, but may be more volatile in the shorter term. These funds are managed by professional fund managers which allows the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. This investment returned £0.24M in 2014/15, a yield of 5.21% and the net asset value of the fund at 31st March was £5.3M a notional "gain" of £0.3M against initial investment. Whilst recognising the increased risk (as the value of the fund can also go down) due to the strong performance to date an additional £2M was invested on the 30 April 2015, as at the 31 September the sell price of our total investments were valued at £7.35M a notional "gain" of £0.35M against investments. The current quoted dividend yield on the fund is 4.78% and is expected to return £0.33M for the year.

### **Budgeted Income**

The Council does not expect any losses from non-performance in relation to its investments by any of its counterparties. The UK Bank Rate has been maintained at 0.5% since March 2009 and as a consequence short-term money market rates have remained at relatively low levels, investments in Money Market Funds and call accounts currently generated an average rate of 0.53%. Investments in bonds have performed better returning an average of 1.21% for the year to date. The average cash balances during the quarter was £111.3M; these are expected to decline towards the end of the financial year as the incidence of government grant income and council tax income is skewed towards the earlier part of the year.

The Authority's budgeted investment income for the year was estimated at £0.6M, the Authority currently anticipates an investment outturn of £1.1M for the year based on current and committed deals. As reported previously the Authority continues to review investments in suitable longer term financial instruments which will generate a better return, as it is envisaged that there be sufficient cash balances over the medium term.

### **3. Compliance with Prudential Indicators**

The Council can confirm that it has complied with its Prudential Indicators for 2015/16, approved by Full Council on 11 February 2015. Table 2 below summarises the Key Prudential Indicators and performance to date:

**Table 2: Compliance with Prudential Indicators**

Indicator	Limit	Actual at 30 September 2015
-----------	-------	-----------------------------

Authorised Limit for external debt £M	£727M	£328M
Operational Limit for external debt £M	£553M	£328M
Maximum external borrowing year to date		£253M
Limit of fixed interest debt %	100%	82.2%
Limit of variable interest debt %	50%	17.8%
Limit for Non-specified investments £M	£50M	£35M

#### 4. Minimum Revenue Provision (MRP)

The CLG Guidance requires the Authority to approve an Annual MRP Statement each year, and recommends a number of options for calculating a prudent amount of MRP, the Council's strategy was approved as part of the 2015/16 report. However following a review of the guidance the Council has revised this in order to achieve revenue savings whilst still providing a prudent provision.

We will continue to apply set aside capital receipts to reduce the level of MRP which the council needs to set aside from revenue as a prudent provision, as detailed in paragraphs 45 to 48 in the Review of Prudential Limits and Treasury Management Outturn report submitted to Council on 15 July, item 37

<http://www.southampton.gov.uk/modernGov/ieListDocuments.aspx?CId=122&MId=3044&Ver=4>

The impact of these changes is an increased MRP of £0.7M which has been reflected in the forecast position.

**This page is intentionally left blank**



### HOUSING REVENUE ACCOUNT

#### KEY ISSUES – QUARTER 2

The Housing Revenue Account (HRA) is currently forecast to over spend by **£0.33M** at year-end, which represents a percentage over spend against budget of **0.4%**. The portfolio variance has moved favourably by **£0.62M** from the position reported at Quarter 1. The 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.

	<b>Forecast Variance £M</b>	<b>%</b>	<b>Movement from Quarter 1 £M</b>	<b>%</b>
<b>Housing Revenue Account</b>	<b>0.33 A</b>	<b>0.4</b>	<b>0.62 F</b>	<b>0.8</b>
Potential Carry Forward Requests	0.00		0.00	

A summary of the quarterly movements in the Portfolio forecast variance, are shown in the table below:

Division / Service Activity	<b>Forecast Variance Quarter 2 £M</b>	<b>Forecast Variance Quarter 1 £M</b>	<b>Movement £M</b>	<b>Ref.</b>
Supervision & Management	0.30 A	0.32 A	0.02 F	HRA 4
Interest Repayments	0.60 F	0.00	0.60 F	HRA 5
Other	0.63 A	0.63 A		
	<b>0.33 A</b>	<b>0.95 A</b>	<b>0.62 F</b>	

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

**HRA 1 – Responsive Repairs (adverse £0.65M, nil movement)**

**There is an ongoing review of the Housing Operations Division.**

**Forecast range £0.70M adverse to £0.10M adverse**

As previously reported, there is an adverse variance on Responsive Repairs of £0.65M.

It is envisaged that a restructure of the repairs team in 2015/16, and the ongoing implementation of mobile working, will deliver part-year savings and reduce or eliminate the forecast overspend. However, the current forecast is unchanged since Quarter 1.

## **HRA 2 – Dwelling Rents / Voids (adverse £0.63M, nil movement)**

**There will be a shortfall in rental income.**

**Forecast range £0.70M adverse to £0.50M adverse**

As previously reported, there is a forecast shortfall in rental income of £0.63m.

As part of the estimate process, certain assumptions were made as to the size of the housing stock. A larger number of right-to-buy sales than estimated were made during the last few months of 2014/15, which has led to a reduced income from dwelling rents.

In addition, dwelling and hostel voids are higher than estimated – the recently recruited Empty Properties Manager will improve the void turnaround time and thus lower the rental income loss.

## **HRA 3 – Leaseholder Service Charges (favourable £0.65M, nil movement)**

**There has been an increase in Repair & Maintenance work to leaseholder properties.**

**Forecast range £0.50M favourable to £0.70M favourable**

As previously reported, there is forecast additional income from charges to leaseholders.

## **HRA 4 – Supervision and Management (adverse £0.30M, favourable movement £0.02M)**

**A number of minor variances contribute to this figure.**

**Forecast range £0.40M adverse to £0.10M adverse**

There is an adverse variance of £0.30M in Housing Management. This has reduced by £0.02M due to a number of minor changes.

## **HRA 5 – Interest Repayments (favourable £0.60M, favourable movement £0.60M)**

**There is a reduced borrowing requirement for the capital programme.**

**Forecast range £0.50M favourable to £0.80M favourable**

A re-evaluation of the capital programme has resulted in the reduction in the borrowing requirement, and thus reduced the borrowing interest charged to revenue

# Agenda Item 8

## Appendix 7

### COUNCIL TAX COLLECTION FUND REVENUE ACCOUNT FOR YEAR ENDED 31ST MARCH 2016

	Original Estimate	Forecast	Variance Adverse / (Favourable)
<b>Council Tax</b>	<b>2015/16 £000</b>		<b>2015/16 £000</b>
<b>Income</b>			
Income due from Council Tax Payers	(92,771)	(93,191)	(420)
Reimbursement from General Fund for Hardship Fund deductions.	(200)	(200)	0
	<u>(92,971)</u>	<u>(93,391)</u>	<u>(420)</u>
<b>Expenditure</b>			
Southampton City Council Precept	77,270	77,270	0
Hampshire Police Authority Precept	9,255	9,255	0
Fire & Rescue Services Precept	3,611	3,611	0
Distribution of previous year's surplus	3,742	3,742	0
Provision for Bad Debts CT	2,835	1,864	(971)
	<u>96,713</u>	<u>95,742</u>	<u>(971)</u>
CT - Deficit / (Surplus) for the Year	3,742	2,351	(1,391)
CT - Deficit / (Surplus) Brought Forward	(3,742)	(3,270)	472
<b>CT Deficit / (Surplus) Carried Forward</b>	<b>0</b>	<b>(919)</b>	<b>(919)</b>
<b>NNDR</b>			
<b>Income</b>			
Income from NDR Payers	(104,293)	(102,499)	1,794
Apportionment of Previous Years Deficit			
SCC	2,369	2,369	0
DCLG	2,417	2,417	(0)
Hampshire Fire & Rescue Authority	48	48	(0)
	<u>(99,459)</u>	<u>(97,665)</u>	<u>1,794</u>
<b>Expenditure</b>			
Payment to DCLG Transitional Arrangements	0	890	890
Payments to DCLG	47,454	47,454	0
SCC - NNDR Dist to General Fund	46,505	46,505	0
Hampshire Fire & Rescue NNDR Distrib.	949	949	(0)
Allowance to General Fund for NNDR Collection	314	314	(0)
Provision for Bad Debts NNDR	1,500	1,000	(500)
Appeals Provision 15/16	7,572	7,572	0
Appeals Provision Prior Years	0	(7,366)	(7,366)
	<u>104,293</u>	<u>97,318</u>	<u>(6,975)</u>
NNDR Deficit / (Surplus) for the Year	4,834	(347)	(5,181)
NNDR - Deficit / (Surplus) Brought Forward	(4,834)	(5,784)	(950)
<b>NNDR Deficit / (Surplus) Carried Forward</b>	<b>0</b>	<b>(6,131)</b>	<b>(6,131)</b>
<b>Total Deficit Deficit / (Surplus) Carried Forward</b>	<b>0</b>	<b>(7,050)</b>	<b>(7,050)</b>
<b>Council Tax (Surplus)/Deficit</b>			
Contribution (to)/ from SCC		(866)	(788)
Contribution (to)/ from HPA		(104)	(94)
Contribution (to)/ from F&RS		(40)	(37)
Council Tax Collection Fund Balance c/f		<u>(1,010)</u>	<u>(919)</u>
<b>NNDR (Surplus)/Deficit</b>			
Contribution (to)/ from SCC		(3,207)	(3,004)
Contribution (to)/ from DCLG		(3,273)	(3,066)
Contribution (to)/ from HF&R		(65)	(61)
NNDR Collection Fund Balance c/f		<u>(6,545)</u>	<u>(6,131)</u>
Additional Surplus		<u>(4,073)</u>	<u>(3,792)</u>

**This page is intentionally left blank**

# Agenda Item 9

<b>DECISION-MAKER:</b>	CABINET		
<b>SUBJECT:</b>	COURT LEET PRESENTMENTS 2015		
<b>DATE OF DECISION:</b>	18 NOVEMBER 2015		
<b>REPORT OF:</b>	HEAD OF LEGAL AND DEMOCRATIC SERVICES		
<b><u>CONTACT DETAILS</u></b>			
<b>AUTHOR:</b>	<b>Name:</b>	<b>Sue Lawrence</b>	<b>Tel:</b> 023 8083 3569
	<b>E-mail:</b>	susan.lawrence@southampton.gov.uk	
<b>Director</b>	<b>Name:</b>	<b>Richard Ivory</b>	<b>Tel:</b> 023 8083 2794
	<b>E-mail:</b>	richard.ivory@southampton.gov.uk	

## STATEMENT OF CONFIDENTIALITY

None.

## 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 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 6th October 2015 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.

<b>RESOURCE IMPLICATIONS</b>	
<b><u>Capital/Revenue</u></b>	
5.	None.
<b><u>Property/Other</u></b>	
6.	None.
<b>LEGAL IMPLICATIONS</b>	
<b><u>Statutory power to undertake proposals in the report:</u></b>	
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.
<b><u>Other Legal Implications:</u></b>	
8.	None.
<b>POLICY FRAMEWORK IMPLICATIONS</b>	
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.

<b>KEY DECISION?</b>	No.
<b>WARDS/COMMUNITIES AFFECTED:</b>	None

**SUPPORTING DOCUMENTATION**

**Appendices**

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

**Documents In Members' Rooms**

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

**Equality and Safety Impact Assessment**

Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	No
--	----

**Privacy Impact Assessment**

Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.	No
--	----

**Other Background Documents**

**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. |
|----|-------|

**This page is intentionally left blank**



## COURT LEET PRESENTMENTS 2015

No.	SUBJECT	LEAD OFFICER	LEAD MEMBER	PRESENTMENT
1.	<b>Adrian Ford - Failed to attend - For Info only</b>			
	Fly tipping and Street Rubbish	Colin Rowland	Councillor Rayment	There is currently a big problem in the City with fly tipping and littering. Will the Council bring back the City Patrol and allow landlords and small businesses to access the City's recycling centres for free in order to alleviate the problem?
2.	<b>Adrian Ford - Failed to attend - For Info only</b>			
	Irresponsible Landlords	Mitch Sanders	Councillor Payne	There is currently a problem in the City with irresponsible landlords. Will the Council extend the current landlord scheme to include a requirement for all landlords to register and make it an offence not to do so?
3.	<b>Peter Galton</b>			
	Request for a Pedestrian Crossing in St James Road	John Harvey	Councillor Rayment	Having moved into the area eighteen months ago I have seen just how busy St James Road can be. I have driven along St James Road many times over the years, but now that I am living in the area I am more aware of this. I would like to ask the Court Leet if they will give full consideration to my request to see if a new pedestrian crossing can be installed in the area of the Methodist church in St James Road. The fact that there are already pedestrian crossings both ends of St James Road must show that there is a need for a crossing near to the Methodist church.
3.	<b>RESPONSE:</b>			
	The Council receives a high number of requests for highway improvements and with the increasing pressures on funding, we are obliged to prioritise available funds to those that provide the highest benefits relative to their cost. For pedestrian crossings, we have an established investigation procedure, whereby we undertake an initial assessment based on a short count of pedestrian and vehicle traffic at the busiest times of the day. The results are then weighted by other site factors. The initial assessment indicates whether a full study of the site is justified to establish if the Department for			

No.	SUBJECT	LEAD OFFICER	LEAD MEMBER	PRESENTMENT
	<p>Transport guidelines for the provision of these crossings would be met.</p> <p>Sites where the full study meet the criteria are then added to a future Environment and Transport Capital Programme or funded through external funding opportunities as these become available.</p> <p>I have instructed officers to undertake the initial assessment of this site to see whether the location is suitable. They will contact Mr Galton to establish when would be the best time to do this.</p>			
4.	<b>Mr Graham Linecar, Secretary, Southampton Commons and Parks Protection Society</b>			
	Provision of a fenced, surfaced, multi-sports facility in Central Parks	Mike Harris	Councillor Kaur	<p>I make this presentment on behalf of Southampton Commons and Parks Protection Society (SCAPPS) asking the City Council to expedite provision of a purpose built area for kick-about and casual ball games in the Central Parks.</p> <p>There is insufficient provision for informal active recreation in the City Centre. The largest open grass area for informal ball games is in Hoglands Park. It is much used by students and young people from neighbouring housing. It's fine in dry weather but less than satisfactory in wet ground conditions. There is no equivalent provision in the north of the Central Parks, adjacent to Nicholstown and Newtown with a large population of young people.</p> <p>The City Council has in the past few years granted planning permissions for purpose-built student accommodation around the Central Parks. Solent University has had student accommodation at the southern end of the Parks for some years. The University of Southampton opened its Mayflower Halls next to Watts Park 12 months ago. A large block of student accommodation is nearing completion at Charlotte Place and another by conversion from offices in Brunswick Place. All bring large numbers of active young persons to live next to the Parks.</p> <p>Watts Park, Andrews Park and much of Palmerston Park are laid out with ornamental planting – ideal for passive recreation and relaxation but vulnerable to damage from casual, informal ball games. The solution, recognised by the City Council, is to provide a surfaced and fenced area for ball games. Considerable sums have accumulated from Section 106 payments attached to various planning permissions but little progress</p>

No.	SUBJECT	LEAD OFFICER	LEAD MEMBER	PRESENTMENT	
				<p>made in planning and providing this much-needed recreation facility. Please expedite the process of finding a suitable site for a multi-use games area because continuing delay risks damage to attractive planted areas as pressure of use increases. To achieve that diversionary purpose it is no good tucking it away in a remote corner of Hoglands. It needs to be located so it will be used by the increasing number of students resident around Watts and Andrews Parks. SCAPPS would willingly engage with officers to evaluate possible sites.</p>	
<b>4.</b>	<b>RESPONSE:</b>				
	<p>The parks team are currently consulting to establish the key development and improvement priorities for the City's Central Parks from the point of view of both current and potential park users, and relevant organisations and stakeholder groups, to ensure the sums available from developer contributions are spent to the best public advantage. An early emerging priority from consultations to date is a proposal for the development of a multi-use game area (MUGA) or similar facility, for the reasons set out in the Secretary of SCAPPS' presentment.</p> <p>Previous policy has tended to orientate sports and more active leisure provision to Hoglands Park, where there is a history of sports provision dating back to the establishment of the cricket wickets, and more recently supplemented by a skate park, and an informal kick around area. As the presentment makes clear, new student accommodation adjacent to Watts Park and Andrews Park now means that these more formal and ornamental parks areas will in future become the nearest available recreational green spaces for a sizeable student population, in addition to the communities living in Newtown and Nicholstown. The parks team recognises the need to expedite the development of the clear priorities for improvement arising from user consultations, including identifying the sourcing for the additional project management resources necessary to successfully and economically deliver larger infrastructure items. As an early part of the development process, the parks team would welcome the opportunity to engage with SCAPPS and any other relevant stake-holders to identify the optimum location for a potential MUGA development within the City's Central Parks.</p>				
<b>5.</b>	<b>Veronica Tippetts</b>				
	Promoting Southampton: i) Charles Dibden's Spinet	Mike Harris	Councillor Kaur	i) Charles Dibden was born in Southampton in 1745. His father was parish clerk in Holy Rood Church, our City's Merchant Navy Memorial. High over the doorway is	ii) Since 2009 Southampton City Council has supported International Peace Day on 21 <sup>st</sup> September. A flag is raised at the Civic Centre; our Mayor attends ceremony at Queen's

No.	SUBJECT	LEAD OFFICER	LEAD MEMBER	PRESENTMENT	
	ii) Jeremy Gilley – Founder of International Peace Day			<p>a stone plaque which records Dibden’s fame as composer, dramatist and poet. His songs were the solace of sailors on long voyages, in storms and in battles. Not quite jokingly it was said they brought more men in wartime into the Navy than all the press gangs put together.</p> <p>At the annual memorial service this year, our Mayor read his best known song written in honour of his beloved brother who was struck, when at sea, by lightening.</p> <p>Dibden’s spinet used to be on view in Tudor House. There was a time when most junior schools in Southampton took pupils to sing his songs in Tudor House while teachers played the spinet. Captain David Parsons (Chief Exec, Merchant Navy Welfare Board) would surely be pleased if the spinet could be brought out of store.</p>	<p>Peace Fountain.</p> <p>Jeremy Gilley (UNA member) went to school in Portswood. He is founder member of International Peace Day – now supported by 189 nations.</p> <p>2015 is the tenth birthday of Solent University and the 70<sup>th</sup> birthday of UNA. This was founded after World War 2 by five countries to encourage nations to UNITE FOR PEACE. The current chair of the local group is Parvin Damani; current secretary is Margaret Matthews (daughter of Sir James after whom Solent University building is named). The first chair of local group, Herbert Collins, we recognise as architect of peace – think of our “Flower Roads”.</p> <p>There is a plaque in Watts Park, near the Cenotaph to remind us of the 10<sup>th</sup> century leper hospital on this site, with a lectern on COMPASSION.</p> <p>To promote what is best in our City it would be good to have a UNA peace plaque to accompany it, with a lectern on our City’s coat of arms.</p> <p>Elizabeth 1<sup>st</sup> saw Southampton as a gateway to peace. She gave our town the unprecedented right to have Supporters in our Arms. These are two Tudor ships (Trade and Defence), with two gold lions</p>

No.	SUBJECT	LEAD OFFICER	LEAD MEMBER	PRESENTMENT
				<p>symbolising respect and loyalty to queen and country and legendary peacekeeper Josian (wife of legendary 1<sup>st</sup> Earl, Sir Bevois). Elizabeth 1<sup>st</sup> loved the fact that Southampton did not engage in the Wars of the Roses. In our Arms we have red and white roses.</p> <p>She loved the Queen holding the Sword of Justice and the Scales of Equality.</p>
5.	<b>RESPONSE:</b>			
	<p>i) The Spinnet is currently in storage and not in a condition suitable for display. It would be possible to display it in the Art Gallery, but it is currently not a priority for Council resources to get into a better condition.</p> <p>ii) The Council encourages the presenter to work with interested parties to raise the appropriate funding to progress this idea.</p>			
6.	<b>Mr Arthur Jeffery</b>			
	Our Lady of Grace Chapel	Barbara Compton	Councillor Payne	<p>It has been announced that “Inland Homes” are about to develop the Old Town Depot site beside the River Itchen.</p> <p>On this site, at this end of Chapel Road (once a causeway) are the remains of Our Lady of Grace Chapel. This chapel was once a place of pilgrimage for many Christians up to the English Reformation of 1536. Indeed, King Henry VIII was received there as a pilgrim early in his reign (1510) by my namesake, William Jeffrey, the Town Hermit.</p> <p>I charge the City Council to actively seek with Inland Homes a means of preserving this heritage site, along with the medieval grain store nearby. Remember the district of Chapel is named after this historic place.</p>

No.	SUBJECT	LEAD OFFICER	LEAD MEMBER	PRESENTMENT
6	<b>RESPONSE:</b>			
	<p>Inland Homes recognise there is significant archaeology on the site including Our Lady of Grace Chapel. Inland Homes have employed CGMS Planning and Heritage Consultants to investigate on their behalf. This has been done in conjunction with the Council's Heritage Team. This development opportunity is at an early stage and so the detail of how it will be developed is currently not established. The Chapel and other remains on the site are undesignated heritage assets, and currently covered over as they stand, however the developer will be required to carry out an archaeological evaluation and excavate them. The land will need to be raised to provide flood defences so it will not be possible to leave them exposed, however we will be discussing with the developer how these assets can be adequately interpreted and contribute to the design and layout of the development. Plans will be subject to public consultation.</p>			
7.	<b>Martin Brisland</b>			
	SEE Southampton 400 <sup>th</sup> Anniversary for Boats of USA	Mike Harris	Councillor Kaur	<p><b>Who we are</b> My name is Martin Brisland and I am representing SEE Southampton a recently formed Tourist Guild in Southampton. As tourist guides we promote the rich and varied history of the City to an international audience.</p> <p><b>The Presentment</b> With the 400<sup>th</sup> anniversary in 2020 of the departure of the Mayflower and Speedwell ships for America, I am here today to make a presentment on two specific, low cost and easy to achieve actions related to this anniversary.</p> <p>Firstly, SEE Southampton would like to rectify an oversight on the information plaque on the wall at The Westgate. Currently this plaque acknowledges that the Mayflower sailed from here but omits to mention that the Speedwell also departed from The Westgate. As far as we know the Speedwell was a Southampton built ship.</p> <p>SEE Southampton is asking the Court Leet to either add Speedwell to the existing plaque or to produce a new one informing people that the Speedwell set sail from Southampton and was a locally built ship.</p> <p>Secondly, SEE Southampton would like to propose the establishment of a Mayflower and Speedwell flower bed close to the Mayflower Monument.</p> <p>There are just three species of mayflower and over 500 varieties of</p>

No.	SUBJECT	LEAD OFFICER	LEAD MEMBER	PRESENTMENT
				<p>speedwell plants. They can be easily grown throughout the year and require minimal maintenance.</p> <p>The plants are relatively inexpensive in the region of £6.00 and in order to be well established for 2020 work on the flower bed would need to start as soon as possible.</p> <p>SEE Southampton believes such a flower bed would be a fitting commemoration of this significant anniversary which is certain to generate interest from around the world, particularly from visiting Americans with an interest in or connection to the story of The Mayflower. On landing the Pilgrims found an abundance of a small flower near Plymouth Rock which they named Mayflower for their ship. The mayflower is now the state flower of Massachusetts.</p> <p>The flower bed should also contain an information plaque supplementing that which is already on the Westgate sign. This could also make mention of John Alden the only known Sotonian to make the voyage.</p>
7.	<b>RESPONSE:</b>			
	<p>The Council would be happy to erect a replacement plaque – we would encourage the presenter to raise the funds for a replacement plaque, which the City Council would be pleased to install.</p> <p>The development of a flower bed may be well placed on Old Town Quay Park – the presenter could liaise with the Friends of Old Town Quay Park to consider and progress this idea.</p>			
8.	<b>Laurence Hardy - Failed to attend – no presentment supplied</b>			
9.	<b>Becky Lonergan - Failed to attend – no presentment supplied</b>			
10.	<b>Harefield Campaign</b>			
	Harefield Campaign for Bus Service	Paul Walker	Councillor Rayment	<p>We are residents of Harefield. We come here to ask for your help to get a <u>proper</u> bus service for Harefield.</p> <p>In July we heard that our bus, the First number 13, was changing from every 20 minutes, to just once an hour, and the evening service was axed. The change started in September, just as the schools were going back.</p>

No.	SUBJECT	LEAD OFFICER	LEAD MEMBER	PRESENTMENT
				<p>Such is the local concern that over 100 people came to a public meeting held at Woodlands Community College.</p> <p><b>Why it's such a problem?</b></p> <ul style="list-style-type: none"> <li>• Isolation they say is worse for your health than smoking. But these bus changes are driving isolation. People used to be able to 'pop' to Bitterne and beyond for bits of shopping, to meet friends, to go to the library, or to attend groups, organisations and appointments. Now it is a significant journey requiring planning. Buses are randomly late or suddenly early, people miss them for example because the shop keeper in Bitterne was a little slower giving their change, and they miss the bus and are left in the precinct for an hour. Next time they think, unless that journey is crucial, I'll stay at home.</li> <li>• Harefield is very hilly. For older people or people with a disability, walking out of the area to find another service just isn't an option. Older people used to use the bus within the estate, to go to the social afternoons at Meon Court for example, but this now doesn't work with the hourly bus.</li> <li>• Woodlands Community College pupils are hugely affected, many were unaware at the start of term, and the school had 22 children late. Now pupils either arrive 15 minutes late, or have to get up at 6am to catch the earlier bus and then are at school three quarters of an hour too early. In addition, they can't do after school clubs as they can't get home, for example a young woman in Year 11 told us she can't go to the Maths Club that would help with her GCSE's.</li> <li>• Work is impacted too: people have told us they have lost their job as a result of the changes. People can't do overtime as they can't get home in the evening. Young people can't do evening jobs in town because they can't get back, and Sunday workers have no service.</li> <li>• The bus misery is compounded by the bus shelters at three stops being on the wrong side of the road for the route. When it's raining it's too risky to wait in the shelter at the wrong side of the road, waiting to dash back when you see the bus approaching.</li> </ul>



No.	SUBJECT	LEAD OFFICER	LEAD MEMBER	PRESENTMENT
				<ul style="list-style-type: none"> <li data-bbox="996 248 2063 687">The impact is not just on residents, it's on the wider community. We're encouraged to support our families and friends, and people are carers for their relations. We (were) part of the rest of Southampton, with family and friends living in other parts of the City. But now grandmothers can't help out with fetching their grandchildren from school, as they're faced with impossible bus journeys, they can't visit on a Sunday, and families can't get out of Harefield to support their relatives who live on other estates. Agencies are affected, a worker at the RSH said Harefield people were cancelling appointments as it was too difficult to get there. The economy's affected as Harefield people can't get out, like to leisure activities in the evening, as they can't get home.</li> </ul> <p data-bbox="996 715 2047 895">This text we got on Saturday sums it up "we used to use the 13 even several times a day to get our children to and from school and to go to Bitterne shops and town without a problem. The changes and times mean it is very difficult for us to do this now: a really big inconvenience for our family."</p> <p data-bbox="996 900 2007 970"><b>So, what do First Bus have to say about this?</b> They said the change was to do with 'economic viability'.</p> <p data-bbox="996 991 2056 1209">But, on the same day that the 13 to Harefield was cut, First started a new service, number 10, to Thornhill ('up to every 7 minutes') running the same route as the existing Blue Star number 18 (which is every 7-8 mins). Residents see many of these buses running empty, whilst the 13 coming out of town in the afternoon and early evening is now so full it is dangerous, and similar morning issues.</p> <p data-bbox="996 1230 2056 1445">"This is what happened to me last Tuesday. The bus (15.34) was absolutely packed once it arrived in Woolston. A few of us got on, standing room only. A poor old gent had to stand up, one hand holding on and the other hand holding his walking stick. I stood at the very front as it was the only space, dodging the doors every time they opened and shut for the passengers, holding on tight as every corner was so dangerous. The</p>

No.	SUBJECT	LEAD OFFICER	LEAD MEMBER	PRESENTMENT
				<p>hourly service means elderly people having to stand behind others already standing so no one who's sat down can see him to offer him a seat. Thankfully on this occasion he was unharmed. Next time not so lucky. I got to Bentley Green where there was a huge crowd of Woodlands kids waiting to catch the bus home, who had to stand there for nearly an hour. The situation was frustrating, but more so dangerous".</p> <p>How can First justify cutting the Number 13 when it is now dangerously overcrowded, and at the same time starting the new lightly used service 10 in Thornhill, duplicating an existing route?</p> <p><b>To sum up:</b> Harefield is part of Southampton. We're not a village. Our two neighbouring estates (Thornhill and Townhill Park) each have a <u>really</u> regular service. No wonder we feel a forgotten community.</p> <p>What's happened to our bus service is completely at odds with Southampton's Local Transport Strategy, which says that good transport provides positive benefits for society, the economy, the environment and the individual. We know that, we're suffering all the opposites!</p> <p><b>What we are asking the Court Leet:</b> Please ask Southampton City Council to use all the influence it can bring to bear to follow its Transport Strategy and get First Bus to reinstate the 13 as a regular service, or find another bus company who can provide a <u>proper</u> service.</p> <p>Please can you accept this petition of names collected over the summer, and ensure it is passed to the appropriate people? <i>(NB Petition supplied)</i></p>
10.	<b>RESPONSE:</b>			
	The City Council has been working with local bus companies to improve bus services across the City. Funding from central government has been secured to improve bus stop infrastructure, Wi-Fi on buses, next bus announcement and the roll out of			

No.	SUBJECT	LEAD OFFICER	LEAD MEMBER	PRESENTMENT
	<p>the Solent Go smartcard across south Hampshire. Along with this investment all bus companies have invested large amounts to improve the vehicles used which are more modern and less polluting.</p> <p>Bus companies continue to review and develop their networks to ensure that they grow bus ridership and cover their operating costs. Following a review of services this Summer, First identified service 13 as one of the routes that was not covering its operating costs. Following this it was decided that the frequency of bus service 13 would be reduced as this would meet current passengers demand and cover its operating costs. The evening service was carrying few passengers so this was withdrawn as it was not covering its operating costs. With regards to the Sunday service this was withdrawn around a year ago so not a change following the latest service review.</p> <p>Following this service change the City Council has been working with First and other bus operators to see what enhancements may be possible to make the service in Harefield commercially viable but so far it has not been possible to achieve any enhancement. Ongoing discussions are taking place with First and they have agreed to review usage regularly.</p>			
11	<b>Mr Clive Trowbridge</b>			
	Signage at St James Close, Shirley	Nick Cross	Councillor Payne	<p>On many occasions I have been in contact with the managers of the Shirley Housing Office for extra signage at the beginning of the estate such as seen when entering on an industrial estate. The reason being that in the past when an ambulance or emergency vehicle is called it is directed to the estate by satellite navigation and then the driver has to make a guess where to go which in the event of an emergency could mean precious time is lost.</p> <p>If this situation persists any longer without the necessary signage put up and results in a loss of life as a human being I feel obliged to let the immediate family know what I have done in the past. Having said that I implore you to rectify this situation as Southampton City Council has a legal responsibility as landlord to do the right thing. Remember prevention better than cure!</p>
11.	<b>RESPONSE:</b>			
	<p>The Council has recently upgraded the block signage in St James Close following consultation with residents. This included clearer signage on the block numbers to aid people finding the right property. It is not felt that adding a large sign at the entrance is necessary to aid navigation.</p>			

No.	SUBJECT	LEAD OFFICER	LEAD MEMBER	PRESENTMENT
<b>12.</b>	<b>Mr Clive Trowbridge</b>			
	Signage at Civic Centre for Disabled	Rodger Hawkyard	Councillor Letts	On many occasions I have entered the Civic Centre by the main steps and it is obvious to me that at the base of the steps there is only a handrail which goes from the bottom of the steps to the top of the steps and no signage at the base of the stairs, also there is no bell to push or telephone number to ring for assistance for the disabled or wheel chair bound. However, by my observation an entrance is nearby but there is no signage to navigate the disabled or wheel chair bound to it from the base of the stairs. Having got to the door there is no button to push for the electric door to open from the outside only relying on passers-by and using their good nature to open from the inside. Clearly this is no joke when it is pouring with rain and nobody is near to open the electric door. I respectfully ask for this to be rectified for the benefit of the wheel chair bound and disabled.
<b>12.</b>	<b>RESPONSE:</b>			
	Signage will be reviewed to better guide members of the public to the two accessible entrances either side of the car park, east and west. These doors are automatic and open when approached on either side i.e. entering or leaving the Civic Centre. However, the east door has had some operation issues and does not always work. This has been investigated and an order has been placed to replace the entire door.			
<b>13.</b>	<b>Mr Clive Trowbridge</b>			
	Housing for the Disabled	Nick Cross	Councillor Payne	On many occasions I have witnessed every year on the nearest Sunday to the 11 <sup>th</sup> of November of the year Southampton City Council as a whole pays respect and tribute to the dead and disabled at the Cenotaph through war and conflicts throughout the years.  Having said that it would show respect to the disabled service men and women if and when the new ground floor flats at St James Close, Shirley along with other disabled people, were to take over the flats on a permanent basis when the people there have found suitable accommodation as they have helped to protect us in the past.

No.	SUBJECT	LEAD OFFICER	LEAD MEMBER	PRESENTMENT
13.	<b>RESPONSE:</b>			
	The Council developed the ground floor flats at St James Close following agreement by Cabinet in 2014 to develop more homes as temporary accommodation and there is no proposal to change this accommodation at this time.			
14.	<b>Mr Clive Trowbridge</b>			
	Temporary Housing Department	Nick Cross	Councillor Payne	Would the Council consider amalgamating the temporary housing unit into the housing department in the bid to save money!
14.	<b>RESPONSE:</b>			
	The Council's Homelessness section is already part of the Housing Services Department.			
15.	<b>Marian Hubble</b>			
	Telephone Reception at Civic Centre	Chez Stewart	Councillor Letts	<p>Please could we have a manned telephone reception system re-installed at the Civic Centre?</p> <p>When a call is made to the City Council a disembodied voice asks for the name or number or department required.</p> <p>On many occasions one doesn't know who, what or where is the appropriate destination for one's query. Until recently a kindly receptionist would guide one to a person who would be able to assist the caller. Please may we have our receptionist back?</p>
15.	<b>RESPONSE:</b>			
	<p>The automated switchboard was implemented alongside a number of projects in 2013. There are approximately 7000 calls to the switchboard each month and around 70% of these calls are successfully routed through the automated switchboard. However, if a caller's request isn't recognised, they will be automatically passed through to a Customer Services agent to assist with the enquiry – currently this is typically answered within 19 seconds. The move to the automated switchboard is part of a range of measures designed to reduce the cost to service and enable customers to self-serve across a range of services. Where customers are unclear who to ask for they should still be able to get assistance from a Customer Services agent if their request on the automated service isn't recognised.</p> <p>We have recently refreshed the website and working to make it even easier for customers to find out information, apply for and pay for services online without the need to telephone. This is also reducing the number of calls to the automated service.</p>			

No.	SUBJECT	LEAD OFFICER	LEAD MEMBER	PRESENTMENT
16.	<b>Marian Hubble</b>			
	Bus Station in City	Paul Walker	Councillor Rayment	<p>Southampton City needs a bus station. We have been told many times by the Council that one is not required but this is not the case.</p> <p>The University Interchange is an easy and convenient place for passengers to use. Vincent's Walk is inappropriate for an interchange situated as it is right next to a children's play area. Large numbers of buses lumber through in both directions, sometimes they are double parked.</p> <p>There is no designated crossing; it is necessary to pass between, sometimes moving, buses in order to reach the bus one needs.</p> <p>Information is not clearly available.</p> <p>West Quay host a multitude of buses. They are, from time to time, double stopped because of the concentration of vehicles. Although there is a crossing, people and passengers frequently dodge through the traffic.</p> <p>Information is difficult to find.</p> <p>It must be a nightmare for strangers to our City to try to find their way around by bus. It is often difficult for a dedicated bus user to locate the correct bus stop.</p> <p>Is it not possible to make available land to the south of the station for use as a public transport hub so that an integrated system for trains, buses and coaches might be developed?</p> <p>We need to consider the safety and convenience of our travelling residents if we wish them to use public transport and reduce the number of cars coming into the City.</p>
16.	<b>RESPONSE:</b>			
	<p>Southampton did have a bus station which was located where the Marlands shopping centre now stands. This was used by out of City buses but not those that currently use Vincent's Walk which is mainly the City services. Following various changes to the City Centre the shopping destination has moved further south of the old location.</p> <p>Considerable changes are planned for the City Centre as part of the City Centre Masterplan. Bus interchange arrangements will be reviewed as a result of the need to provide greater capacity in the future. The bus will however play an even larger</p>			

No.	SUBJECT	LEAD OFFICER	LEAD MEMBER	PRESENTMENT																																																																				
	<p>role than it does now as a result of the anticipated increased demand for travel. On some corridors into the City the bus already carries as much as 37% of all City travellers. This illustrates just how big a role the bus already plays in supporting the vitality and viability of the City Centre.</p> <p>As part of the City Centre Masterplan an improved interchange arrangement will be identified creating a focus for services within a viable City Centre. It is likely that this provision will concentrate around the Vincent's Walk/Pound Tree Road area which will need to be remodelled to allow for the additional buses the City Centre will need to accommodate. Increased capacity at this location will enable the number of ad-hoc bus layover areas in the City Centre to be reduced.</p> <p>In terms of the future, demand for bus services is forecast to increase by 60% by 2026. Table 1 summarises the City Council's modelled forecast increase in demand for the AM peak period.</p> <table border="1"> <thead> <tr> <th rowspan="2">Corridor</th> <th>2006</th> <th colspan="2">2026</th> <th colspan="2">Long Term</th> </tr> <tr> <th>Demand</th> <th>Demand</th> <th>Increase</th> <th>Demand</th> <th>Increase</th> </tr> </thead> <tbody> <tr> <td>Waterloo Road</td> <td>344</td> <td>624</td> <td>81%</td> <td>736</td> <td>114%</td> </tr> <tr> <td>Shirley Road</td> <td>695</td> <td>917</td> <td>32%</td> <td>1,082</td> <td>56%</td> </tr> <tr> <td>Carlton Road</td> <td>83</td> <td>111</td> <td>34%</td> <td>131</td> <td>58%</td> </tr> <tr> <td>The Avenue</td> <td>446</td> <td>617</td> <td>38%</td> <td>729</td> <td>63%</td> </tr> <tr> <td>Bevois Valley Road</td> <td>275</td> <td>590</td> <td>115%</td> <td>697</td> <td>153%</td> </tr> <tr> <td>Northam Road</td> <td>657</td> <td>1,218</td> <td>85%</td> <td>1,437</td> <td>119%</td> </tr> <tr> <td>Itchen Bridge</td> <td>874</td> <td>1,265</td> <td>45%</td> <td>1,493</td> <td>71%</td> </tr> <tr> <td>Internal</td> <td>35</td> <td>90</td> <td>157%</td> <td>106</td> <td>203%</td> </tr> <tr> <td>Total</td> <td>3409</td> <td>5432</td> <td>59%</td> <td>6,411</td> <td>88%</td> </tr> </tbody> </table> <p>Table 1: Estimated Growth in Bus Demand, 0800-0900</p> <p>To cope with the forecast growth in demand, bus operators will clearly need to increase the capacity offered; this can be by the use of higher capacity vehicles, by increasing frequencies, by introducing new services or by a combination of these measures. Where it is envisaged that service frequencies will be increased or new services introduced, this will impact on the City Centre stop capacity requirements.</p> <p>Our analysis of current bus stand requirements indicates that if consolidation of existing bus movements and stand time in the City Centre were to take place (i.e. if services on similar corridors departed from similar stops, and some rationalisation in the number of stops required took place) then the existing services could be accommodated into 22 City Centre bus stands, with a small requirement for dedicated layover and no double-heading at stops being necessary. At present there are 26 bus stops in the City Centre suitable for bus layover, located around Bargate/Portland Terrace and Vincent's Walk/Pound Tree Road.</p>				Corridor	2006	2026		Long Term		Demand	Demand	Increase	Demand	Increase	Waterloo Road	344	624	81%	736	114%	Shirley Road	695	917	32%	1,082	56%	Carlton Road	83	111	34%	131	58%	The Avenue	446	617	38%	729	63%	Bevois Valley Road	275	590	115%	697	153%	Northam Road	657	1,218	85%	1,437	119%	Itchen Bridge	874	1,265	45%	1,493	71%	Internal	35	90	157%	106	203%	Total	3409	5432	59%	6,411	88%			
Corridor	2006	2026		Long Term																																																																				
	Demand	Demand	Increase	Demand	Increase																																																																			
Waterloo Road	344	624	81%	736	114%																																																																			
Shirley Road	695	917	32%	1,082	56%																																																																			
Carlton Road	83	111	34%	131	58%																																																																			
The Avenue	446	617	38%	729	63%																																																																			
Bevois Valley Road	275	590	115%	697	153%																																																																			
Northam Road	657	1,218	85%	1,437	119%																																																																			
Itchen Bridge	874	1,265	45%	1,493	71%																																																																			
Internal	35	90	157%	106	203%																																																																			
Total	3409	5432	59%	6,411	88%																																																																			

No.	SUBJECT	LEAD OFFICER	LEAD MEMBER	PRESENTMENT																																											
	<p>Discussions have taken place with the major operators in the City, First and Go South Coast, and each operator has provided their best estimates of the number of buses they would operate to meet the demand forecasts for 2026 and the longer term. This data is commercially confidential and is therefore not reproduced in this report; we have however, modelled the source data to determine future bus stop requirements in the City Centre and this information is shown in Table 2.</p> <table border="1"> <thead> <tr> <th>Corridor</th> <th>Now</th> <th>2026</th> <th>Long Term</th> </tr> </thead> <tbody> <tr> <td>Millbrook</td> <td>4</td> <td>4</td> <td>4</td> </tr> <tr> <td>Shirley</td> <td>3</td> <td>3</td> <td>3</td> </tr> <tr> <td>Hill Lane</td> <td>1</td> <td>1</td> <td>1</td> </tr> <tr> <td>Bassett</td> <td>2</td> <td>3</td> <td>3</td> </tr> <tr> <td>Portswood</td> <td>3</td> <td>4</td> <td>4</td> </tr> <tr> <td>Bitterne</td> <td>2</td> <td>4</td> <td>5</td> </tr> <tr> <td>Woolston</td> <td>4</td> <td>5</td> <td>6</td> </tr> <tr> <td>Other</td> <td>3</td> <td>3</td> <td>3</td> </tr> <tr> <td>Total</td> <td>22</td> <td>27</td> <td>29</td> </tr> </tbody> </table> <p>Table 2: Estimated Future City Centre Bus Stand Requirements</p> <p>As Table 2 shows, there will be a requirement for an additional five stops in 2026 and seven in the longer term. Reorganisation of the stop patterns and capacity will be necessary to accommodate this expected growth, and the key challenge may be the ability to consolidate buses with common destinations at adjacent City Centre stands.</p> <p>The City Council is embarking on the development of Super Stops - a high quality upgraded bus stop with superior facilities that might be expected on a high quality bus corridor, such as a bus rapid transit system or a tram stop. It is assumed that when specifying a Super Stop there is scope to apply preferred, rather than minimum, design standards.</p> <p>A typical Super Stop should be provided with:</p> <ul style="list-style-type: none"> <li>■ Bus stop design to Southampton Legible City standard including real time passenger information display, printed timetable and service information, local map and way finding.</li> <li>■ High visibility bus stop flag and pole with appropriate and consistent branding.</li> <li>■ Superior passenger waiting facilities including shelter with seating and litter bin. The shelter size should reflect typical peak demand – the minimum recommended length based on Transport for London (TfL) standards for their Landmark shelter is three panels, each of 1.3m (i.e. 3.9m) with a 1.3m full width roof. At the design stage a minimum footprint of approximately 4m by 1.5m should therefore be considered.</li> </ul>				Corridor	Now	2026	Long Term	Millbrook	4	4	4	Shirley	3	3	3	Hill Lane	1	1	1	Bassett	2	3	3	Portswood	3	4	4	Bitterne	2	4	5	Woolston	4	5	6	Other	3	3	3	Total	22	27	29			
Corridor	Now	2026	Long Term																																												
Millbrook	4	4	4																																												
Shirley	3	3	3																																												
Hill Lane	1	1	1																																												
Bassett	2	3	3																																												
Portswood	3	4	4																																												
Bitterne	2	4	5																																												
Woolston	4	5	6																																												
Other	3	3	3																																												
Total	22	27	29																																												



No.	SUBJECT	LEAD OFFICER	LEAD MEMBER	PRESENTMENT
				<ul style="list-style-type: none"> <li>■ Interactive audio help points to replicate similar such facilities at tram stops and railway stations.</li> <li>■ A Wi-Fi hotspot if public transport bus stop departure times can be accessed via mobile phones.</li> <li>■ Strong pedestrian links to key attractors.</li> <li>■ An enhanced maintenance regime to maintain the quality feel of infrastructure investment.</li> <li>■ A wider footway to reduce pedestrian congestion around the bus stop waiting area. Dept of Transport (DfT) inclusive mobility guidance recommends 4.5 to 5m, with an absolute minimum of 3m. In a City Centre location where pedestrian flows are high the recommended width of around 4.7m should be adopted as the basis for good design.</li> <li>■ Sufficient pedestrian movement space adjacent to aid unobstructed movement of high pedestrian flows.</li> <li>■ A higher kerb to reduce the step height between the bus and the footway, minimum 125mm.</li> <li>■ Higher quality footway and carriageway paving materials.</li> <li>■ A clearly defined carriageway area – a bus stop cage marking of sufficient length to enable buses access close to the kerb. Minimum of 15m per bus if unobstructed (to cater for maximum likely vehicle lengths); where parking regularly occurs on entry to the stop a taper length of 13m should be provided, and to protect the exit there should be an exit taper of 9m.</li> <li>■ An “at any time” 24 hour Monday to Sunday bus stop clearway with an appropriate enforcement regime.</li> </ul>
17.	<b>Jean Velecky</b>			
	Ditches and Paths on Southampton Common	John Horton	Councillor Rayment	<p>I have noticed that vegetation is no longer being cut back from ditches on Southampton Common. As a result they have become very overgrown, and orchids which used to grow along the ditches have disappeared.</p> <p>In addition, some of the narrower tarmac paths such as the one called Pointout Path, are being further narrowed by the adjacent vegetation.</p> <p>I realise that there is a manpower shortage, but Common users would appreciate it if these matters could be attended to.</p>
17.	<b>RESPONSE:</b>			
	It is current practice to leave the vegetation on the sides of the ditches on Southampton Common to slow down the water flow so wider and deeper channels are not cut through. This practice also helps with providing a benign habitat for			

No.	SUBJECT	LEAD OFFICER	LEAD MEMBER	PRESENTMENT
	<p>amphibians. Some years ago, all ditches on the Common were regularly cut back on either side and cleaned out along the bottom. Current resource levels would no longer allow a systematic cutting and clearing out of all Common ditches to take place on an annual basis. On the whole vegetation does not grow from the bottom of the ditches as the water suppresses this. Vegetative growth is monitored and cut back as required if found to be causing blockages.</p> <p>Orchids are a valued part of the Common's flora, and in those areas where the maintenance programmes applicable to ditches and adjacent areas can be modified to encourage their presence, such modifications will be incorporated into the Common's routine maintenance programmes.</p> <p>The current general maintenance principle for tarmac paths on Southampton Common is that (allowing for occasional deviations due to adjacent ditches and tree boles) at least one mower width (1.4m) of cut grass will be maintained at the path edge. There is an exception to this practice in some path areas that directly abut one of the ten principal wildlife conservation areas designated within the original Common 20 year plan. This plan was produced as a requirement of the Common's status as a Site of Special Scientific Interest (SSSI). Some path areas adjacent to these principal conservation areas are maintained more sensitively by manually pruning back adjacent vegetation to ensure it does not obstruct any areas of the tarmac pathway, or interfere with the free access and movement of members of the public. Any areas of path edging that do not currently comply with the above principles will be attended to by the end of November.</p>			
18.	<b>Lindsi Bluemel, Secretary of Southampton Cycling Campaign</b>			
	Upgrading of Cycling Path	Dale Bostock	Councillor Rayment	<p>This presentment is made on behalf of local cyclists.</p> <p>At the top of Hill Lane there is a mini roundabout at the junction with Burgess Road followed by a major roundabout at the junction with Winchester Road. Cyclists from the west travelling up Winchester Road and wishing to access the University, Cantell School, St Anne's School or the City Centre will undoubtedly do so via the Common. In order to access the Common they currently have to negotiate the major and mini roundabouts.</p> <p>However, there is an alternative. There is a turning point on the south side of Winchester Road just before the roundabout which is a part of the original Burgess Road and it joins Hill Lane just south of the mini roundabout by the pedestrian crossing. Currently cyclists cannot use this route legally as a short section of the road behind the garage (now</p>

No.	SUBJECT	LEAD OFFICER	LEAD MEMBER	PRESENTMENT
				<p>Sainsbury's Local, I think) is paved over and vehicles of any sort, including bicycles, are prohibited.</p> <p>I am here this morning to request that this section of path be upgraded to a shared pedestrian / cycle route to enable cyclists to access the Common and Hill Lane without negotiating the two roundabouts. This is a route to school for some children and we have a duty to make it as safe for them as possible. This matter was raised several years ago with the Cycling Officer and Highways Team and initially their response was positive. We were subsequently told that one resident objected and therefore the upgrading of the path has never taken place. However, I am sure that if you were a parent with a child cycling to Cantell or St Anne's schools, this is the route you would advise them to take and undoubtedly many of them, along with some adult cyclists, do take this route, I do not therefore believe that the number of cyclists using this route would significantly increase; it would simply mean that they are able to use it legally.</p>
18.	<b>RESPONSE:</b>			
	<p>The section of footway referred to currently is for pedestrian use only and provides a link between Hill Lane and the Common with Burgess Road. This would also benefit cyclists wishing to avoid the two roundabouts. A proposal was considered several years ago and was not proceeded due to objections from a resident on the grounds of the width, visibility, and close proximity to dwellings.</p> <p>We will add this proposal to our Transport Scheme List for future consideration for a scheme feasibility proposal as and when funding is available.</p>			

**This page is intentionally left blank**

<b>DECISION-MAKER:</b>	CABINET		
<b>SUBJECT:</b>	SOUTHAMPTON FAIRNESS COMMISSION REPORT AND RECOMMENDATIONS		
<b>DATE OF DECISION:</b>	18 NOVEMBER 2015		
<b>REPORT OF:</b>	CABINET MEMBER FOR COMMUNITIES, CULTURE AND LEISURE		
<b><u>CONTACT DETAILS</u></b>			
<b>AUTHOR:</b>	<b>Name:</b>	Sara Crawford	<b>Tel:</b> 023 8083 2673
	<b>E-mail:</b>	sara.crawford@southampton.gov.uk	
<b>Director</b>	<b>Name:</b>	Suki Sitaram	<b>Tel:</b> 023 8083 2060
	<b>E-mail:</b>	<a href="mailto:suki.sitaram@southampton.gov.uk">suki.sitaram@southampton.gov.uk</a>	
<b>STATEMENT OF CONFIDENTIALITY</b>			
None.			
<b>BRIEF SUMMARY</b>			
<p>The Southampton Fairness Commission is an independent and entirely voluntary body. It was set up in December 2013 to gather evidence and inform priorities on how to make the city a fairer place to live and work. It is due to formally publish its key findings and recommendations in its Final Report in late November 2015.</p> <p>Southampton is the one of the largest cities in the South East and has huge economic potential. However, not all local people enjoy the benefits. There are huge differences in life chances, experiences and outcomes between our more affluent residents, neighbourhoods and communities and the most deprived, as well as between some areas in the city and regional or national averages.</p> <p>For example:</p> <ul style="list-style-type: none"> <li>• According to Nomis (2015), the best-paid jobs in the city are held by in-commuters. In 2014, the average gross weekly pay by residence was £487.40 per week compared to £547.00 by workplace. The average annual gross earnings of resident workers in Southampton was £24,913 in 2014. This is lower than for England at £27,500 and the South East at £29,903.</li> <li>• A recent Crisis report (March 2015) identified benefit sanctions for Jobseeker's Allowance (JSA) claimants are particularly prevalent in Southampton. The local Job Centre is in the top three in the UK for highest use of sanctions, with 11.9 sanctions per 100 claimants in March 2014. Only Test Valley and Richmondshire have higher rates at 12% and 15.4 respectively.</li> <li>• HMRC data identifies nearly a quarter of children (9,830) live in poverty in the city and this figure rises to almost 40% in one of our most deprived wards.</li> <li>• There are significant health inequalities in the city. People die earlier in the most deprived areas of Southampton – men by 6.7 years and women by 3.2 years.</li> </ul> <p>The Southampton Fairness Commission has considered a range of evidence and developed a set of recommendations aimed at making Southampton a fairer city. It urges key partners, including the city council, to work together in affirming commitments to the delivery of the recommendations.</p>			

<b>RECOMMENDATIONS:</b>	
(i)	The Cabinet supports the recommendations of the Southampton Fairness Commission and commits the City Council to work with Southampton Connect and other partners to implement them.
<b>REASONS FOR REPORT RECOMMENDATIONS</b>	
1.	The Southampton Fairness Commission was set up at the request of Southampton City Council and has built on and brought a new perspective and expertise to work in tackling poverty, inequalities and community cohesion.
2.	One of the key principles of the Southampton Fairness Commission was that 'consensus and innovation among Southampton's public, private and voluntary sectors should bring about lasting solutions to inequality'. Therefore its recommendations require a multi-agency, city-wide approach of which Southampton City Council is a partner.
<b>ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</b>	
3.	To not support the recommendations of the Southampton Fairness Commission - this is not recommended as Southampton City Council is an identified partner, and it initiated and supported the establishment of a Fairness Commission in the city.
<b>DETAIL (Including consultation carried out)</b>	
4.	The commitment to establish a Fairness Commission for Southampton was included in the 'Southampton Transition Plan: The first 100 days (May 16th 2012- August 2012)' and was endorsed by Cabinet on 18 <sup>th</sup> June 2013.
5.	The Southampton Fairness Commission is an independent and entirely voluntary body. It was set up in December 2013, to look into how to make the city a fairer and more equal place to live and work. The Commission has undertaken an extensive programme of consultation and engagement over 2014/2015. It has used a range of methods including; collection and analysis of 'fairness' data, (and commissioning additional research where there were gaps), visiting local groups, undertaking face to face interviews and surveys, attending discussions, debates and events and holding a series of public meetings covering key themes.
6.	The Commission has worked with a wide cross-section of contributors including; community representatives and advocates, local agencies and specialist workers, experts and academics and most importantly - residents of Southampton. It has used a range of methods to gather evidence, inform priorities and test its recommendations. The Commission considered the wider structural issues and made a conscious decision to focus on those areas where it can make the biggest difference at a local level. The Commission also recognises there is much good work already under way in the city to improve the lives of those who are most disadvantaged, and has assumed this will continue.
7.	The Commission has identified 13 recommendations covering the following themes: <ul style="list-style-type: none"> <li>• Fairer Employment</li> <li>• Fairer Living</li> </ul>

	<ul style="list-style-type: none"> <li>Fairer Organisations and Fairer Communities.</li> </ul>
8.	<p>Fairer Employment:</p> <ol style="list-style-type: none"> <li>Create a 'Great Place to Work' city with commitment from employers, including the promotion of the Living Wage (set by the <i>Living Wage Foundation</i>) and recognise achievements at an annual award ceremony.</li> <li>Establish a comprehensive support service designed to help people deal with involuntary self-employment, fairly and safely - e.g. dealing successfully with HM Revenue and Customs (HMRC), insurance, cash flow, credit control and VAT.</li> <li>Establish a tactical fund to address urgent skills shortages in the local labour market; to be allocated by a representative group of employers and employee representatives, to be financed by pooled contributions from strategic funders – Skills Funding Agency (SFA), Solent Local Enterprise Partnership (LEP), Department for Work and Pensions (DWP) and their contracted providers.</li> </ol>
9.	<p>Fairer Living:</p> <ol style="list-style-type: none"> <li>Increase the availability of affordable and good quality housing by using alternative funding mechanisms outside public sector constraints to build new homes and exploit under-used resources such as empty properties, self-build and container conversions. This should also provide local employment opportunities.</li> <li>Encourage our citizens to take individual responsibility for healthier lifestyles and all agencies to take collective action to support this through citywide campaigns to reduce smoking, drinking and obesity.</li> <li>All health and social care commissioners should ensure that contracts with providers require them to demonstrate that they have taken action to achieve equity of outcomes. The Health and Wellbeing Board must monitor inequalities and take actions to address them.</li> <li>Improve access to, and awareness of financial services for all by building capacity in community finance institutions and initiatives e.g. Credit Unions and user-friendly local banking.</li> <li>Improve the ability of people to manage money better by: <ol style="list-style-type: none"> <li>Promoting and providing learning modules for debt and money management in schools and colleges.</li> <li>Developing and implementing a programme to increase awareness of and fair access to welfare entitlements, particularly linked to key life-transition points.</li> </ol> </li> <li>Improve accessibility to integrated transport by actively: <ol style="list-style-type: none"> <li>Supporting social enterprise solutions to improve local transport, particularly in non-commercial routes.</li> <li>Taking a more strategic approach to market failures in transport, particularly bus routes and frequency of key bus services.</li> </ol> </li> </ol>
10.	<p>Fairer Organisations and Fairer Communities:</p> <ol style="list-style-type: none"> <li>Organisations, in procuring goods and services, should maximise local economic and social outcomes through improved application of the Social Value Act to: <ol style="list-style-type: none"> <li>Increase employment and skills of local residents.</li> <li>Use local supply chains to develop capacity in local organisations with a long term commitment to the city.</li> </ol> </li> </ol>

	<ul style="list-style-type: none"> <li>ii. Promote zero tolerance of bullying, hate crime and discrimination, by increasing awareness in the city of reporting mechanisms and organisations improving their responses and support for victims.</li> <li>iii. Support individuals and communities to take responsibility for improving the quality of their lives and their environment through funding of small community-run preventative projects to reduce inequality.</li> <li>iv. Set up a 'Southampton Fairness Fund', an 'employee giving' scheme matched by employers and allocated in a transparent and democratic way by an independent voluntary sector organisation to promote fairness.</li> </ul>
11.	<p>One of the key principles of the Southampton Fairness Commission was to bring about lasting solutions to inequality, through a multi-agency, city-wide approach. In particular, the Commission requests:</p> <ul style="list-style-type: none"> <li>• The leaders of public, private and voluntary sectors to ensure, when making difficult decisions, they are fair and do not inadvertently foster inequality.</li> <li>• Southampton Connect, the City Council and key organisations to influence outcomes, by using their resources, powers and voice in a cohesive and unified way to campaign regionally and nationally for better outcomes for Southampton residents.</li> </ul>
12.	<p>The Southampton Fairness Commission has been working with organisations named in its Final Report in affirming commitments to the delivery of the recommendations and is currently working with a range of partners to identify detailed actions and timescales for delivery. The Commission will continue to work with partners over the next 3 years, to develop a performance management framework to measure progress towards Southampton becoming a fairer city, and will develop monitoring reports during this period to review and update progress annually.</p>
13.	<p>The formal public launch of Final Report - with key findings and recommendations will be on 1st December 2015.</p>
<b>RESOURCE IMPLICATIONS</b>	
<b><u>Capital/Revenue</u></b>	
14.	<p>It is intended that the recommendations will influence existing and future work programmes. As such they are not considered likely to initially present any additional financial commitments. In addition, the Commission plans to set up a 'Southampton Fairness Fund', an 'employee giving' scheme matched by employers and allocated in a transparent and democratic way by an independent voluntary sector organisation to promote fairness. This will be used to develop recommendations identified as requiring any additional resources.</p>
<b><u>Property/Other</u></b>	
15.	None.
<b>LEGAL IMPLICATIONS</b>	
<b><u>Statutory power to undertake proposals in the report:</u></b>	
16.	<p>There are no legal implications arising from this report. There will be legal consequences in the development of any proposals, which will be fully</p>



	considered at the appropriate junctures. Any actions that the Council may undertake in the future can be pursued under specific legislation or by virtue of the general power of competence in Section 1 of the Localism Act 2011.
--	--

**Other Legal Implications:**

17.	None
-----	------

**POLICY FRAMEWORK IMPLICATIONS**

18.	Delivery of the Southampton Fairness Commission will assist the council in meeting the overall aims of its policy framework including the Southampton City Council Strategy 2014 - 17.
-----	--

<b>KEY DECISION?</b>	<b>Yes</b>
----------------------	------------

<b>WARDS/COMMUNITIES AFFECTED:</b>	<b>All</b>
------------------------------------	------------

SUPPORTING DOCUMENTATION

**Appendices**

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

**Documents In Members' Rooms**

1.	Southampton Fairness Commission Final Report
----	--

**Equality Impact Assessment**

<b>Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.</b>	<b>No</b>
---	-----------

**Privacy Impact Assessment**

<b>Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.</b>	<b>No</b>
---	-----------

**Other Background Documents**

**Other Background documents available for inspection at:**

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

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

**This page is intentionally left blank**

<b>DECISION-MAKER:</b>	CABINET		
<b>SUBJECT:</b>	ESTATE REGENERATION IN MILLBROOK AND MAYBUSH - DEVELOPMENT OF HOUSING SCHEME AND GRANT FUNDING FOR AFFORDABLE HOUSING SCHEME		
<b>DATE OF DECISION:</b>	18 NOVEMBER 2015		
<b>REPORT OF:</b>	CABINET MEMBER FOR HOUSING AND SUSTAINABILITY		
<b><u>CONTACT DETAILS</u></b>			
<b>AUTHOR:</b>	<b>Name:</b>	Jane Windebank	<b>Tel:</b> 023 8091 7899
	<b>E-mail:</b>	<a href="mailto:Jane.Windebank@southampton.gov.uk">Jane.Windebank@southampton.gov.uk</a> <a href="mailto:Keith.Gunner@southampton.gov.uk">Keith.Gunner@southampton.gov.uk</a>	
<b>Director</b>	<b>Name:</b>	Mark Heath	<b>Tel:</b> 023 8083 2155
	<b>E-mail:</b>	mark.heath@southampton.gov.uk	
<b>STATEMENT OF CONFIDENTIALITY</b>			
Not applicable			

## BRIEF SUMMARY

Cabinet is recommended to approve expenditure to progress the redevelopment of two adjacent sites, Woodside Lodge and 536-550 Wimpson Lane and approve grant funding for an affordable housing scheme at the former Bush Inn, Wimpson Lane. These schemes would initiate the regeneration of the Millbrook and Maybush area and contribute to the Council's strategic housing objectives.

## RECOMMENDATIONS:

- (i) to note the prior consultation which has taken place in relation to Woodside Lodge and 536-550 Wimpson Lane;
- (ii) to recommend the Council approve in principle to develop two adjacent sites; Woodside Lodge and 536-550 Wimpson Lane which initiates the regeneration of Millbrook and Maybush;
- (iii) to delegate authority to the Head of Property to vary the lease held between the Council and Scottish & Southern Energy to release a strip of land in front of the sub-station at Woodside Lodge following consultation with the Head of Legal and Democratic Services, Head of Development, Economy and Housing Renewal and the Chief Financial Officer;
- (iv) to approve, in accordance with Financial Procedure Rules, capital expenditure of £500,000 in 2015-16, funded from an existing unapproved scheme within the New Build section of the HRA Capital Programme for the Provision of Social Housing. The £500,000 will cover the costs of the architects, percentage of First Wessex development agent fee; necessary surveys; consultant fees etc. to planning submission stage for the redevelopment of Woodside Lodge and 536 – 550 Wimpson Lane;
- (v) to delegate authority to enter into a Development Agent Agreement in relation to the redevelopment of Woodside Lodge and 536 – 550 Wimpson Lane with First Wessex Housing Group, part of the Wayfarer Consortium, to the Director of Place, following

consultation with the Head of Legal and Democratic Services, Head of Development, Economy and Housing Renewal, Head of Housing Services and the Chief Financial Officer;

- (vi) to delegate authority to enter into a build contract for the redevelopment of Woodside Lodge and 536 – 550 Wimpson Lane with a contractor engaged via First Wessex using Wayfarer’s OJEU compliant frameworks to the Director of Place following consultation with the Head of Legal and Democratic Services, Head of Development, Economy and Housing Renewal, Head of Housing Services and the Chief Financial Officer for pre-construction stage works; and
- (vii) to approve a grant of £598,000 to Aster for an affordable housing scheme at the former Bush Inn, Wimpson Lane, funded from retained Right To Buy (RTB) capital receipts, and to approve capital expenditure of £598,000, in accordance with Financial Procedure Rules.

## REASONS FOR REPORT RECOMMENDATIONS

### 1. Wimpson Lane Redevelopment

On 9th December 2014, Cabinet approved the closure of Woodside Lodge, a 27 bed residential care home for older people with moderate or severe dementia. The home closed on 31<sup>st</sup> July 2015 after its former residents had all been supported to move to suitable alternative placements and this was noted by Cabinet on 15<sup>th</sup> September 2015. The site, which comprises a large two storey brick faced building with small outbuildings and a car park, is now available for redevelopment.

- 2. The adjacent site, 536-550 Wimpson Lane (‘Wimpson Lane’), is a Council Housing Revenue Account (HRA) owned 1960s purpose built supported housing block comprising 8 flats with communal gardens. The property is suffering from significant subsidence estimated at a repair cost in excess of £500K in addition to the necessary refurbishment and structural repairs to the walkway balconies.

- 3. The Integrated Commissioning Unit has identified that demand for specialist and older persons housing will continue to grow due to demographic factors and a modern scheme where care and support can be efficiently provided to a larger number of residents with multiple care and support needs will help provide a cost effective alternative to high cost residential care provision, support independence and help to deliver improved health and social care outcomes.

- 4. There is also a continued need for smaller general needs accommodation which combined with specialist and older person’s accommodation would create a greater mix of community feel and allow for general needs housing to be able to flex in support locally as needed. These sites provide a unique opportunity to develop homes to meet these varied housing needs.

### 5. Bush Inn

Local Housing Association partners were invited to bid for grant resources as part of the council’s drive to spend time limited Right to Buy (RTB) receipts. Aster came forward with a bid to fund 9 properties on the site of the former Bush Inn. This scheme had stalled due to the original contractor going into administration. The new contractor has uncovered a number of issues that have increased the cost price

6. The Section 106 Agreement for this site only requires 2 affordable homes to be provided. With rising costs, it is anticipated no extra affordable homes would be delivered above this number. However, if grant funding is approved, all 9 units at the Bush Inn would be made available at affordable rent, providing a net gain of 7 affordable homes for the £598,000 requested.
7. Both these projects have the potential to begin regeneration activity in the Millbrook/Maybush area.

## **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

### 8. Woodside Lodge

On 16 December 2014, Cabinet approved the closure of Woodside Lodge subject to all of its residents being supported to move to suitable alternative placements. The decision was informed by the outcome of a public consultation and the alternative option of keeping Woodside Lodge open was rejected due to:

- The Council's desire to develop a wider range of options for supporting people with dementia, such as supported living and extra care housing, instead of directly providing residential care itself, and
- There being sufficient alternative provision of residential care of the required type and quality in Southampton to meet forecast demands more cost-effectively

The home closed on 31 July 2015 and the alternative of not developing the site in accordance with the proposals set out in this report has been rejected as it would be inconsistent with the decision to close Woodside Lodge.

### 9. Wimpson Lane

Do nothing – this is not considered as a viable option due to the current state of repair of the building. The building is suffering from significant subsidence and it is estimated would require in excess of £500k of works bring it back up to a suitable level of repair. In addition there is a need to refurbish and undertake structural repair work to the walkway balconies.

10. The option of doing nothing would not achieve the Council's objectives of creating sustainable communities on its estates and would not address the current serious issues with the accommodation. The Council has decanted the former residents to alternative accommodation.

11. To develop Wimpson Lane in isolation from Woodside Lodge would not be cost effective or offer the economy of scales of redeveloping both schemes at the same time.

### 12. Bush Inn

There is a Section 106 Agreement which would only provide 2 affordable homes on the site. It is, therefore, beneficial in working to meet housing need to ensure that the scheme is 100% affordable by providing grant funding to ensure that all 9 homes are affordable. This would also enable the RTB receipts to be spent within the required timescales and therefore, avoid the Council having to repay these funds with an additional financial penalty.

## **DETAIL (Including consultation carried out)**

### **CONSULTATION**

13. Woodside Lodge

Public consultation on the future of Woodside Lodge took place between 24 July and 23 October 2014. On 16 December 2014, Cabinet approved its closure, subject to all residents being assessed and supported to move to suitable alternative care settings. At the time of this decision there were 13 residents living in this 27 bed home. The last resident moved out on 13 July 2015 and the premises was closed and secured on 31 July 2015.

14. Wimpson Lane

On 16<sup>th</sup> January 2014 a meeting for residents was held to discuss options for the block. Seven out of the eight residents attended this meeting. The majority of the tenants were in favour of demolishing the block and redeveloping it for new affordable homes. Even the residents who would prefer the refurbishment option appreciated that a rebuild may be a more economical way forward. Following this meeting all tenants were met individually to discuss any concerns and their future options. It is noted that a number of tenants expressed a wish to have the opportunity to move back if a new block is built.

15. Bush Inn

Aster undertook public consultation regarding their proposals for the site with local residents in May 2013. The outcome of the consultations was included in the planning application submitted by Aster Homes and ultimately approved by the Council.

16. Wimpson Lane Redevelopment

Woodside Lodge and 536-550 Wimpson Lane are now empty with the buildings made secure and ready for demolition. An application for the demolition has been approved by the council's planning department. Demolition is likely to commence in November 2015. Following the Cabinet decision on 16 December 2014, Woodside Lodge was transferred to the HRA to deliver a supported housing-led project of Council-owned housing.

17. The combined sites measures 0.996 hectares within a high accessibility area which for planning policy has an acceptable housing density range of over 100 dwellings per hectare. There are site constraints such as tree canopy coverage to enable the linking of the sites and a slight level difference between the two sites. The site plan is attached marked Appendix 1.

18. A brief has been developed for the project. It is recognised that the brief would develop as more detailed knowledge of the site is obtained and the results of specialist surveys and enquires received. The brief requires:-

- the provision of 90-100 units based on density criteria for this site (dependant on planning and site constraints such as trees, topography etc).
- Woodside Lodge to be a modern housing with care scheme similar to Erskine Court, mainly 2 bed units with some 1 bed units with communal space for lounge and kitchen etc which can be used by others within the wider locality.

- Wimpson Lane to facilitate a general needs block of 1 & 2 bed units. The block needs to be designed for future flexibility.
19. The Council is a member of the Wayfayer Consortium and so has commissioned First Wessex Housing Association as development agent. As a consortium member of Wayfarer, the Council is able to access OJEU (Official Journal of the European Union) procured frameworks via a Wayfarer development agent.
  20. First Wessex is a Registered Provider which is experienced and well-resourced in terms of staffing knowledge and expertise to develop affordable housing projects through a partnership approach. They also already have existing frameworks agreements with selected consultants including architects, employer's agents and cost consultants. They are development agents for the housing with care scheme at Erskine Court and have confirmed they would be in position to work on this project as well. Using First Wessex has the advantage that they are familiar with working with the Council and the Council's design specifications for new build supported housing developments.
  21. In responses to the initial project brief, concept drawings for an 80 housing with care units; 20 x 1 bedroomed apartments (6 of which are suitable for bariatrics) and 60 x 2 bedroom apartments (20 being designed to 'care ready' standards) have been produced for Woodside Lodge. It is proposed for 15 general needs units at Wimpson Lane comprising of 9 x one bed and 6 x two bed apartments. The indicative plans are attached marked Appendix 2.
  22. Given the requirement of the future residents, the design has incorporated 4 unit types:-
    - One bed units to meet the needs and aspirations of single residents or those who wish to live in 'smaller' accommodation.
    - One bed bariatric units with larger doors and entrances for the comfort and ease of the resident.
    - Two bed units including a smaller bedroom for those that need to have additional accommodation as a separate partner's bedroom, care room or dining room.
    - Two bed 'care ready' flats offering greater flexibility and designed along the Housing Our Ageing Population: Panel for Innovation (HAPPI) principles to meet the needs and aspirations of the older people in the future (provided at Erskine Court).
  23. The housing with care scheme will offer new healthy living services not only to residents but also the wider population including the proposed new general needs flats at Wimpson Lane. These services including multi use rooms, coffee facilities, assisted bathing and a meals service.

#### Planning

24. A pre-application meeting with the Planning Department has confirmed the principle of development meets local and national planning policy. The designs need to be developed further to enable a planning application to be submitted.

### **Bush Inn**

25. Aster's bid for grant from the Council is for a new build scheme at Bush Inn, Wimpson Lane. This is a scheme of 9 units on a former pub site; 3 x 2 bedroom apartments, 3 x 2 bed roomed houses and 3 x 3 bed roomed houses (all for affordable rent). Work started on the scheme in 2014/15 and the homes should have been completed originally by March 2015. However, the builder carrying out the work went out of business in Q4 2014/15. Aster had to go back out to tender for a new builder to complete the work.
26. Following re-tender this scheme increased by 12% due to the discovery of drawing anomalies, additional work required to bring the scheme up to the Code for Sustainable Homes standard, replacement of some steel work plus additional scaffolding and security costs due to the delay after the original contractor went out of business. To assist with these increased costs Aster has requested £598k in grant from the council's programme of Right to Buy finance to ensure the scheme is still delivered. The homes will be accessed via the Council's Homebid scheme.

### **Next Steps**

#### **Wimpson Lane Redevelopment**

27. To commence public consultation and to enable the scheme designs for Woodside/Wimpson to be taken to the planning stage, approval is sought to bring forward and approve £500,000 of expenditure to be funded from the existing Provision of Social Housing Scheme within the New Build Section of the HRA Capital Programme to this financial year, 2015/16.
28. The £500K will cover the costs of the architects, percentage of First Wessex development agent fee; necessary surveys; consultant fees etc to planning submission stage. This will enable a Cost Consultant to be appointed who will advise on procurement, provide a realistic budget estimate and check developing designs against the project brief with a value for money assessment. It should be noted that if the project does not proceed, these fees would still have to be paid.
29. Delegated authority is requested to enter into a Development Agent Agreement with First Wessex Housing Group and a build contract with a contractor for pre-construction works. Under the Wayfarer Consortium we can utilise their OJEU procured frameworks (though it cannot be guaranteed that all of the contractors within the framework will submit a bid).
30. By engaging with a potential contractor at design concept stage, this enables the contractor to input into the designs and undertake value engineering so that accurate and good value build costs can be established. The contractor will need to be paid for pre-construction stage duties even if they are not subsequently appointed as the final contractor. The level of benefits is optimised the earlier a contractor is engaged. As the market improves there may be increasing pressures on key sub-contractor packages and material availability issues. The Framework contractors have well established supply chains and are able to provide up to date accurate market intelligence to assist with cost planning. The key benefit is that it enables the council to de-risk the project to optimise cost savings and deliver predictable project outcomes.



31. Once detailed costings are known and once there is viable scheme and full business case the scheme is expected to come forward for council approval early next year.

Bush Inn

32. The Council agrees to grant fund the full £598K requested by Aster for the Former Bush Inn to provide 9 new affordable homes and to ensure the RTB receipts are used and do not have to be returned to Government with the penalty interest payment.

## **RESOURCE IMPLICATIONS**

### **Capital/Revenue**

Pilot Scheme

33. The 2015/16 HRA Budget Report and Business Plan, agreed by Council on 11<sup>th</sup> February 2015 added a £12.272M split between 2016/17 & 2017/18 to the HRA Capital Programme for a Provision of Social Housing Scheme. This budget allocation represents the full utilisation of retained RTB capital receipts (30%) for those financial years plus the associated borrowing (70%). Further RTB receipts are expected to be available for use in future years for the provision of housing. £500,000 of this budget allocation is sought to be approved in this report to cover the initial costs of architects, surveys and development agents' fees as detailed in section 28 of this report. Once a full scheme has been designed and costed, the remaining budget can be updated and approved as part of formal scheme approval by Council.

RTB Grant – Former Bush Inn

34. As at 31 March 2015 there were £5.98M of 1-4-1 RTB receipts available to spend. Of this sum, £1.272M needs to be spent during the 2015-16 financial year. £338,000 has already been spent on a council-led Existing Satisfactory Purchase Scheme (ESPS). This leaves £934,000 to spend before the end of Q4 2015/16 (£314,000 by 31 December 2015 and the remaining £620,000 by 31 March 2016). Allocating £598,000 to Aster would leave £336,000, which would still be unallocated but could be used by the ESPS in time to satisfy the Government deadline and avoid any receipts being returned.
35. If the RTB receipts are not used on the above schemes then there is a risk that they may not be spent within the timescales set by the Government and would have to be repaid to the CLG with additional financial penalties for the Council.

### **Property/Other**

36. A Deed of Variation is required between the Council and Scottish & Southern Energy for the sub-station at Woodside Lodge for the scheme to go ahead as currently envisaged. This would release a strip of land at the rear of the site to enable the new building to be an acceptable distance from the tree canopy on the north-east elevation of the site. Should the Council and Scottish & Southern Energy be unable to reach agreement to vary the lease, the design proposals will be varied.

## **LEGAL IMPLICATIONS**

### **Statutory power to undertake proposals in the report:**

37. All necessary powers for the decanting, demolition and rebuilding are

contained in the Housing Act 1985.

38. In accordance with the Council's Decant Policy for Redevelopment Schemes, former residents of 536-550 Wimpson Lane will have the option to return to the new flats if they so wish.
39. Section 11(6) of the Local Government Act 2003 relates to the Council's ability to retain and use Right to Buy receipts to fund affordable housing.

**Other Legal Implications:**

40. Part of the land (at the Wimpson Lane Redevelopment) is subject to an old restrictive covenant, imposed in 1939, which requires approval of any development scheme, plans and specification by the owner and this will need to be dealt as part of the redevelopment proposals.

**POLICY FRAMEWORK IMPLICATIONS**

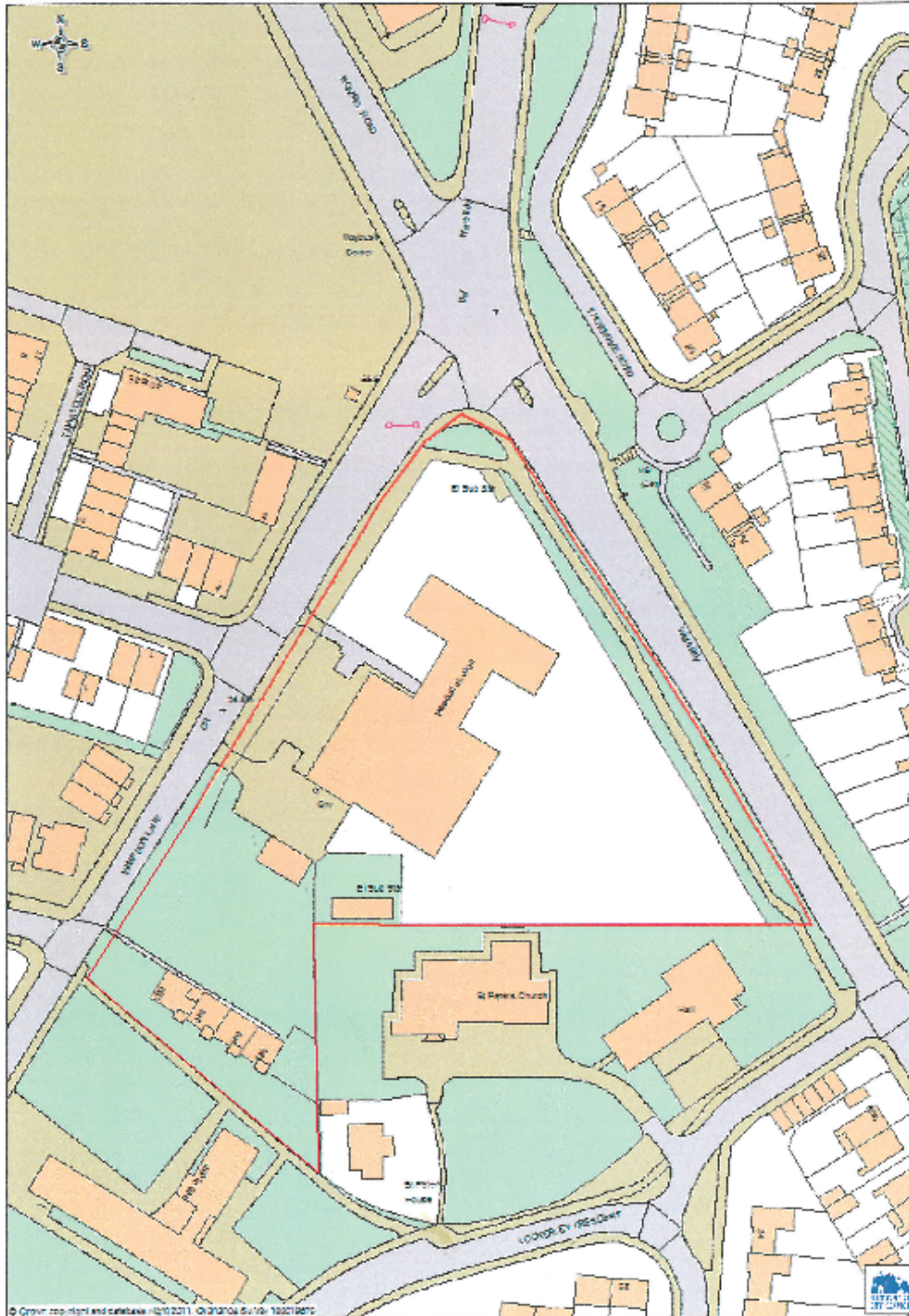
41. These proposals are aligned to the following priorities set out in the Council Strategy 2014-17:-
  - Prevention & early intervention;
  - Protecting Vulnerable People;
  - Good Quality & Affordable Housing; and
  - A sustainable Council.

<b>KEY DECISION?</b>	<b>Yes</b>	
<b>WARDS/COMMUNITIES AFFECTED:</b>	<b>Millbrook / Redbridge</b>	
<u>SUPPORTING DOCUMENTATION</u>		
<b>Appendices</b>		
<b>1.</b>	Site Plan	
<b>2.</b>	Indicative plans for Woodside Lodge and Wimpson Lane	
<b>Documents In Members' Rooms</b>		
<b>1.</b>	None	
<b>Equality Impact Assessment</b>		
<b>Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.</b>		<b>No</b>
<b>Privacy Impact Assessment</b>		
<b>Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.</b>		<b>No</b>
<b>Other Background Documents</b>		
<b>Other Background documents available for inspection at:</b>		
<b>Title of Background Paper(s)</b>	<b>Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)</b>	
<b>1.</b>	None	

**This page is intentionally left blank**

## Site Plan – Wimpson Lane & Woodside Lodge

### Site Plans



**This page is intentionally left blank**









**This page is intentionally left blank**

<b>DECISION-MAKER:</b>	CABINET		
<b>SUBJECT:</b>	CUSTOMER STRATEGY 2015-2018		
<b>DATE OF DECISION:</b>	18 NOVEMBER 2015		
<b>REPORT OF:</b>	THE LEADER OF THE COUNCIL		
<b><u>CONTACT DETAILS</u></b>			
<b>AUTHOR:</b>	<b>Name:</b>	<b>Louise Fagan</b>	<b>Tel:</b> 023 8083 2644
	<b>E-mail:</b>	<b>Louise.Fagan@southampton.gov.uk</b>	
<b>Director</b>	<b>Name:</b>	<b>Suki Sitaram</b>	<b>Tel:</b> 023 8083 2060
	<b>E-mail:</b>	<b>Suki.Sitaram@southampton.gov.uk</b>	
<b>STATEMENT OF CONFIDENTIALITY</b>			
None.			
<b>BRIEF SUMMARY</b>			
The Customer Strategy 2015-2018 outlines the council's strategic vision to put customers at the heart of everything it does, and sets out how it intends to deliver services going forwards in an ever changing digital world.			
<b>RECOMMENDATIONS:</b>			
	(i)	to approve the Customer Strategy 2015-2018 (Appendix 1).	
<b>REASONS FOR REPORT RECOMMENDATIONS</b>			
1.	To ensure the Council has an agreed and published statement setting out its strategic approach to delivering services, to help customers understand how council services will be delivered in the future and how they can get involved in shaping them.		
<b>ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</b>			
2.	An alternative option is to do nothing and to not adopt a Customer Strategy. This option is not recommended as it is important for the council to adopt a Strategy which helps customers, communities, partners and employees to understand the council's vision regarding the future delivery of services, as well as opportunities for customers to get involved in shaping services.		
<b>DETAIL (Including consultation carried out)</b>			
3.	The Customer Strategy 2015-2018 recognises that in an ever changing digital world most people would prefer to do things for themselves, at a time convenient to them. With this in mind, the council is changing the way it works and will be delivering more services online, making it easier for customers to access information and services in ways that are quick and efficient.		
4.	The Strategy sets out the context for the current work to move more Council services online, and will enable customers to understand how services will be delivered in the future. It will also give customers a better understanding of the council's commitment to them and how they can get involved in helping to shape future services.		
5.	The Strategy outlines the Council's commitment to customers through a set of		

	<p>key principles under the following headings:</p> <ul style="list-style-type: none"> <li>• First time resolution</li> <li>• Easy as 1,2,3</li> <li>• Assisted digital</li> <li>• Empower customers, communities and employees</li> <li>• Informed by insight</li> <li>• Value for money</li> </ul>
6.	A key priority is to improve the Council's online and digital services so that customers can access information, apply for and pay for services more quickly and easily online. We recognise that support will be needed to help customers get online, and that other channels will need to be available for customers who really need them.
7.	Services across the Council are continuously evolving and changing to ensure continuous improvement and better use of new technologies. It is important that the Customer Strategy has the capacity to evolve to accommodate the advancing digital landscape and digital capability of customers. Therefore, if approved, the Strategy will be published as a first iteration, anticipating further updates during the life of the Strategy. Officers will continue to review the Strategy to ensure that it reflects the evolving nature of council services and this will include work to engage and consult customers, ensuring their views are taken into account.
<b>RESOURCE IMPLICATIONS</b>	
<b><u>Capital/Revenue</u></b>	
8.	None.
<b><u>Property/Other</u></b>	
9.	None.
<b>LEGAL IMPLICATIONS</b>	
<b><u>Statutory power to undertake proposals in the report:</u></b>	
10.	None.
<b><u>Other Legal Implications:</u></b>	
11.	None.
<b>POLICY FRAMEWORK IMPLICATIONS</b>	
12.	None.

<b>KEY DECISION?</b>	No
<b>WARDS/COMMUNITIES AFFECTED:</b>	ALL

**SUPPORTING DOCUMENTATION**

**Appendices**

1. The Customer Strategy 2015-2018

**Documents In Members' Rooms**

1. None.

**Equality Impact Assessment**

Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	No
--	----

**Privacy Impact Assessment**

Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out	No
---	----

**Other Background Documents**

**Equality 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.	

**This page is intentionally left blank**

# Southampton City Council Customer Strategy 2015-2018

**We want to put our customers at the heart of everything we do and we are working with our partners to make Southampton: a city of opportunity where everyone thrives.**

In this digital age, most people would prefer to do things for themselves, at times that suit them. So we are changing the way we work and delivering more services online, making it easier for you to access information and services in ways that are quick, efficient and convenient. We call this 'digital by default'. We want you to get involved, so that we can get your feedback to help us improve our customer services, making them more efficient and cost effective.

## Did you know that it costs the council:



**£12**  
to deal with a letter



**£15**  
for each face to face transaction



**10p**  
for a website visit



**£1**  
for each online transaction



**£5**  
for each telephone call



Most people contact us by telephone at an estimated cost of **£21M** per year

## Who are our customers?

We deal with a wide range of people across Southampton, and our customers include everyone living, working and studying in, or visiting, Southampton, as well as businesses, community and voluntary sector groups and other organisations.

- Residents
- Businesses
- Visitors
- Students
- Community, charity and voluntary sector
- People who work in the city
- Council employees



## How do you want to contact us?

### You might need to contact us to:

- Find out information from us
- Provide us with information, or updating the information we have about you
- Apply for, book or arrange services
- Make a payment
- Access intensive or regular help and support

Currently people contact us in a range of ways; telephone, online forms, face to face, email and post. The services we receive the most calls about are housing, adult social care, children and families, council tax, benefits and waste.

The way you want to contact us, and access services, has changed a lot over the last few years, and will continue to do so. In the past, people contacted us by post, or by visiting one of our offices. Now, many people expect, and want, to access services online. You have told us that this is quicker and more convenient for you. It is also much more cost effective, meaning we can make sure our resources are used where they are needed most.

### We know that:

**89%** of people in Southampton currently use the internet

**71%** of residents use a smart phone to access the internet

**73%** of face to face and **64%** of telephone transactions are done by customers who would interact with us digitally if they could

Evidence from other councils also shows that moving to more online services reduces demand and cost, and results in improved customer satisfaction.

So, one of our key priorities is improving our online and digital services so that you can access information, apply for and pay for services more quickly and easily online. We also need to provide support to help customers get online, while making sure that other channels are available for customers who really need them.

## Our customer commitment

**We have developed a set of key principles to make sure that our customers are at the heart of everything we do.**



### First time resolution

- We will get things right first time.
- When services are delivered with partners, customers will receive a seamless, joined up service.



### Easy as 1, 2, 3

- Services will be simple, efficient and allow you to 'self-serve' and do more for yourself.
- Services will be accessible and designed around your needs rather than ours.



### Assisted digital

- Services will be designed so that they are fast, convenient and easy to access digitally – via a smartphone, tablet, PC or other device.
- Other channels such as telephony and face to face will be available for people who really need them, including customers with disabilities or language barriers.
- Support will be available if you are not able to use digital channels, to help you to get online.



### Empower customers, communities and employees

- Residents and businesses will be able to sign on to a 'customer account' offering a more personal service and making it easier for you to contact and interact with us.
- We will support customers and communities to become more self-reliant, with better access to information and more opportunities to take control of the services they receive.



### Informed by insight

- Customers will be involved in the design, development and review of services, and we will use your feedback to make services better, faster and easier to use.
- Customers will be involved in developing new ways of delivering services that will reduce costs and improve outcomes.
- We will use feedback from compliments and complaints to improve our services.



### Value for money

- Our services will be cost effective, ensuring that we can continue to keep customers at the heart of what we do.
- We will work together with other organisations in the city to improve services, offering you choice and value for money.

## Working together to improve services:



### Us

- Engaging with and understanding our customers
- Designing efficient, easy to use services
- Delivering value for money



### Customer service excellence

- High quality services that meet the needs of the customers
- Ensuring that frontline services are protected and support is available to those who really need it



### You

- Working with the council to try new ways of interacting with services
- Becoming more self-sufficient and only seeking help when it's really needed
- Getting involved in shaping services

## Getting involved

**We want to hear from you to help us understand how you use our services, how we can work together to make improvements, and how we can prioritise our resources so they are used where they are most needed.**

**Over the last few years, we have made some real improvements in this area, for example:**

- We conduct a City Survey every two years to gather feedback about your views on public services.
- We conduct regular surveys so that you can help inform our strategies and plans.
- We have changed the way we consult on our budget and key service changes to make our consultations simpler and clearer.
- We have developed a People's Panel: a large group of residents who work with us to inform policy and service development, and a Youth Forum to engage with children and young people in the city.

**We want to:**

- Make it quicker and easier for you to give us feedback, including via social media and online.
- Use the information we have better: we already collect a lot of data and feedback from our customers, but we can improve the way we use this, so that we understand how we can work together better.
- Engage our customers more in service development and design.

Sign up to the People's Panel to get involved:

[southampton.gov.uk/peoples-panel](https://southampton.gov.uk/peoples-panel)



## What are we going to do?



### First time resolution

- Work with customers to improve our processes for customer transactions to make them simpler.
- Develop mechanisms to monitor the number of transactions resolved at first contact and increase these year on year.
- Make sure that customers are kept informed about what is happening at each stage of the process, and provide automatic feedback to customers when they report problems or issues.



### Easy as 1, 2, 3

- Improve our online forms to make it easier to request and access services.
- Develop the MySouthampton customer account so that customers can be in control of their information and access the services they need easily.
- Launch a MySouthampton account for businesses.



### Assisted digital

- Develop services which operate online 24/7, and increase the number of services offering online payment options.
- Simplify online payments and increase the number of transactions that can be done online, including for more complex services such as parking permits and care services.
- Assist those who find it difficult to use digital channels with face to face support, developing options for online support (including a web chat pilot) and ensuring our customer service advisers are ready and able to help.



### Empower customers, communities and employees

- Develop an online community hub where people can share local information and knowledge.
- Make it easier for customers and staff to give us their views, including making greater use of social media and online tools.
- Make our workforce flexible and mobile with the right equipment and technology to deliver our services as efficiently as possible.



### Informed by insight

- Work with our customers to develop and design future services.
- Develop the People's Panel: a large group of residents who will work with us to inform policy and service development.
- Develop the Youth Forum, so that children and young people can provide feedback and help design our services.



### Value for money

- Review all our spending to identify and reduce duplication and inefficiency.
- Redesign our services to ensure they provide the best value for money.
- Review high volume transactions to ensure they meet customer needs in the most efficient way.
- Integrate teams and share accommodation with others to help us work together more effectively and save money.
- Work with Health to provide integrated care coordination, planning and seven day working.

## What are our success measures?

**To make sure that we deliver continuous improvements in customer service we will monitor our performance against the following key success measures:**

- Customer satisfaction.
- Customers feel informed about council services.
- Number of unanswered calls.
- Number of complaints.

- Numbers of website hits and online transactions.
- Increased % of digital contacts.
- Value for money and costs related to customer contacts.



<b>DECISION-MAKER:</b>	CABINET COUNCIL		
<b>SUBJECT:</b>	THE GENERAL FUND AND HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME 2015/16 TO 2018/19		
<b>DATE OF DECISION:</b>	18 NOVEMBER 2015 18 NOVEMBER 2015		
<b>REPORT OF:</b>	CABINET MEMBER FOR FINANCE		
<b><u>CONTACT DETAILS</u></b>			
<b>AUTHOR:</b>	<b>Name:</b>	Mel Creighton	<b>Tel:</b> 023 8083 4897
	<b>E-mail:</b>	<a href="mailto:Mel.Creighton@southampton.gov.uk">Mel.Creighton@southampton.gov.uk</a>	
<b>Chief Financial Officer:</b>	<b>Name:</b>	Andrew Lowe	<b>Tel:</b> 023 8083 2049
	<b>E-mail:</b>	<a href="mailto:Andrew.Lowe@southampton.gov.uk">Andrew.Lowe@southampton.gov.uk</a>	
<b>STATEMENT OF CONFIDENTIALITY</b>			
N/A			

## BRIEF SUMMARY

The purpose of this report is to inform Cabinet and Council of any major changes in the overall General Fund Capital Programme for the period of 2015/16 to 2019/20, highlighting the changes in the programme since the last reported position following 2014/15 outturn.

The net result of the changes in this report is that the current overall programme has increased by £12.96M.

## RECOMMENDATIONS:

### CABINET

#### Recommends that Full Council

- i) Approve the revised General Fund Capital Programme, which totals £77.93M (as detailed in paragraph 4) and the associated use of resources.
- ii) Note that the revised General Fund Capital Programme is based on prudent assumptions of future Government Grants to be received.
- iii) Note the changes to the programme as summarised in Appendix 2 and described in detail in Appendix 3.
- iv) Note the slippage and re-phasing as described in detail in Appendix 3.
- v) Approve the revised Housing Revenue Account (HRA) Capital Programme, which totals £202.49M (as detailed in Appendix 4) and the associated use of resources.
- vi) Note that the level of Direct Revenue Financing available to fund the HRA Capital Programme will need to be reviewed, in the light of Government

proposals to reduce social rents over the next 4 years, and this may result in a reduction in planned capital expenditure when an updated programme is presented to Council in February 2016.

## **COUNCIL**

### **It is recommended that Council:**

- i) Approve the revised General Fund Capital Programme, which totals £77.93M (as detailed in paragraph 4) and the associated use of resources.
- ii) Note that the revised General Fund Capital Programme is based on prudent assumptions of future Government Grants to be received.
- iii) Note the changes to the programme as summarised in Appendix 2 and described in detail in Appendix 3.
- iv) Note the slippage and re-phasing as described in detail in Appendix 3.
- v) Approve the revised Housing Revenue Account (HRA) Capital Programme, which totals £202.49M (as detailed in Appendix 4) and the associated use of resources.
- vi) Note that the level of Direct Revenue Financing available to fund the HRA Capital Programme will need to be reviewed, in the light of Government proposals to reduce social rents over the next 4 years, and this may result in a reduction in planned capital expenditure when an updated programme is presented to Council in February 2016.

## **REASONS FOR REPORT RECOMMENDATIONS**

1. The Capital Programme is now reviewed on a quarterly basis in accordance with the Council's Capital Strategy. The forecast position is reported to the Council Capital Board with any required programme update reported to Cabinet and Council for approval. This is required to enable schemes in the programme to proceed and to approve additions and changes to the programme.

## **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

2. The update of the Capital Programme is undertaken within the resource constraints imposed on it. No new schemes can be added unless specific additional resources are identified. Alternative options for new capital spending are considered as part of the budget setting process in the light of the funding available and the overall financial position.

## **DETAIL (Including consultation carried out)**

### **CONSULTATION**

3. The General Fund Capital Programme update summarises additions to the capital programme since the position reported following Closedown 2014/15. Each addition to the capital programme has been subject to the relevant consultation process which now reflects the role played by Council Capital Board. The content

of this report has been subject to consultation with Finance Officers from each portfolio.

### THE FORWARD CAPITAL PROGRAMME

4. Table 1 below shows a comparison of the latest forecast planned capital expenditure for the period 2015/16 to 2019/20 compared to the previously reported programme.

Table 1 – Programme Comparison

	2015/16 £M	2016/17 £M	2017/18 £M	2018/19 £M	2019/20 £M	Total £M
Latest Programme	59.51	17.61	0.71	0.10	0.00	<b>77.93</b>
Previous Programme	58.80	5.36	0.71	0.10	0.00	<b>64.97</b>
<b>Variance</b>	<b>0.71</b>	<b>12.25</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>12.96</b>

5. The above table shows that the General Fund Capital Programme has increased by £12.96M. Appendix 1 provides details of each portfolios latest forecast programme and the financing of that programme.

### CHANGES TO THE OVERALL PROGRAMME

6. The change in individual portfolios' capital programmes is shown in Table 2.

Table 2 – Changes in Portfolio Programmes

	Latest Programme £M	Previous Programme £M	Total Change £M
Education and Childrens Social Care	19.49	11.59	7.90
Environment & Transport	20.52	20.07	0.45
Environment & Transport - City Services	1.61	0.45	1.16
Health & Adult Social Care	0.60	0.66	(0.06)
Housing & Sustainability	5.62	4.17	1.45
Leaders	24.82	21.88	2.94
Communities, Culture & Leisure	2.30	2.25	0.05
Finance	2.97	3.91	(0.94)
<b>Total GF Capital Programme</b>	<b>77.93</b>	<b>64.97</b>	<b>12.96</b>

7. Appendix 3 details the changes by individual portfolio programmes. This includes

new schemes and changes to existing schemes where approval has been previously given by Council, Cabinet or made under delegated authority to amend the programme. It further details those changes that still require approval to amend the programme for under or overspends and slippage or rephasing.

8. Funding for the Councils capital programme is a scarce resource therefore additions need to be considered in terms of the priorities and desired outcomes of the Council. Currently all additions that require Council resources are being funded from borrowing so it is essential other specific sources of funding can be identified.

### **CAPITAL RESOURCES**

9. The resources which can be used to fund the capital programme are as follows:
  - Council Resources - Borrowing
  - Council Resources - Capital Receipts from the sale of HRA assets
  - Council Resources - Capital Receipts from the sale of General Fund assets
  - Contributions from third parties
  - Central Government Grants and from other bodies
  - Direct Revenue Financing (DRF)
10. Capital Receipts from the sale of Right to Buy (RTB) properties are passed to the General Fund capital programme to support the Private Sector Housing schemes within the Housing & Sustainability Portfolio.

### **CHANGES IN AVAILABLE RESOURCES**

11. The additional spending within the Capital programme must be met from additional sources of finance. Table 3 shows the resource changes that have taken place:

Table 3 – Changes in Resource Requirements

	<b>£M</b>
Council Resources	2.83
Contributions	1.63
Capital Grants	8.88
Direct Revenue Financing (Portfolios)	(0.38)
<b>Total Change in Available Resources</b>	<b>12.96</b>

12. It should be noted that the revised General Fund Capital Programme is based on prudent assumptions of future Government Grants to be received. The majority of these grants relate to funding for schools and transport and are unringfenced. However in 2015/16 these grants have been passported to these areas.

13. It can be seen that the largest increase in available resources relate to Government capital grants and contributions, predominantly in relation to the schools programme and allocation of the Schools Basic Needs and Condition Grants in 2015/16.

**OVERALL CAPITAL PROGRAMME (GF ONLY)**

14. Table 4 and Table 5 show capital expenditure by portfolio and the use of resources to finance the General Fund Capital Programme up to and including 2019/20:

Table 4 – Capital Expenditure by Programme

	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>Total</b>
	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>
Education & Childrens Social Care	11.62	7.87	0.00	0.00	0.00	<b>19.49</b>
Environment & Transport	20.52	0.38	0.00	0.00	0.00	<b>20.52</b>
Environment & Transport – City Services	1.31	0.30	0.00	0.00	0.00	<b>1.61</b>
Health & Adult Social Care	0.60	0.00	0.00	0.00	0.00	<b>0.60</b>
Housing & Sustainability	5.33	0.29	0.00	0.00	0.00	<b>5.62</b>
Leaders	16.30	8.07	0.35	0.10	0.00	<b>24.82</b>
Communities, Culture & Leisure	2.17	0.05	0.08	0.00	0.00	<b>2.30</b>
Resources	1.66	1.02	0.29	0.00	0.00	<b>2.97</b>
	<b>59.51</b>	<b>17.61</b>	<b>0.71</b>	<b>0.10</b>	<b>0.00</b>	<b>77.93</b>

Table 5 – Use of Resources

	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>Total</b>
	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>
Council Resources	13.06	5.94	0.18	0.00	0.00	<b>19.18</b>
Contributions	8.46	0.24	0.08	0.00	0.00	<b>8.78</b>
Capital Grants	34.41	10.57	0.00	0.00	0.00	<b>44.99</b>
DRF from Portfolios	3.58	0.85	0.46	0.10	0.00	<b>4.98</b>
<b>Total Financing</b>	<b>59.51</b>	<b>17.61</b>	<b>0.71</b>	<b>0.10</b>	<b>0.00</b>	<b>77.93</b>

15. It can be seen from Table 4 that the significant programme spend relates to Education and Childrens Social Care Portfolio (Schools Programme); E & T Portfolio (Roads Programme); and Leaders Portfolio (Southampton New Arts Centre). It should be noted that beyond 2016/17 no grant assumptions have been built in; this will be reviewed in relation to the Medium Term Financial Strategy (MTFS) post Local Government Finance Settlement 2016/17 and the

Comprehensive Spending Review (CSR).

16. Table 5 demonstrates that after allowing for Capital Grants, a significant amount for funding is provided by Council Resources. In this financial year this will be mainly through borrowing.

**CAPITAL RECEIPTS**

17. Capital receipts funding assumptions have been previously based on an estimated value of the receipt, in the year of disposal. The estimate was further risk adjusted depending on where in the process the disposal had progressed i.e. 'On Market', 'Contract Under Negotiation' etc.
18. In future, capital receipts will be monitored based on the agreed sale price and expected year of receipt in order to achieve certainty around the level of useable receipts within each financial year.
19. The Revenue Budget report to Cabinet in August 2015 detailed changes to the Councils MRP policy including utilising capital receipts to repay debt enabling a revenue MRP holiday. This allows a significant non recurrent saving to be made. This was the methodology used in in 2014/15, and it is proposed to continue this strategy for 2015/16 and 2016/17. The impact of this will be that capital expenditure is currently planned to be funded from capital receipts will need to be funded from borrowing in these financial years. The impact of this is an increase in borrowing costs, however as borrowing is based on cash need it is unlikely that new borrowing will occur in the short term.
20. It should be noted that this proposal is currently being reviewed in light of the level of actual capital receipts now expected to be received in 2015/16. Whilst there are several significant land disposals currently being actioned it is now expected that the receipt for these disposals will now be received in 2016/17 due to the complexity of the disposals.
21. Table 6 shows the previous and current capital receipt assumptions based on either original sale price or where known the actual sale price in the year that the receipt is expected rather than the year of disposal.

Table 6 – Capital Receipt Assumptions

	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>Total</b>
	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>
Estimated Receipts	7.50	4.10	1.10	0.00	0.00	<b>12.70</b>
Forecast Receipts	2.48	17.11	7.22	0.00	0.00	<b>26.81</b>
<b>Change</b>	<b>(5.02)</b>	<b>13.01</b>	<b>6.12</b>	<b>0.00</b>	<b>0.00</b>	<b>14.11</b>

22. It can be seen that there is likely to be an overall increase in the level of capital receipts, due to the change in methodology from the estimated assumptions to the forecast assumptions, which now looks at total receipts rather than risk adjusted

receipts, and assumed year of receipt rather than disposal year. It should be noted that if alternative options to disposal are considered this will affect the overall level of receipts. Further work is being undertaken on capital receipts to ascertain disposal methods and timing to ensure the Council receives best value.

## **HOUSING REVENUE ACCOUNT**

23. The latest Housing Revenue Account (HRA) Capital Programme for the period 2015/16 to 2019/20, as detailed in Appendix 4, has increased by £0.75M compared to the previously reported programme. Appendix 5 details this change, which is due to the approved addition of a new social housing scheme funded from Right To Buy receipts. It also sets out the slippage and rephasing relating to existing schemes.
24. The sources of finance used to fund the latest HRA Capital Programme are detailed in Appendix 4. In overall terms, there is no material change in the resources needed to fund the programme. The HRA Business Plan assumes that part of the annual revenue income will be used to fund capital expenditure. However, the Government outlined proposals, in the July 2015 budget, to reduce social rents charged by Local Authorities to their tenants by 1% per annum for a 4 year period from 2016 to 2020. This will necessitate a review of HRA revenue expenditure, including the Direct Revenue Financing of capital, which may result in a reduction in planned capital expenditure when the next update of the HRA Capital Programme is presented to Council in February 2016.

## **RESOURCE IMPLICATIONS**

### **Capital**

25. As set out in the report details.

### **Revenue**

26. This report principally deals with capital. However, the revenue implications arising from borrowing to support the capital programme are considered as part of the annual revenue budget setting meetings. In addition any revenue consequences arising from new capital schemes are considered as part of the approval process for each individual scheme.

### **Property**

27. There are no specific property implications arising from this report other than the schemes already referred to within the main body of the report.

### **Other**

28. None

## **LEGAL IMPLICATIONS**

### **Statutory power to undertake proposals in the report:**

29. The General Fund Capital Programme update is prepared in accordance with the Local Government Acts 1972 – 2003.

### **Other Legal Implications:**

30. None directly, but in preparing this report, the Council has had regard to the Human Rights Act 1998, the Equality Act 2010, the duty to achieve best value and statutory guidance issued associated with that, and other associated legislation.

### **POLICY FRAMEWORK IMPLICATIONS**

31. The update of the Capital Programme forms part of the overall Budget Strategy of the Council.

**KEY DECISION?** Yes

<b>WARDS/COMMUNITIES AFFECTED:</b>	All
------------------------------------	-----

### **SUPPORTING DOCUMENTATION**

#### **Appendices**

1.	General Fund Capital Programme – Scheme Details
2.	Major Variations Since the Outturn 2014/15 Capital Update
3.	Key Issues – September 2015 Programme Update
4.	HRA Capital Programme – Scheme Details
5.	HRA Key Issues – September 2015 Programme Update

#### **Documents In Members' Rooms**

1.	
2.	

#### **Equality Impact Assessment**

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

#### **Privacy Impact Assessment**

Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.	No
--	----

#### **Other Background Documents**

**Equality 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)
--	--

**This page is intentionally left blank**

## EDUCATION & CHILDRENS SOCIAL CARE

Scheme No.	Description	Estimate 2015/16 £M	Forecast 2016/17 £M	Forecast 2017/18 £M	Forecast 2018/19 £M	Forecast 2019/20 £M	Total £M	Project Manager
<b>Approved Schemes</b>								
E0ACA	Academies.	0.522	0.000	0.000	0.000	0.000	0.522	Hardy, Robert
E0BPS	Bitterne Park 6th Form Parent	0.242	0.000	0.000	0.000	0.000	0.242	Hards, Richard
E0CSL	CS & L General Other	0.495	0.000	0.000	0.000	0.000	0.495	Hardy, Robert
E0EYP	Early Years Expansion Programme.	0.500	0.144	0.000	0.000	0.000	0.644	Read, Maureen
E0ICT	ICT	0.013	0.015	0.000	0.000	0.000	0.028	Taylor, Nicholas
E0PR2	Primary Review Phase 2.	2.996	6.195	0.000	0.000	0.000	9.191	Floyd, Colin
E0PR3	School Expansion Programme – Phase 3	0.375	0.483	0.000	0.000	0.000	0.858	Hardy, Robert
E0PRN	Primary Rebuild - Newlands	0.067	0.000	0.000	0.000	0.000	0.067	Hards, Richard
E0PRW	Primary Review.	0.172	0.000	0.000	0.000	0.000	0.172	Floyd, Colin
E0SAF	Safeguarding	0.003	0.000	0.000	0.000	0.000	0.003	Hardy, Robert
E0SCM	School Capital Maintenance.	5.014	0.687	0.000	0.000	0.000	5.701	Hardy, Robert
E0SSM	Secondary School Maintenance	0.203	0.000	0.000	0.000	0.000	0.203	Hards, Richard
E0UFM	Universal Infant Free School Meals	0.000	0.000	0.000	0.000	0.000	0.000	Hardy, Robert
EOSE1	Secondary School Expansion Feasibility	0.100	0.000	0.000	0.000	0.000	0.100	Floyd, Colin
NEW	Weston Park Primary School	0.100	0.000	0.000	0.000	0.000	0.100	Hardy, Robert
NEW	Bitterne Park Secondary Building programme -planning	0.200	0.000	0.000	0.000	0.000	0.200	Hardy, Robert
NEW	Springhill Primary Academy School one modular buildir	0.050	0.350	0.000	0.000	0.000	0.400	Hardy, Robert
NEW	Polygon School Expansion at Morris House	0.456	0.000	0.000	0.000	0.000	0.456	Hardy, Robert
NEW	Remedial works at Sholing - spring well intake 2015	0.110	0.000	0.000	0.000	0.000	0.110	Hardy, Robert
		<b>11.618</b>	<b>7.874</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>19.492</b>	
<b>Total Programme</b>		<b>11.618</b>	<b>7.874</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>19.492</b>	
<b>Sources of Finance</b>								
	Council Resources	0.092	0.000	0.000	0.000	0.000	0.092	
	Contributions	0.042	0.000	0.000	0.000	0.000	0.042	
	Capital Grants	11.474	7.874	0.000	0.000	0.000	19.348	
	Direct Revenue Financing (Portfolios)	0.010	0.000	0.000	0.000	0.000	0.010	
	<b>Total Financing</b>	<b>11.618</b>	<b>7.874</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>19.492</b>	

## ENVIRONMENT & TRANSPORT

Scheme No.	Description	Estimate 2015/16 £M	Forecast 2016/17 £M	Forecast 2017/18 £M	Forecast 2018/19 £M	Forecast 2019/20 £M	Total £M	Project Manager
<b>Approved Schemes</b>								
<u>Accessibility</u>								
C7171	Accessibility	0.305	0.000	0.000	0.000	0.000	0.305	Walker, Paul
<u>Active Travel</u>								
C7131	Cycling	1.258	0.000	0.000	0.000	0.000	1.258	Walker, Paul
<u>Bridges</u>								
C7770	B2P Bridge Scheme	1.012	0.000	0.000	0.000	0.000	1.012	Harvey, John
C7911	Bridges	0.077	0.000	0.000	0.000	0.000	0.077	Harvey, John
<u>Environment &amp; Sustainability</u>								
C2300	Digital Radio Service 2013	0.003	0.000	0.000	0.000	0.000	0.003	Walker, Paul
C2400	Planning	0.022	0.000	0.000	0.000	0.000	0.022	Nichols, Paul
C2410	Invest to Save - Building Control	0.048	0.000	0.000	0.000	0.000	0.048	Ferris, Neil
<u>General Environment</u>								
C2690	Relocation of Town Depot	0.007	0.000	0.000	0.000	0.000	0.007	Cooper, Malcolm
C2730	Itchen Bridge Toll Automation Project	0.089	0.000	0.000	0.000	0.000	0.089	Bell, Simon
C2740	Crematorium Major Works	0.042	0.000	0.000	0.000	0.000	0.042	Wells, Philip
<u>Highways Other</u>								
C7191	LTP - Other Highways	0.327	0.000	0.000	0.000	0.000	0.327	Armstrong, David
<u>Improved Safety</u>								
C7151	Improved Safety	0.423	0.000	0.000	0.000	0.000	0.423	Walker, Paul
<u>Network Management</u>								
C7181	Congestion Reduction	1.362	0.000	0.000	0.000	0.000	1.362	Walker, Paul





## ENVIRONMENT & TRANSPORT (CITY SERVICES)

Scheme No.	Description	Estimate 2015/16 £M	Forecast 2016/17 £M	Forecast 2017/18 £M	Forecast 2018/19 £M	Forecast 2019/20 £M	Total £M	Project Manager
<b>Approved Schemes</b>								
C2921	Weekly Collection Support Scheme	0.054	0.000	0.000	0.000	0.000	0.054	Smith, Gale
E3001	Houndwell Park Play Area	0.005	0.000	0.000	0.000	0.000	0.005	Saward, Helen
E3007	Freemantle Common Play Area	0.048	0.000	0.000	0.000	0.000	0.048	Hill, Tony
E3011	Deep Dene Play Area	0.025	0.000	0.000	0.000	0.000	0.025	Hill, Tony
E3013	The Common Play Area	0.018	0.000	0.000	0.000	0.000	0.018	Hill, Tony
E3025	Bitterne Precinct Play Area	0.001	0.000	0.000	0.000	0.000	0.001	Hill, Tony
J333A	Central Depot - Feasibility	0.008	0.000	0.000	0.000	0.000	0.008	Cooper, Malcolm
J333B	Central Depot Development	0.813	0.300	0.000	0.000	0.000	1.113	Cooper, Malcolm
J426L	Southampton Common	0.014	0.000	0.000	0.000	0.000	0.014	Yeats, Nicholas
J427H	Freemantle Lake Park Improvements Yr 2009-11	0.003	0.000	0.000	0.000	0.000	0.003	Brown, Clifford
J4310	Deep Dene Improvements	0.012	0.000	0.000	0.000	0.000	0.012	Brown, Clifford
J4340	Hinkler Green Green Flag Improvements Yr 2010/11	0.001	0.000	0.000	0.000	0.000	0.001	Brown, Clifford
J4370	Park Code for Green Space	0.022	0.000	0.000	0.000	0.000	0.022	Yeats, Nicholas
J4410	Mayflower Park Basket Ball Court Renovation	0.027	0.000	0.000	0.000	0.000	0.027	Brown, Clifford
J4430	Weston Shore Improvements Phase 2	0.051	0.000	0.000	0.000	0.000	0.051	Brown, Clifford
J4440	Sports Centre Water Supply Upgrade	0.026	0.000	0.000	0.000	0.000	0.026	Brown, Clifford
J4450	Riverside Park Pitch & Putt Irrigation System Upgrade	0.050	0.000	0.000	0.000	0.000	0.050	Brown, Clifford
J4460	Cedar Lodge Open Space	0.017	0.000	0.000	0.000	0.000	0.017	Brown, Clifford
J4480	Green Park	0.002	0.000	0.000	0.000	0.000	0.002	Brown, Clifford
J4490	Hum Hole	0.008	0.000	0.000	0.000	0.000	0.008	Brown, Clifford
J4500	Lordsdale Greenway	0.005	0.000	0.000	0.000	0.000	0.005	Brown, Clifford
J4510	Mansbridge Open Space	0.002	0.000	0.000	0.000	0.000	0.002	Brown, Clifford
J4520	Riverside Park	0.039	0.000	0.000	0.000	0.000	0.039	Brown, Clifford
J4540	Sullivan Recreation Ground	0.002	0.000	0.000	0.000	0.000	0.002	Brown, Clifford
J4560	Westwood Greenway	0.003	0.000	0.000	0.000	0.000	0.003	Brown, Clifford
J4570	Mayfield Park Improvements	0.026	0.000	0.000	0.000	0.000	0.026	Brown, Clifford
J4580	City Pride - Crazy Paving & Community Mosaic Project	0.009	0.000	0.000	0.000	0.000	0.009	Brown, Clifford
J8100	Mobile Working for P & C Frontline	0.007	0.000	0.000	0.000	0.000	0.007	Horton, John
J814B	St James Park - Implementation	0.013	0.000	0.000	0.000	0.000	0.013	Saward, Helen
J8240	Parks Safety Improvements Yrs 2009-11	0.002	0.000	0.000	0.000	0.000	0.002	Horton, John
		<b>1.313</b>	<b>0.300</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>1.613</b>	
<b>Total Programme</b>		<b>1.313</b>	<b>0.300</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>1.613</b>	

**Sources of Finance**

Council Resources	0.854	0.300	0.000	0.000	0.000	1.154
Contributions	0.384	0.000	0.000	0.000	0.000	0.384
Capital Grants	0.067	0.000	0.000	0.000	0.000	0.067
Direct Revenue Financing (Portfolios)	0.008	0.000	0.000	0.000	0.000	0.008
<b>Total Financing</b>	<b>1.313</b>	<b>0.300</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>1.613</b>



## HEALTH & ADULT SOCIAL CARE

Scheme No.	Description	Estimate 2015/16 £M	Forecast 2016/17 £M	Forecast 2017/18 £M	Forecast 2018/19 £M	Forecast 2019/20 £M	Total £M	Project Manager
<b>Approved Schemes</b>								
R9330	National Care Standards and H&S Work	0.171	0.000	0.000	0.000	0.000	0.171	Flint, Tracy
R9340	Replacement of Appliances and Equipment	0.022	0.000	0.000	0.000	0.000	0.022	Flint, Tracy
R9700	Common Assessment Framework	0.209	0.000	0.000	0.000	0.000	0.209	Howell, Mark
R9720	Residential Homes fabric furnishing CQC	0.009	0.000	0.000	0.000	0.000	0.009	Flint, Tracy
R9750	Paris 5.1 Upgrade	0.187	0.000	0.000	0.000	0.000	0.187	Frankcom, Alan
		<b>0.598</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.598</b>	
<b>Total Programme</b>		<b>0.598</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.598</b>	

<b>Sources of Finance</b>							
	Council Resources	0.000	0.000	0.000	0.000	0.000	0.000
	Contributions	0.000	0.000	0.000	0.000	0.000	0.000
	Capital Grants	0.598	0.000	0.000	0.000	0.000	0.598
	Direct Revenue Financing (Portfolios)	0.000	0.000	0.000	0.000	0.000	0.000
	<b>Total Financing</b>	<b>0.598</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.598</b>

## HOUSING & SUSTAINABILTY

Scheme No.	Description	Estimate 2015/16 £M	Forecast 2016/17 £M	Forecast 2017/18 £M	Forecast 2018/19 £M	Forecast 2019/20 £M	Total £M	Project Manager
<b>Approved Schemes</b>								
C242C	Awareness Raising/Developing Community Resilience	0.004	0.000	0.000	0.000	0.000	0.004	Maguire, Bernadine
C242D	Property Level Surveys	0.001	0.000	0.000	0.000	0.000	0.001	Maguire, Bernadine
C242E	Implementation of Property Level Measures	0.215	0.000	0.000	0.000	0.000	0.215	Maguire, Bernadine
C242F	Understanding The Risk Reduction Measures	0.001	0.000	0.000	0.000	0.000	0.001	Maguire, Bernadine
C242G	Project Management	0.006	0.000	0.000	0.000	0.000	0.006	Maguire, Bernadine
C2430	Repair & Renew Grants (Flood Recovery)	0.010	0.000	0.000	0.000	0.000	0.010	Maguire, Bernadine
C2520	Salix Energy Efficiency Measures	0.000	0.000	0.000	0.000	0.000	0.000	Taylor, Jason
C257F	Civic Centre IT server room	0.086	0.000	0.000	0.000	0.000	0.086	Taylor, Jason
C257G	Lighting Upgrades Salix Works	0.020	0.000	0.000	0.000	0.000	0.020	Taylor, Jason
C257I	Insulation Salix Works	0.005	0.000	0.000	0.000	0.000	0.005	Taylor, Jason
C257P	Salix Non Office Buildings	0.027	0.000	0.000	0.000	0.000	0.027	Taylor, Jason
G4330	Support for Vulnerable DFG Customers	0.022	0.000	0.000	0.000	0.000	0.022	Hawkins, Janet
G4490	Insulation and Fuel Poverty Initiatives	0.048	0.000	0.000	0.000	0.000	0.048	Hawkins, Janet
G4620	Handyperson Service	0.020	0.000	0.000	0.000	0.000	0.020	Hawkins, Janet
G4650	Disabled Facilities Grants approved in 2013/14	0.081	0.000	0.000	0.000	0.000	0.081	Hawkins, Janet
G4670	Disabled Facilities Grants approved in 2014/15	0.495	0.000	0.000	0.000	0.000	0.495	Hawkins, Janet
G6550	Estate Regeneration Cumbrian Way	0.033	0.000	0.000	0.000	0.000	0.033	Windebank, Jane
G6580	Estate Parking Improvements	0.296	0.000	0.000	0.000	0.000	0.296	Cooper, Aidan
		<b>1.370</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>1.370</b>	

**Unapproved Schemes**

G4310	Green Projects	0.379	0.000	0.000	0.000	0.000	0.379	Hawkins, Janet
G4690	Disabled Facilities Grants Approved in 2015/16	0.908	0.292	0.000	0.000	0.000	1.200	Hawkins, Janet
G4700	Disabled Facilities Grants Support Costs 2015/16	0.146	0.000	0.000	0.000	0.000	0.146	Hawkins, Janet
G4710	Green Deal Communities Engagement	0.750	0.000	0.000	0.000	0.000	0.750	Hawkins, Janet
G4720	HIL/DFG Repayments	0.595	0.000	0.000	0.000	0.000	0.595	Hawkins, Janet
G6430	Support for Estate Regeneration	0.932	0.000	0.000	0.000	0.000	0.932	Stanley, Sherree
G6610	DevCo Setup	0.250	0.000	0.000	0.000	0.000	0.250	Compton, Barbara

---

<b>3.960</b>	<b>0.292</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>4.252</b>
--------------	--------------	--------------	--------------	--------------	--------------

**Total Programme**

---

<b>5.330</b>	<b>0.292</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>5.622</b>
--------------	--------------	--------------	--------------	--------------	--------------

---

**Sources of Finance**

Council Resources	0.136	0.292	0.000	0.000	0.000	0.428
Contributions	3.126	0.000	0.000	0.000	0.000	3.126
Capital Grants	1.719	0.000	0.000	0.000	0.000	1.719
Direct Revenue Financing (Portfolios)	0.349	0.000	0.000	0.000	0.000	0.349
<b>Total Financing</b>	<b>5.330</b>	<b>0.292</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>5.622</b>

## LEADERS

Scheme No.	Description	Estimate 2015/16 £M	Forecast 2016/17 £M	Forecast 2017/18 £M	Forecast 2018/19 £M	Forecast 2019/20 £M	Total £M	Project Manager
<b>Approved Schemes</b>								
M0CQR	Cultural Quarter Parent	11.582	5.016	0.178	0.000	0.000	16.776	Low, Jill
M0HOC	Heart of the City Parent	4.144	2.845	0.070	0.000	0.000	7.059	Bennett, Wendy
M0HQP	Hollywood and Queens Park Parent	0.016	0.000	0.000	0.000	0.000	0.016	Dobson, Alastair
M0IRF	Itchen Riverfront Parent	0.123	0.000	0.000	0.000	0.000	0.123	Dobson, Alastair
M0OTH	Other Areas Parent	0.070	0.000	0.000	0.000	0.000	0.070	Couch, Wendy
M0RPW	Royal Pier Waterfront Parent	0.109	0.100	0.100	0.100	0.000	0.409	Meredith, Emma
M0SQR	Station Quarter Parent	0.239	0.113	0.000	0.000	0.000	0.352	Dobson, Alastair
		<b>16.283</b>	<b>8.074</b>	<b>0.348</b>	<b>0.100</b>	<b>0.000</b>	<b>24.805</b>	
<b>Unapproved Schemes</b>								
M9400	Mayflower Park Spitfire Memorial	0.015	0.000	0.000	0.000	0.000	0.015	Meredith, Emma
		<b>0.015</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.015</b>	
<b>Total Programme</b>		<b>16.298</b>	<b>8.074</b>	<b>0.348</b>	<b>0.100</b>	<b>0.000</b>	<b>24.820</b>	

## Sources of Finance

Council Resources	5.403	4.773	0.178	0.000	0.000	10.354
Contributions	2.031	0.243	0.000	0.000	0.000	2.274
Capital Grants	8.146	2.700	0.000	0.000	0.000	10.846
Direct Revenue Financing (Portfolios)	0.718	0.358	0.170	0.100	0.000	1.346
<b>Total Financing</b>	<b>16.298</b>	<b>8.074</b>	<b>0.348</b>	<b>0.100</b>	<b>0.000</b>	<b>24.820</b>

## COMMUNITIES, CULTURE & LEISURE

Scheme No.	Description	Estimate 2015/16 £M	Forecast 2016/17 £M	Forecast 2017/18 £M	Forecast 2018/19 £M	Forecast 2019/20 £M	Total £M	Project Manager
<b>Approved Schemes</b>								
L1000	Oaklands Swimming Pool Feasibility	0.242	0.000	0.000	0.000	0.000	0.242	Dyer-Slade, Tina
L1001	Lordshill Community Hall	0.208	0.000	0.000	0.000	0.000	0.208	Cooper, Malcolm
L1010	Bargate Monument Repairs	0.239	0.000	0.000	0.000	0.000	0.239	Shepherd, Lisa
L1020	Guildhall Square Electricity Supply Enhancement	0.040	0.000	0.000	0.000	0.000	0.040	Lintott, Craig
L1440	Tudor House Museum Phase 1	0.005	0.000	0.000	0.000	0.000	0.005	Matthews, Daniel
L6790	Sections 106 Playing Field Improvement	0.080	0.000	0.000	0.000	0.000	0.080	Dyer-Slade, Tina
L6791	Lordshill Playing Field Drainage	0.184	0.000	0.000	0.000	0.000	0.184	Yeats, Nicholas
L7000	Guildhall Refurbishment	0.213	0.050	0.078	0.000	0.000	0.341	Greene, Nigel
L810U	Art in Public Places – Millbrook and Weston	0.017	0.000	0.000	0.000	0.000	0.017	Harris, Michael
L8260	Tudor House Museum Phase 2 Implementation	0.050	0.000	0.000	0.000	0.000	0.050	Matthews, Daniel
L8285	SeaCity Phase 2	0.000	0.000	0.000	0.000	0.000	0.000	Dyer-Slade, Tina
L8370	Woolston Library	0.892	0.000	0.000	0.000	0.000	0.892	Baldwin, David
		<b>2.170</b>	<b>0.050</b>	<b>0.078</b>	<b>0.000</b>	<b>0.000</b>	<b>2.298</b>	
<b>Total Programme</b>		<b>2.170</b>	<b>0.050</b>	<b>0.078</b>	<b>0.000</b>	<b>0.000</b>	<b>2.298</b>	

### Sources of Finance

Council Resources	1.852	0.050	0.003	0.000	0.000	1.905
Contributions	0.213	0.000	0.075	0.000	0.000	0.288
Capital Grants	0.100	0.000	0.000	0.000	0.000	0.100
Direct Revenue Financing (Portfolios)	0.005	0.000	0.000	0.000	0.000	0.005
<b>Total Financing</b>	<b>2.170</b>	<b>0.050</b>	<b>0.078</b>	<b>0.000</b>	<b>0.000</b>	<b>2.298</b>

## FINANCE

Scheme No.	Description	Estimate 2015/16 £M	Forecast 2016/17 £M	Forecast 2017/18 £M	Forecast 2018/19 £M	Forecast 2019/20 £M	Total £M	Project Manager
<b>Approved Schemes</b>								
M9710	Accommodation Strategy Action Programme (ASAP)	0.610	0.089	0.000	0.000	0.000	0.699	Verner, Andrew
P5100	Desktop Refresh Programme	0.387	0.312	0.285	0.000	0.000	0.984	Foley, Kevin
P5110	Civic Centre Clock Tower Repairs	0.108	0.000	0.000	0.000	0.000	0.108	Hodge, Richard
P5120	Works to Enable Accommodation Strategy	0.267	0.531	0.000	0.000	0.000	0.798	Fox, Annabel
P5130	Investment in Local Capital Finance Company	0.020	0.000	0.000	0.000	0.000	0.020	Lowe, Andy
P5140	Customer Portal	0.270	0.090	0.000	0.000	0.000	0.360	Dawtry, Sean
		<b>1.662</b>	<b>1.022</b>	<b>0.285</b>	<b>0.000</b>	<b>0.000</b>	<b>2.969</b>	
<b>Total Programme</b>		<b>1.662</b>	<b>1.022</b>	<b>0.285</b>	<b>0.000</b>	<b>0.000</b>	<b>2.969</b>	

### Sources of Finance

Council Resources	0.108	0.528	0.000	0.000	0.000	0.636
Contributions	0.000	0.000	0.000	0.000	0.000	0.000
Capital Grants	0.000	0.000	0.000	0.000	0.000	0.000
Direct Revenue Financing (Portfolios)	1.554	0.494	0.285	0.000	0.000	2.333
<b>Total Financing</b>	<b>1.662</b>	<b>1.022</b>	<b>0.285</b>	<b>0.000</b>	<b>0.000</b>	<b>2.969</b>



**This page is intentionally left blank**



**MAJOR VARIATIONS SINCE OUTTURN 2014/15 CAPITAL UPDATE**

<b>Portfolio</b>	<b>Scheme</b>	<b>£M</b>	<b>Funding Source</b>
<b>Increases to the Programme</b>			
Education & Childrens Social Care	Allocation of Basic Needs and Condition Grant to Schools Capital Programme Programme	7.9	Government Grants
Environment & Transport - City Services	Relocation of Services to a Central Depot	1.1	Council Resources
Housing & Sustainability	Set up of Development Company	0.3	Council Resources
Housing & Sustainability	Green Deal - Energy Efficiency Home Improvements	0.8	Government Grants
Housing & Sustainability	Private Sector Housing including fuel poverty initiatives	0.6	Contributions
Leaders	Southampton New Arts Centre	2.9	Council Resources
		<b>13.5</b>	
<b>Decreases to the Programme</b>			
Finance	Reduction in works to enable accommodation strategy.	(1.0)	Direct Revenue Financing
		<b>(1.0)</b>	
	<b>Total</b>	<b>12.5</b>	

**This page is intentionally left blank**

### KEY ISSUES – QTR 2

#### EDUCATION & CHILDRENS SOCIAL CARE PORTFOLIO

The portfolio capital programme currently totals **£19.49M**. This can be compared to the programme position following 2014/15 closedown of **£11.59M** resulting in an increase of **£7.9M** on the programme which represents a percentage variance of **68.2%**.

The changes to the programme are shown in the following summarised table:

	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>Later</b>	<b>Total</b>
	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>
Programme post 14/15 outturn	10.00	1.59	0.00	0.00	11.59
New Schemes	0.92	0.35	0.00	0.00	1.27
Changes to the Existing Schemes	3.37	3.26	0.00	0.00	6.63
(Under)Overspends	0.00	0.00	0.00	0.00	0.00
Slippage/Rephasing	(2.67)	2.67	0.00	0.00	0.00
<b>Programme Total</b>	<b>11.62</b>	<b>7.87</b>	<b>0.00</b>	<b>0.00</b>	<b>19.49</b>

#### **PROGRAMME CHANGES**

##### **NEW SCHEMES**

##### **ECSC 1 - The Polygon School expansion – Morris House (£0.46M Addition)**

##### **Addition of £0.46M (2015/16) for the purchase of Morris House**

The additional funding will enable Southampton City Council (SCC) to purchase Morris House from Southern NHS Trust to meet the needs of The Polygon School for additional provision; to provide an evening and weekend base for activities related to the Restorative Practice Network sponsored by the Youth Offending Service and for the Headstart programme, which is funded by the BIG Lottery.

##### **ECSC 2 - Bitterne Park Planning Obligations (£0.20M Addition)**

##### **Addition of £0.20M (2015/16) for Bitterne Park Planning Obligations**

Bitterne Park Secondary School is being re-built and its capacity expanded from 1,500 to 1,800 under the Priority Schools Building Programme, funded by the DfE and delivered by the Education Funding Agency. As a result of the expansion, it is likely that the planning approval will require SCC to make adaptation to highways and access arrangements. This sum is to cover potential costs, including legal fees, relating to the likely obligations.

##### **ECSC 3 – Weston Park Primary School (£0.10M Addition)**

##### **Addition of £0.10M (2015/16) for adaptations required to accommodate a bulge class.**

It is known that within the east of the city there is a short term capacity issue at Year R. This adaptation at Weston Park Primary will meet this short term need.

#### **ECSC 4 – Springhill Primary School (£0.40M Addition)**

**Addition of £0.05M (2015/16) and £0.35M (2016/17) for adaptations required to accommodate a bulge class.**

This allows for expansion by one bulge class to meet the forecast shortfall of places in the Central planning area. This is subject to further discussions with the Trust and the Diocese before agreement to proceed can be reached, but there is agreement in principle.

#### **ECSC 5 – Start Point Sholing (£0.10M Addition)**

**Addition of £0.10M (2015/16) for remedial works to accommodate the 2015/16 Year R intake for Springwell Special School at Start Point Sholing.**

These works are required to provide accommodation for the Springwell 2015/16 Year R group of 24 children who could not be admitted to the Springwell main school site due delays in the Springwell Scheme as outlined in ECSC 12. Some minor adaptations to staff accommodation at Springwell are also included as these could not be made at the Sholing site.

### **CHANGES TO EXISTING SCHEMES**

#### **ECSC 6 - R&M Planned Programme (£2.60M Increase)**

**Addition of £2.25M (2015/16) and 0.35M (2016/17) for Priority 1 repair and maintenance issues for maintained schools**

There is presently a backlog maintenance schedule at maintained schools in Southampton. Many of these condition-related items (e.g. boilers, roofs, windows) have a direct bearing on schools' ability to function. This capital allocation will deal with just over half of Priority 1 issues identified in maintained schools' condition surveys.

#### **ECSC 7 - Asbestos Management (£0.25M Increase)**

**Addition of £0.25M (2015/16) for the ongoing annual asbestos management for maintained schools**

The Council has a statutory responsibility to provide an ongoing programme of asbestos management for all its maintained schools that are affected by this issue. The cost of this inspection and works programme is generally stable from each financial year to the next.

#### **ECSC 8 - Health and Safety (incl. Fire Risk Assessments) (£0.25M Increase)**

**Addition of £0.25M (2015/16) for the annual programme of Health and Safety works at maintained schools**

Contractual delays in 2014/15 means that the programme of post-FRA implementation is behind schedule and additional costs will need to be met this year, having underspent (due to the delays) in 2014/15.

#### **ECSC 9 - Shirley Warren Primary School Expansion (£0.26M Increase)**

**Addition of £0.26M (2015/16) for three additional classrooms**

This scheme is to convert the old portage room into a classroom, build a new class above the year R playground and convert the staffroom to another classroom.

#### **ECSC 10 -Valentine Primary School Westwood Block (£0.34M Increase), (Slippage of £0.60M from 2015/16 to 2016/17)**

**Addition of £0.34M (2016/17) to fund the traditional build of three additional classrooms. Slippage of £0.60M from 2015/16 to 2016/17 due to delays arising from an unsuccessful tender process.**

It is expected that the DfE will fund a re-build of an existing block that is in poor condition as part of the PSBP Phase 2. This additional work has delayed the original project for four classrooms. To date one classroom has been built. It is hoped that the additional three classrooms will form part of the DfE project although funded by SCC. The SCC project would be completed after the rebuild has been completed. In addition the three classrooms will be based on a traditional build rather than a modular design and will therefore require the further funding of £0.34M.

**ECSC 11 - Sholing Junior (£0.75M Increase), (Slippage of £0.45M from 2015/16 to 2016/17)**

**Addition of £0.75M (2016/17) for expansion of four classrooms based on a traditional build. Slippage of £0.45M from 2015/16 to 2016/17 due to delays arising from an unsuccessful tender process.**

The capacity of the school is to be increased by five classrooms. One classroom has been completed from the conversion of a room within the school. The remaining four classrooms were originally intended to be completed through a modular solution. However, the tender process for the modular build was unsuccessful which has led to the project needing to be completed through a traditional build, at a higher cost and with significant delay. The works are now likely to be undertaken between February and August 2016.

**ECSC 12 – Springwell Special School Expansion (£1.30M Increase), (Slippage of £0.90M from 2015/16 to 2016/17)**

**Addition of £1.30M (2016/17) to fund the traditional build of six additional classrooms. Slippage of £0.90M from 2015/16 to 2016/17 due to delays arising from an unsuccessful tender process.**

£1.3M has been added to E&CSC capital programme for increased capacity at Springwell Special School following increased demand on special school places. The total estimated cost for the phase 1 is now £2.70M, an increase of £1.3M from the amount added by Cabinet in March 2015. This is because the project is now based on a traditional build after no tenders were received for a modular build. Currently there is slippage of £0.90M against 2015/16 approved budget as the need for a second tender process will lead to work on site beginning much later than originally intended.

The proposed extension will provide 6 additional classrooms with all ancillary facilities, built to match the style and design of the existing school.

**ECSC 13 - Portswood Primary Expansion (£0.10M Increase), (Slippage of £0.37M from 2015/16 to 2016/17)**

**Addition of £0.10M (2016/17) for the additional costs associated with a traditional build. Slippage of £0.37M from 2015/16 to 2016/17 due to delays arising from an unsuccessful tender process.**

The capacity at the school was originally intended to be increased through a modular build. However, the tender process for the modular build was unsuccessful which has led to the project needing to be completed through a traditional build, at a higher cost and with significant delay. Works are currently planned to begin on site in Jan 2016.

**ECSC 14 – Fairisle Infant and Nursery Expansion (£0.19M Increase).**

**Addition of £0.19M (2015/16) for the updated full cost for a modular build of two classrooms.**

This is the additional amount required based on an updated and more accurate assessment of the cost of a two classroom modular build to create the previously agreed additional capacity. The sum originally sought and approved amounted to only half of the real cost.

**ECSC 15 – Fairisle Junior Expansion (£0.55M Increase).**

**Addition of £0.55M (2016/17) for the updated full cost for a four classroom expansion.**

This is the additional amount required based on an updated and more accurate assessment of the cost of a four classroom expansion. The sum originally sought and approved amounted to only half of the real cost.

**ECSC 16 – Bitterne Manor Primary Expansion (£0.10M Increase).**

**Addition of £0.10M (2015/16) for adaptations required to accommodate a bulge class.**

A more complete assessment of the cost associated with the internal alterations to provide one additional bulge classroom has been undertaken. The required roofing works at £0.22M are being funded from within the agreed R&M budget.

**ECSC 17 – Primary Review Contingency (£0.09M Increase).**

**Addition of £0.09M (2015/16) to cover the entire Primary expansion programme in the event of additional unforeseen expenditure.**

In conjunction with the increase in specific schemes outlined in this report an increase in the contingency is required. This sum will be used to fund schemes across the programme where unforeseen additional works are identified as the scheme progresses.

**ECSC 18 – Schools Access Initiative (£0.15M Increase).**

**Addition of £0.15M (2015/16) to provide accessibility to educational facilities**

The Council has an ongoing statutory responsibility to provide accessibility to educational facilities for children with disabilities, which requires adaptations to be made to school buildings. This programme of work is reactive, with money being spent in response to requests from schools throughout the course of a given year. Previous examples of work carried out include the provision of access ramps, accessible toilets, stair lifts and changing benches. This addition represents the requirement for works estimated to occur in 2015/16.

**ECSC 19 - St John's Primary & Nursery (Under spend of £0.42M)**

**The under spend of £0.42M is split £0.29M (2015/16) and £0.13M (2016/17). The project has been reduced and will finish earlier than originally planned. The funding for this scheme will be transferred to other schools in order to fulfil the city's primary expansion requirements.**

Due to archaeological restrictions and issues with the depth of the foundations elements of this project could not continue. The associated planned increase in capacity and associated funding has been transferred to schemes at other schools within the programme.

**(UNDER)/OVERSPENDS**

**ECSC 20 – Secondary Schools Estates Capital (Over spend of £0.13M, this is offset by an equivalent under spend across the rest of the programme)**

Following the close of the financial year it was identified that the project is expected to be completed within this financial year.

Although there is a nil variance within the total programme, as outlined in the table below, there is currently a predicted over spend of £0.13M against Secondary School Estates Capital as the project is still ongoing without funding. This over spend can be met from within the existing capital programme through funding released by various under spends achieved in 2015/16.

	Under £M	Over £M
Secondary School Estates Capital		0.13
Schools Expansion Schemes	(0.12)	
Kitchen adaptations to meet Universal Infant Free School Meal obligations	(0.01)	
<b>Total</b>	<b>(0.13)</b>	<b>0.13</b>

**SLIPPAGE/REPHASING**

There has been £2.67M of slippage from 2015/16 to 2016/17. The detailed explanations, by scheme, to support this slippage are included above within the supporting narrative for Changes to Schemes where there has also been an addition to the scheme.

**ECSC 21 – Early Years Expansion Programme (Slippage of £0.14M from 2015/16 to 2016/17)**

**Slippage of £0.14M from 2015/16 to 2016/17 due to delays on four of the thirty one projects.**

This project is to ensure sufficient capacity exists to meet the Early Years entitlement of 3 to 4 year olds. Delays have been incurred on the works as it has taken longer than expected to undertake the full consultation required.

**ECSC 22 – Solar PV Resources project, (Slippage of £0.09M from 2015/16 to 2016/17)**

**Slippage of £0.09M from 2015/16 to 2016/17 due to approval for works required from the District Network Operator, (DNO).**

Installation works were scheduled for August 2015. These were postponed as approval from the District Network Operator had not been obtained. This has therefore caused a delay in the project until such time that the approval is granted.

**ENVIRONMENT & TRANSPORT PORTFOLIO**

The portfolio programme currently totals **£20.52M**. This can be compared to the programme position following 2014/15 closedown of **£20.07M** resulting in an increase of **£0.45M** on the programme which represents a percentage increase of **2.3%**.

The changes to the programme are shown in the following summarised table:

	2015/16	2016/17	2017/18	Later	Total

	£M	£M	£M	£M	£M
Programme post 14/15 outturn	20.07	0.00	0.00	0.00	20.07
New Schemes	0.07	0.00	0.00	0.00	0.07
Changes to Existing Schemes	0.38	0.00	0.00	0.00	0.38
(Under)/Overspend	0.00	0.00	0.00	0.00	0.00
Slippage/Rephasing	0.00	0.00	0.00	0.00	0.00
<b>Programme Total</b>	<b>20.52</b>	<b>0.38</b>	<b>0.00</b>	<b>0.00</b>	<b>20.52</b>

## PROGRAMME CHANGES

### NEW SCHEMES

#### **E&T 1 – Street Lighting (£0.07M Increase)**

**Developer Contributions have been added to the programme.**

The addition of ‘approved’ developer funds has created a scheme that will allow projects not included within the PFI to be considered for improvements. This increase was approved by the Director, Place and is funded by site specific S. 106 contributions.

### CHANGES TO EXISTING SCHEMES

#### **E&T 2 – Unclassified Roads (£0.15M Increase)**

**A budget was added for urgent works.**

An increase in the Above Bar project was required in order for the Council to commence the necessary repairs. The works needed to be carried out urgently in order to prevent further injury accidents and to facilitate the timely completion of the SNAC development, which is dependent upon the successful repair of this road. The total increase of £0.35M was approved by the Director, Place and is funded by £0.15M of external contributions and a virement of £0.2M from savings on completed Unclassified Roads projects.

#### **E&T 3 – Highways Improvements (£0.14M Increase)**

**Developer Contributions have been added to the programme.**

The addition of ‘approved’ developer funds will allow delivery of 13 infrastructure improvements with the works being programmed in conjunction with the 2015/16 Highways roads programme. This increase was approved by the Director, Place and is funded by site specific S. 106 contributions.

#### **E&T 4 – Centenary Quay (£0.09M Increase)**

**Developer Contributions have been added to the programme.**

The Woolston District Centre Improvement scheme will provide transport and public realm improvements in Woolston mitigating the potential traffic impacts of the Centenary Quay development and providing benefits for local residents and businesses. This increase was approved by the Director, Place and is funded by strategic S.106 contributions

### **(UNDER)/OVERSPENDS**



None

## **SLIPPAGE/REPHASING**

None

### **ENVIRONMENT & TRANSPORT PORTFOLIO – CITY SERVICES**

The portfolio programme currently totals **£1.61M**. This can be compared to the programme position following 2014/15 closedown of **£0.45M** resulting in an increase of **£1.16M** on the programme which represents a percentage increase of **257.7%**.

The changes to the programme are shown in the following summarised table:

	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>Later</b>	<b>Total</b>
	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>
Programme post 14/15 outturn	0.45	0.00	0.00	0.00	0.45
New Schemes	0.82	0.30	0.00	0.00	1.12
Changes to Existing Schemes	0.04	0.00	0.00	0.00	0.04
(Under)/Overspends	0.00	0.00	0.00	0.00	0.00
Slippage/Rephasing	0.00	0.00	0.00	0.00	0.00
<b>Programme Total</b>	<b>1.31</b>	<b>1.30</b>	<b>0.00</b>	<b>0.00</b>	<b>1.61</b>

## **PROGRAMME CHANGES**

### **NEW SCHEMES**

#### **CS 1 – Central Depot Development (£1.12M Increase)**

##### **Relocation of Services from Town Depot to a Central Depot.**

Cabinet approved the addition of £1.12M to the City Services Capital Programme, £0.82M in 2015/16 and £0.30M in £2016/17, to relocate services from Town Depot to a central depot in Granville Street. The refurbishment of the property in Granville Street will provide an efficient, secure location, close to the City Centre, for Street Cleansing services to operate from and opportunities for the Council to relocate and consolidate services releasing currently used properties.

### **CHANGES TO EXISTING SCHEMES**

#### **CS 2 – Freemantle Common Play Area (£0.03M Increase)**

##### **Installation of a new play area at Freemantle Common.**

The Director, Place, approved the increase of an additional £0.03M, funded from S106 Developer Contributions, to install a new play area at Freemantle Common.

### **(UNDER)/OVERSPENDS**

None

## **SLIPPAGE/REPHASING**

None

### **HEALTH & ADULT SOCIAL CARE PORTFOLIO**

The portfolio capital programme currently totals **£0.60M**. This can be compared to the programme position following 2014/15 closedown of **£0.66M**. There has been a decrease of **£0.06M** on the programme which represents a percentage variance of **9.1%**.

The changes to the programme are shown in the following summarised table:

	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>Later</b>	<b>Total</b>
	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>
Programme post 14/15 outturn	0.66	0.00	0.00	0.00	0.66
New Schemes	0.00	0.00	0.00	0.00	0.00
Changes to Existing Schemes	0.00	0.00	0.00	0.00	0.00
(Under)/Overspends	(0.06)	0.00	0.00	0.00	(0.06)
Slippage/Rephasing	0.00	0.00	0.00	0.00	0.00
<b>Programme Total</b>	<b>0.60</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.60</b>

## **PROGRAMME CHANGES**

### **NEW SCHEMES**

None

### **CHANGES TO EXISTING SCHEMES**

None

### **(UNDER)/OVERSPENDS**

#### **HASC 1 - Paris 5.1 Upgrade (Decrease of £0.06M)**

**The project has been completed below budget primarily due to the IT costs being significantly lower than anticipated.**

The £0.06M underspend is against the Paris 5.1 Upgrade project. This is primarily due to the use of greater volumes of pre-paid development days from IT. This is the expected saving on this project taking into consideration the current known commitments and forecast costs.

## **SLIPPAGE/REPHASING**

None

### **HOUSING & SUSTAINABILITY PORTFOLIO**

The portfolio capital programme currently totals **£5.77M**. This can be compared to the programme position following 2014/15 closedown of **£4.17m** resulting in an increase of **£1.60M** on the programme which represents a percentage variance of **38.4%**.

This is shown in the following summarised table:

	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>Later</b>	<b>Total</b>
	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>
Programme post 14/15 outturn	3.88	0.29	0.00	0.00	4.17
New Schemes	1.60	0.00	0.00	0.00	1.60
Changes to Existing Schemes	0.00	0.00	0.00	0.00	0.00
(Under)/Overspends	0.00	0.00	0.00	0.00	0.00
Slippage/Rephasing	0.00	0.00	0.00	0.00	0.00
<b>Programme Total</b>	<b>5.48</b>	<b>0.29</b>	<b>0.00</b>	<b>0.00</b>	<b>5.77</b>

## **PROGRAMME CHANGES**

### **HS 1 – Development Company (£0.25M Increase)**

#### **New project to undertake the set-up of a Development Company**

A new budget has been approved to undertake work to establish a wholly owned Development Company (DevCo) to deliver city wide development.

### **HS 2 – Green Deal (£0.75M Increase)**

#### **New project to undertake energy efficiency work across the City**

A government grant (held by Eastleigh Borough Council) has been awarded to fund energy efficiency home improvement work to residential properties across the City.

### **HS 3 – HIL/DFG Repayment (£0.60M Increase)**

#### **Funding from repayments of grants and loans to fund Private Sector Housing spend**

Income of £0.60M has been received from repayment of Home Improvement Loans and Disabled Facilities Grants following the sale of the recipient's properties. This funding is to be spent on Private Sector Housing expenditure, including fuel poverty initiatives.

## **CHANGES TO EXISTING SCHEMES**

None

## **(UNDER)/OVERSPENDS**

None

## **SLIPPAGE/REPHASING**

None

## **LEADER'S PORTFOLIO**

The portfolio programme currently totals **£24.82M**. This can be compared to the programme position following 2014/15 closedown of **£21.88M** resulting in an increase of **£2.94M** on the programme which represents a percentage increase of **13.5%**.

The changes to the programme are shown in the following summarised table:

	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>Later</b>	<b>Total</b>
	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>
Programme post 14/15 outturn	18.31	3.12	0.35	0.10	21.88
New Schemes	0.00	0.00	0.00	0.00	0.00
Changes to Existing Schemes	(2.01)	4.95	0.00	0.00	2.94
(Under)/Overspends	0.00	0.00	0.00	0.00	0.00
Slippage/Rephasing	0.00	0.00	0.00	0.00	0.00
<b>Programme Total</b>	<b>16.30</b>	<b>8.07</b>	<b>0.35</b>	<b>0.10</b>	<b>24.82</b>

## **PROGRAMME CHANGES**

### **NEW SCHEMES**

None

### **CHANGES TO EXISTING SCHEMES**

#### **LEAD 1 – Southampton New Arts Centre (£2.86M Increase, slippage of £2.99M from 15/16 to 16/17)**

**Additional budget was required for the fit out of the Arts Centre.**

The fit out of the shell of the New Arts Centre recently went out to tender and the actual price of the work is expected to be substantially higher than the budget set for this aspect of the project. In order to fund this additional cost, £1.96M of Council funding was approved to be added to the capital programme by Council in July 2015. As the work on the fit out went out to tender later than originally anticipated, the majority of this work is expected to be completed in 2016/17. To reflect this change, Council also approved a re-profiling of the budget (£2.99M from 2015/16 to 2016/17).

Further to this, an addition to the programme of up to £0.90M was approved by Council in May 2013 for payments to the developer, if their profit level was less than an agreed target as valued on completion of the arts complex shell. The full sum has now been added to the scheme budget total, following the advice of an independent review of the scheme.

#### **LEAD 2 – West Quay Phase 3 (£0.04M Increase)**

**An increase in budgeted expenditure will be funded by external contributions.**

The cost of work on West Quay Phase 3 is expected to be higher than originally budgeted. An increase in the scheme has been approved, which will be fully funded by contributions from an external contractor.

#### **LEAD 3 – Town Depot (£0.05M Increase)**

## **An increase in budgeted expenditure will be funded by contributions.**

The cost of preparing the land at the Town Depot site will be higher than originally budgeted. An increase in the scheme has been approved which will be fully funded by contributions from a developer.

### **(UNDER)/OVERSPENDS**

None

### **SLIPPAGE/REPHASING**

None.

## **COMMUNITIES, CULTURE & LEISURE PORTFOLIO**

The portfolio programme currently totals **£2.30M**. This can be compared to the programme position following 2014/15 closedown of **£2.25M** resulting in an increase of **£0.05M** on the programme which represents a percentage increase of **2.2%**.

The changes to the programme are shown in the following summarised table:

	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>Later</b>	<b>Total</b>
	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>
Programme post 14/15 outturn	2.12	0.05	0.08	0.00	2.25
New Schemes	0.04	0.00	0.00	0.00	0.04
Changes to Existing Schemes	0.01	0.00	0.00	0.00	0.01
(Under)/Overspends	0.00	0.00	0.00	0.00	0.00
Slippage/Rephasing	0.00	0.00	0.00	0.00	0.00
<b>Programme Total</b>	<b>2.17</b>	<b>0.05</b>	<b>0.08</b>	<b>0.00</b>	<b>2.30</b>

### **PROGRAMME CHANGES**

#### **NEW SCHEMES**

#### **CCL 1 – Guildhall Square Electricity Supply Enhancement (£0.04M increase)**

#### **Improvements to Guildhall Square electricity supply to attract future events**

The Director, Place, approved the addition of £0.04M to the Leisure Capital Programme following a report to Council Capital Board, for the enhancement of the electricity supply in Guildhall Square to attract future events.

#### **CHANGES TO EXISTING SCHEMES**

## **CCL 2 – Lordshill Outdoor Recreation Drainage Works (£0.01M increase)**

### **Additional works to drainage at Lordshill Outdoor Recreation**

The Director, Place, approved the increase of an additional £0.01M Developer S106 Playing Field contributions to provide drainage to 5 pitches at Lordshill Outdoor Recreation Centre.

### **(UNDER)/OVERSPENDS**

None

### **SLIPPAGE/REPHASING**

None

## **FINANCE PORTFOLIO**

The portfolio capital programme currently totals **£2.97M**. This can be compared to the programme position following 2014/15 closedown of **£3.91m** resulting in a decrease of **£0.94M** on the programme which represents a percentage variance of **24.0%**.

The changes to the programme are shown in the following summarised table:

	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>Later</b>	<b>Total</b>
	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>
Programme post 2014/15 outturn	3.31	0.31	0.29	0.00	3.91
New Schemes	0.29	0.09	0.00	0.00	0.38
Changes to Existing Schemes	0.00	0.00	0.00	0.00	0.00
(Under)/Overspends	(1.32)	0.00	0.00	0.00	(1.32)
Slippage/Rephasing	(0.62)	0.62	0.00	0.00	(0.00)
<b>Programme Total</b>	<b>1.66</b>	<b>1.02</b>	<b>0.29</b>	<b>0.00</b>	<b>2.97</b>

## **PROGRAMME CHANGES**

### **NEW SCHEMES**

#### **FIN 1 – Customer Portal (£0.36M Increase)**

##### **Implementation of new Customer Portal.**

The new scheme was approved under delegated powers in August 2015, funded from revenue (Transformation funding) to enable the implementation of a single sign-on customer portal for all customer accounts held within the council. The scheme is phased £0.27M in 2015/16 and £0.09M in 2016/17.

#### **FIN 2 – Investment in Local Capital Finance Company (£0.02M Increase)**

## **Investment in Local Capital Finance Company.**

The scheme was approved to enable the Council to invest £20,000 in the Local Capital Finance Company (LCFC) established by the Local Government Association as an alternative to the PWLB. The LCFC will exist to issue bonds on the capital markets and lend the proceeds to local authorities. This investment will enable the Council to borrow from the agency. Scheme funding has been allocated from Council Resources.

### **CHANGES TO EXISTING SCHEMES**

None

### **(UNDER)/OVERSPENDS**

#### **FIN 3 – Accommodation Strategy Action Programme (ASAP) (£0.23M Decrease)**

##### **Fit out costs for former Fountains café area to be met by new occupier.**

A budget of £225,000 had been retained within the scheme to cover the cost of fit-out for any future use of the former Fountains café area within the Civic Centre North Block. However a lease is now in place from 1<sup>st</sup> September for this area to be occupied by the Police and any fit-out costs will be incurred by the new occupier. As a result this budget and the associated direct revenue funding will no longer be required.

#### **FIN 4 – Works to Enable Accommodation Strategy (£1.00M Decrease)**

##### **Reduction in assumed future accommodation changes as a result of a review of the Accommodation Strategy.**

The scheme exists to cover any further accommodation changes required to implement the overall accommodation strategy, to include where possible the future vacation and disposal of Service Property and any required Civic Centre adaptations. Following a detailed review of the remaining budget it has been agreed by the Accommodation Board that a sum of £1M can be released to be considered as part of any wider prioritisation of resources. This sum is funded from direct revenue funding (£0.7M) and Council Resources (£0.3M). The reduction of £0.7M has already been included as a 2015/16 one-off saving within the 18<sup>th</sup> August 2015 Cabinet report.

#### **FIN 5 – Oaklands School Site Demolition (£0.09M Decrease)**

##### **Release of retention and residual fee monies no longer required.**

Demolition works on site were completed in 2014/15, however a sum of £0.09M was slipped into 2015/16 to meet the costs of any residual retention or fee payments. No further payments are now expected and therefore the £0.09M is no longer required.

### **SLIPPAGE/REPHASING**

#### **FIN 6 – Accommodation Strategy Action Programme (ASAP) (Slippage of £0.09M from 15/16 to 16/17)**

##### **Revised phasing of works under the Accommodation Strategy Action Programme.**

The slippage has arisen due to the updated phasing of works to complete the programme together with disputed amounts. These works include increased IT capacity and provision of a backup generator to the IT suite.

#### **FIN 7 – Works to Enable Accommodation Strategy (Slippage of £0.53M from 15/16 to 16/17)**

**Provision of future years requirements for accommodation related changes.**

The slippage is intended to cover any works required in future years for accommodation related changes to enable implementation of the wider accommodation strategy e.g. potential vacation of service properties.



## HOUSING REVENUE ACCOUNT

Cost Centre Description	Budget 15/16	Budget 16/17	Budget 17/18	Budget 18/19	Later Years	Total	Project Manager
Approved Schemes	£M	£M	£M	£M	£M	£M	
<b>Estate Regeneration</b>							
H6360	Cumbrian Way	0.003	0.000	0.000	0.000	0.000	Windebank, Jane
H6370	Exford Parade	0.098	0.032	0.007	0.000	0.137	Windebank, Jane
H6380	Laxton Close	0.071	0.000	0.000	0.000	0.071	Windebank, Jane
H6390	Meggeson Avenue	0.005	0.000	0.000	0.000	0.005	Windebank, Jane
H6490	Estate Regeneration City Wide Framework	0.215	0.040	0.000	0.000	0.255	Friedman, Danielle
H6530	Weston Shopping Parade Redevelopment	0.115	0.000	0.000	0.000	0.115	Friedman, Danielle
H653A	Weston Shopping Parade Housing and Comm Facilities	0.588	0.000	0.000	0.000	0.588	Friedman, Danielle
H6560	Estate Regeneration Framework Townhill Park	0.200	0.000	0.000	0.000	0.200	Jones, Susan
H6570	Townhill Park: Site Assembly	3.408	1.024	0.000	0.000	4.432	Jones, Susan
H6590	Townhill Park: Design & Contract P1, 2 & 3	1.298	0.013	0.200	0.400	1.911	Jones, Susan
		<b>6.001</b>	<b>1.109</b>	<b>0.207</b>	<b>0.400</b>	<b>7.717</b>	
<b>New Build</b>							
H6420	LA New Build	0.007	0.000	0.000	0.000	0.007	Gunner, Keith
H6700	Erskine Court Rebuild	6.414	1.151	0.000	0.000	7.565	Windebank, Jane
		<b>6.421</b>	<b>1.151</b>	<b>0.000</b>	<b>0.000</b>	<b>7.572</b>	
<b>Safe Wind &amp; Weather Tight</b>							
H1111	Electrical Riser Upgrades	0.448	0.000	0.000	0.000	0.448	Meredith, Keith
H1112	Roof Finish - Flat	1.877	1.180	1.168	1.000	5.225	Ransley, Stephen
H1113	Structural Works.	0.701	1.598	0.000	0.000	2.299	Meredith, Keith
H1115	Door Entry System Replacement Programme	0.588	0.301	0.500	0.000	1.405	Wheeler, Mark
H1116	Windows	1.167	0.978	0.000	0.000	2.145	Meredith, Keith
H1119	Housing Investment Database – Replacement	0.011	0.000	0.000	0.000	0.011	Bellamy, Matthew
H1121	Roof Finish-Pitched/Structure/Gutter/Downpipes etc	0.387	0.357	0.249	0.000	0.993	Ransley, Stephen
H1122	Wall Structure & Finish	0.450	0.601	0.997	0.000	2.048	Tomblin, Neville
H1123	Chimney	0.000	0.041	0.087	0.000	0.128	Miller, Geoffrey
H1124	External Doors - Flats	0.071	0.000	0.000	0.000	0.071	Meredith, Keith
H1150	External Doors - Houses	0.100	0.000	0.000	0.000	0.100	Meredith, Keith
H1171	Supported Housing 2 Storey Walkway Repairs Current	3.631	2.800	0.000	0.000	6.431	Tomblin, Neville
H1174	Golden Grove Balconies	0.156	0.200	0.328	0.000	0.684	Wheeler, Mark
H125A	Garage Maintenance	0.005	0.000	0.000	0.000	0.005	Miller, Geoffrey
H1271	Renew Porch	0.010	0.200	0.000	0.000	0.210	Miller, Geoffrey
H1281	Renew Canopy	0.010	0.130	0.000	0.000	0.140	Miller, Geoffrey
H1290	Improvement works to Tower Blocks	0.700	0.311	0.000	0.000	1.011	Simpkins, James
H4170	CESP - International Way Energy Savings Initiative	0.029	0.000	0.000	0.000	0.029	Meredith, Keith
H6730	Existing Satisfactory Purchase Scheme	1.000	0.000	0.000	0.000	1.000	Miller, Geoffrey
		<b>11.341</b>	<b>8.697</b>	<b>3.329</b>	<b>1.000</b>	<b>24.383</b>	
<b>Modern Facilities</b>							
H0281	HHSRS - Approved	0.031	0.000	0.000	0.000	0.031	Bellamy, Matthew
H0540	Disabled Adaptions - General	1.230	0.000	0.000	0.000	1.230	Ransley, Stephen
H0545	Disabled Adaptions - Extensions	0.056	0.000	0.000	0.000	0.056	Ransley, Stephen
H1120	Electrical System	2.223	2.811	0.000	0.000	5.034	Ransley, Stephen
H1127	Central Heating Gas Boilers	2.172	1.153	0.000	0.000	3.325	Ransley, Stephen
H1128	Central Heating Distrib System Inc Elec Store Htrs	0.474	0.678	0.819	0.000	1.971	Meredith, Keith
H1129	Supported Schemes Adapted Bathroom Programme	0.400	0.074	0.000	0.000	0.474	Ransley, Stephen
H114A	Programme Management Fees Current	0.610	0.643	0.000	0.000	1.253	Miller, Geoffrey
H1180	Housing Refurbishment	0.000	7.946	0.000	0.000	7.946	Ransley, Stephen
H118A	Housing Refurbishment _ Drew Smith	4.523	0.000	0.000	0.000	4.523	Ransley, Stephen
H119A	Housing Refurbishment _ Mitie Property Services	2.910	0.000	0.000	0.000	2.910	Ransley, Stephen
H3461	Supported Kitchen - Current	1.257	0.000	0.000	0.000	1.257	Ransley, Stephen
H3483	Decent Homes Voids - 2015/16	0.096	0.000	0.000	0.000	0.096	Ransley, Stephen
H4591	Studio Conversions	0.085	0.000	0.000	0.000	0.085	Wheeler, Mark
H4593	Tenant Alteration Budget	0.007	0.268	0.000	0.000	0.275	Miller, Geoffrey
		<b>16.074</b>	<b>13.573</b>	<b>0.819</b>	<b>0.000</b>	<b>30.466</b>	
<b>Well Maintained Communal Facilities</b>							
H0330	DN: Future Decent Neighbourhood Schemes	0.120	0.000	0.000	0.000	0.120	Cooper, Aidan
H0331	Rotterdam Towers - Car Parking	0.150	0.000	0.000	0.000	0.150	Cooper, Aidan
H0340	DN: Thornhill	0.100	0.700	0.400	0.000	1.200	Cheetham, Amanda
H1110	Communal Areas Works	1.000	0.000	0.000	0.000	1.000	Tomblin, Neville

## HOUSING REVENUE ACCOUNT

Cost Centre	Description	Budget 15/16	Budget 16/17	Budget 17/18	Budget 18/19	Later Years	Total	Project Manager
H111B	Weston Court Communal Works	1.685	0.000	0.000	0.000	0.000	1.685	Wheeler, Mark
H111D	Small Blocks Communal Works	0.122	0.000	0.000	0.000	0.000	0.122	Tomblin, Neville
H111F	Floor Coverings to Communal Corridors	0.125	0.000	0.000	0.000	0.000	0.125	Miller, Geoffrey
H111M	Bellamy Court SHAP Refurbishment Project	0.417	0.000	0.000	0.000	0.000	0.417	Tomblin, Neville
H1133	Roads/Paths/Hard Standing	0.306	0.000	0.000	0.000	0.000	0.306	Cooper, Aidan
H1155	Rozel Court - New Lift and associated works	0.976	0.000	0.000	0.000	0.000	0.976	Tomblin, Neville
H144A	Manston Court - External Lift	0.541	0.000	0.000	0.000	0.000	0.541	Tomblin, Neville
H476S	SCI - Milner Court Scooter Store	0.004	0.000	0.000	0.000	0.000	0.004	Wheeler, Mark
H4803	Samia Court Central Core Refurbishment Project	0.350	0.000	0.000	0.000	0.000	0.350	Tomblin, Neville
H6266	THP Phase 2 MacArthur/Vanguard	1.052	0.000	0.000	0.000	0.000	1.052	Cooper, Aidan
H6331	Estate Parking Improvements.	0.180	0.000	0.000	0.000	0.000	0.180	Cooper, Aidan
H113C	James Street- New Lift and Lift Shaft	0.023	0.000	0.000	0.000	0.000	0.023	Tomblin, Neville
H113A	Lift Refurbishment – Canberra Towers	1.035	0.000	0.000	0.000	0.000	1.035	Simpkins, James
H1144	Lift Refurbishment – Manston Court	0.266	0.000	0.000	0.000	0.000	0.266	Simpkins, James
H1146	Lift Refurbishments - Sturminster House	0.000	0.000	0.000	0.000	1.981	1.981	Simpkins, James
H1147	Lift Refurbishment - South Front	0.163	0.000	0.000	0.000	0.000	0.163	Simpkins, James
H1149	Lift Refurbishment - Samia Court	0.103	0.000	0.000	0.000	0.000	0.103	Simpkins, James
H1152	Lift Refurbishment - Graylings, Canute House & St James House	0.000	0.730	0.000	0.000	0.000	0.730	Simpkins, James
H1153	Lift Refurbishment - Albion Towers / Holyrood	0.000	0.000	1.450	0.000	0.000	1.450	Simpkins, James
H1154	Lift Refurbishment - Shirley Towers	0.000	0.000	0.000	1.150	0.000	1.150	Simpkins, James
H4540	Lift Refurbishment - Itchen View Estate	0.038	0.000	0.000	0.000	0.000	0.038	Simpkins, James
H6271	DN: Northam Improvements	0.069	0.000	0.000	0.000	0.000	0.069	Davies, Rebecca
H6310	DN: Millbrook Towers Improvements	0.131	0.000	0.000	0.000	0.000	0.131	Cooper, Aidan
H6314	DN: Millbrook Block Improvements	0.040	0.000	0.000	0.000	0.000	0.040	Cooper, Aidan
H6315	DN: Shirley	0.123	0.000	0.000	0.000	0.000	0.123	Potter, Helen
H6319	DN: Estate Improvement Programme	0.200	0.200	0.200	0.000	0.000	0.600	Cooper, Aidan
H6324	DN: Leaside Way Improvements	0.041	0.000	0.000	0.000	0.000	0.041	Davies, Rebecca
H632B	DN: Holyrood Improvements	0.015	0.000	0.000	0.000	0.000	0.015	Davies, Rebecca
H6333	DN: Rozel Court	0.075	0.000	0.000	0.000	0.000	0.075	Davies, Rebecca
H6334	DN: Cuckmere Lane	0.223	0.550	0.902	0.000	0.000	1.675	Davies, Rebecca
		<b>9.673</b>	<b>2.180</b>	<b>2.952</b>	<b>1.150</b>	<b>1.981</b>	<b>17.936</b>	
<b>Warm &amp; Energy Efficient</b>								
H1117	Loft Insulation + Pipe Lagging	0.000	0.025	0.000	0.000	0.000	0.025	Meredith, Keith
H1135	External Wall Insulation - Kingsland Estate	0.134	0.000	0.000	0.000	0.000	0.134	Meredith, Keith
H1138	Utility Supplies (Communal – Electric, Gas and Water)	0.670	0.000	0.000	0.000	0.000	0.670	Meredith, Keith
H1302	Renewable Energy Source	0.300	0.318	0.000	0.000	0.000	0.618	Tomblin, Neville
H1355	Thornhill District Energy Scheme	18.864	7.426	0.840	0.000	0.000	27.130	Meredith, Keith
H1731	Communal Shed / Store areas	0.000	0.050	0.000	0.000	0.000	0.050	Tomblin, Neville
H1751	Renew Communal Windows	0.050	0.050	0.000	0.000	0.000	0.100	Meredith, Keith
		<b>20.018</b>	<b>7.869</b>	<b>0.840</b>	<b>0.000</b>	<b>0.000</b>	<b>28.727</b>	
<b>Approved Total</b>								
		<b>69.528</b>	<b>34.579</b>	<b>8.147</b>	<b>2.550</b>	<b>1.997</b>	<b>116.801</b>	
<b>Unapproved Schemes</b>								
<b>Estate Regeneration</b>								
H6510	Estate Wide	0.000	3.243	3.000	3.875	0.000	10.118	Compton, Barbara
H6600	Townhill Park - Future Allocations	0.000	0.000	0.550	1.700	0.000	2.250	Jones, Susan
		<b>0.000</b>	<b>3.243</b>	<b>3.550</b>	<b>5.575</b>	<b>0.000</b>	<b>12.368</b>	
<b>New Build</b>								
H6491	Social Housing 1	0.345	0.000	0.000	0.000	0.000	0.345	Compton, Barbara
H6492	Social Housing 2	0.400	0.000	0.000	0.000	0.000	0.400	Compton, Barbara
H6720	Provision of Social Housing	0.000	6.136	6.137	0.000	0.000	12.273	Compton, Barbara
		<b>0.745</b>	<b>6.136</b>	<b>6.137</b>	<b>0.000</b>	<b>0.000</b>	<b>13.018</b>	
<b>Safe Wind &amp; Weather Tight</b>								
H0255	HRA Business Case Resources	0.378	0.000	0.000	0.000	0.000	0.378	Cross, Nicholas
H1125	Garage Maintenance - Future Years	0.000	0.021	0.022	0.023	0.031	0.097	Miller, Geoffrey
H112B	Roof Finish Flat - Future Years	0.000	0.000	0.000	0.000	1.131	1.131	Ransley, Stephen
H116A	Windows - Future Years	0.000	0.000	1.000	1.100	1.007	3.107	Meredith, Keith
H121A	Roof Finish-Pitched/Structure/Gutter/Downpipes - Future Years	0.000	0.000	0.750	1.535	2.000	4.285	Ransley, Stephen
H122A	Wall Structure & Finish - Future Years	0.000	0.000	0.000	1.000	1.007	2.007	Tomblin, Neville

## HOUSING REVENUE ACCOUNT

Cost Centre Description	Budget 15/16	Budget 16/17	Budget 17/18	Budget 18/19	Later Years	Total	Project Manager
H123A Chimneys - Future Years	0.000	0.000	0.000	0.080	0.119	0.199	Miller, Geoffrey
H1250 structural works - future years	0.000	0.000	1.883	0.777	0.564	3.224	Meredith, Keith
H1260 Refurbish Balconies	0.000	0.052	0.062	0.056	0.067	0.237	Miller, Geoffrey
H1270 Renew Porch - Future Years	0.000	0.000	0.100	0.001	0.201	0.302	Miller, Geoffrey
H1280 Renew Canopy - Future Years	0.000	0.000	0.300	0.027	0.350	0.677	Miller, Geoffrey
H150A External Doors - Houses & Flats	0.000	0.400	0.353	0.440	0.483	1.676	Meredith, Keith
	<b>0.378</b>	<b>0.473</b>	<b>4.470</b>	<b>5.039</b>	<b>6.960</b>	<b>17.320</b>	
<b>Modern Facilities</b>							
H0280 HHSRS Contingency - Future Years	0.000	0.033	0.034	0.000	0.090	0.157	Bellamy, Matthew
H112A Electrical System - Future Years	0.000	0.000	2.140	1.000	1.195	4.335	Ransley, Stephen
H1140 Programme Management Fees - Future Years	0.000	0.000	0.665	0.689	0.713	2.067	Miller, Geoffrey
H1181 Housing Refurbishments - Future Years	0.000	0.000	3.176	2.328	1.839	7.343	Ransley, Stephen
H1195 Disabled Adaptations - Future Years	0.000	1.048	1.050	1.086	1.125	4.309	Ransley, Stephen
H127A Central Heating Gas Boilers - Future Years	0.000	0.022	0.931	2.000	1.584	4.537	Ransley, Stephen
H128A Central Heating Distribution Systems - Future Year	0.000	0.000	0.000	1.000	2.000	3.000	Meredith, Keith
H4592 Tenant Alteration Budget - Future Years	0.000	0.000	0.086	0.304	0.574	0.964	Miller, Geoffrey
	<b>0.000</b>	<b>1.103</b>	<b>8.082</b>	<b>8.407</b>	<b>9.120</b>	<b>26.712</b>	
<b>Well Maintained Communal Facilities</b>							
H111Z Communal Area Works - Future Projects	0.000	0.006	0.017	0.160	0.044	0.227	Tomblin, Neville
H1132 Fire doors (communal)	0.000	0.045	0.000	0.100	0.050	0.195	Miller, Geoffrey
H4801 Supported Housing Area Programme	0.000	0.300	0.530	0.400	0.000	1.230	Tomblin, Neville
	<b>0.000</b>	<b>0.351</b>	<b>0.547</b>	<b>0.660</b>	<b>0.094</b>	<b>1.652</b>	
<b>Warm &amp; Energy Efficient</b>							
H1134 Cavity Wall Insulation	0.000	0.024	0.000	0.000	0.000	0.024	Meredith, Keith
H1165 Landlord Meter Conversions - Future Years	0.000	0.000	0.000	1.301	0.000	1.301	Meredith, Keith
H117A Loft Insulation and Pipe Lagging - Future Years	0.000	0.000	0.000	0.025	0.003	0.028	Meredith, Keith
H1301 Renewable Energy Sources - Future Years	0.000	0.000	0.321	0.333	0.344	0.998	Tomblin, Neville
H1356 Thornhill District Energy Scheme - Unapproved	0.530	0.000	2.570	3.000	0.000	6.100	Meredith, Keith
H138A Utility Supplies Communal - Future Years	0.000	0.541	0.398	0.412	0.425	1.776	Meredith, Keith
H1710 Communal doors	0.000	0.000	0.160	0.055	0.050	0.265	Miller, Geoffrey
H1720 Communal Heating Systems	0.000	0.050	0.050	0.200	0.122	0.422	Miller, Geoffrey
H1730 Communal Shed / Store areas - Future Years	0.000	0.000	0.000	0.100	0.138	0.238	Tomblin, Neville
H1740 Renew Warden Alarm	0.000	0.000	0.000	0.868	2.285	3.153	Tomblin, Neville
H1750 Renew Communal Windows - Future Years	0.000	0.000	0.100	0.100	0.116	0.316	Meredith, Keith
	<b>0.530</b>	<b>0.615</b>	<b>3.599</b>	<b>6.394</b>	<b>3.483</b>	<b>14.621</b>	
<b>Unapproved Total</b>	<b>1.653</b>	<b>11.921</b>	<b>26.385</b>	<b>26.075</b>	<b>19.657</b>	<b>85.691</b>	
<b>Grand Total</b>	<b>71.181</b>	<b>46.500</b>	<b>34.532</b>	<b>28.625</b>	<b>21.654</b>	<b>202.492</b>	
<b>Sources of Finance</b>							
Council Resources	0.000	0.000	0.000	0.000	0.000	0.000	
Unsupported Borrowing	36.991	13.794	0.000	0.000	0.000	50.785	
Capital Receipts	4.433	3.152	3.180	1.369	1.117	13.251	
Contributions	0.064	0.000	0.000	0.000	0.000	0.064	
Capital Grants	1.350	0.000	1.300	0.000	0.000	2.650	
Direct Revenue Financing (Portfolios)	9.366	10.190	10.331	7.015	0.000	36.902	
MRA	18.977	19.364	19.721	20.241	20.537	98.840	
Total Financing	<b>71.181</b>	<b>46.500</b>	<b>34.532</b>	<b>28.625</b>	<b>21.654</b>	<b>202.492</b>	

**This page is intentionally left blank**

### KEY ISSUES – QTR 2

#### HOUSING REVENUE ACCOUNT

The portfolio programme currently totals **£202.49M**. This can be compared to the programme position following 2014/15 closedown of **£201.74M** resulting in an increase of **£0.75M** on the programme which represents a percentage increase of **0.4%**.

The changes to the programme are shown in the following summarised table:

	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>Later</b>	<b>Total</b>
	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>
Programme post 14/15 outturn	70.30	46.63	34.53	50.28	201.74
New Schemes	0.75	0.00	0.00	0.00	0.75
Changes to Existing Schemes	0.13	(0.13)	0.00	0.00	0.00
(Under)/Overspends	0.00	0.00	0.00	0.00	0.00
Slippage/Rephasing	0.00	0.00	0.00	0.00	0.00
<b>Programme Total</b>	<b>71.18</b>	<b>46.50</b>	<b>34.53</b>	<b>50.28</b>	<b>202.49</b>

#### **PROGRAMME CHANGES**

##### **NEW SCHEMES**

##### **HRA 1 – Social Housing (£0.75M Increase in 2015/16)**

**Right to Buy receipts have been added to the programme.**

This is a new initiative where existing Right to Buy receipts are being used to fund 30% of expenditure for two Registered Providers to acquire and build additional dwellings for let. A sum of £0.35M is being made available for six additional dwellings to be purchased and £0.40M is for nine purpose built dwellings. The two projects have been added to the capital programme by separate Chief Officer delegated decisions, following a report to Council Capital Board.

##### **CHANGES TO EXISTING SCHEMES**

##### **HRA 2 – Townhill Park Site Assembly (£0.18M re-phasing from 2016-17 to 2015-16)**

**Bringing forward regeneration of block due to poor condition.**

Due to the poor condition of Copse Road and the cost to bring the block back into a useable condition, a decision was made at Housing Capital Board on 24 July 2015 to bring forward funding from Phase 2 of the Site Assembly scheme which will fund the demolition, planning and decant costs as part of Estate Regeneration.

##### **HRA 3 – Estate Wide (£0.24M slippage from 2015-16 to 2016-17)**

**Delays as part of the overall Estate Regeneration schemes.**

Whilst a review of the direction of Estate Regeneration is undertaken, this budget will not be spent this year and slippage was agreed at Housing Capital Board on 24 July 2015.

**HRA 4 – Door Entry Replacement Programme (£0.20M re-phasing from 2016-17 to 2015-16)**

**Bringing forward door entry work at Orpen Road to coincide with painting programme.**

Housing Capital Board on the 24 July 2015 agreed to bring forward budget from the approved 2016/17 Door Entry Replacement scheme to complete work at Orpen Road. This will coincide with painting works that are also scheduled at Orpen Road and provide a saving within the painting programme.

# Agenda Item 14

<b>DECISION-MAKER:</b>	<b>CABINET</b>		
<b>SUBJECT:</b>	<b>GENERAL FUND REVENUE BUDGET 2016/17 TO 2018/19</b>		
<b>DATE OF DECISION:</b>	<b>18 NOVEMBER 2015</b>		
<b>REPORT OF:</b>	<b>CABINET MEMBER FOR FINANCE</b>		
<b><u>CONTACT DETAILS</u></b>			
<b>AUTHOR:</b>	<b>Name:</b>	<b>Mel Creighton</b>	<b>Tel: 023 8083 4897</b>
	<b>E-mail:</b>	<a href="mailto:Mel.creighton@southampton.gov.uk">Mel.creighton@southampton.gov.uk</a>	
<b>Director</b>	<b>Name:</b>	<b>Andrew Lowe</b>	<b>Tel: 023 8083 2049</b>
	<b>E-mail:</b>	<a href="mailto:Andrew.lowe@southampton.gov.uk">Andrew.lowe@southampton.gov.uk</a>	

<b>STATEMENT OF CONFIDENTIALITY</b>	
N/A	
<b>BRIEF SUMMARY</b>	
<p>This report summarises the current budget position and outlines the next set of the Executive's draft budget proposals 2016/17 which will be used as the basis for consultation with a range of stakeholders over the coming months.</p> <p>The results of the consultation exercise will be reported alongside the Executive's final budget proposals that will be presented to Cabinet on 9 February and recommended to Council on 10 February 2016.</p> <p>The report deals with General Fund revenue services only and there is a separate report on the agenda and a separate consultation process for the Housing Revenue Account which deals with services to Council tenants. Proposals for capital expenditure will be presented at the February meetings.</p>	
<b>RECOMMENDATIONS:</b>	
(i)	Note the consultation on the Executive's draft budget proposals will commence on 19 November and note the consultation proposals and methodology set out in paragraphs 95 to 102 and Appendix 1 of this report.
(ii)	Note the high level forecast for the General Fund for 2016/17 onwards contained in paragraph 20.
(iii)	Note the pressures which have been included in the forecast which are set out in paragraphs 29 to 37.
(iv)	Note the Executive's initial savings proposals put forward for consultation in Appendix 2 which amount to £13.0M.
(v)	Note that the Executive's initial savings set out in Appendix 2 propose the deletion of 182.82 Full Time Equivalent (FTE) posts, of which 31.01FTE are vacant, leaving 151.81FTE at risk of redundancy or TUPE transfer.
(vi)	Note that the Executive's budget proposals for consultation are based on the assumption that they will recommend a Council Tax increase of 1.99% to Full Council
(vii)	Note the Medium Term Financial Strategy Model for 2016/17 to 2019/20 contained

	in paragraph 22.
(viii)	Approve the updated budget setting timetable contained in paragraph 103.
(ix)	Note that work is in train to deliver significant service transformation across the Council, which will continue to aid the formulation of proposals for future service provision to support the Council's medium term budget position.
(x)	To approve the establishment of a Social Enterprise Fund as per paragraph 72.
(xi)	To note the reserves and balances position set out in paragraphs 73 to 76, including the School Balances Position Statement set out in Appendix 3.
(xii)	Delegate authority to the Chief Financial Officer (CFO), following consultation with the Cabinet Member for Finance, to do anything necessary to give effect to the proposals contained in this report.

### **REASONS FOR REPORT RECOMMENDATIONS**

1.	The production of a financial forecast and an outline timetable are a requirement of the Council's Budget and Policy Framework Procedure Rules.
2.	In addition, it is good practice for the Council to consult with a range of stakeholders on its proposals for developing the budget. The recommendations in this report have therefore been put forward to allow this process to formally begin.

### **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

3.	The proposals presented in this report represent the Executive's draft budget for 2016/17 that is being published for consultation. There are a number of variables and alternative options that could be implemented as part of the budget. The budget will be set by Full Council in February 2016.
----	---

### **DETAIL (Including consultation carried out)**

	<b><u>BACKGROUND</u></b>
4.	Budget Setting for 2016/17 to 2019/20 has had to operate in the context of ongoing demographic, policy and austerity challenges. At a national level, the Government is still looking to reduce the budget deficit and part of its strategy is to continue to reduce public sector funding, particularly for Local Government, for a minimum of the next four financial years.
5.	Since 2012/13 the Council's Revenue Support Grant (RSG) funding from Central Government has been cut by 30%, a total of £50M including the assumed RSG loss in 2016/17.
6.	By 2019/20 the Medium Term Financial Strategy assumes the Council will have lost virtually a 100% of RSG (in line with the assumptions of most other local authorities and the sectors major advisory bodies), therefore the organisation will need to be self-sustaining despite major pressures within social care.
7.	The Chancellor's announcement on 100% Business Rates retention and/or the Devolution bid (see paragraphs 60 to 71) may impact on the Council's self-sustainability, although the current absence of any details on the application of this policy announcement make it hard to quantify the impact this may have.

### **COMPREHENSIVE SPENDING REVIEW**

8.	The Summer budget announcement on 8 July 2015 confirmed that £20bn of additional public spending reductions will be required in the Parliament; the Chancellor has asked all non-protected spending departments to model savings based on both a 25% and a 40%
----	--



	reduction in budget by 2019/20. The impact of these reductions are expected to be included in the Comprehensive Spending Review (CSR), to be announced on 25 November 2015. Following on from this the Council is expecting to receive its 2016/17 Provisional Local Government Finance Settlement in mid-December 2015. It is not until this information has been received along with other Government funding, Council Tax and Business Rates Tax Bases and levies that the final budget position will be known.
9.	Whilst awaiting the outcome of the CSR and the Settlement a review of the Medium Term Financial Strategy Model to reflect the impact of local and national factors has been undertaken. The result of this review is set out in the following sections.
10.	The budget forecasts set out in this report are based on an assumption that the Revenue Support Grant will be cut by 28% (£12.2M) in 2016/17 and a further 35% (£10.8M) in 2017/18. These cuts come on top of a 24% funding cut in 2015/16. This position will be updated on confirmation of the actual reductions announced as part of the Local Government Finance Settlement.
	<b><u>MEDIUM TERM FINANCIAL STRATEGY</u></b>
11.	The Council currently spends £632M delivering services and funds this from income from Central Government grants, Council Tax, Business Rates, Rents, and other fees and charges. Of this £632M, £79M is spent on Housing within the Housing Revenue Account, £126M is spent on Schools, and £118M is spent on Housing Benefits, all this expenditure relates to specific ring-fenced funding and for the purposes of the General Fund budget setting cannot be utilised to achieve savings from. This leaves a targetable spend of £309M to address the Council's outcomes and priorities as well as savings required to meet the forecasted £90M challenge by 2019/20.
12.	The objective of the Council's 5 year Medium Term Financial Strategy is "To provide a financial framework within which financial stability can be achieved and sustained in the medium term to deliver the Council's key priorities".
13.	There are 6 key aims of the Strategy: <ol style="list-style-type: none"> <li>1. To provide financial parameters within which budget and service planning should take place</li> <li>2. To ensure the Council sets a balanced budget</li> <li>3. To focus and re-focus the allocation of resources so that, over time, priority areas receive additional resources</li> <li>4. To ensure the Council manages and monitors its financial resources effectively so that spending commitments do not exceed resources available in each service area</li> <li>5. To plan the level of taxation in line with levels that the Council regard as being necessary, acceptable and affordable to meet the Council's aims, objectives, policies and priorities</li> <li>6. To ensure that the Council's long term financial health and viability remain sound.</li> </ol>
14.	This strategy will be updated in full for the February Budget Council following receipt of the CSR and Provisional Local Government Finance Settlement.
	<b><u>TRANSFORMATION</u></b>
15.	The transformation initiatives currently underway are at this time projected to deliver around £9M of recurring savings in 2016/17, of which £8m relate to services supported by the General Fund. The equivalent full year savings of the same initiatives from 2017/18 are projected to be £11m.

16. The initiatives contributing to these savings are varied and in the main include:
1. Cost reduction, minimisation or avoidance activities whose main focus is ensuring that discretionary services provided by the Council are delivered on a basis that either enables the relevant service to recover all of the fixed and variable costs and overheads incurred in the provision of those services, and/or generate the appropriate level of income that is commensurate with the market value of the service being delivered.
  2. Various efficiency improvement initiatives relating to staffing considerations, including vacancy management, the management of temporary and agency staff, sickness and absence management, and exit process.
  3. An 'organisational development' programme' that looks to address the need for efficiencies through the deployment of performance management and improvement processes aimed at freeing up staffing capacity as well as service standards, through a planned and better focus on service objective setting, KPI management and measurement, workflow, and agile team based working.
  4. A review of the Council's expenditure on third party service provision, including the re-procurement of services to secure better market rates, as well as a more fundamental look and consideration of the actual need for future services and the introduction of measures that can help suppress demand in the first place. As part of this negotiations are ongoing with the Council's strategic service delivery partners to deliver further contract efficiencies and savings.
  5. A fundamental review of the Council's use of technology, with the objective of positioning this not merely as an essential tool for the delivery of services, but rather an intrinsic part of the Council's future 'DNA'. We want customers to have an increased and better ability to self-serve, online, at a time that suits them, while ensuring that the requisite support is available for customers who do not have the skills or means to interact with us digitally. The 'Digital' programme will be pursued in two elements. The first will initially focus on 'digitising' high volume, high cost services in order to drive efficiencies through the automation of process and enhanced levels of integrated workflow solutions. The second element will build on this fundamental step to position the Council as a 'digital' organisation by facilitating better integration of services across departments, ensuring better and more seamless customer journeys. These initiatives will enable the Council to operate a leaner structure, while also deliver savings in third party spend (with contractors and suppliers) and assets (such as property and office accommodation) through enabled reductions in facility requirements, customer contact structures, consolidation of back office and corporate service functions and retirement of old IT legacy.
  6. The implementation of a new operating model, the concept of which was presented to and approved by Council in February this year. Since then we have been working with our partners PwC to start building the detailed structures that can put into practice the initial concept. Consultation on the first phase of proposed changes and implementation is planned to start immediately after this budget presentation. This first phase of the proposed changes focuses on the top three layers of management

	<p>across the Council. In line with the February 2015 report, it recommends</p> <ol style="list-style-type: none"> <li>a. the establishment of a Chief Strategy Officer post to oversee the Council’s strategic functions, including the continued development of a business intelligence and insight capability, and the consolidation and development of our strategic commissioning functions, alongside strategic finance, human resources, legal and democratic services; and</li> <li>b. the establishment of a Chief Operating Officer post to oversee all operational delivery functions across the Council. While overall responsible for ensuring the effective and economic use of resources in the delivery of service functions (children’s services, adult services, transport, environment, housing etc.), the emphasis of this role and the positions reporting to it will be a focus on enabling and improving the experience of a customer’s journey across all their interactions with the Council. The post holder and his/her reports will also be accountable to Council for changing the current dynamic of customer dependency on Council services, to one of broader independence, particularly in relation to our social care services, and which can be achieved through increased opportunities for self-service, locality and community based support, and the continued sharing and integration of resources with partners across the City.</li> </ol>
17.	<p>The changes proposed above are intended to lead to a decrease in the top 2 layers of the Council from 21 posts to 12. Further work is currently underway to address the third layer of management that covers a further 145 managers. While detailed proposals are currently unavailable for this layer of management, a further significant reduction in headcount is anticipated to be required, so that the Council’s structure reflects a smaller number of management layers with broader spans of control. We expect to have finished the detailed restructuring proposals in January next year in order to allow for consultation to commence with the affected management cohort immediately thereafter.</p>
18.	<p>As the Council is, in the main, a people driven organisation, a large proportion of our expenditure is linked to staff costs. As such, it is inevitable that our restructuring efforts in support of a new operating model will need to extend beyond the management tiers mentioned above. Further phases of staff consultation will need to be rolled out in the next financial year and beyond. These will be informed by other transformation initiatives such as the ones described earlier in this report, and particularly driven by the opportunities created through the digital programme, performance and process improvements, and further joined up working and integration of services with partner organisations.</p>
	<p><b><u>MEDIUM TERM FINANCIAL STRATEGY MODEL (MTFS)</u></b></p>
19.	<p>Based on the above strategy the forecast financial position for the 4 years to 2019/20 is set out in Table 1. The February 2015 budget report set out a gap over the period of £90M.</p>
20.	<p><b><u>Table 1 Original Savings Requirement</u></b></p>

		2016/17 £M	2017/18 £M	2018/19 £M	2019/20 £M																																																																																															
	Net Revenue Expenditure	198.9	210.3	220.9	231.7																																																																																															
	Funding Available	(159.8)	(149.6)	(143.2)	(141.6)																																																																																															
	Net Saving Requirement	39.1	60.7	77.7	90.1																																																																																															
	Annual Saving Requirement	39.1	21.6	17.0	12.4																																																																																															
21.	<p>The MTFS has been reviewed at Quarter 2 to take into account the following:</p> <ul style="list-style-type: none"> <li>• The current forecast outturn position for 2015/16;</li> <li>• Reviewing the pressures the council is facing around social care;</li> <li>• Reviewing the current levels of government funding;</li> <li>• Reviewing the risk fund;</li> <li>• Reviewing the pay and inflation assumptions.</li> </ul> <p>The updated position is set out below, and shows that there is still a budget shortfall to be addressed for 2016/17 of £12M, and a medium term shortfall of £71.1M.</p>																																																																																																			
22.	<p><b><u>Table 2 Changes to the Medium Term Financial Strategy Model</u></b></p> <table border="1"> <thead> <tr> <th></th> <th>2016/17 £M</th> <th>2017/18 £M</th> <th>2018/19 £M</th> <th>2019/20 £M</th> </tr> </thead> <tbody> <tr> <td>Original Savings Requirement</td> <td>39.1</td> <td>60.7</td> <td>77.7</td> <td>90.1</td> </tr> <tr> <td>Savings proposals requiring approval at November Council</td> <td>(9.4)</td> <td>(3.9)</td> <td>(5.9)</td> <td>(5.9)</td> </tr> <tr> <td><b>Savings Requirement after November Council</b></td> <td><b>29.7</b></td> <td><b>56.8</b></td> <td><b>71.8</b></td> <td><b>84.2</b></td> </tr> <tr> <td><b>Savings being proposed (Appendix 2)</b></td> <td><b>(13.0)</b></td> <td><b>(17.4)</b></td> <td><b>(16.9)</b></td> <td><b>(16.6)</b></td> </tr> <tr> <td><b>Pressures</b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Adult Social Care Pressures</td> <td>4.0</td> <td>4.0</td> <td>4.0</td> <td>4.0</td> </tr> <tr> <td>Children's Social Care Pressures</td> <td>5.0</td> <td>5.0</td> <td>5.0</td> <td>5.0</td> </tr> <tr> <td>Funding to Support Roads Capital Programme</td> <td>0.4</td> <td>0.4</td> <td>0.4</td> <td>0.4</td> </tr> <tr> <td>Release of Risk fund</td> <td>(1.8)</td> <td>(1.8)</td> <td>(1.8)</td> <td>(1.8)</td> </tr> <tr> <td>Release of Allowance for new pressures</td> <td>(1.0)</td> <td>(1.0)</td> <td>(1.0)</td> <td>(1.0)</td> </tr> <tr> <td><b>MTFS Amendments</b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Reduce pay award provision to 1%</td> <td>(0.8)</td> <td>(0.8)</td> <td>(0.8)</td> <td>(0.8)</td> </tr> <tr> <td>Reduce inflation provision</td> <td>(0.4)</td> <td>(0.4)</td> <td>(0.4)</td> <td>(0.4)</td> </tr> <tr> <td><b>Funding Amendments</b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>New Homes Bonus (1 year only)</td> <td>(4.5)</td> <td>0.0</td> <td>0.0</td> <td>0.0</td> </tr> <tr> <td>Increase in Business Rates and Council Tax</td> <td>(1.8)</td> <td>(1.8)</td> <td>(1.8)</td> <td>(1.8)</td> </tr> <tr> <td>Collection Fund Surplus 2015/16</td> <td>(3.8)</td> <td>0.0</td> <td>0.0</td> <td>0.0</td> </tr> <tr> <td><b>Remaining Savings Requirement</b></td> <td><b>12.0</b></td> <td><b>43.0</b></td> <td><b>58.5</b></td> <td><b>71.1</b></td> </tr> </tbody> </table>						2016/17 £M	2017/18 £M	2018/19 £M	2019/20 £M	Original Savings Requirement	39.1	60.7	77.7	90.1	Savings proposals requiring approval at November Council	(9.4)	(3.9)	(5.9)	(5.9)	<b>Savings Requirement after November Council</b>	<b>29.7</b>	<b>56.8</b>	<b>71.8</b>	<b>84.2</b>	<b>Savings being proposed (Appendix 2)</b>	<b>(13.0)</b>	<b>(17.4)</b>	<b>(16.9)</b>	<b>(16.6)</b>	<b>Pressures</b>					Adult Social Care Pressures	4.0	4.0	4.0	4.0	Children's Social Care Pressures	5.0	5.0	5.0	5.0	Funding to Support Roads Capital Programme	0.4	0.4	0.4	0.4	Release of Risk fund	(1.8)	(1.8)	(1.8)	(1.8)	Release of Allowance for new pressures	(1.0)	(1.0)	(1.0)	(1.0)	<b>MTFS Amendments</b>					Reduce pay award provision to 1%	(0.8)	(0.8)	(0.8)	(0.8)	Reduce inflation provision	(0.4)	(0.4)	(0.4)	(0.4)	<b>Funding Amendments</b>					New Homes Bonus (1 year only)	(4.5)	0.0	0.0	0.0	Increase in Business Rates and Council Tax	(1.8)	(1.8)	(1.8)	(1.8)	Collection Fund Surplus 2015/16	(3.8)	0.0	0.0	0.0	<b>Remaining Savings Requirement</b>	<b>12.0</b>	<b>43.0</b>	<b>58.5</b>	<b>71.1</b>
	2016/17 £M	2017/18 £M	2018/19 £M	2019/20 £M																																																																																																
Original Savings Requirement	39.1	60.7	77.7	90.1																																																																																																
Savings proposals requiring approval at November Council	(9.4)	(3.9)	(5.9)	(5.9)																																																																																																
<b>Savings Requirement after November Council</b>	<b>29.7</b>	<b>56.8</b>	<b>71.8</b>	<b>84.2</b>																																																																																																
<b>Savings being proposed (Appendix 2)</b>	<b>(13.0)</b>	<b>(17.4)</b>	<b>(16.9)</b>	<b>(16.6)</b>																																																																																																
<b>Pressures</b>																																																																																																				
Adult Social Care Pressures	4.0	4.0	4.0	4.0																																																																																																
Children's Social Care Pressures	5.0	5.0	5.0	5.0																																																																																																
Funding to Support Roads Capital Programme	0.4	0.4	0.4	0.4																																																																																																
Release of Risk fund	(1.8)	(1.8)	(1.8)	(1.8)																																																																																																
Release of Allowance for new pressures	(1.0)	(1.0)	(1.0)	(1.0)																																																																																																
<b>MTFS Amendments</b>																																																																																																				
Reduce pay award provision to 1%	(0.8)	(0.8)	(0.8)	(0.8)																																																																																																
Reduce inflation provision	(0.4)	(0.4)	(0.4)	(0.4)																																																																																																
<b>Funding Amendments</b>																																																																																																				
New Homes Bonus (1 year only)	(4.5)	0.0	0.0	0.0																																																																																																
Increase in Business Rates and Council Tax	(1.8)	(1.8)	(1.8)	(1.8)																																																																																																
Collection Fund Surplus 2015/16	(3.8)	0.0	0.0	0.0																																																																																																
<b>Remaining Savings Requirement</b>	<b>12.0</b>	<b>43.0</b>	<b>58.5</b>	<b>71.1</b>																																																																																																
23.	<p>The remaining annual savings requirement is set out in the Table 3.</p>																																																																																																			

<b>Table 3 Remaining Annual Savings Requirement</b>																																		
	<b>2016/17 £M</b>	<b>2017/18 £M</b>	<b>2018/19 £M</b>	<b>2019/20 £M</b>																														
Revised Net Revenue Expenditure	185.9	198.4	207.5	218.6																														
Revised Funding Available	(173.9)	(155.4)	(149.0)	(147.4)																														
Remaining Savings Requirement	12.0	43.0	58.5	71.1																														
Annual Savings Requirement	12.0	31.0	15.5	12.6																														
<p>To date the savings and amendments to the MTFS include a number of non-recurrent items. Had these items not been included the underlying financial position is shown in the table below. The position for 2016/17 shows that if non recurrent funding and savings had not been utilised the remaining underlying savings requirement would be £25.7M</p> <p><b>Table 4 Underlying Savings Requirement (Savings Requirement before non-recurrent items are utilised)</b></p> <table border="1"> <thead> <tr> <th></th> <th><b>2016/17 £M</b></th> <th><b>2017/18 £M</b></th> <th><b>2018/19 £M</b></th> <th><b>2019/20 £M</b></th> </tr> </thead> <tbody> <tr> <td>Original Savings Requirement</td> <td>39.1</td> <td>60.7</td> <td>77.7</td> <td>90.1</td> </tr> <tr> <td>Recurrent Adjustments</td> <td>(13.4)</td> <td>(17.7)</td> <td>(19.2)</td> <td>(18.9)</td> </tr> <tr> <td><b>Net Underlying Position</b></td> <td><b>25.7</b></td> <td><b>43.0</b></td> <td><b>58.5</b></td> <td><b>71.1</b></td> </tr> <tr> <td>Non-Recurrent Savings/Amendments</td> <td>13.7</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Remaining Savings Requirement</td> <td>12.0</td> <td>43.0</td> <td>58.5</td> <td>71.1</td> </tr> </tbody> </table>						<b>2016/17 £M</b>	<b>2017/18 £M</b>	<b>2018/19 £M</b>	<b>2019/20 £M</b>	Original Savings Requirement	39.1	60.7	77.7	90.1	Recurrent Adjustments	(13.4)	(17.7)	(19.2)	(18.9)	<b>Net Underlying Position</b>	<b>25.7</b>	<b>43.0</b>	<b>58.5</b>	<b>71.1</b>	Non-Recurrent Savings/Amendments	13.7	0	0	0	Remaining Savings Requirement	12.0	43.0	58.5	71.1
	<b>2016/17 £M</b>	<b>2017/18 £M</b>	<b>2018/19 £M</b>	<b>2019/20 £M</b>																														
Original Savings Requirement	39.1	60.7	77.7	90.1																														
Recurrent Adjustments	(13.4)	(17.7)	(19.2)	(18.9)																														
<b>Net Underlying Position</b>	<b>25.7</b>	<b>43.0</b>	<b>58.5</b>	<b>71.1</b>																														
Non-Recurrent Savings/Amendments	13.7	0	0	0																														
Remaining Savings Requirement	12.0	43.0	58.5	71.1																														
<b><u>EXPLANATION OF ADJUSTMENTS</u></b>																																		
24.	The changes in to the Medium Term Financial Strategy Model to determine the remaining Savings Requirement are set out in detail in the following paragraphs.																																	
<b><u>Savings Proposals</u></b>																																		
25.	The Executive's second tranche of savings proposals put forward for consultation are set out in Appendix 2 of the report and total £13.0M in 2016/17, with a cost to implement of £1.3M. The savings increase to £17.4M in 2017/18. They have been proposed in order that the Council can reduce its cost base whilst seeking to deliver its priorities and ensure the organisations remains financially sustainable, in the face of unprecedented reductions in local government funding.																																	
26.	The savings proposed in this report are in addition to those being approved at Full Council on the 18 November 2015, that include £10.3M of savings in 2015/16 and £9.4M in 2016/17, (these savings reduce to £3.9M in 2017/18 and £5.9M thereafter due to the non- recurrent nature of a number of the proposals). The total savings proposed to date for 2016/17 therefore amount to £22.4M, of which £16.9M are recurrent and £5.5M are non-recurrent.																																	
27.	The implications on staff of the new proposals are set out in the Staffing Implications section.																																	
28.	Whilst significant savings have been brought forward, at this stage in the budget process there remains a shortfall of £12M in setting a balanced budget for 2016/17. It is not unusual for the Cabinet to present a budget at this stage which is not balanced, although the current shortfall is significant when compared with previous years. In seeking to set a balanced budget for 2016/17, the Administration is faced with managing an anticipated reduction in Government grant £12.2M and significant demand pressures being placed on the social																																	

	care system. Over the coming months Cabinet members will continue to explore further options for savings and efficiencies that could contribute to ensure there is a balanced budget position for 2016/17.
	<b><u>Pressures</u></b>
29.	Elsewhere on the agenda the current position on the 2015/16 revenue position is being reported. This sets out a £9.3M adverse variance for portfolios, that is reduced to £3.04M adverse after adjustments for the risk fund and other underspends are taken into account.
30.	Of this £9.3M Health and Adult Social Care and Education & Children's Social Care are facing £10.4M of pressures that are being offset by favourable variances elsewhere in the organisation.
	<b><u>Health and Adult Social Care</u></b>
31.	The Health and Adult Social Care portfolio position is £2.64M adverse in 2015/16. This situation is largely due to slippage in the achievement of savings from previous years. This position is expected to deteriorate in 2016/17 to £4M adverse as some non-recurrent monies and early achievement of 2015/16 savings, which increase in 2016/17, are removed from the position.
	<b><u>Education and Children's Social Care</u></b>
32.	In the Education and Children's Social Care portfolio the forecast position is an adverse variance of £7.75M. This is due to a number of factors: <ul style="list-style-type: none"> <li>• Looked after children numbers being higher than expected;</li> <li>• More Independent Fostering Agency placements being used than budgeted for;</li> <li>• A high number of vacancies being covered by agency staff;</li> </ul> Further detail can be found in the Corporate Revenue Financial Monitoring for the Period to the End of 30 September 2015.
33.	The Looked After Children adverse variance is £5.22M, therefore it is proposed that at this stage £5M is included within the budget forecast to address this pressure.
34.	With regards to the other pressures within this portfolio a number of actions are taking place including a joint working party with the Director of Children's Services, Finance staff and the Transformation team drawing together an action plan to address the remaining overspend.
	<b><u>Roads Funding</u></b>
35.	In line with the Executive's priorities a sum of money has been set aside within the revenue budget to pay for the Roads capital programme allocation for next financial year.
	<b><u>Release of Risk Fund</u></b>
36.	The MTFS includes a sum of money each year set aside to deal with risk within the system. This is common practice to enable variances within the financial position to be managed in year, without the Council falling into an overspend outturn position, and is helping to offset the current in year adverse position. As a large part of this risk fund is held to deal with the pressures within Social Care system and these have been allocated, this provision can now be reduced. This position will be reviewed in light of progress made in reducing the remaining in-year overspends in Children's Services, and any update will be reported as part of the February Budget report.
	<b><u>Release of Pressures Funding</u></b>
37.	The MTFS included an amount set aside to fund unknown pressures 2016/17 and onwards. As the pressures within Health and Adults Social Care, and Education & Children's Social Care have been allocated, this provision can now be released to fund the aforementioned

	pressures. This results in a reduction of £1M to the remaining savings requirement.
	<b><u>MTFS Amendments</u></b>
	<u>Pay award</u>
38.	A review of the allowance contained with the MTFS for pay award to align it to the 1% increase rather than 2% reduced the budget gap by £0.8M. This reduction reflects the Governments budget announcement that public sector pay awards should be limited to 1%. Whilst this does not mean the pay award will be 1% as this a limit, it does set a frame for the budget estimates.
39.	It should also be noted that the Living Wage Foundation has recently announced its proposals for an increase in the voluntary Living Wage, from £7.85 to £8.25. The City Council has committed to implement increases to the voluntary living wage, and this new rate will therefore be implemented for all affected employees from April 2016.
	<u>Inflation</u>
40.	Non pay inflation increases are in some instances based on the Office for National Statistics data, adjusted for local conditions and contracts. Since the initial MTFS was set inflation rates have fallen resulting in a 12 month CPI rate of 0% (based on the ONS August 2015 data). As a result the inflation allocation can be reduced by £0.4M. The underlying inflation assumptions will continue to be reviewed and any changes will be reflected in the update to the MTFS.
	<b><u>Funding Adjustments</u></b>
	<u>New Homes Bonus</u>
41.	At the February review of the MTFS, the funding for New Homes Bonus was removed. This was following advice from the Local Government Association, due to the uncertainty surrounding the General Election. There is still a high degree of uncertainty about the future of this funding after 2016/17 as this will bring to a close the Governments initial 6 year allocation. Due to this uncertainty New Homes Bonus has been included for 2016/17 year only, reducing the savings requirement by an estimated £4.5M. It is anticipated that the actual grant level will be confirmed as part of the Local Government Finance Settlement, and that further clarity will be provided as to the continuance or otherwise of the grant, together with clarification as to how the New Homes Bonus would operate in the future.
	<u>Business Rates, Council Tax and the Collection Fund</u>
	<u>2015/16 In Year Collection</u>
42.	Projections for Council Tax and Business Rates collection are reviewed on a monthly basis, and in the current financial year it is expected that there will be a Collection Fund surplus of which the Council's share would £3.8M. This forecast surplus has been utilised to help reduce the remaining savings requirement in 2016/17.
	<u>Forecast Position 2016/17</u>
43.	Following on from this review the forecast collection position for both Business Rates and Council Tax, including an increase in the Council Tax base, has been updated for 2016/17. This has allowed an additional £1.8M to be included within the MTFS. This is due to an increase in the amount collected rather than an increase in the charge for Council tax or Business Rates.
	<b><u>OPTIONS FOR CLOSING THE 2016/17 BUDGET GAP</u></b>

44.	The remaining savings requirement is £12M in 2016/17 and £71.1M for the period to 2019/20. This is a sizeable gap still to be closed before council tax has to be set on the statutory deadline of the 11 March 2016.
45.	Further savings proposals will need to be brought forward to bridge this gap before the planned February report has to set a balanced budget as required by law.
46.	There are several ways the gap can be closed as set out below. These options are not mutually exclusive and the final budget proposals may include a mix of options. In seeking to close the budget gap, in the first instance the Executive recognise the need to deliver and favour options that can be delivered on a recurrent basis. This is particularly important as discussed in paragraph 23 the current position already utilises significant non recurrent proposals.
47.	<p><u>Option 1 Identification of Additional Savings</u></p> <p>The Council's Management Team will be actively considering further proposals with Cabinet between now and February 2016 to identify additional savings that can be brought forward for 2016/17. This will include a review of procurement expenditure, and officers are working with the Council's strategic partners to identify areas where expenditure could be reduced.</p>
48.	<p><u>Option 2 2015/16 Savings to be agreed at November Council</u></p> <p>There is £10.3M of savings in 2015/16, being recommended for agreement at the November Council. The current forecast outturn position would suggest that £3.04M of these are required to offset the adverse position. This would leave £6.9M which at the present time it is planned to transfer these savings to earmarked reserves for specific pressures as set out below.</p>
50.	<p>These pressures include the following:</p> <ul style="list-style-type: none"> <li>• Social Care Demand – although monies are being built in for next financial year for these areas, there is little built in to the MTFs on a recurrent basis after this, therefore monies held within earmarked reserves will enable the service and the organisation to deal with higher than expected demand pressures in the short term while strategies are drawn up to deal with these on a sustainable basis.</li> <li>• Economic &amp; Policy Factors – there are a number of economic and policy factors that monies need to be set aside for including the increase in the national living wage, and any further impact of pay and allowances.</li> <li>• In year Government funding cuts – it is thought prudent to set aside some monies to enable the authority to deal with any unexpected in year funding cuts from Central Government. If these occur services will need to be reduced, however in some instances this is not possible immediately and gap funding needs to be found, until the organisation can shift its level of expenditure. For example, in the current year we have seen unexpected cuts to both Public Health funding, as detailed in paragraphs 55 to 59 and Youth Justice Board funding.</li> </ul>
51.	<p><u>Option 3 Transformation Programme</u></p> <p>The Council has embarked upon a significant Transformation journey, and for 2016/17 £8M of the savings proposals detailed in Appendix 2 are as a result of this programme. These initial savings increase in 2017/18 as the full year impact of the various strands of the programme take effect. Whilst the programme has been fast paced, working together with our Strategic Partner, PwC, and the Council's Management Team will seek all opportunities to further accelerate the programme to deliver substantial change and the new operating model, the initial components of which are included within the current savings proposals.</p>



52.	<p><u>Option 4 Further detailed review of the Medium Term Financial Strategy Model</u></p> <p>A further review of the assumptions contained with the MTFs will be undertaken over the next couple of months particularly in light of the Comprehensive Spending Review announcement and the Provisional Local Government Finance Settlement. The result of this review will be reported in the suite of February budget reports.</p>
53.	<p><u>Option 5 Draw from General Fund Balance</u></p> <p>There does remain an option to draw from the General Fund Balances and make a non-recurrent contribution to the budget position in 2016/17. Whilst this is not in line with the agreed Medium Term Financial Strategy, to ensure the Council's is financial sustainability going forward. A draw from balances could be made if all other means of closing the budget gap have been exhausted.</p>
<p><b><u>FURTHER ISSUES POTENTIALLY IMPACTING ON THE MTFs</u></b></p>	
54.	<p>There are a number of other items to consider that have yet to be built into the Medium Term Financial Strategy and Model. It is expected some of the implications of these items will be included in the February 2016 report once more detail is known.</p>
<p><b><u>Public Health</u></b></p>	
55.	<p>The Council has taken responsibility for the commissioning of 0-5 health visitor services and the services linked to an all age early help offer when the functions transferred from NHS England on 1 October 2015. The grant that is allocated as part of this transfer will form part of the ring-fenced public health grant.</p>
56.	<p>On 4 June 2015, the Chancellor announced savings of £200M from this year's Public Health grant. This decision was thought to affect the Council's 2015/16 public health funding of £15.050M. A consultation has taken place on the most appropriate method of implementing the savings, with a straight line reduction of 6.2% being the Government's preferred option.</p>
57.	<p>The response to this consultation including the revised allocations was published on the 4 November. The reduction has been calculated on both the standard public health grant (£15.050M) and the recently transferred 0-5 years/early help allocation (£2.163M). For Southampton the reduction is £1.06M in 2015/16.</p>
58.	<p>On 8 October 2015 the Government issued a consultation paper on the allocation of Public Health Grant for 2016/17. This proposed revision to the allocation could impact on funding for Southampton reducing the Council's share of the national grant from 0.24% to 0.22%. The impact of this change will not be known until later in 2015 or early 2016.</p>
59.	<p>It is currently assumed that the in-year reduction in funding for Public Health and any reduction in 2016/17 onwards will need to be managed within Public Health resources, resulting in no impact on the budget position. However due to the late nature of the announcement of the in-year funding cut this may not be possible, leaving the Council with a potential increase to the forecast deficit in 2015/16.</p>
<p><b><u>Devolution</u></b></p>	
60.	<p>The Council is currently an active partner in the Hampshire and Isle of Wight devolution deal, along with 15 other councils, two Local Enterprise Partnerships and two national park authorities, to Central Government to have more powers devolved to the area.</p>
61.	<p>The deal includes a proposal to retain 100% of the business rates collected within the area, currently 50% of all business rates collected are passed over to Central Government. In return for foregoing Revenue Support Grants from central government, the prospectus asks to keep 100% of business rates generated in the area and assumes the proposal will be</p>

	fiscally neutral to the Government.
62.	Should it be successful, the ambitious nature of the devolution deal and number of partners involved mean it could become a blueprint for cities and regions across the country to follow, especially following the Chancellor's announcement in the Autumn around councils retaining 100% of business rates in the future. There is little detail available at the time of writing this report to determine how this policy will work in practice, but as above the indications are that Treasury will seek to achieve fiscal neutrality at the macro level.
63.	The move would reduce the region's dependency on money from central government and put greater impetus on the partners involved to boost the success of businesses in the region.
64.	If this comes to fruition, the area will be responsible for its own income and therefore need to make sure it attracts businesses and has the conditions for them to thrive in order to generate funds.
65.	The proposals focus around four key themes: boosting business and skills for work; accelerating housing delivery; investing in infrastructure; and transforming public services.
66.	Within these, projects will deliver on the government's productivity plan and rural productivity plan and ensure: more homes are built; more efficient local planning; further expansion of broadband; better mobile connectivity; improved transport connections; a higher-skilled workforce with employers setting the skills agenda locally; higher employment and better wages.
67.	Plans for homes include accelerated delivery of existing local plans, as well as an additional 500 homes a year in the priority home categories of rural affordable, low-cost starter, council new-build and extra care, by making use of exception sites including redundant public land.
68.	Until it is confirmed what central government would award to Hampshire and Isle of Wight it isn't possible to say what structure the devolved arrangement would take, but rather than creating a new layer of government the aim is to bring existing decision making powers from Whitehall down to a local level.
69.	Furthermore the partners will work to deepen devolution locally and seek opportunities for district and parish councils to take on extra functions and develop services with communities.
70.	The overall aim is to make Hampshire and Isle of Wight an even better place to live and work by growing the economy in urban and rural areas without destroying what makes them special. This would include maintaining valued open spaces through measures such as greenbelt and working hard to bring local people more into the design of their own communities.
71.	Following the submission of Hampshire and Isle of Wight's devolution prospectus, central government is expected to make a decision on the proposals later this year.

	<b><u>SOCIAL ENTERPRISE FUND</u></b>
72.	It is proposed to set aside a sum of money to be made available to staff wishing to set up a social enterprise to run their services. The criteria for whether a social enterprise is the correct future operating model for the service will need to form part of the operating model discussions, initially, then will need to be evaluated on case by case basis to ensure financial and commercial sustainability. This sum will be allocated from reserves so will not impact on the current General Fund Revenue position.
	<b><u>RESERVES AND BALANCES</u></b>
73.	To ensure proposals are considered in a full financial picture, it is important to set out the expected position on earmarked reserves and the General Fund Balance.
	<u>Earmarked Reserves</u>
74.	The Council has a number of earmarked reserves that have been set aside for specific reasons. These reserves can be split into two categories: <ul style="list-style-type: none"> <li>a. Those required to be kept by statute or accounting guidance. For example revenue grants reserve, School Balances. These reserves can only be utilised for the purpose for which they have been set aside.</li> <li>b. Those set aside for a future event that has a high probability of occurring. For example Transformation Reserve.</li> </ul>
75.	A review of the adequacy of these reserves is in train. The outcome of this review will form part of the revised MTFs.
76.	Attached at Appendix 3 is the School Balances Position Statement, setting out the final 2014/15 level of balances. The statement also highlights that five schools have set deficit budgets in 2015/16, and that there is significant risk that in future years the number of schools that may need to set a deficit budget will further increase.
	<u>General Fund Balance</u>
77.	The General Fund Balance is forecast to be £12.8M at the end of 2015/16. The required level of balance is determined by assessing the level of risk the Council faces. This has been assessed as a £5.5M requirement for 2015/16.
78.	Obviously when the Council is facing significant cuts in funding, increasing demand alongside a major transformation programme the level of risk is heightened. The assessed minimum balance will be reviewed for MTFs in February 2016, taking into consideration both risk and affordability.
	<b><u>STATEMENT ON GENERAL FUND BUDGET STRATEGY BY THE CHIEF FINANCIAL OFFICER (S151 OFFICER)</u></b>
79.	Section 25 of the Local Government Act 2003 imposes a specific duty on the CFO (Section 151 officer) to formally report to Council at the time the budget is considered and the Council Tax is set on the robustness of the budget estimates and the adequacy of financial reserves. This report will be brought forward alongside the Budget and Council Tax Setting Report to Full Council in February.
80.	In advance of the report to Cabinet and Council in February 2016 it is important to set the whole of the 2016/17 budget process in the context of the continuing austerity measures that Local Government finds itself, and to provide some initial comments on progress with setting a balanced budget for 2016/17 and beyond.
81.	Given the continuing uncertainties of the economic environment and the scale of expenditure reductions required year on year, there will inevitably be significant risks

	involved in delivering a balanced budget.
82.	The scale of the budget challenge for 2016/17 onwards is significant, with the Council anticipating a further sizeable reduction in Government Funding as set out in paragraph 10, whilst at the same time experiencing increasing demand pressures particularly in Social Care.
83.	As set out in paragraph 20, the MTFs included in the February 2015 budget report set out a forecast budget shortfall of £39M for 2016/17 rising on a cumulative basis to £90M over the medium term to 2019/20. This position is based on the assumed reduction in government funding and will be updated once the Provisional Local Government Settlement is published in December.
84.	Since the forecast position was published, the Council has experienced significant in year spending pressures in 2015/16, primarily within Social Care. These pressures arise from a combination of continuing demand increases but also from a number of current and prior year savings becoming less achievable. Whilst significant work is underway to seek to reduce demand and find additional recurrent savings, the current updated forecast has included a pressure of £5M for Children's Social Care and £4M for Adult Social Care, as it is felt that the current pressures are recurrent. This has increased the initial overall budget shortfall by £9M
85.	This has in effect meant that the overall gap for 2016/17 has increased from £39M to £48M.
86.	To address the £48M budget gap significant work is continuing to be undertaken, to identify savings to enable a balanced budget to be set. To date total savings of £22.4M have been identified. These savings, taken together with changes to assumptions in the MTFs, and revised funding assumptions mean that the current budget shortfall for 2016/17 is £12M.
87.	Whilst the overall savings identified to date for 2016/17 are £22.4M, this includes non-recurrent savings/use of one off funding of £13.7M, leaving an underlying budget gap of £25.7M for 2016/17. By utilising non-recurrent savings, the savings requirement in future years is then also increased, and for 2017/18, the budget gap currently stands at a £43M.
88.	The aim of the Medium Term Financial Strategy is to create a sustainable financial position for the authority. In seeking to manage the overall financial position in a balanced and measured way, it can be appropriate that in any single financial year a draw from balances may be required to support the budget. This recognises that significant change programmes and the delivery of significant savings may take longer than a one year period to implement and be delivered in full. The use of balances on a planned basis can therefore be an important element of the overall budget strategy
89.	However, the Council is required to calculate and maintain a minimum level of General Fund Balance commensurate with the assessed level of financial risk the authority faces. This balance should be maintained in the medium term and financial plans drawn up around this. The expected level of General Fund balance for 2016/17 is £12.8M, against the assessed minimum balance of £5.5M.
90.	The ongoing use of non-recurrent resources to balance the budget each year, needs to be in the context of clear plans to deliver recurrent savings in the medium term. Otherwise this would not support the aim of achieving a sustainable financial position in the medium to long term.
91.	Since the start of the Government's austerity measures, the Council has had to use one off savings/funding/draws from balances and reserves to balance its budget. As well as seeking to manage significant funding reduction and pressures, the use of non-recurrent resources culminates in the budget gap in the following year being higher than otherwise would have been had the previous year's gap been closed using recurrent resources.

92.	Over the course of the last 2 years, the Authority has taken specific steps to bolster and strengthen its reserves and balances, recognising the significant financial challenges the Council will face over the medium term. It is therefore important that in particular earmarked reserves are appropriately managed in light of the financial risk faced.
93.	Given that the current budget position for 2016/17 is being supported through the use of £13.7M of one off funding and savings, it would not be advisable to make any significant draw on reserves or balances to balance the budget position, as this would impact on the overall robustness of the budget and the adequacy of reserves.
94.	At this stage in the budget process, there remains a significant shortfall of £12M, and the Council's ongoing budget process must therefore identify additional recurrent savings to bring forward in order to enable a balanced and robust budget to be set in February 2016 for 2016/17.
	<b><u>BUDGET CONSULTATION</u></b>
95.	Where new proposals have been put forward these have been subject to consultation with the Council Management Team (CMT) and relevant Cabinet Members.
96.	The Executive will undertake a consultation process on their initial draft budget proposals following the consideration of this report by Cabinet. The Leader and the Cabinet are keen to listen to any new ideas on how to reduce costs, to receive feedback on the proposals and on any potential impact of the proposals. This is to finalise the Executive's budget which will be recommended to Full Council in February 2016.
97.	The process used for public consultation is improved each year based on feedback from previous consultations. As in previous years a consultation questionnaire will be supported by an easy to read background to the budget, key information in themed information sheets and a set of frequently asked questions.
98.	Consultation will be undertaken with Trade Unions and staff affected by the proposals in line with the agreed Human Resources (HR) policies.
99.	Public consultation will be undertaken with service users or organisations affected by the proposals as well as with residents at a wider level, to ensure all options have been considered.
100.	Appendix 1 outlines the process, including the methods of consultation that will be employed.
101.	As the budget proposals mean that more than 151.81 members of staff are at potential risk of redundancy, a minimum 45 day statutory consultation period is required. The staff consultation will commence on 19 November 2015 and will continue until 3 January 2016 for the main budget proposals, a period in excess of the minimum requirement. Where detailed restructure proposals have not yet been developed the 45 day staff consultation will begin after the proposals are ready.
102.	The written public consultation on the draft 2016/17 budget will run from 19 November 2015 to 14 January 2016 where responses to the consultation questionnaire can be made. The consultation period will continue until the point of the final decision on 10 February 2016 any feedback received during this period will be updated verbally at the Cabinet meeting on 9 February 2016 ahead of the final decision at Full Council on 10 February 2016.
	<b><u>BUDGET AND CONSULTATION TIMETABLE</u></b>
103.	<b><u>Action</u></b>
	<b><u>Timescale/Date</u></b>

	Draft Report Published	9 November 2015
	Formal consultation meeting with Trade Unions	9 November 2015
	Proposals distributed to Group Leaders	9 November 2015
	Overview & Scrutiny Management Committee (OSMC) Consider Budget Report	12 November 2015
	Report on the Executive's Draft Budget presented to Cabinet	18 November 2015
	Commence Statutory 45 Day Minimum Consultation and briefings for staff affected by draft budget proposals.	19 November 2015
	Commence 12 week consultation public consultation	19 November 2015
	Commence written budget consultation and online questionnaire	19 November 2015
	Comprehensive Spending Review Announced	25 November 2015
	Provisional Local Government Settlement	Mid to late December
	Review of financial position in light of settlement	Mid to late December
	End of Written Consultation feedback to inform Executive's Budget proposals	14 January 2016
	Written Consultation Responses considered	January/February 2016
	Final Budget Report Published for Cabinet	1 February 2016
	Final Budget Report Published for Council	2 February 2016
	Cabinet meet to recommend budget to Council	9 February 2016
	Council meeting to consider the budget and council tax	10 February 2016

### **STAFFING IMPLICATIONS**

104.	The City Council employs 3,566 of non-school employees and their staffing costs constitute a significant element of overall expenditure. Given that this is the case, it is inevitable that when the Council is faced with such a significant funding shortfall, the savings proposals put forward, (as set out in Appendix 2), will have an impact on staff cost and staff numbers.
105.	Aware of this fact, the Council has continued to have in place a carefully planned approach to recruitment, ensuring that vacant posts have only been recruited to where absolutely necessary.
106.	This proactive approach has meant that the Council has been able to hold a number of posts vacant some of which can now be deleted in order to make savings as part of the budget process. The deletion of vacant posts reduces the impact on staff in post and reduces the actual number of employees who will be made redundant.
107.	Based on the current savings proposals put forward by the Executive it is anticipated that, subject to the outcome of the consultation process, 182.82 Full Time Equivalent (FTE) posts

	are impacted of which 31.01 FTE of posts are vacant. The post holders will either be at risk of being made redundant or be subject to TUPE transfer, and up to 152 individuals are impacted.
108.	<p>This is in addition to the proposed staffing reductions of 4.33 FTE already approved for 2015/16 as set out in the report to be agreed by Full Council on 18 November. Taken together with the staffing proposals set out in this report, the potential total reduction in FTE arising from savings which impact in 2016/17 is 187.15 FTE.</p> <p>Through the consultation process the Executive is keen to explore all avenues with the Trade Unions and staff to identify wherever possible alternative options for delivering savings, in order that the level of proposed staffing reductions and redundancies can be reduced.</p> <p>The Executive will also continue to ensure that impacted staff are aware of all the available options which can be used to avoid compulsory redundancies and this will include:</p> <ul style="list-style-type: none"> <li>• Early retirement,</li> <li>• Flexible retirement,</li> <li>• Voluntary redundancy and</li> <li>• Reduced hours</li> </ul>
<b><u>EQUALITY AND SAFETY IMPACT ASSESSMENTS</u></b>	
109.	The Equality Duty is a duty on public bodies which came into force on 5 April 2011 and requires the Council to show that it has 'had regard' to the impact of its decisions on its equality duties and the need to advance equality of opportunity between people who have protected characteristics and those who do not.
110.	While the Equality Duty does not impose a legal requirement to conduct an Equality Impact Assessment, it does require public bodies to show how they considered the Equality Duty and that they have been consciously thinking about the aims of the Equality Duty as part of the process of decision-making. To comply with these requirements as well as the Community Safety legislation, the Council has used its existing Impact Assessment framework so that it can ensure the use of a consistent, Council wide mechanism to evidence how decision making took into account equality and safety considerations. In addition, in light of the potential impact of the welfare reforms on some residents, the assessments also take into account the impact on poverty.
111.	Draft individual Equality and Safety Impact Assessments (ESIAs) have been completed by the Council's Management Team for those proposals contained in Appendix 2 that they identified require such an assessment, as they could have an adverse impact on a particular group or individuals. The draft individual ESIAs are available in Members' Rooms.
112.	The individual ESIAs will be analysed to consider the cumulative impacts the draft budget proposals may have on particular groups and the mitigating actions that could be considered. In order to give the right perspective to the draft budget proposals, the Cumulative Impact Assessment has to be considered in light of the available information on the City's profile, service user and non-user information and staffing profiles as well as the proportion of the Council's budget that is currently spent on targeted groups or communities. The first draft of the Cumulative Impact Assessment will be completed by a central team of officers within the Council, based on the initial ESIAs completed by service managers. This will be published on the Council's website.
<b>RESOURCE IMPLICATIONS</b>	
<b><u>Capital/Revenue</u></b>	
113.	This report is concerned with the revenue forecasts for the General Fund for 2016/17 and

	beyond. The revenue implications of financing the approved General Fund capital programme are included within the forecasts presented in this report
<b><u>Property/Other</u></b>	
114.	None
<b>LEGAL IMPLICATIONS</b>	
<b><u>Statutory power to undertake proposals in the report:</u></b>	
	<b><u>INTRODUCTION</u></b>
115.	It is important that Members are fully aware of the full legal implications of the entire budget and Council Tax making process, when they consider any aspect of setting the Council's Budget. Formal and full advice to all Members of the Council protects Members, both in their official and personal capacity, as well as the Council. If Members have received the appropriate professional legal and financial advice and act reasonably, generally the courts will not interfere in their decisions.
	<b><u>GENERAL POSITION</u></b>
116.	The first and overriding legal duty on Members is their fiduciary duty to weigh the needs of service users against the interests of local taxpayers. In planning the budget, Members are under a fiduciary duty to act prudently, responsibly, in a business-like manner and in their view of what constitutes the best interests of the general body of local taxpayers. In deciding upon expenditure, the Council must fairly hold a balance between recipients of the benefits of services provided by the Council and its local taxpayers. Members should note that their fiduciary duty includes consideration of future local taxpayers as well as present local taxpayers.
117.	There is a general requirement in administrative law that a local authority decision must be rational, authorised by law and must take account of all relevant considerations, whilst ignoring any irrelevant ones. It should also be noted that the concept of proportionality, given great emphasis in the Human Rights Act 1998, is also becoming a relevant factor for determining the reasonableness of any decision and should be borne in mind by Members.
118.	An authority commits an illegal act if it acts beyond or in abuse of its statutory powers or in breach of its fiduciary duty. It will also act illegally if it fails to take relevant considerations into account or acts in outrageous defiance of reason.
	<b><u>OBLIGATION TO MAKE A COUNCIL TAX</u></b>
119.	The legal significance of the Annual Budget derives from the Council's duty under the Local Government Finance Act 1992 (the 1992 Act) to set a balanced budget. This is achieved by calculating the aggregate of: <ul style="list-style-type: none"> <li>i. the expenditure it estimates it will incur in the year in performing its functions in the year (including an allowance for contingencies),</li> <li>ii. The payments it estimates it will make in the year in defraying expenditure already incurred and expenditure it will incur in funding costs before a transfer of funds is made from the Collection Fund and then deducting such sums as will be paid into the General Fund, (i.e. income). Calculations made under this section must be made before 11 March in the preceding financial year.</li> </ul>



120.	In order to fulfil this duty, the Council must prepare detailed estimates of its expenditure for the coming year and of the resources which will be available to meet this expenditure. Account must be taken of any deficit brought forward from a previous year and the amount needed to cover contingencies. The resources include income from rents, fees and charges and any available balances. All of these issues must be addressed in the budget report. The estimation of the detailed resource and expenditure items is the main reason for the budget process. The budget must balance, i.e. proposed expenditure must be met from proposed income from all sources, with any shortfall being the precept on the Collection Fund.
121.	Failure to make a lawful Council Tax on or before 11 March could have serious financial results for the Council and make the Council vulnerable to an Order from the Courts requiring it to make a Council Tax.
122.	Section 151 of the Local Government Act 1972 places a general duty on local authorities to make arrangements for "the proper administration of their financial affairs'.
123.	Information must be published and included in the Council Tax demand notice. The Secretary of State has made regulations, which require charging authorities to issue demand notices in a form and with contents prescribed by these regulations.
124.	There is also a duty under Section 65 of the 1992 Act to consult persons or bodies appearing to be representative of persons subject to non-domestic rates in each area about proposals for expenditure (including capital expenditure) for each financial year.
	<b><u>DEFICIT BUDGETING</u></b>
125.	A deficit budget, one which does not cover all anticipated expenditure with resources reasonably expected to be available, is unlawful. Any Council Tax which rests on such a budget will be invalid. Councils are constrained to make a Council Tax before all the separate elements, which will constitute available resources or anticipated expenditure, have been identified and quantified fully. Best estimates have to be employed.
126.	Where these best estimates include sums for unallocated savings or unidentified expectations of income, extreme care must be taken to ensure that the estimates are reasonable and realistic and do not reflect an unlawful intention to incur a deficit. It might be appropriate at budget setting time to require regular monitoring throughout the financial year of such estimated savings or income. Prompt action to reduce spending must be taken, if at any stage it seems likely that a balance between income and expenditure will not be achieved.
	<b><u>BORROWING</u></b>
127.	The rules and regulations governing a local authority's ability to borrow money were altered significantly by the introduction of the Local Government and Housing Act 1989 and subsequent regulations. This has now been abolished and replaced by the self-regulating Prudential Code.
	<b><u>OTHER RELEVANT LEGISLATION</u></b>
128.	The Local Government Finance Act 1988 (the 1988 Act) created the (now repealed) Community Charge and the current National Non- Domestic Rating regime and deals with grants, funds, capital expenditure and the financial administration of a local authority.
129.	Under Section 114 (2) and 114 (3) of the 1988 Act, the Chief Financial Officer is required to make a report, if it appears to him/her that a decision or course of action the Council or an officer has agreed or is about to make is unlawful, or that expenditure is likely to exceed resources available.

<b><u>THE CONSTITUTIONAL POSITION: LOCAL GOVERNMENT ACT 2000 (THE 2000 ACT)</u></b>	
130.	The 2000 Act has had a fundamental effect on the governance of the Council and in particular has resulted in a change to the working arrangements of Council, with the requirement for a Constitution setting out executive (Cabinet) and scrutiny and overview arrangements. The 2000 Act also provides a power for Councils to promote the economic, social and environmental well-being of their areas and develop community strategies. In addition, the 2000 Act establishes an ethical framework.
131.	<p>Of particular importance to the Council Tax setting process and Budget Meeting of the Full Council is the Council's Budget and Policy Framework Procedure Rules set out in Part 4 of the City Council's Constitution. These provide a legal framework for the decision making process whereby the Budget of the City Council is determined, and the Council Tax is set. In addition, Members need to be aware that these Rules provide a route whereby the Leader may require the Full Council to reconsider their position if they do not accept the Executive's recommended budget without amendment.</p> <p>In addition, the Constitution contains a range of further material relevant to the setting of the Council Tax and the Budget Setting meeting:</p> <ul style="list-style-type: none"> <li>i. Article 12 contains guidance on decision making and the law;</li> <li>ii. The Council Procedure Rules in Part 4 regulate the conduct of the Full Council meeting (although traditionally, some of the rules relating to the conduct of the debate are suspended to allow different arrangements during the budget debate);</li> <li>iii. The Members' Code of Conduct must be followed by Members; and</li> </ul> <p>The Officer/Member Protocol contains guidance both on pre-budget discussions, but also on how officers and Members should interact with specific guidance about budget preparation issues.</p>
<b><u>LEGAL STATUS OF POLITICAL PROMISES AND DOCUMENTS</u></b>	
132.	It is appropriate for Members to consider their own position as some Members may have expressed support publicly for policies that are not policies of the Council.
133.	Political documents do not represent a legal commitment on behalf of the Council. To treat any political document as a legal commitment by the Council would be illegal. Where there is a valid choice before Members, then, at that stage and only at that stage, Members may take political documents into account.
134.	All decisions must be taken within the framework of the formal decision making process of the Authority. Members must take into account all relevant matters and disregard all irrelevant ones. Decisions taken at a political meeting, such as a political group meeting, have no status within this process. A Member, who votes in accordance with a group decision which has been reached, having regard to relevant factors and who has addressed their mind independently to those factors and to the decision itself, will be acting within the law.
135.	<p>The Courts have also advised on the balancing exercise to be undertaken by a Council when deciding whether to pursue a particular policy:</p> <p>A local authority must exercise its statutory powers in the public interest and for the purpose of which those powers have been conferred. Political views, as to the weight to be attached to the various relevant considerations and as to what is appropriate in the public interest in the light of those considerations, may properly influence the exercise of a</p>

statutory discretion. A decision will not be unlawful merely because some political advantage, such as electoral popularity, is expected to flow from it, so long as the decision is made for a legitimate purpose or purposes. Because at some stage in the evolution of a policy an improper political purpose has been espoused, does not mean that the policy ultimately adopted is necessarily unlawful. However, a political purpose extraneous to the statutory purpose can taint a decision with impropriety. Where there is more than one purpose:-

- a) The decision will generally be lawful provided that the permitted purpose is the true and dominant purpose behind the act. This is so even though some secondary or incidental advantage may be gained for some purpose, which is outside the authority's powers.
- b) The decision will be invalid if there are two purposes one ultra vires and one intra vires and the ultra vires purpose is a (even if not the) major purpose of the decision. Accordingly a decision substantially influenced by a wish to alter the composition of the electorate would be unlawful.
- c) Where there is some evidence justifying enquiry, the Court will consider whether an apparently lawful purpose e.g. home ownership is merely a colourable device to conceal an illegitimate purpose e.g. electoral advantage.

Even if those voting for a particular policy at a Council meeting have perfectly proper reasons in mind, the policy can be tainted by the improper motives of others who have taken part in the formulation of that policy although not actually present to vote. As a matter of law it is possible for a corrupt principal to cause a result through an innocent agent.

**Other Legal Implications:**

136. The financial forecasts contained in this report have been prepared and are submitted as part of the budget process set out in the Council's Constitution. As part of the review process by CMT, the proposals contained in this report have been checked from a legal viewpoint.

**POLICY FRAMEWORK IMPLICATIONS**

137. The Medium Term Financial Strategy and the Budget are key parts of the Policy Framework of the Council and a Budget and Council Tax for 2015/16 must be proposed by the Executive (Cabinet) for consideration by the Full Council under the Constitution.

<b>KEY DECISION?</b>	<b>Yes</b>
<b>WARDS/COMMUNITIES AFFECTED:</b>	
<u>SUPPORTING DOCUMENTATION</u>	
<b>Appendices</b>	
<b>1.</b>	<b>The Budget Consultation Process</b>
<b>2.</b>	<b>Executive's Savings Proposals for Consultation</b>
<b>3.</b>	<b>School Balances Position Statement</b>

**Documents In Members' Rooms**

<b>1.</b>	<b>Individual Draft ESIA Documents</b>	
<b>2.</b>		
<b>Equality Impact Assessment</b>		
<b>Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.</b>		<b>Yes</b>
<b>Privacy Impact Assessment</b>		
<b>Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.</b>		<b>No</b>
<b>Other Background Documents</b>		
<b>Other Background documents available for inspection at:</b>		
<b>Title of Background Paper(s)</b>	<b>Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)</b>	
<b>1.</b>		
<b>2.</b>		

### 2016-17 BUDGET PROPOSALS – CONSULTATION PROCESS

#### Introduction

1. It is vital that the council agrees and implements a transparent, comprehensive and co-ordinated process to consultation on the proposed 2016/17 budget. This will help stakeholders better understand the proposals and therefore make the consultation more meaningful. It is important that feedback received on previous year's budget consultations is taken into account when developing subsequent consultations.
2. Over the last few years, Southampton City Council has developed an approach to consultation that includes the use of more pictorial and accessible explanations of the background to the budget situation, themed information sheets, frequently asked questions and consultation questionnaires that include highlights of the relevant information.
3. The consultation on the proposed 2016/17 budget will build on the approach used in the two previous rounds of consultation, as positive feedback has been received on this approach. Improvements will be delivered that will condense the information and reduce duplication across documents in line with feedback from last year's consultation.

#### Aims

4. Southampton City Council is in a challenging financial position with significant reductions in its funding from central government, at a time when demand for certain services such as adult and children's social care continues to increase. Therefore the aim of this consultation is to:
  - a. Communicate clearly and make residents aware of the financial pressures the council is facing
  - b. Ensure residents understand what is being proposed in the draft 2016/17 budget and are aware of what this will mean for them
  - c. Enable any resident, business or stakeholder who wishes to comment on the proposals the opportunity to do so, allowing them to raise any impacts the proposals may have
  - d. Ensure that the results are analysed in a meaningful, timely fashion, so that feedback is taken into account when final decisions are made
  - e. Provide feedback on the results to the consultation and how these results have influenced the final decision.

#### Principles

5. Southampton City Council seeks to conduct every consultation in line with the following principles:
  - a. Inclusive: so that everyone in the City (or involved in the consultation) has the opportunity to express their views

- b. Informative: so that people have adequate information about the proposals, what different options mean, and a balanced and fair explanation of the potential impacts, particularly the equality and safety impacts
  - c. Appropriate: by targeting people who are more likely to be affected and using a more tailored approach to get their feedback, complemented by a general approach to all residents, staff, businesses and partners
  - d. Meaningful: by ensuring decision makers have the full consultation feedback information so that they can make informed decisions
  - e. Understandable: by ensuring that the language we use to communicate is simple and clear and that efforts are made to reach all stakeholders, for example people who are non-English speakers or disabled people
  - f. Length: where possible the overall period of consultation should be for at least 12 weeks as there is a compact with the voluntary sector
  - g. Reported: by letting consultees know the results and what we did with their feedback.
6. Southampton City Council is committed to consultations of the highest standard, which are meaningful, and comply with the following legal standards:
- a. Consultation must take place when the proposal is still at a formative stage
  - b. Sufficient reasons must be put forward for the proposal to allow for intelligent consideration and response
  - c. Adequate time must be given for consideration and response
  - d. The product of consultation must be carefully taken into account.

### **Approach**

7. The full consultation period for the 2016/17 budget will run from 19 November 2015 until the final decision is made at Full Council on 10 February 2016. Within that time, there will be a period of formal written consultation where responses to the questionnaire can be made. The period of written consultation will run from 19 November 2015 to 14 January 2016. In addition to the formal written consultation, there will be opportunities for the public to engage through the forward plan and decision making processes at meetings. Any feedback received outside the written period of consultation will be given as a verbal update at the decision making meeting.

### **Process**

8. Southampton City Council will consult on the draft 2016/17 budget with: Elected Members, Overview and Scrutiny, staff and Trade Unions, residents and stakeholders, partners, contractors and affected service users.
9. The consultation will involve a range of activities to ensure all relevant groups are engaged with, including but not limited to:
- a. Internal consultation with Trade Unions through formal meetings
  - b. Staff consultation:
    - i. On the proposals as a whole through the main questionnaire

- ii. On individual impacts through formal consultation processes and meetings with managers
    - c. Partner and external organisation consultation:
      - i. Letters to partner organisations inviting feedback
      - ii. Letters to any affected contractors inviting meeting or feedback
      - iii. Discussion at Southampton Connect
    - d. Consideration by Overview and Scrutiny Management Committee and Heath Overview and Scrutiny Panel
    - e. Affected service user consultation will take place on a service by service basis led by respective service managers and will be conducted in a way that is proportionate and appropriate to the budget proposal and service
    - f. Resident and stakeholder consultation:
      - i. Online information and consultation questionnaire
      - ii. Printed consultation questionnaire with integrated information available on request and in libraries, GP surgeries, housing offices, Civic Centre reception and Gateway.
    - g. Throughout the consultation there will be regular communications via a range of channels to ensure a wide range of respondents.
10. The key dates for the consultation are included in the timetable for the whole budget process which is included in paragraph 103 of this report.

**This page is intentionally left blank**



EXECUTIVE'S SAVINGS PROPOSALS FOR CONSULTATION

Directorate	Portfolio Ref	Service Activity	Description of Item	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	Implem- entation Cost	FTE In Post	FTE Vacant	Head of Service	Saving Type
		<b>Communities, Culture &amp; Leisure</b>										
Place	CCL 2	Libraries	Implement August Report	(286)	(286)	(286)	(286)	137	3.60	3.00	Mike Harris	Efficiency
Place	CCL 3	Leisure & Heritage	Change in revenue support to Cultural Development Trust	(17)	(17)	(17)	(17)	0	0.00	0.00	Mike Harris	Efficiency
		<b>Communities, Culture &amp; Leisure Total</b>		<b>(303)</b>	<b>(303)</b>	<b>(303)</b>	<b>(303)</b>	<b>137</b>	<b>3.60</b>	<b>3.00</b>		
		<b>Education and Childrens Social Care</b>										
Assistant Chief Executive	ECSC 1	Skills	Deletion of vacant post	(47)	(47)	(47)	(47)	0	0.00	1.00	Denise Edghill	Efficiency
People	ECSC 2	Service Cost Recovery - Home to School Transport - Special	Provide Home to School transport in a less costly way	(10)	(70)	(70)	(70)	0	0.00	0.00	Stephen Giacchino	Reduction
People	ECSC 3	HR Vacancies - Early Years & Education	Deletion of vacant post	(56)	(56)	(56)	(56)	0	0.00	1.00	Stephen Giacchino	Reduction
		<b>Education and Childrens Social Care Total</b>		<b>(113)</b>	<b>(173)</b>	<b>(173)</b>	<b>(173)</b>	<b>0</b>	<b>0.00</b>	<b>2.00</b>		
		<b>Environment &amp; Transport</b>										
Place	E&T 7	Fleet Services	Review of SCC fleet - reduced borrowing costs from financing vehicles	(357)	(357)	(357)	(357)	0	0.00	0.00	Mitch Sanders	Efficiency
Place	E&T 8	Fleet Services	Review of SCC fleet - efficiency saving from transformation programme	(100)	(100)	(100)	(100)	0	0.00	0.00	Mitch Sanders	Efficiency
Place	E&T 9	Courier	Reduction in number of fleet vehicles	(15)	(15)	(15)	(15)	0	0.00	0.00	Paul Walker	
Place	E&T 10	City Services - Open Spaces	Riverside Pitch & Putt Course explore a viable external franchise or partnership arrangement.	(15)	(15)	(15)	(15)	0	0.00	0.00	Mitch Sanders	Efficiency
Place	E&T 11	Travel - Concessionary Fares	Reduction in the provision for increase number of annual journeys	(200)	(200)	(200)	(200)	0	0.00	0.00	Paul Walker	Efficiency
Place	E&T 12	Transportation	Reduce Bus Subsidy Budget	(96)	(96)	(96)	(96)	0	0.00	0.00	Mike Harris	Reduction
Place	E&T 13	Transportation	BBLP - Installing cameras monitored by city watch, plus patrols.	(24)	(24)	(24)	(24)	0			Rob Harwood	Reduction
Place	E&T 14	Transportation	BBLP - Itchen Bridge further automation - Extend Help Point call answering times by Citywatch and reduce Itchen Bridge staff costs	(16)	(16)	(16)	(16)	0			Rob Harwood	Reduction
Place	E&T 15	Highways	Bus lane, bus stop and school parking enforcement. The income will be accounted for a part of a separate ringfenced account. The account could fund existing General Fund transport and travel expenditure	(208)	(250)	(250)	(250)	0	0.00	0.00	Mike Harris	Income
Place	E&T 16	City Services - Waste Management	Introduce a charge for wheeled bin replacement. (Developers Only)	(45)	(45)	(45)	(45)	0	0.00	0.00	Mitch Sanders	Income
Place	E&T 17	City Services - Waste Management	Increase income from the recycling of textiles.	(10)	(10)	(10)	(10)	0	0.00	0.00	Mitch Sanders	Income
Place	E&T 18	Transportation	Introduce charges for cone deployment	(10)	(10)	(10)	(10)	0	0.00	0.00	Mike Harris	Income
Place	E&T 19	Transportation	Park & Walk Variable Charging	(20)	(20)	(20)	(20)	0	0.00	0.00	Mike Harris	Income
Place	E&T 20	Transportation	Revert disabled on street parking bays into pay and display	(30)	(40)	(40)	(40)	0	0.00	0.00	Mike Harris	Income
Place	E&T 21	Planning	Increased income, partially supported by Pre-application fees	(80)	(80)	(80)	(80)	0	0.00	0.00	Mike Harris	Income
Place	E&T 22	Transport highways & parking	Overall staffing restructure - 12%	(154)	(154)	(154)	(154)	0	5.50	0.00	Paul Walker	Efficiency
Place	E&T 23	Regulatory Services - Environmental Health & Trading Standards	Integration of Environmental Health, Trading Standards & Port Health Services	(225)	(225)	(225)	(225)	0	2.80	3.14	Mitch Sanders	Efficiency
Place	E&T 24	Regulatory Services - Bereavement & Registration	Efficiencies following relocation of Bereavement Services from Bugle Street to the Crematorium	(70)	(70)	(70)	(70)	40	3.00	0.00	Mitch Sanders	Efficiency
Place	E&T 25	Planning	Overall staffing restructure 10% These are provisional figures	(105)	(105)	(105)	(105)	0	1.00	2.20	Sam Fox	Efficiency
Place	E&T 26	City Services - Open Spaces	Restructure of Parks, Open Spaces and Street Cleansing	(300)	(300)	(300)	(300)	0	5.00	4.00	Mitch Sanders	Efficiency
Place	E&T 27	Service Cost Recovery - Bereavement	Introduce New Rates For Cemeteries and Crematorium	(120)	(120)	(120)	(120)	0	0.00	0.00	Stephen Giacchino/Mitch Sanders	Income
Place	E&T 28	Service Cost Recovery - Pest Control, Clinical waste and Filthy Premises	Introduce New Rates	(25)	(25)	(25)	(25)	0	0.00	0.00	Stephen Giacchino/Mitch Sanders	Income
Place	E&T 29	Service Cost Recovery - Waste - Trade Waste Collection	Increase Rates	(150)	(150)	(150)	(150)	0	0.00	0.00	Stephen Giacchino/Mitch Sanders	Income
Place	E&T 30	Service Cost Recovery - Courier	Check rates/Reduce service	(52)	(52)	(52)	(52)	0	3.00	0.00	Stephen Giacchino/Paul Walker	Income
Place	E&T 31	HR Vacancies - Parking Enforcement	Deletion of vacant post	(26)	(26)	(26)	(26)	0	0.00	1.00	Stephen Giacchino/Paul Walker	Efficiency
Place	E&T 32	HR Vacancies - Regulatory & City Services - Home Improvement	Deletion of vacant post	(30)	(30)	(30)	(30)	0	0.00	1.00	Stephen Giacchino/Mitch Sanders	Efficiency
Place	E&T 33	HR Vacancies - School Crossing Patrol	Deletion of vacant posts	(8)	(8)	(8)	(8)	0	0.00	0.49	Stephen Giacchino/Paul Walker	Efficiency
Place	E&T 34	HR Vacancies - Itchen Bridge	Deletion of vacant post	(17)	(17)	(17)	(17)	0	0.00	1.00	Stephen Giacchino/Paul Walker	
Place	E&T 35	HR Vacancies - Regulatory Services (Commercial) T Stand	Deletion of vacant post	(23)	(23)	(23)	(23)	0	0.00	1.00	Stephen Giacchino/Mitch Sanders	
Place	E&T 36	HR Vacancies - Business Development	Deletion of vacant post	(3)	(3)	(3)	(3)	0	0.00	0.10	Stephen Giacchino/Mike Harris	
Place	E&T 37	HR Vacancies - Regulatory Services (Comm) Port Health	Deletion of vacant post	(11)	(11)	(11)	(11)	0	0.00	0.33	Stephen Giacchino	
Place	E&T 38	HR Vacancies - Transport Co-ordination	Deletion of vacant post	(18)	(18)	(18)	(18)	0	0.00	1.00	Stephen Giacchino	
		<b>Environment &amp; Transport Total</b>		<b>(2,563)</b>	<b>(2,615)</b>	<b>(2,615)</b>	<b>(2,615)</b>	<b>40</b>	<b>20.30</b>	<b>15.26</b>		
		<b>Finance</b>										
Corporate Services	FIN 10	Finance Service	Redesign the finance service function moving to full self serve model and business partnering	(200)	(400)	(400)	(400)	0	10.00	0.00	Andy Lowe	Efficiency
Corporate Services	FIN 11	Audit & Risk Management	Cease insurance of the Fine art Collection	(50)	(50)	(50)	(50)	0	0.00	0.00	Andy Lowe	Efficiency
Corporate Services	FIN 12	Audit & Risk Management	Insurance premiums on Service Charges	(36)	(36)	(36)	(36)	0	0.00	0.00	Andy Lowe	Efficiency
Corporate Services	FIN 13	Audit & Risk Management	Retender of Council insurances - overall reduction in premiums	(114)	(114)	(114)	(114)	0	0.00	0.00	Andy Lowe	Efficiency
Corporate Services	FIN 14	Business Support	Savings from replacement of current MFDs and centralising stationary budgets	(73)	(73)	(73)	(73)	0	0.00	0.00	Rob Harwood	Efficiency
Corporate Services	FIN 15	Partnership	1 technical officer, 0.65 contract support officer	(47)	(47)	(47)	(47)	0	0.00	1.65	Rob Harwood	Efficiency
Corporate Services	FIN 16	HR Vacancies - Creditors	Deletion of vacant posts	(33)	(33)	(33)	(33)	0	0.00	1.50	Stephen Giacchino	Efficiency
		<b>Finance Total</b>		<b>(553)</b>	<b>(753)</b>	<b>(753)</b>	<b>(753)</b>	<b>0</b>	<b>10.00</b>	<b>3.15</b>		
		<b>Health &amp; Adult Social Care</b>										
People	HASC 1	ICU - Provider Relationships	Regrade a grade 13 post to Grade 11	(12)	(12)	(12)	(12)	0	1.00	0.00	Stephanie Ramsey	Efficiency
		ICU - System Redesign	Delete one Grade 11 post, reduction of a Grade 11 post by 0.2fte, reduction of a Grade 9 post by 0.4fte	(79)	(79)	(79)	(79)	0	1.00	0.00	Stephanie Ramsey	Efficiency
People	HASC 2											
People	HASC 3	ICU - Quality	Delete one Grade 9 post	(36)	(36)	(36)	(36)	0	1.00	0.00	Stephanie Ramsey	Efficiency
People	HASC 4	Adult Services Management	Vacating of rented office space for Care Management Teams. (Thomas Lewis House and Herbert Collins House)	(220)	(220)	(220)	(220)	0	0.00	1.00	Mark Howell	Efficiency
People	HASC 5	Long Term	Review assessments of clients to ensure where appropriate Continuing Health Care is claimed and backdated	(100)	(100)	(100)	(100)	0	0.00	0.00	Mark Howell	Efficiency

People	HASC 6	Long Term	Introduce wider role out of Telecare to reduce the ongoing cost of existing packages and delay the need for clients to require long term support	(250)	(500)	(500)	(500)	600	0.00	0.00	Stephanie Ramsey	Efficiency
People	HASC 7	Long Term	Improvement of processes leading to faster financial assessments bringing clients into charging earlier	(50)	(50)	(50)	(50)	0	0.00	0.00	Mark Howell	Income
People	HASC 8	Long Term	Setting of Personal Budgets to meet unmet eligible adult social care needs	(1,100)	(1,100)	(1,100)	(1,100)	0	0.00	0.00	Mark Howell	Reduction
People	HASC 9	Service Cost Recovery - Adult Treatment	Introduce charge for self funders, and deferred payments	(55)	(60)	(65)	(65)	0	0.00	0.00	Stephen Giacchino	Income
People	HASC 10	HR Vacancies - Acute Care	Deletion of vacant post	(52)	(52)	(52)	(52)	0	0.00	1.00	Stephen Giacchino/Mark Howell	Efficiency
People	HASC 11	HR Vacancies - Community Services	Deletion of vacant post	(33)	(33)	(33)	(33)	0	0.00	1.00	Stephen Giacchino/Mark Howell	Efficiency
People	HASC 12	HR Vacancies - Community Services	Deletion of vacant post	(33)	(33)	(33)	(33)	0	0.00	1.00	Stephen Giacchino/Mark Howell	Efficiency
		<b>Health &amp; Adult Social Care Total</b>		<b>(2,020)</b>	<b>(2,275)</b>	<b>(2,280)</b>	<b>(2,280)</b>	<b>600</b>	<b>3.00</b>	<b>4.00</b>		
		<b>Housing &amp; Sustainability</b>										
Place	HS 3	HR Vacancies - Regeneration	Remove Council contribution to Project Officer post in Regeneration	(5)	(5)	(5)	(5)	0	0.00	0.10	Stephen Giacchino/Denise Edghill	Efficiency
Place	HS 4	Housing Renewal	Reorganisation of City Development, Housing Renewal & Estate Regeneration	(44)	(44)	(44)	(44)	0	0.41	0.00	Barbara Compton	Reduction
		<b>Housing &amp; Sustainability Total</b>		<b>(49)</b>	<b>(49)</b>	<b>(49)</b>	<b>(49)</b>	<b>0</b>	<b>0.41</b>	<b>0.10</b>		
		<b>Leaders Total</b>										
Place	LEAD 10	Property Services	Commercial hire of rooms and other space within the Civic Centre to 3rd parties not sponsored by SCC. Higher amounts carry greater risk of non-achievement	(7)	(7)	(7)	(7)	0	0.00	0.00	Rodger Hawkyard	Income
Corporate Services	LEAD 11	Democratic Representation & Management	Review and restructure of Democratic Services team	(68)	(68)	(68)	(68)	0	1.50	0.50	Richard Ivory	Efficiency
Assistant Chief Executive	LEAD 12	HR Vacancies - Communications	Deletion of vacant post	(25)	(25)	(25)	(25)	0	0.00	1.00	Stephen Giacchino	Efficiency
Corporate Services	LEAD 13	HR Vacancies - Legal - People & Property Team	Deletion of vacant post	(56)	(56)	(56)	(56)	0	0.00	1.00	Stephen Giacchino	Efficiency
Corporate Services	LEAD 14	Licensing	Late Night Levy - Community Safety and Street Cleaning	(45)	(45)	(45)	(45)	0	0.00	0.00	Richard Ivory	Income
		<b>Leaders Total</b>		<b>(201)</b>	<b>(201)</b>	<b>(201)</b>	<b>(201)</b>	<b>0</b>	<b>1.50</b>	<b>2.50</b>		
		<b>Cross Cutting</b>										
Cross Cutting	TRANS 1	Digital	This is a two part programme to increase the opportunity for customers to self serve online at a time that suits them. The first part is around making online forms simpler and easier to use. Part two will increase the degree of automation and integration of systems. Support has been identified for people who do not have digital skills or access.	(1,800)	(1,800)	(1,800)	(1,800)	0	50.00	0.00	Stephen Giacchino	Efficiency
Cross Cutting	TRANS 2	Operating Model	Savings from redesign of organisation to ensure fitness for future looking at organisational development, reprocurement of services & contract renegotiations, and the first phase of implementing a new operating model	(5,435)	(9,258)	(8,700)	(8,425)	500	63.00	1.00	Stephen Giacchino	Efficiency
		<b>Cross Cutting Total</b>		<b>(7,235)</b>	<b>(11,058)</b>	<b>(10,500)</b>	<b>(10,225)</b>	<b>500</b>	<b>113.00</b>	<b>1.00</b>		
		<b>TOTAL</b>		<b>(13,037)</b>	<b>(17,427)</b>	<b>(16,874)</b>	<b>(16,599)</b>	<b>1,277</b>	<b>151.81</b>	<b>31.01</b>		

### SCHOOL BALANCES POSITION STATEMENT

#### **1. SUMMARY:**

- 1.1 This statement gives an update on the level of schools' revenue balances as at the end of 2014/15.
- 1.2 The statement also highlights that deficit budgets have been set against five schools for 2015/16 and that there is significant risk that in future years the number of schools that may need to set a deficit budget will further increase.
- 1.3 There are various reasons for the potential increase in deficit budgets. These are highlighted below:
  - From 2014/15 the mainstream schools have seen a recurring decrease in the funding per pupil rate. This has been required to fund the expected growth in Special Educational Needs, in particular the increase in places at council maintained special schools
  - Cost pressures on schools generally have been increasing at a faster rate than central government formula funding
  - Recent falls in numbers on roll, particularly at secondary schools, has had an immediate impact on funding whilst the associated necessary reduction in costs has been difficult to achieve due to the need to maintain educational standards
  - The significant schools balances have enabled individual schools to absorb the pressures highlighted above. However this is only a short term solution that that will cease to be an option as the balances reduce.
- 1.4 Cabinet is requested to note that, unless addressed by the schools, the current cost pressures and changes in funding experienced by schools has the potential to lead to an increase in the number of schools with a deficit budget from 2016/17. Further, for schools where this is an issue their balances are likely to be utilised during 2015/16 making them no longer available to mitigate any pressures from 2016/17.

#### **2. BACKGROUND and BRIEFING DETAILS:**

- 2.1 Each year schools are given delegated budgets which are calculated using a locally agreed fair funding formula. These budgets are supplemented by specific government grants (e.g. Pupil Premium) and through the efforts of the school. Delegated budgets are intended to be spent during the year on the existing cohort of pupils, although it is prudent for a school to retain a small surplus to provide for future uncertainties.

- 2.2 Schools do spend the vast majority of funds directly on the education of their pupils. However, there are a number of genuine reasons why schools may accumulate a balance at the year-end, for example, to provide consistency in staffing levels during funding fluctuations relating to predicted changes in numbers on roll or to provide for one off items of large expenditure. Historically the overall level of school balances has increased year on year.
- 2.3 In many instances schools have set budgets that utilise their balance in year. Despite this it is common place for these schools to still increase the level of balances by year end. Evidence from last year has shown that whilst this may still be the case for some schools, for most secondary schools, the balances have been utilised in year.
- 2.4 For the 2015/16 schools have budgeted to use £4.6M of balances in year. Due to the other pressures schools face it is anticipated that unlike previous years a significant amount of these balances will be used in line with the budget. The schools position will be reviewed over the next couple of months to ascertain future commitments against estimated closing balances in order to provide data in accordance with Consistent Financial Reporting (CFR) requirements. This data will be updated to reflect actual, rather than estimated, closing balances.

### 3.0 School Revenue balances as at the end of 2014/15

- 3.1 Revenue balances reduced in 2014/15 by £1.228m when compared to the balances held at the end of 2013/14 after removing the effect of schools transferring to academy status.
- 3.2 There were significant differences between the Secondary and Primary sectors. The reduction in the Secondary sector may relate to the falling rolls currently effecting that sector. The increase in the Primary sector may again be due to the uncertainty felt by schools during the year over the future level of government funding as well as an increase in the amount of Pupil Premium allocations to schools. Revenue balances increased in 28 schools and fell in 25 schools.
- 3.3 As outlined above schools' own approved budgets were set at a level that would reduce balances by £4.6m by the end of the financial year 2014/15. This compares to an actual reduction of £1.228m analysed in the table below.

School Type	2013/14 Outturn £'000	2014/15 Outturn £'000	Change in year £'000
Early Years Centres	45	35	(10)
Primary Schools	6,069	6,959	890
Secondary Schools	3,749	1,530	(2,219)
Special Schools	551	663	112
<b>Total</b>	<b>10,415</b>	<b>9,187</b>	<b>(1,228)</b>

3.4 The position outlined above demonstrates that secondary schools, upon which falling numbers on roll have recently been an issue, are seeing a significant reduction in balances. The total balances against eight secondary schools reduced by £2.2m during 2014/15. In addition much of the remaining balances for secondary schools is planned to be utilised within their 2015/16 budgets.

3.5 In respect of primary schools nine out of thirty eight schools have balances of less than £50,000, and seven of these schools saw a reduction in their balance during 2014/15. The additional pressure and reductions in funding for 2015/16 is expected to further reduce these balances by March 2016.

#### **4.0 Schools in Deficit**

4.1 According to the Southampton City Council Scheme for Finance Schools, Governors should not normally set a budget which exceeds the amount of their annual budget allocation plus any accumulated balances held. It may occasionally be necessary to do this, so bringing the school's budget into deficit. This action might, for example, be appropriate if a school faced with a budget reduction plans to make a saving which, in a full academic year would be sufficient to bring expenditure in line with the budget, but which can only be partly achieved in the first financial year. In these circumstances the Chair of Governors should submit a written action plan for approval by the Principal Officer for Education & Early Years, showing how expenditure will be brought back in line with resources and the deficit repaid. This should normally be achieved by the end of the financial year following the one in which the deficit is incurred.

4.2 The following conditions will apply to deficit budget agreements:

- where, in exceptional circumstances, an extended period is agreed for the repayment
- of a deficit, the period for repayment will not exceed five years
- the maximum value of a planned and approved budget deficit will not exceed £150,000
- the total deficits of all schools with deficit budgets in any one financial year will not exceed 40% of the total school balances held by the City Council.

4.3 The regulations do not permit the City Council to write off the deficit balance of any school.

#### **5.0 Schools Deficits at the end of 2014/15**

5.1 At the end of 2014/15 there were two schools in deficit, of which one was previously agreed as part of the deficit scheme. This compares with no schools in deficit at the end of the previous year. The two deficits totalled £118,000.

#### **6.0 Schools Deficits at the end of 2015/16**

6.1 In comparison with 2014/15, where there was one school with an approved deficit budget there are currently five schools forecasting a deficit budget for 2015/16. The detail about these schools is summarised in table below.

School	2015/16 £'000	2016/17 £'000	2017/18 £'000
Regents Park Community School	175	304	301
The Cedar School	77	177	287
The Polygon School	24	35	52
Valentine Primary School	224	366	400
Woodlands Community School	225	209	308

### Risks of Schools Deficits at the end of 2016/17

- difficult to predict with certainty
- many secondary schools will have used up balances
- handful of primary schools will have used up balances
- no change in funding / pressure on high needs not going away
- deficits above the level within the scheme
- the academy conversions

As per a recent BBC report, the councils across UK have incurred costs of over £30m from clearing debts of schools when they converted to academies. As per the Department for Education, Councils are only required to cover a school's deficit when it has become a sponsored academy after a prolonged period of underperformance, and the deficit was accumulated under council control.

*Academy Conversions (Transfer of School Surpluses) Regulations 2013 state that where a school with a deficit is to join the academy trust of an external sponsor and open as a sponsored academy, the deficit remains with the local authority. Local authorities will wish to work closely with converting schools to ensure that they manage the risk of an increasing deficit before conversion, and if a school is not managing its expenditure in a satisfactory manner, the local authority may withdraw delegation of the converting school's budget share in order to limit the potential cost to the local authority's budget.*

The main risk faced by the Local Authority (LA) is the potential for sponsored Academies to increase their spending in the run up to conversion, knowing that the deficit remains with the LA. In order to ensure economical administration of funds the LA should put in place certain procedures.

Additionally, a potential risk is posed by those schools operating their own bank accounts. As bank account schools operate their own system the ability of the LA to monitor expenditure is reduced.

The reasons for these schools forecasting significant deficit balances and actions taken to reduce deficits are set out below:

### **Reasons for forecasting deficits**

- the impact of the growth in special educational needs led to a decrease in the funding per pupil in mainstream schools in order to fund expansion at some special schools
- cost pressure e.g. staffing costs are generally have been increasing at a faster rate than central government formula funding
- an expected increase in pupil numbers
- removal of outreach funding due to realignment of council's outreach strategy

### **Actions taken to reduce deficits**

- no recruitment to vacancies
- reduction in senior management posts
- regular monitoring and review by school governors and head teachers
- reviewing the staff receiving upper pay scale (UPS) salary to ensure that they are fulfilling the standard required of a UPS teacher and take swift action to remedy if not
- reduction in number of classes at KS3&4 and increase in class sizes to create a more economical staff: student ratio.

**Appendices/Supporting Information:** None

**Further Information Available From:** **Name:** Robert Hardy  
**Tel:** 02380 833347  
**E-mail:** Robert.Hardy@southampton.gov.uk

**This page is intentionally left blank**



DECISION-MAKER:	CABINET		
SUBJECT:	HOUSING REVENUE ACCOUNT REVENUE BUDGET 2016/17 TO 2018/19		
DATE OF DECISION:	18 NOVEMBER 2015		
REPORT OF:	CABINET MEMBER FOR HOUSING AND SUSTAINABILITY		
CONTACT DETAILS			
AUTHORS:	Name:	Alan Denford Nick Cross	Tel: 023 8083 3159 023 8083 2241
	E-mail:	<a href="mailto:Alan.Denford@southampton.gov.uk">Alan.Denford@southampton.gov.uk</a> <a href="mailto:Nick.Cross@southampton.gov.uk">Nick.Cross@southampton.gov.uk</a>	
Director	Name:	Mark Heath	Tel: 023 8083 2371
	E-mail:	<a href="mailto:Mark.Heath@southampton.gov.uk">Mark.Heath@southampton.gov.uk</a>	

STATEMENT OF CONFIDENTIALITY
N/A

## BRIEF SUMMARY

This report summarises the current budget position and outlines the initial draft budget proposals of the Executive for 2016/17 which will be used as the basis for consultation with a range of stakeholders over the coming months.

The results of the consultation exercise will be reported alongside the Executive's final budget proposals that will be presented to Cabinet on 9 February 2016 and recommended to Council on 10 February 2016.

The report deals with Housing Revenue Account (HRA) revenue services to Council tenants only as there is a separate report for the General Fund. Proposals for HRA capital expenditure will be presented early in the new year.

## RECOMMENDATIONS:

- (i) To note the formal staff consultation on the Executive's draft budget proposals commenced on 9 November 2015 and public consultation will commence on 18 November 2015 and note the consultation proposals and methodology set out in paragraphs 4 to 10 of this report.
- (ii) To note the high level forecast for the HRA for 2016/17 and the underlying assumptions contained in the report.
- (iii) To note the Executive's initial savings proposals put forward for consultation in Appendix 1 which amount to £4.311M in 2016/17 and £4.439M in subsequent years.
- (iv) To note that the Executive's initial savings set out in Appendix 1 propose the deletion of 94.8 Full Time Equivalent (FTE) posts, of

which 57.2 FTE are vacant, leaving 37.6 FTE at risk of redundancy or TUPE transfer.

- (v) To note that the Executive's budget proposals for consultation are based on the assumption that they will recommend a rent decrease of 1% to Full Council in line with Government policy.
- (vi) To delegate authority to the Chief Financial Officer (CFO) and the Head of Housing Services following consultation with the Cabinet Member for Housing & Sustainability, to do anything necessary to give effect to the proposals contained in this report.

## **REASONS FOR REPORT RECOMMENDATIONS**

1. The production of a financial forecast and an outline timetable are a requirement of the Council's Budget and Policy Framework Procedure Rules.
2. In addition, it is good practice for the Council to consult with a range of stakeholders on its proposals for developing the budget. The recommendations in this report have therefore been put forward to allow this process to formally begin.

## **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

3. The proposals presented in this report represent the Executive's draft budget for 2016/17 that is being published for consultation. Clearly there are a huge number of variables and alternative options that could be implemented as part of the budget. The budget will be set by Full Council in February 2016.

## **DETAIL**

### **BUDGET CONSULTATION**

4. Where new proposals have been put forward these have been subject to consultation with the Council Management Team (CMT) and relevant Cabinet Members.
5. The Executive will undertake an extensive consultation process on their initial draft budget proposals following the production of this report. The Leader and the Cabinet are keen to listen to new ideas on how to reduce costs and to receive feedback on the potential impact of the proposals to help to finalise the Executive's budget to be recommended to Full Council in February 2016.
6. The consultation process has taken into consideration the feedback from the Tenants Resources Group (TRG) on the initial draft proposals and the TRG will continue to be involved in the development of the final proposals.
7. Consultation will be undertaken with Trades Unions and staff affected by the proposals in line with the agreed Human Resources (HR) policies.
8. Public consultation will be undertaken with any people or organisations affected by the proposals to ensure all options have been considered.
9. The General Fund report on this agenda outlines the process, including the methods of consultation that will be employed.
10. As the HRA budget proposals mean that more than 37 members of staff are at potential risk of redundancy, a minimum 45 day statutory consultation period is required. The consultation will commence on 18 November 2015 and will

continue until 13 January 2016 for the main budget proposals.

### **BACKGROUND**

11. In their National Budget on 8 July 2015 the Conservative Government announced a number of proposals which are contained within the current Welfare Reform and Work Bill 2015-16 aimed at reducing the national welfare bill by £12bn a year. As part of these proposals the Government have proposed a 1% per annum reduction in the level of Social Rent charged by Local Authorities and Housing Associations to their tenants for a 4 year period from 2016 to 2020.
12. The Housing Revenue Account Business Plan as agreed by Council in February 2015 uses a rent model which follows the Governments National Rent Guidance formula. This provides for an annual rent increase of 1% above the Consumer Prices Index (CPI). The budget agreed by Council in February included assumptions of the CPI figure through the 30 year business plan and therefore the published budget and spending commitments were agreed based on the anticipated rental income that the increase would provide for over the next 30 years. These assumptions are updated annually based on long term financial assessments and reported to Cabinet and Council as part of the HRA Business Plan Budget report in February each year.
13. As a result of the proposals within the Welfare Bill, the new rental figures have been applied to the current business plan model. These new assumptions have the effect of both reducing the actual income within the HRA over the four years of the rental reduction, as well as the income over the duration of the business plan, as it is currently assumed that the Government will return to the rental formula previously in place. As reported to Cabinet in August, the reduction in Social Housing Rents has a significant impact on the HRA Business Plan. Based on the assumptions agreed by Council in February 2015 this has the impact of reducing the actual income within the HRA over the next 4 years by £33M and over the 30 year business plan by £493M. The immediate shortfall is addressed through the range of savings proposals set out in this report.

### **THE HOUSING BILL and other potential pressures**

14. On 13<sup>th</sup> October 2015 the Government published the Housing and Planning Bill 2015/16. This bill sets out a number of proposed changes to Housing Legislation which will impact on the current delivery of services to tenants and the resources required to do so. In summary the main proposals likely to affect the HRA Business Plan are as follows:
15. Extension of the Right to Buy
  - Following a deal struck between the Government and the National Housing Federation, whereby housing associations will extend the right to buy to their tenants on a voluntary basis, the Bill will enable the Government to make payments to associations to compensate them for the cost of the discounts on offer.
  - The Bill will also allow the Government to publish 'the home ownership criteria' (a set of rules for the extension of right to buy) and to direct the Homes and Communities Agency to monitor associations' compliance

with the criteria.

Although not directly applying to Local Authorities it is predicted that initially around 10% of homes owned by Housing Associations may be sold under the new Right to Buy proposals and this will have the impact of reducing the supply of affordable housing within the City by around 600 homes placing pressure on waiting lists and potentially homelessness in the City.

#### 16. Sale of High Value Vacant Council Homes

- The government has previously announced a plan to require local authorities which have retained ownership of their stock to sell high value homes as they become vacant. It intends to use some of the receipts from these sales to fund the extension of the right to buy to housing association tenants.
- The Bill will enable the government to set out a definition of 'high value' homes and will create a duty on local authorities to consider selling homes that meet this definition when they become vacant.
- The Bill will also allow the government to estimate the amount of money it would expect each individual authority to receive, in each financial year, from sales of high value homes. Authorities will then be required to pay this amount to the Treasury.
- Details of both the definition of high value homes and the mechanism by which the government will calculate the amount owed by each stock retaining authority will be published at a later date.

Once full details are published we will be able to review the impact on the HRA Business Plan both in the potential number of homes that will be required to be sold and the amount due to be paid to the Government under the annual calculation. At this stage it has not been possible to make any provision for this within the Business Plan.

#### 17. High Income Social Tenants; Mandatory Rents (Pay to Stay)

- The Bill will require social tenants with a higher income to pay a higher rent. Initially a 'higher income' will be defined as a household earning more than £30,000 per year, or £40,000 in London. However the government will set out details of how increased rents will be calculated at a later date.
- The Bill will require social tenants to declare their income to their landlord and will also allow social landlords to share data with HMRC in order to verify that the information they have been given is correct.
- The Bill will require local authorities to return any additional rental income generated by the policy (minus administrative costs) to the Treasury.

The Government are currently consulting on this proposal and therefore guidance is expected on how it will operate later in the year. At this time it is difficult to anticipate the impact in Southampton however both the requirement to collect income data from tenants and the requirement to collect and then pay to Government higher rents will have an administrative burden on the City Council for which no provision is currently made.

#### 18. Lifetime Tenancies

Whilst at this time not specifically mentioned within the Housing Bill it was

announced in the Budget in July that the Government was undertaking a review of the practice of granting Lifetime tenancies to tenants of affordable housing. The Government is expected to propose that lifetime tenancies are replaced with 'flexible tenancies' for a period between 2 and 5 years and this requirement will be introduced as an amendment to the Housing Bill during its passage through Parliament.

If this is introduced there will be a requirement on all landlords to review every new tenancy based on the length of the tenancy. The City Council currently lets on average around 1,100 homes each year. This will increase housing turnover. This review requirement will increase the administrative burden on the City Council as well as potentially increasing both the costs of managing empty properties and the lost rent whilst a property is empty. No provision is currently made for these potential costs.

#### 19. Universal Credit

The Government has begun the roll out of Universal Credit to all new applicants in a series of phases. It is anticipated that full roll out in Southampton will be undertaken by 2017. Universal Credit is a combined single transaction incorporating most state paid benefits into one monthly payment to the claimant. This includes a provision for Housing costs currently covered under Housing Benefit.

Universal Credit is paid directly to the claimant in arrears and the individual is then required to budget for and make the necessary payments for their household expenses in order to help prepare individuals for work.

Presently approximately 50% of the Council's rent income from around 60% of its tenants comes direct through the Housing Benefit system. Once Universal Credit is rolled out the Council will need to collect all its rental income directly from tenants significantly increasing transactional costs and based on the evidence from the pilot areas the arrears of rent will increase impacting on the City Council's ability to fund its proposed expenditure. Whilst some consideration has been given to the bad debt provision within the HRA Business Plan and the resources in the Income Team to support increased customer contacts no provision has yet been made for the additional transaction costs or the reduction of current tenant collection rates.

#### **THE HRA BUSINESS PLAN PRIORITIES**

20. The HRA Business Plan forms a fundamental part of the City Council Strategy 2014-17 – Good Quality and Affordable Housing. Resources are prioritised to the investment in improving the quality of accommodation and provide more affordable housing through the business plan headings as follows:

- Safe, wind and weather tight;
- Warm & Energy Efficient;
- Modern facilities within the home;
- Well maintained communal facilities;
- Estate Regeneration; and
- New Build.

The Council is required to maintain its homes in accordance with the Homes and Communities Agency Regulatory Standard. This includes ensuring that

Council owned homes continue to meet the Decent Homes Standard as well as ensuring we meet all our statutory compliance obligations as laid down in various regulations and legislation e.g. gas safety, electrical regulations, fire risk assessments, control of asbestos etc.

21. In addition to the physical accommodation the Council's Housing Service plays a key role in two other elements of the City Council Strategy:
- Prevention and Early Intervention; and
  - Protecting Vulnerable People.

Work to support these elements of the Strategy are prioritised under the following headings.

22. Tenancy Sustainment

The Council recognises that a settled home is a fundamental building block to independence and quality of life. Families and individuals who experience a housing crisis are often suffering wider issues which require the intervention of wider Council or Health services. Therefore maintaining a settled home by sustaining a tenancy either in the social or private rented sector supports better life chances for the individual and household including better health outcomes, educational attainment and reduced demand for social care services.

Housing Services is therefore committed to supporting:

- Homelessness prevention;
- Minimising tenancy failure;
- Safeguarding vulnerable adults and children; and
- Families Matter.

23. Housing and well-being

Housing Services supports some of the most vulnerable residents in the City from those who are Street Homeless through to Elderly Vulnerable residents in Extra Care Housing. By working with vulnerable groups through a 'Housing Plus' approach Housing can prevent or delay recourse to expensive social care or health services and help reduce crime and offending.

Housing Services is therefore committed to supporting:

- Outreach and support services helping residents self-manage, avoid crisis to remain healthy for longer;
- Adaptations and Telecare Services enabling more people to live independently in their own homes;
- Investment in Housing with care accommodation reducing demand for high cost residential and nursing care; and
- Community investment through Neighbourhood Wardens, Decent Neighbourhoods projects and Community Engagement to support active and vibrant communities where residents feel safe.

**TRANSFORMING OUR HOUSING OPERATIONS SERVICE**

24. In November 2014 Housing Operations began the roll-out of mobile working to its trade workforce. This followed a two-year programme of reviewing business processes with a view to achieving significant improvements to service delivery to tenants whilst reducing waiting times and costs. The roll-out was

undertaken in phases through to February 2015.

25. Additionally, from January 2015 Savills (UK) Ltd has been supporting the Housing Operations Management Team in delivering a programme of other improvements to increase the efficiency of the service model to effectively deliver the same service capacity with reduced staff. The programme of change has focussed on the following four areas:
- Performance Management – recording, target setting and reporting;
  - Materials Management – van stocks, movement logistics and procurement;
  - Repairs Diagnosis – schedules, time allowances and call handling; and
  - Supervision – management responsibilities, accountability and performance management.
26. As part of their review, Savills also identified the target operating numbers for April 2016 within the Housing Operations service based on work volumes at the time. The changes now proposed in the following paragraphs will represent the development of a strong, efficient and viable Housing Repairs service which supports the retention of the Housing Operations service as part of the Council's operating model.
27. Trades staff<sup>1</sup>

In January 2015 the total number of trade staff employed by the City Council was 240 including those on fixed term contracts and through agency. This was above the agreed staffing establishment of 224 primarily as a result of addressing work backlogs due to the severe weather from the winter of 2014. It was Savills' view in July 2015 that based on the volume of work within the main operating areas of Day to day repairs & voids, Gas and Electrical safety servicing and Capital & Projects the target workforce numbers for April 2016 would be 171.

However a number of improvements in how the service manages have now been taken into account, namely:

- A significant reduction in sub-contracting core work in Repairs and Electrical work has meant an increased volume being managed within the service at a similar or lower cost than previously contracted services;
- A fundamental review of the delivery of kitchen, bathroom and adaptations work has reduced the unit cost to that comparable with our external contractors resulting in a higher volume of work going through our in-house team; and
- A review of overheads has supported more project work to be undertaken by our in-house team.

As a result of these changes a review of the workforce numbers has resulted in a proposed workforce establishment for April 2016 of 188. This represents a reduction in the trade workforce of 22% from January 2015 with increased work volumes and therefore brings the service in line with national benchmarks. This efficiency within the workforce will not result in a reduced service to

---

<sup>1</sup> Trades figures do not include 16 apprentices in the service

residents but will represent a significant improvement in value for money.

28. Management and support staff

In January 2015 the total number of managers and support staff in the Housing Operations service was 89.5 including those on fixed term contracts and through agency. It was Savills' view that this side of the operation would also need to reduce due to the efficiencies within the business and it was their view that by April 2016 the target numbers would be 62.

Feedback from Unions over the last 6 months has been that in their view the ratio of management to trades was not correct, increasing the overhead on the business and reducing its competitiveness on external work. In addition as part of the work under the Supervision element of the project further opportunities for improvements to the service have been identified allowing the service to be run more efficiently.

Therefore, taking these issues into account the proposed management and support workforce establishment for April 2016 is 53. This represents a reduction in the management and support workforce of 40% from January 2015. This efficiency within the workforce is not expected to result in a reduced service to residents but will support improved value for money by reducing the business overheads.

29. When brought together these efficiency improvements will represent a saving to the HRA of approximately £2.1M each year without any anticipated direct impact on the quality of service to tenants. The Tenants Repair Panel have been consulted and updated throughout the transformation programme and have been very supportive of the work undertaken to-date. In addition, the changing business model also allows Housing Services to make further efficiencies in the repairs budgets and specifically in the total cost of dealing with empty properties (voids). Better management, co-ordination, scheduling and cost control will allow a 20% reduction in the cost of preparing a void ready for re-letting resulting in a saving to the HRA of approximately £500k each year. This saving can be achieved without a reduction in the void standard.

### **SAVINGS PROPOSALS**

30. Appendix 1 to this report outlines the full list of budget proposals with the HRA for consultation with a description of each proposal and its impact. For clarity a number of proposals are summarised below.

31. Income proposals

A full review has been undertaken of the cost of providing services and the income received and this has resulted in a number of proposals being brought forward.

- Garage rents – the rent paid by private residents who rent a garage from the Council is lower than the market rent for a parking space or garage within the city. Therefore Council Tenants are effectively subsidising a service to private residents on our estates. However this has to be balanced with a rent level which does not reduce demand. Therefore an additional weekly increase is proposed for private residents to rent a Council garage.
- Careline Charges – the weekly charge for a careline service has not



increased for 10 years therefore an increase will be proposed to reflect the current cost of the service balanced with providing a product that remains competitive.

- Community Alarm Charges – the current cost of providing the service is significantly higher than the charge to tenants. A new charging model is proposed that better reflects the cost of service and provides choice to residents on the service they receive in a similar way to our Careline service.

32. Cash Collection at Local Housing Offices

Over 70% of payments made to Housing Services are made via paypoint cards, direct debit, standing order and on-line. Earlier this year we introduced a new on-line rent account facility that makes it far easier for residents to view their account and make payments. The roll-out of Universal credit will increase the use of bank accounts and therefore make it easier for tenants to set up direct debits. Therefore as more Council services go online and customers choose the internet as their preferred method of interacting with the Council we are anticipating a reduction in face to face payments and therefore we propose the phasing out of cash collection facilities at the remaining two Local Offices where this facility is available over the next 2 years. The Council will still retain its Local Housing Offices and tenants can still meet with Housing staff at their convenience.

33. *Tenants Link* & *Homebid* Magazines

Over the next six months Housing Services will introduce an online Housing Application process and more accessible information for properties through its Homebid system. 96% of all bids for properties are made online and therefore we propose to phase out the printed fortnightly magazine.

*Tenants Link* is currently provided 4 times a year to all tenants in the City. The proposal would see a retained annual report (which the council is obliged to publish) edition of *Tenants Link* but a shift to a more regular online edition of news and information for tenants accessible through the Internet, Stay Connected and Housing's Facebook and Twitter pages.

34. Tenants Incentive Scheme

Currently tenants who wish to move to smaller accommodation can receive an incentive payment of £850 to downsize. However there is little evidence that this actually acts as an incentive for tenants to move to smaller accommodation. Further, whilst the Council has a high demand for larger family homes the incentive is received regardless of the type of property the tenant moves into. Additionally, due to the Council policy of restricting transfers for tenants with arrears often the incentive payment is simply used to offset any rent arrears. Therefore it is proposed that the scheme is targeted in future at tenants freeing up larger family homes by moving into supported housing or to homes that may have already been adapted for people with disabilities. A repayment programme for any arrears would be agreed to enable such moves and these would no longer be cancelled out with the payments of up to £850.

35. Apprentices

Housing is committed to providing an apprenticeship programme both within its

own workforce and with its contractors. Housing services continues to have a strong apprenticeship programme in its trades areas however it has been less successful in office apprenticeships due to the difficulty accessing the relevant professional Housing training through local colleges. Therefore it is proposed to focus the future apprenticeship programme within our trades staff and within the proposed restructure of Housing Operations management and support (as detailed above) a new post will be established to lead on apprenticeships within our service and with our contractors.

### **STAFFING IMPLICATIONS**

#### 36. Housing Operations

In paragraphs 24 to 29 above, we have described the transformation of the Housing Operations service over the last 10 months. During this period of transformation there has been a natural reduction in a number of staff across both the trade and the management and support workforce as a result of staff leaving, retirements etc. Therefore whilst the total establishment reduction proposed is 62.6FTE the total number of permanent staff in post is actually 25. Within the trades areas it is anticipated that the proposed reduction can be achieved through natural changes and a small targeted reduction in one trade. Within the management and support teams we will be implementing a full restructure to achieve the new management model and it is likely that for a small number of staff we will require a voluntary solution as outlined below.

#### 37. Vacant Posts

A full review of all vacant posts has been undertaken throughout Housing Services and where possible these posts have been released to bring forward savings without directly affecting current staff. Outside of Housing Operations this represents a reduction of 19.6 FTE vacant posts.

#### 38. Current Posts

The savings proposals outside of Housing Operations identify 12.6 FTE in currently occupied posts. These proposals are reflected over a 2 year period from April 2016 to March 2018 and these posts are split as follows:

- 4.9 FTE reduction in 2016/17
- 7.7 FTE reduction in 2017/18

#### 39. Through the consultation process the Executive is keen to explore all avenues with the Trade Unions and staff to identify wherever possible alternative options for delivering savings, in order that the level of proposed staffing reductions and redundancies can be minimised.

#### 40. The Executive will also continue to ensure that impacted staff are aware of all the available options which can be used to avoid compulsory redundancies and this will include:

- Early retirement,
- Flexible retirement,
- Voluntary redundancy and
- Reduced hours

41. In addition, the City Council has a track record of using its redeployment policies to minimise any compulsory redundancies arising out of the budget proposals and the Executive will seek to support employees who find themselves on the redeployment register as a result of savings implemented as part of the 2015/16 budget.

### **DETAILED FINANCIAL PROPOSALS**

42. The February 2015 approved HRA Business Plan made certain assumptions about the level of rental income that would be received over 30 years based on Government guidance that provided for an annual rent increase of CPI plus 1%. It assumed that on average CPI would be 2.5% per annum over the life of the plan. This was in line with average inflation figures over the past ten years and published forecasts. However, the actual CPI in September 2015, which would have been used to set the rent increase, was minus 0.1%. Forecasts currently predict that the September 2016 figure will be 1.5% before reverting to 2.5% in subsequent years.
43. As described in paragraph 13 of this report, the revised estimate of rental income compared to the approved HRA Business Plan shows a reduction of circa £33m over the next 4 years. This is set out in more detail in table 1, which follows this paragraph. The income loss has been split between the element that can be attributed to the CPI being lower than anticipated and that due to the change in Government guidance.

<b><u>TABLE 1 - HRA Rental Income - Impact of 1% rent reduction for four years</u></b>					
	<b>Income Loss</b>				
	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>TOTAL</b>
	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>
Reduction due to CPI forecast variance	1.88	2.66	2.72	2.84	10.10
Reduction due to change in Government guidance	1.38	3.90	7.14	10.61	23.03
<b>Total reduction</b>	<b>3.26</b>	<b>6.56</b>	<b>9.86</b>	<b>13.45</b>	<b>33.13</b>
Revenue Efficiency Savings	(3.43)	(3.44)	(3.53)	(3.62)	(14.02)
Increased Income	(0.28)	(0.29)	(0.29)	(0.30)	(1.16)
Revenue Service Reduction	(0.60)	(0.81)	(0.83)	(0.85)	(3.09)
<b>Total savings proposals</b>	<b>(4.31)</b>	<b>(4.54)</b>	<b>(4.65)</b>	<b>(4.77)</b>	<b>(18.27)</b>
<b>Budget gap</b>	<b>(1.05)</b>	<b>2.02</b>	<b>5.21</b>	<b>8.68</b>	<b>14.86</b>

44. Table 1 above also shows the extent to which the savings proposals, set out in Appendix 1 of this report, would address the income shortfall, if they were to be approved. It can be seen that the sum of the proposals, including

appropriate inflation assumptions, would offset the income reduction in 2016/17 and all but £2.02M of the shortfall in 2017/18. However, if the proposals were implemented in line with the suggested profile, there would be an increase in balances in 2016/17 of £1.05M that would require further savings of £0.97M to set a balanced budget in 2017/18. However, it should be noted that savings will be required over the next four years, not just two. Making more savings in the first year than required will ease this process, but significant further savings will have to be found in the new financial climate to make the HRA sustainable and balanced beyond 2017/18.

### **FUTURE BUDGET YEARS AND THE CAPITAL PROGRAMME**

45. In order to complete a revised HRA Business Plan for approval by Council in February 2016, it will be necessary to consider the implications of the reductions in rental income over the full 30 years of the plan. It is envisaged that this will involve setting a target level for further revenue savings. However, as over £9M per annum of the HRA Capital Programme is currently funded from Direct Revenue Financing (DRF), in addition to the Government prescribed depreciation contribution, the review of HRA revenue expenditure will need to include the level of DRF. This may result in a reduction in planned capital expenditure when the next update of the HRA Capital Programme is presented to Council in February 2016. The allocation of resources will be made with reference to the capital priorities and Regulatory Standard described in paragraph 20 of this report.

### **EQUALITY AND SAFETY IMPACT ASSESSMENTS**

46. The Equality Duty is a duty on public bodies which came into force on 5 April 2011 and requires the Council to show that it has 'had regard' to the impact of its decisions on its equality duties and the need to advance equality of opportunity between people who have protected characteristics and those who do not.
47. While the Equality Duty does not impose a legal requirement to conduct an Equality Impact Assessment, it does require public bodies to show how they considered the Equality Duty and that they have been consciously thinking about the aims of the Equality Duty as part of the process of decision-making. To comply with these requirements as well as the Community Safety legislation, the Council has used its existing Impact Assessment framework so that it can ensure the use of a consistent, Council wide mechanism to evidence how decision making took into account equality and safety considerations. In addition, in light of the potential impact of the welfare reforms on some residents, the assessments also take into account the impact on poverty.
48. Draft individual Equality and Safety Impact Assessments (ESIAs) have been completed by Directors and Heads of Service for those proposals contained in Appendix 1 that they identified require such an assessment, as they could have an adverse impact on a particular group or individuals. The draft individual ESIAs are available in Members' Rooms.
49. The individual ESIAs will be analysed to consider the cumulative impacts the draft budget proposals may have on particular groups and the mitigating actions that could be considered. In order to give the right perspective to the

draft budget proposals, the Cumulative Impact Assessment has to be considered in light of the available information on the City's profile, service user and non-user information and staffing profiles as well as the proportion of the Council's budget that is currently spent on targeted groups or communities. The first draft of the Cumulative Impact Assessment will be completed by a central team of officers within the Council, based on the initial ESAs completed by service managers.

### **NEXT STEPS**

50. This report represents an important step in the process leading to the setting of the 2016/17 HRA budget and signals the start of an extensive consultation programme.
51. Further proposals for the HRA budget will continue to be developed and will be prepared for presentation to Cabinet and then full Council in February 2016.

### **RESOURCE IMPLICATIONS**

#### **Revenue**

52. The revenue implications are set out in paragraphs 42 to 44 of the report.

#### **Capital**

53. The capital implications are referred to in paragraph 45 of the report.

#### **Property/Other**

54. None

### **LEGAL IMPLICATIONS**

Statutory power to undertake proposals in the report:

55. Under the Housing Act 1985 the authority is able to increase rents and other associated or like charges. There are no specific legal implications arising from the savings proposals contained in this report.
56. Under the Housing Acts 1985 and 1996 and the Localism Act 2011, the authority has the power to provide, maintain and improve social housing
57. The Localism Act 2011 gives the statutory basis for the HRA self-financing arrangements set out in this paper.

#### **Other Legal Implications:**

58. Any proposals of a housing management nature (which include the management, maintenance, improvement or demolition of dwelling-houses let by the authority under secure tenancies, or the provision of services or amenities) will have to be the subject of statutory consultation if secure tenants are likely to be substantially affected by the changes.

### **POLICY FRAMEWORK IMPLICATIONS**

59. The HRA estimates form part of the Council's budget and are therefore key elements of the overall budget and policy framework.

**KEY DECISION?** Yes/No

<b>WARDS/COMMUNITIES AFFECTED:</b>	ALL
------------------------------------	-----

**SUPPORTING DOCUMENTATION**

**Appendices**

1.	Housing Revenue Account – Budget Savings Proposals 2016/17 to 2019/20
----	---

**Documents In Members' Rooms**

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

**Equality Impact Assessment**

Do the implications/subject of the report require an Equality and Safety Impact Assessments (ESIA) to be carried out?	Yes
---	-----

**Privacy Impact Assessment**

Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out?	No
--	----

**Other Background Documents**

**Equality 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.	Housing Revenue Account Revenue Budget Report and Business Plan – Approved by Full Council on 11 February 2015.	
----	---	--

## Housing Revenue Account - Budget Savings Proposals 2016/17 to 2019/20

### Efficiencies, Service Reductions and Additional Income

Ref	Portfolio	Service Activity	Description of Item	Efficiency, Service Reduction or Income?	Impact / Issues	Gross Saving				In Post	Vacant	Head of Service
						2016/17	2017/18	2018/19	2019/20			
						£000's	£000's	£000's	£000's	FTE	FTE	
HOU 1	Housing & Sustainability (HRA)	Housing Investment	Deletion of currently vacant posts	Efficiency	The current post of Trainee Project Manager is currently vacant and has not been refilled this academic year.	24.0	24.0	24.0	24.0	0.00	1.00	Nick Cross
HOU 2	Housing & Sustainability (HRA)	Housing Investment	Capital Allocation of Project salaries	Efficiency	Review of the apportionment of Project resources between the Capital and Revenue Programmes.	100.0	100.0	100.0	100.0	n/a	n/a	Nick Cross
HOU 3	Housing & Sustainability (HRA)	Housing Investment	Programme Repairs	Efficiency	Following a review of the delivery of Programme Repairs, as a result of the introduction of the Keystone database, programme efficiencies in servicing, compliance and Tenant Liaison can be achieved.	200.0	200.0	200.0	200.0	n/a	n/a	Nick Cross
HOU 4	Housing & Sustainability (HRA)	Housing Needs	Deletion of currently vacant posts	Efficiency	Following staff leaving, two part time posts can be deleted from the structure (Senior Housing Needs Officer & Specialist Assessment Officer) and workload will be absorbed into team resources.	8.8	8.8	8.8	8.8	0.00	0.90	Nick Cross
HOU 5	Housing & Sustainability (HRA)	Housing Needs	Incentive Scheme	Efficiency	Review of the Incentive Budget provided for residents to downsize to smaller properties, so that the incentive is best targeted at those residents who need to move for more accessible properties or into Supported Housing. Therefore freeing up family homes, as well as increasing flexibility on tenants moving with rent debt, by setting up payment arrangements as part of transfer conditions.	50.0	50.0	50.0	50.0	n/a	n/a	Nick Cross
HOU 6	Housing & Sustainability (HRA)	Housing Operations	Workforce Establishment	Efficiency	Following the introduction of Mobile Working to Housing Operations and fundamental review of the efficiency and effectiveness of the Trade Workforce, significant improvements have been made in the delivery of day to day repairs, servicing and compliance and project work. As a result of the programme outcomes, more work is being completed in-house rather than through sub-contractors and agency staff and the average number of jobs per day is increasing. It is therefore possible to undertake the work to the same standard with a reduced workforce establishment. Trade establishment to be reduced from 224 to 188. (NB. actual workforce in Jan15 was over establishment at 238)	1,400.0	1,400.0	1,400.0	1,400.0	17.00	19.00	Nick Cross
HOU 7	Housing & Sustainability (HRA)	Housing Operations	Management and Support Restructure	Efficiency	As a result of the improved productivity within the workforce, we need to restructure the management and support of the service to align with the new ways of working. This will see a reduction in the number of managers and an increased ratio of managers to trades to be more in line with commercial practice. Managers and support establishment will reduce from 79.6 to 53.	700.0	700.0	700.0	700.0	8.00	18.60	Nick Cross
HOU 8	Housing & Sustainability (HRA)	Housing Operations	Vehicle costs	Efficiency	Corresponding reduction in the number of vehicles as a result of a reduced establishment.	150.0	150.0	150.0	150.0	n/a	n/a	Nick Cross
HOU 9	Housing & Sustainability (HRA)	Housing Operations	Voids costs	Efficiency	Due to the increased productivity and better programming and cost management, we aim to reduce the average void cost by 20%. This should not have any significant impact on the Void Standard and Promise Certificates are being introduced for new tenants to lay out the work they can expect to their property once they have moved in.	500.0	500.0	500.0	500.0	n/a	n/a	Nick Cross
HOU 10	Housing & Sustainability (HRA)	Housing Services	Review of Customer Contact through the Housing Management Assistants	Efficiency	Review of the way the service is currently provided.	22.0	22.0	22.0	22.0	0.00	1.00	Nick Cross

Page 93

Appendix 1  
Agenda Item 15

## Housing Revenue Account - Budget Savings Proposals 2016/17 to 2019/20

### Efficiencies, Service Reductions and Additional Income

Ref	Portfolio	Service Activity	Description of Item	Efficiency, Service Reduction or Income?	Impact / Issues	Gross Saving				In Post	Vacant	Head of Service
						2016/17	2017/18	2018/19	2019/20			
						£000's	£000's	£000's	£000's	FTE	FTE	
HOU 11	Housing & Sustainability (HRA)	Income Services	Various budgets	Efficiency	Savings in various office budgets, inc. postage.	35.0	35.0	35.0	35.0	n/a	n/a	Nick Cross
HOU 12	Housing & Sustainability (HRA)	Income Services	Deferring appointment to vacant posts in Income Team pending introductions of Universal Credit	Efficiency	Due to the delayed implementation of the full roll out of Universal Credit we can defer appointment to posts established within the Income Team who were being added to deal with increased workload. Staff will need to be appointed for April 2017.	75.0	0.0	0.0	0.0	0.00	2.50	Nick Cross
HOU 13	Housing & Sustainability (HRA)	Income Services	Reduction in number of Court Officers	Efficiency	Due to improved processes and continued approach to sustaining tenancies, the amount of Court Work required can be covered with fewer specialist Court Officers.	45.0	45.0	45.0	45.0	0.50	1.00	Nick Cross
HOU 14	Housing & Sustainability (HRA)	Income Services	Improvements to processes in Rent Accounts team	Efficiency	Significant transformation work has been undertaken to revise processes in the service allowing for the current work to be done more efficiently across the Income Services area.	38.0	38.0	38.0	38.0	0.00	1.50	Nick Cross
HOU 15	Housing & Sustainability (HRA)	Income Services	Improvements to processes in Leasehold Team	Efficiency	Current project is underway to review and improve processes in the Leasehold Services Team, allowing for more efficient management of Leasehold Service charges without a reduction in income.	13.0	13.0	13.0	13.0	0.00	0.50	Nick Cross
HOU 16	Housing & Sustainability (HRA)	Supported Services	Deletion of senior on call rota for Community Alarm	Efficiency	Cover duties through other arrangements within the team.	5.4	5.4	5.4	5.4	n/a	n/a	Nick Cross
HOU 17	Housing & Sustainability (HRA)	Supported Services	Various budgets	Efficiency	Reduction of stationery budgets.	3.0	3.0	3.0	3.0	n/a	n/a	Nick Cross
HOU 18	Housing & Sustainability (HRA)	Housing Services	Various budgets	Efficiency	Savings in various office budgets.	65.0	75.0	75.0	75.0	n/a	n/a	Nick Cross
					<b>Efficiency Total</b>	<b>3,434.2</b>	<b>3,369.2</b>	<b>3,369.2</b>	<b>3,369.2</b>	<b>25.5</b>	<b>46.0</b>	
HOU 19	Housing & Sustainability (HRA)	Housing Services	Garage Rents	Income	Increase of garage rents by £1 per week for private residents.	17.7	17.7	17.7	17.7	n/a	n/a	Nick Cross
HOU 20	Housing & Sustainability (HRA)	Supported Services	Increase in charges to private Careline Customers	Income	Our Careline Silver and Gold charges have not increased since 2005. Following a review undertaken, our charges need to be increased to better reflect service costs whilst remaining in line with market rates. Careline silver to increase from £2.50pw to £3pw and Careline gold to increase from £3.50pw to £4.25pw. (NB. if inflation had been applied charges would now be £3.39 & £4.74 respectively although not aligned to the market)	61.7	61.7	61.7	61.7	n/a	n/a	Nick Cross
HOU 21	Housing & Sustainability (HRA)	Supported Services	Introduction of new charging model for Community Alarm Customers	Income	Our Community Alarm charges have not increased from a flat fee of £1.25pw since 2009 and the current charge does not attract Housing Benefit. Following a review of costs of delivering the service a revised charging model is proposed as follows: - £1.25 per week monitoring charge; - £0.85 per week maintenance charge (eligible for Housing Benefit); - £0.75 per week Responding Service charge (optional). Full implementation would be subject to consultation. (NB. if inflation had been applied charge would now be £1.46)	200.0	200.0	200.0	200.0	n/a	n/a	Nick Cross
					<b>Income Total</b>	<b>279.4</b>	<b>279.4</b>	<b>279.4</b>	<b>279.4</b>	<b>0.0</b>	<b>0.0</b>	



## Housing Revenue Account - Budget Savings Proposals 2016/17 to 2019/20

### Efficiencies, Service Reductions and Additional Income

Ref	Portfolio	Service Activity	Description of Item	Efficiency, Service Reduction or Income?	Impact / Issues	Gross Saving				In Post	Vacant	Head of Service
						2016/17	2017/18	2018/19	2019/20			
						£000's	£000's	£000's	£000's	FTE	FTE	
HOU 22	Housing & Sustainability (HRA)	Housing Delivery & Renewal	Reorganisation of City Development, Housing Renewal & Estate Regeneration.	Service Reduction	This is the HRA element of a proposal that will reduce the capacity within this Division. Part of the total saving from the restructure will accrue to the General Fund.	64.0	64.0	64.0	64.0	0.59	0.00	Barbara Compton
HOU 23	Housing & Sustainability (HRA)	Housing Services	Restructure of Neighbourhood Wardens into 3 District Teams	Service Reduction	Remaining four Senior Wardens will manage larger teams across the city. Reduces Senior Wardens from 5 to 4.	39.3	39.3	39.3	39.3	0.00	1.00	Nick Cross
HOU 24	Housing & Sustainability (HRA)	Income Services	Removal of cash collection facility at Woolston Office Local Housing Office	Service Reduction	Transactions volumes at the current Peartree Local Office remain steady but it is anticipated that, as the Council relocates to the new Woolston Library and the Council increases its digital by default approach to service delivery, that transactions will significantly reduce as tenants move more to online, direct debit and payment card options for convenience. Office to close for payments by April 2016.	60.2	60.2	60.2	60.2	3.00	0.00	Nick Cross
HOU 25	Housing & Sustainability (HRA)	Income Services	Fit out costs for Local Housing Office	Service Reduction	Savings in costs to create a payment counter in the Local Housing Office at Woolston due to removal of cash collection facility.	50.0	0.0	0.0	0.0	n/a	n/a	Nick Cross
HOU 26	Housing & Sustainability (HRA)	Income Services	Removal of cash collection facility at Shirley Housing Office	Service Reduction	As a result of the Council increasing its digital by default approach to service delivery, transactions will reduce as tenants move to online, direct debit and payment card options for convenience. Office to close for payments by April 2017.	0.0	120.0	120.0	120.0	5.70	0.00	Nick Cross
HOU 27	Housing & Sustainability (HRA)	Service Improvement & Quality	Business Support and Development	Service Reduction	Deletion of the 50% of the role remaining following the Business Support Review. Will result in a reduction of business management and performance information for the management team.	23.9	23.9	23.9	23.9	0.00	0.50	Nick Cross
HOU 28	Housing & Sustainability (HRA)	Service Improvement & Quality	Housing Apprentices	Service Reduction	Housing currently has posts for 2 Housing Management Apprentices and 2 Business Admin Apprentices but only one role is currently filled due to ongoing difficulties obtaining the training to go alongside the apprenticeship. 3 roles to be deleted in 2016/17 with the final role being deleted after the current Apprentice has qualified and recruited into a permanent role in the service. (NB. not front line roles)	53.0	70.0	70.0	70.0	1.00	3.00	Nick Cross
HOU 29	Housing & Sustainability (HRA)	Service Improvement & Quality	Tenant Involvement	Service Reduction	Deletion of the current vacant post in the Tenant Involvement team and workload absorbed into remaining team.	36.3	36.3	36.3	36.3	0.00	1.00	Nick Cross
HOU 30	Housing & Sustainability (HRA)	Service Improvement & Quality	Housing Plus Project	Service Reduction	Housing currently has 3 posts on the establishment to deliver 'Housing Plus' work within our wider communities, however the posts have not been filled pending a wider project on Housing and Well-being. Due to changes in priorities these posts will not be filled.	82.5	82.5	82.5	82.5	0.00	3.00	Nick Cross
HOU 31	Housing & Sustainability (HRA)	Service Improvement & Quality	Housing Policy & Projects	Service Reduction	Restructure of the Policy & Projects team to absorb staff into other service teams and then deletion of the Manager post. Would reduce capacity to deal with high level policy changes, so proposed change is phased in during 2016/17 after the launch of the new Housing Strategy and the Policy work resulting from the Housing Bill.	23.0	47.4	47.4	47.4	0.76	0.00	Nick Cross
HOU 32	Housing & Sustainability (HRA)	Service Improvement & Quality	Team restructure	Service Reduction	Implement a restructure during 2016/17 to absorb different teams into other parts of the Housing Service and then delete the senior manager position. Reduced support to the Housing Services Management Team.	0.0	63.3	63.3	63.3	1.00	0.00	Nick Cross

## Housing Revenue Account - Budget Savings Proposals 2016/17 to 2019/20

### Efficiencies, Service Reductions and Additional Income

Ref	Portfolio	Service Activity	Description of Item	Efficiency, Service Reduction or Income?	Impact / Issues	Gross Saving				In Post	Vacant	Head of Service
						2016/17	2017/18	2018/19	2019/20			
						£000's	£000's	£000's	£000's	FTE	FTE	
HOU 33	Housing & Sustainability (HRA)	Service Improvement & Quality	Housing Professional Subscriptions	Service Reduction	Cease membership of the Chartered Institute of Housing and Housemark. Reduced access to professional support, advice and training, as well as performance and benchmark information.	36.2	55.0	55.0	55.0	n/a	n/a	Nick Cross
HOU 34	Housing & Sustainability (HRA)	Service Improvement & Quality	Tenants Link	Service Reduction	Cease providing a quarterly printed version of Tenants Link to all tenants and replace with an annual summer edition combining our annual report and other highlights. To develop an online magazine for tenants and more regular news bulletins through 'Stay Connected' to ensure information to tenants is more current. Reduction in printing and distribution costs. Limits access to those tenants with access to the internet - work progressing to support tenants getting on-line.	30.0	30.0	30.0	30.0	n/a	n/a	Nick Cross
HOU 35	Housing & Sustainability (HRA)	Housing Needs	Homebid Magazine	Service Reduction	Later in 2015 we will introduce an online application process and developments in the Homebid system will allow applicants to access much more detailed information about potential properties on line. We will also be able to provide tailored print outs for applicants with limited access as well as automatic bidding against set criteria. Therefore, the fortnightly printed magazine can be withdrawn.	35.6	35.6	35.6	35.6	n/a	n/a	Nick Cross
HOU 36	Housing & Sustainability (HRA)	Supported Services	Minor restructure of Supported Housing Team following some staff leaving	Service Reduction	Deletion of two vacant team leader/coordinator posts and a support post and work to be absorbed by remaining staff. Likely reduction in management capacity to commit to new projects within the service. (NB. Total support staff = 42)	63.2	63.2	63.2	63.2	0.00	2.70	Nick Cross
<b>Service Reduction Total</b>						<b>597.2</b>	<b>790.7</b>	<b>790.7</b>	<b>790.7</b>	<b>12.1</b>	<b>11.2</b>	
<b>Total</b>						<b>4,310.8</b>	<b>4,439.3</b>	<b>4,439.3</b>	<b>4,439.3</b>	<b>37.6</b>	<b>57.2</b>	