

COUNCIL MEETING

Wednesday, 19th July, 2017
at 2.00 pm

Council Chamber - Civic Centre

This meeting is open to the public

Members of the Council

The Mayor – Chair

The Sheriff – Vice-chair

Leader of the Council

Members of the Council (See overleaf)

Contacts

Service Director, Legal and Governance
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WARD	COUNCILLOR	WARD	COUNCILLOR
Bargate	Bogle Noon Dr Paffey	Millbrook	Denness Furnell Taggart
Bassett	L Harris Hannides B Harris	Peartree	Houghton Keogh Lewzey
Bevois	Barnes-Andrews Burke Rayment	Portswood	Claisse O'Neill Savage
Bitterne	Jordan Letts Murphy	Redbridge	McEwing Pope Whitbread
Bitterne Park	Fuller Inglis White	Shirley	Chaloner Coombs Kaur
Coxford	Morrell D Thomas T Thomas	Sholing	J Baillie Hecks Wilkinson
Freemantle	Moulton Parnell Shields	Swaythling	Mintoff Painton Vassiliou
Harefield	P Baillie Fitzhenry Laurent	Woolston	Mrs Blatchford Hammond Payne

PUBLIC INFORMATION

Role of the Council

The Council comprises all 48 Councillors. The Council normally meets six times a year including the annual meeting, at which the Mayor and the Council Leader are elected and committees and sub-committees are appointed, and the budget meeting, at which the Council Tax is set for the following year.

The Council approves the policy framework, which is a series of plans and strategies recommended by the Executive, which set out the key policies and programmes for the main services provided by the Council. It receives a summary report of decisions made by the Executive, and reports on specific issues raised by the Overview and Scrutiny Management Committee. The Council also considers questions and motions submitted by Council Members on matters for which the Council has a responsibility or which affect the City.

PUBLIC INVOLVEMENT

Questions:- People who live or work in the City may ask questions of the Mayor, Chairs of Committees and Members of the Executive. (See the Council's Constitution ref Part 4 Council Procedure Rules 10.8)

Petitions:- At a meeting of the Council any Member or member of the public may present a petition which is submitted in accordance with the Council's scheme for handling petitions. Petitions containing more than 1,500 signatures (qualifying) will be debated at a Council meeting. (See the Council's Constitution ref Part 4 Council Procedure Rules 10.1)

Representations:- At the discretion of the Mayor, members of the public may address the Council 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.

Deputations:- A deputation of up to three people can apply to address the Council. A deputation may include the presentation of a petition. (See the Council's Constitution ref Part 4 Council Procedure Rules 10.7)

MEETING INFORMATION

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. By entering the meeting room you are consenting to being recorded and to the use of those images and recordings for broadcasting and or/training purposes. The meeting may be recorded by the press or members of the public.

Any person or organisation filming, recording or broadcasting any meeting of the Council is responsible for any claims or other liability resulting from them doing so.

Details of the Council's Guidance on the recording of meetings is available on the Council's website.

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

The Southampton City Council Strategy (2016-2020) is a key document and sets out the four key outcomes that make up our vision.

- Southampton has strong and sustainable economic growth
- Children and young people get a good start in life
- People in Southampton live safe, healthy, independent lives
- Southampton is an attractive modern City, where people are proud to live and work

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

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

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

Proposed dates of meetings (Municipal year 2017/18)	
2017	2018
19 July	21 February (Budget)
20 September	21 March
15 November	16 May (AGM)

CONDUCT OF MEETING

FUNCTIONS OF THE COUNCIL

The functions of the Council are set out in Article 4 of Part 2 of the Constitution

RULES OF PROCEDURE

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

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 16.

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
- 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.

Service Director, Legal and Governance
Richard Ivory
Civic Centre, Southampton, SO14 7LY

Tuesday, 11 July 2017

TO: ALL MEMBERS OF THE SOUTHAMPTON CITY COUNCIL

You are hereby summoned to attend a meeting of the COUNCIL to be held on WEDNESDAY, 19TH JULY, 2017 in the COUNCIL CHAMBER CIVIC CENTRE at 2:00pm when the following business is proposed to be transacted:-

1 APOLOGIES

To receive any apologies.

2 MINUTES (Pages 1 - 16)

To authorise the signing of the minutes of the Annual General Council Meeting and the Extraordinary Council Meeting held on 17th May, 2017, attached.

3 ANNOUNCEMENTS FROM THE MAYOR AND LEADER

Matters especially brought forward by the Mayor and the Leader.

4 DEPUTATIONS, PETITIONS AND PUBLIC QUESTIONS

To receive any requests for Deputations, Presentation of Petitions or Public Questions.

5 EXECUTIVE BUSINESS REPORT (Pages 17 - 28)

Report of the Leader of the Council detailing the business undertaken across the Council since 17th May 2017, attached.

6 MOTIONS

(a) Councillor Fuller to move:-

This Council recognises the significant contribution and sacrifice our Armed Forces have made, and continue to make, to defend our freedom. To recognise this the Council commits to staging a fitting Armed Forces Day event to take place in Southampton in 2018 and yearly thereafter. The Council will work with all partners, military and civilian, to ensure this is a fitting tribute to all our serving military personnel and veterans and will pledge to support it in both financial and organisational terms.

7 QUESTIONS FROM MEMBERS TO THE CHAIRS OF COMMITTEES OR THE MAYOR

To consider any question of which notice has been given under Council Procedure Rule 11.2.

8 APPOINTMENTS TO COMMITTEES, SUB-COMMITTEES AND OTHER BODIES

To deal with any appointments to Committees, Sub-Committees or other bodies as required.

9 DFT ACCESS FUND □ (Pages 29 - 66)

To consider the report of the Cabinet Member for Environment and Transport seeking approval of the receipt of funding from the Department for Transport's Access Fund in order to deliver the 'Southampton: Driving our cycling ambition into local towns, schools, colleges and workplaces' programme for three years up until 31st March 2020, attached.

10 CONSTITUTION REVIEW - EMPLOYMENT & APPEALS PANEL (Pages 67 - 76)

To consider the report of the Service Director, Legal and Governance concerning changes to the constitution, attached.

11 PROCUREMENT OF CARERS SUPPORT SERVICES □ (Pages 77 - 88)

To consider the report of the Cabinet Member for Housing and Adult Care outlining the procurement of carers support services. This procurement will be commissioning an integrated service for children, young people and adults, attached.

12 ACCEPTANCE OF ADULT SOCIAL CARE GRANT □ (Pages 89 - 94)

To consider the report of the Cabinet Member for Housing and Adult Care seeking to accept the allocation of £9.7m one-off additional Government funding over three years, for the purpose of meeting adult social care needs, reducing pressures on the NHS and stabilising the social care provider market, attached.

**13 ANNUAL CORPORATE PARENTING REPORT 2015/16 AND 2016/17
(Pages 95 - 128)**

To consider the report of the Cabinet Member for Children's Social Care detailing the Corporate Parenting Annual reports 2015/16 and 2016/17, attached.

14 GENERAL FUND & HOUSING REVENUE ACCOUNT REVENUE OUTTURN 2016/17 (Pages 129 - 180)

To consider the report of the Cabinet Member for Finance. The purpose of this report is to summarise the overall General Fund & Housing Revenue Account revenue outturn for 2016/17. It compares actual spending against the revised budget approved at Council in February 2017 adjusted for approved changes made since that date. The report also considers any requests for carry forwards and the allocation of funds for corporate purposes or other additional expenditure, attached.

15 GENERAL FUND AND HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME OUTTURN 2016/17 (Pages 181 - 228)

To consider the report of the Cabinet Member for Finance. The purpose of this report is to outline the General Fund and Housing Revenue Account capital outturn position

for 2016/17 and seek approval for the proposed financing of the expenditure. This report also highlights the major variances against the approved estimates and sets out the revised estimates for 2017/18 and future years which take account of slippage and re-phasing, attached.

16 REVIEW OF PRUDENTIAL LIMITS AND TREASURY MANAGEMENT OUTTURN 2016/17 (Pages 229 - 256)

To consider the report of the Cabinet Member for Finance. The purpose of this report is to inform the Governance Committee and Council of the Treasury Management activities and performance for 2016/17 against the approved Prudential Indicators for External Debt and Treasury Management, attached.

17 SHARED COMMISSIONING BETWEEN SOUTHAMPTON CITY COUNCIL AND SOUTHAMPTON CITY CLINICAL COMMISSIONING GROUP (Pages 257 - 276)

To consider the report of the Leader of the Council recommending further integration between health and social care in the City through the establishment of a Joint Commissioning Board, attached.

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

To move that in accordance with the Council's Constitution, specifically the Access to Information Procedure Rules contained within the Constitution, the press and public be excluded from the meeting in respect of any consideration of the confidential appendix 1 to the following Item

Confidential appendix contains information deemed to be exempt from general publication based on Category 3 of paragraph 10.4 of the Council's Access to Information Procedure Rules. It is not in the public interest to disclose this information as the appendix contains confidential and commercially sensitive information supplied by the Service Provider.

19 HIGHWAYS CONTRACT □ (Pages 277 - 286)

To consider the report of the Cabinet Member for Environment and Transport detailing proposals to make revenue savings from the Highways contract and extend the term of the Highways contract and the associated 'Citywatch' contract, attached.

NOTE: There will be prayers by the Mayor's Chaplain John Attenborough in the Mayor's Reception Room at 1.45 pm for Members of the Council and Officers who wish to attend.



Richard Ivory
Service Director, Legal and Governance

Minutes of Council Meetings:

- 17 May, 2017 Extraordinary Meeting
- 17 May, 2017 Annual General Meeting

SOUTHAMPTON CITY COUNCIL

MINUTES OF THE EXTRAORDINARY COUNCIL MEETING HELD ON
17 MAY 2017

Present:

The Mayor, Councillor L Harris
The Sheriff, Councillor Barnes-Andrews
Councillors P Baillie, J Baillie, Mrs Blatchford, Bogle, Burke, Chaloner,
Claisse, Coombs, Denness, Fitzhenry, Fuller, Furnell, Hammond, Hannides,
B Harris, Hecks, Houghton, Inglis, Jordan, Kaur, Keogh, Laurent, Letts,
Lewzey, McEwing, Mintoff, Morrell, Moulton, Murphy, Noon, Dr Paffey,
Painton, Parnell, Payne, Pope, Rayment, Savage, Shields, Taggart,
D Thomas, T Thomas, Vassiliou, Whitbread and White.

Apologies received from Councillors O'Neill and Wilkinson.

1. HONORARY ALDERMEN

RESOLVED unanimously:

That in pursuance of the provisions of Section 249(1) of the Local Government Act 1972, the office of Honorary Alderman be conferred on former Councillors David Beckett and Linda Norris in recognition of their eminent service to the City and their names be recorded in the Roll of Honorary Aldermen.

SOUTHAMPTON CITY COUNCIL

MINUTES OF THE ANNUAL GENERAL COUNCIL MEETING HELD ON
17 MAY 2017

Present:

The Mayor, Councillor L Harris
The Sheriff, Councillor Barnes-Andrews
Councillors P Baillie, J Baillie, Barnes-Andrews, Mrs Blatchford, Bogle,
Burke, Chaloner, Claisse, Coombs, Denness, Fitzhenry, Fuller, Furnell,
Hammond, Hannides, B Harris, Hecks, Houghton, Inglis, Jordan, Kaur,
Keogh, Laurent, Letts, Lewzey, McEwing, Mintoff, Morrell, Moulton, Murphy,
Noon, Dr Paffey, Painton, Parnell, Payne, Pope, Rayment, Savage, Shields,
Taggart, D Thomas, T Thomas, Vassiliou, Whitbread and White

Apologies received from Councillors O'Neill and Wilkinson.

2. CITY OF SOUTHAMPTON AWARD

COUNCILLOR McEWING IN THE CHAIR

RESOLVED upon the motion of the Mayor (Councillor McEwing) and seconded by the Sherriff (Councillor L Harris), that the City of Southampton Award be presented to Mr Paul Upton and Mrs Jennie Upton who have been involved in running the 3rd Itchen North (Bitterne) scout group for 40 and 50 years respectively.

3. TO ELECT A MAYOR FOR THE ENSUING YEAR

RESOLVED upon the motion of Councillor Hannides and seconded by Councillor Letts, that Councillor L Harris be elected to the Office of 795th Mayor of Southampton and Chair of the Council for the ensuing year.

The Mayor (Councillor L Harris) then made and subscribed to the Declaration of Acceptance of Office.

4. MAYOR'S CHARITIES

THE MAYOR (COUNCILLOR L HARRIS) IN THE CHAIR

The Mayor announced that he would be supporting as his charities Southampton Children's Hospital and the Southampton Sea Cadets.

5. TO ELECT A SHERIFF FOR THE ENSUING YEAR

RESOLVED upon the motion of Councillor Burke and seconded by Councillor Parnell that Councillor Barnes-Andrews be appointed the 580th Sheriff of the City of Southampton and Vice-Chair of the Council for the ensuing year.

The Sheriff (Councillor Barnes-Andrews) then made and subscribed to the Declaration of Acceptance of Office.

6. VOTE OF THANKS TO RETIRING MAYOR

RESOLVED upon the motion of Councillor Rayment and seconded by Cllr Moulton that the Council places on record its appreciation for the distinguished manner in which Councillor McEwing had discharged the duties of the Mayor of the City during the period of her term of office.

7. SOUTHAMPTON BUSINESS SUCCESS

RESOLVED that the Southampton Business Success Award 2017 be presented to Hammerson, Westquay, Southampton and Mettricks Limited.

8. APOLOGIES

It was noted that apologies had been received from Councillors O'Neill and Wilkinson.

9. MINUTES

RESOLVED that the minutes of the Council meeting held on 16th March 2017 be approved and signed as a correct record

10. ANNOUNCEMENTS FROM THE MAYOR

(i) Sholing Junior School – Winners of the Big Pedal Active Travel Competition

The Mayor presented Sholing Junior School with an award for their achievements in the Big Pedal Active Travel Competition which was the UK's largest active travel competition with 1,700 schools taking part.

(ii) Employee of the Year Awards

The Leader presented the following awards:

Employee of the Year Awards:

- Amanda Luker – Commissioner
- Christopher Baldwin – Workshop Manager
- Claire Elton – Senior Solicitor

Manager of the Year:

- Liz Whale – Information, Skills and Area Manager for the Library Service
- Graham Tuck – Planning Policy Group Leader

Team of the Year:

- Housing Allocations Team

Most Thanked Team of 2017:

- Business Support

(iii) Training

The Mayor reminded Members of a number of training sessions that had been arranged and encouraged Members to attend.

(iv) Social Media

For the benefit of Members, the Mayor referred to the wi-fi that was available in the Council Chamber and that the use of mobile electronic devices could therefore be used in the Chamber and in Committee Meetings.

The Mayor urged Members to use their good sense and behave with courtesy, particularly in not tweeting messages which would otherwise be in breach of the Council's rules or the law. For example, tweeting material discussed in confidential session would be a serious breach.

The Mayor also informed Members that as in previous years the fine for mobile phones ringing was £25 which would go to the Mayor's charities.

(v) Courtesy in the Chamber

The Mayor referred to the need for meetings to run efficiently and effectively, and asked Members to keep in mind throughout the year the basic courtesies

that needed to be adhered to both in timeliness in arriving at the meeting and listening carefully to the debate.

The Mayor further requested that for the benefit of the public, Members remain in the seat allocated, or if they wished to move, they give notice of their intention prior to the next meeting so that the copies displayed in the public gallery could be amended.

11. ELECTION OF THE LEADER

The nomination of Councillor Letts was moved and seconded.

UPON BEING PUT TO THE VOTE IT WAS:

RESOLVED: that Councillor Letts be elected as Leader of the Council for the ensuing year.

Following his election as Leader, Councillor Letts informed the Council of his Cabinet and their Portfolio responsibilities.

Education and Skills – Councillor Dr Paffey

Health and Sustainable Living – Councillor Shields

Finance - Councillor Chaloner

Communities, Culture and Leisure – Councillor Kaur

Transformation Projects - Councillor Hammond

Deputy Leader (Internal) and Environment and Transport – Councillor Rayment

Deputy Leader (External) and Housing and Adult Care – Councillor Payne

Children's Social Care – Councillor Lewzey

The Leader then informed Members of the content of each of the Portfolios and announced that these would be incorporated into the scheme of Executive Delegation in the Constitution.

12. ANNUAL REVIEW OF THE CONSTITUTION

With the consent of the meeting, Councillor Barnes-Andrews, Chair of the Governance Committee, moved the report of the Service Director, Legal and Governance detailing the annual review of the Council's Constitution and Councillor Letts seconded:

A confidential session was requested by Members in order to debate part of the report fully.

RESOLVED: that the Chair moved in accordance with the Council's Constitution, specifically the Access to Information Procedure Rules contained within the Constitution, the press and public be excluded from the meeting in respect of agenda item 7.

Confidentiality was based on Categories 1 and 7 of paragraph 10.4 of the Access to Information Procedure Rules. The information contained therein was potentially exempt as it related to individual personal details and information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime. Having applied the public interest test it was not appropriate to disclose this information as the individuals' legal expectation of privacy outweighed the public interest in the exempt information.

Amendment moved by Councillor Barnes-Andrews and seconded by Councillor Letts:

“That recommendations relating to the Employment and Appeals Panel be removed from the report and that discussions take place with Group Leaders and Members of Governance Committee with further recommendations relating to Employment and Appeals Panel to be submitted to July Council for decision”.

UPON BEING PUT TO THE VOTE THE AMENDMENT IN THE NAME OF COUNCILLOR BARNES-ANDREWS WAS DECLARED CARRIED.

RESOLVED:

- (i) That the changes to the Constitution and associated arrangements as set out in the report be approved with the exception of Employment and Appeals Panel;
- (ii) That discussions take place with Group Leaders and Members of Governance Committee with further recommendations relating to Employment and Appeals Panel be submitted to July Council for decision;
- (iii) That the Service Director: Legal and Governance be authorised to finalise the arrangements as approved by Full Council and make any further consequential or minor changes arising from the decision of Council; and
- (iv) That the City Council's Constitution as amended, including the Officer Scheme of Delegation for the Municipal Year 2017/18 be approved.

13. APPOINTMENTS TO COMMITTEES, SUB COMMITTEES AND OTHER BODIES

RESOLVED that subject to certain decisions that may from time to time be made by the Council, the following Committees, Sub-Committees and other bodies be appointed with the allocation of seats to political groups shown therein and they be delegated authority to act within their Terms of Reference:

Political Group	Seats on Council	%
Labour	25	52.08
Conservative	19	39.58
Councillors Against Cuts	3	6.25
Independent	1	2.08

Committees	Labour	Conservative	Councillors Against Cuts	No. of Seats
Overview and Scrutiny Management (10)	Cllr Furnell Cllr Whitbread Cllr Murphy Cllr Coombs 4	Cllr Fitzhenry Cllr Fuller Cllr Hannides Cllr Moulton 4	Cllr Morrell Cllr T. Thomas 2	10
Planning and Rights of Way (7)	Cllr Denness Cllr Murphy Cllr Savage Cllr Barnes-Andrews 4	Cllr Claisse Cllr Hecks Cllr Wilkinson 3	0	7
Employment and Appeals Panel (7)	Cllr Burke Cllr Taggart Cllr Noon Cllr Whitbread 4	Cllr B Harris Cllr White Cllr Wilkinson 3	0	7
Chief Officer Employment Panel (6)	Cllr Letts Cllr Payne Cllr Rayment 3	Cllr Fitzhenry Cllr Hannides Cllr Moulton 3	0	6
Licensing Committee (10) (Min 10 – max 13)	Cllr Furnell Cllr Mrs Blatchford Cllr McEwing Cllr Bogle Cllr Lewzey 5	Cllr B. Harris Cllr Painton Cllr Parnell Cllr J. Baillie 4	Vacancy 1	10
Governance Committee (7)	Cllr Barnes-Andrews Cllr Jordan Cllr Keogh Cllr Noon 4	Cllr Parnell Cllr Inglis Cllr O'Neill 3	0	7
Sub-Committees	Labour	Conservative	Councillors Against Cuts	No. of Seats
Health Overview and Scrutiny Panel (7)	Cllr Bogle Cllr Mintoff Cllr Noon Cllr Savage 4	Cllr Houghton Cllr P. Baillie Cllr White 3	0	7
Scrutiny Panel (7)	4	3	0	7

Children's and Families Scrutiny Panel (7)	Cllr Keogh Cllr Taggart Cllr Murphy Cllr Burke 4	Cllr Laurent Cllr Painton Cllr O'Neill 3	0	7
Licensing General Sub-Committee (5) (Membership must come from membership of Licensing Committee)	Cllr Furnell Cllr Mrs Blatchford Cllr McEwing 3	Cllr Painton Cllr Parnell 2	0	5
Standards Sub-Committee (3)	2	1	0	3
Standards Appeal Sub-Committee (3)	2	Cllr O'Neill 1	0	3
TOTAL	43	33	3	79

2. Appointment to Committees/Sub-Committees and other bodies NOT subject to political proportionality and therefore not included in the above calculations.

Sub-Committee	Labour	Conservative	Councillors Against Cuts	No. of Seats
Licensing and Gambling Sub-Committee (3) (Any 3 Members drawn from the Licensing Committee membership on rotation basis)				3

Other bodies	Labour	Conservative	Councillors Against Cuts	No. of Seats

Hampshire Fire and Rescue Authority (1)	Cllr Mintoff 1	0	0	3
South East Employers (3 + 3 Deputies)	Cllr Whitbread (Deputy) 1+1 Deputy	Cllr O'Neill Cllr Parnell (Deputy) 1+1 Deputy	1+1 Deputy	3 + 3
Local Democracy and Accountability Network for Councillors (2)	0	Cllr Parnell 1	1	2
Partnership for Urban South Hampshire – Overview and Scrutiny Committee (1)	0	Cllr Moulton 1	0	1
Hampshire Police and Crime Panel (1) <i>(Overall proportionality is calculated across the County. This may require a change in appointment)</i>	Cllr Rayment 1	0	0	1
Health and Well-Being Board	<p>Council determines the number of places allocated to Elected Members on the Board.</p> <p>The decision as to who to appoint is an Executive Function. Council is requested to determine the membership of the Board as follows:</p> <ul style="list-style-type: none"> • 5 Elected Members of Southampton City Council • Statutory Director for Public Health • Statutory Director for Adult Social Services • Statutory Director Children's Services (Service Director, Children's and Families Services) 			

	<ul style="list-style-type: none"> • Representative of the Clinical Commissioning Group • Representative of Healthwatch • Representative of NHS Commissioning Board's Wessex Area Team
Chipperfield Trust	All 48 Members to be appointed to Chipperfield Trust

<u>Committee</u>	<u>Chair</u>
Overview and Scrutiny Management	Cllr Fitzhenry
Planning and Rights of Way Panel	Cllr Denness
Employment and Appeals Panel	Cllr Noon
Chief Officer Employment Panel	Cllr Letts
Licensing Committee	Cllr Mrs Blatchford
Governance Committee	Cllr Barnes-Andrews
Health Overview and Scrutiny Panel	Cllr Bogle
Scrutiny Panel	Appoint as and when needed
Licensing General Sub-Committee	Appoint as and when needed
Licensing and Gambling Sub-Committee	Appoint as and when needed
Standards Sub-Committee	Appoint as and when needed
Standards Appeal Sub-Committee	Appoint as and when needed
Children's and Families Scrutiny Panel	Cllr Keogh

14. CALENDAR OF MEETINGS

The Council approved the following dates for meetings of the Council in the 2017/18 Municipal Year:

19th July 2017
20th September 2017
15th November 2017
21st February 2018 (Budget)
21st March 2018
16th May 2018

15. DEPUTATIONS, PETITIONS AND PUBLIC QUESTIONS

It was noted that no requests for deputations, petitions or public questions had been received.

16. EXECUTIVE BUSINESS

The Leader and the Cabinet made statements and responded to Questions.

The following questions were then submitted in accordance with Council Procedure Rule 11.1

1. John Ransom Horse Trough Grade II Listed
Question from Councillor Claisse to Councillor Kaur

The John Ransom trough on The Avenue which I understand is grade II listed has been damaged and left for many months. Is it correct that the Council is refusing to repair it?

Answer

Southampton has a wealth of historic monuments that all need appropriate care and attention. We are working with Historic England to carry out a survey of all the monuments in the City, so we can establish what needs to be done for each item. In the meantime officers are considering a potential relocation of The John Ransom trough.

2. Public Spaces Protection Orders
Question from Councillor Claisse to Councillor Rayment

Since the PSPOs have been created in Southampton. I understand that 1 prosecution was concluded by the Council in December 2016, with the Court giving a 12 month conditional discharge. Was it worth creating the PSPO's?

Answer

The Anti-Social Behaviour, Crime and Policing Act 2014 gave local authorities the power to make Public Spaces Protection Orders (PSPOs) to tackle activities carried out in a public place which have a detrimental effect on the quality of life of those in the locality. Five orders were made across the city after public consultation based on historical evidence that showed they were necessary.

The Police have issued fixed penalties to individuals begging, predominantly in the city centre. It is true that the fixed penalties have not been paid and that follow-up formal action is difficult when a person has no fixed abode. In December 2016, the first individual was prosecuted for begging and the Magistrates gave a conditional discharge on conviction.

The PSPOs do give a clear indication that certain activities carried out in public places will not be tolerated. The associated signage has a deterrent effect for all but the most persistent offenders.

Enforcement alone was never going to resolve the problem of people begging in the city, but linked to other initiatives PSPOs remain an important and necessary part of the overall approach.

17. MOTIONS

It was noted that the motion in the name of Cllr Denness had been withdrawn.

18. QUESTIONS FROM MEMBERS TO THE CHAIRS OF COMMITTEES OR THE MAYOR

It was noted that there were no questions from Members to the Chairs of Committees or the Mayor.

19. OVERVIEW AND SCRUTINY: ANNUAL REPORT 2016/17

The report of the Chair of the Overview and Scrutiny Management Committee detailing the Overview and Scrutiny Management Committee Annual Report 2016/17 in accordance with the Council's Constitution was noted.

20. OVERVIEW AND SCRUTINY: SUMMARY OF CALL IN ACTIVITY

It was noted that there had been no call-ins since the last report was submitted to Council.

DECISION-MAKER:		COUNCIL	
SUBJECT:		EXECUTIVE BUSINESS REPORT	
DATE OF DECISION:		19 JULY 2017	
REPORT OF:		LEADER OF THE COUNCIL	
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Felicity Ridgway, Service Lead – Policy, Partnerships and Strategic Planning	Tel: 023 8083 3310
	E-mail:	Felicity.ridgway@southampton.gov.uk	
Director	Name:	Emma Lewis, Service Director – Intelligence, Insight and Communications	Tel: 023 8091 7984
	E-mail:	Emma.lewis@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY	
None	
BRIEF SUMMARY	
This report outlines the executive business conducted since the last verbal Executive Business Report to Full Council on 17 May 2017.	
RECOMMENDATIONS:	
(i)	That the report be noted.
REASONS FOR REPORT RECOMMENDATIONS	
1.	This report is presented in accordance with Part 4 of the Council’s Constitution.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
2.	Not applicable.
DETAIL (Including consultation carried out)	
3.	On behalf of the council, I would like to express our deepest sympathies to victims of recent terror attacks in London as well as everyone affected by the tragic fire in Grenfell Tower. As a council we took prompt action to check the status of our tower blocks and reassure residents about the fire retardant materials used in the buildings. I am very proud of the commitment and hard work of a large number of council staff who are involved in responding to this issue.
4.	I am very pleased to report that Southampton City Council’s response to the joint Work and Pensions and Communities and Local Government Committee’s inquiry into the future of supported housing has been published on the Parliament website. On the strength of this response, Southampton was selected as one of only three local authorities to present oral evidence to the committee in Westminster. Page 17 Slater (Service Lead, Assessment,

	Planning and Options) presenting on behalf of the city. This is a significant achievement, reflecting well on the work being done here in Southampton and also giving us an opportunity to influence national policy on this issue.
5.	I am delighted to report that officers from Homeless Prevention, Outreach, Mediation and Family Engagement were shortlisted in the 'Best outcome for residents' category for the 2017 Regional Awards by the Southeast Regional Chapter of the Chartered Institute of Housing.
6.	I am very pleased that our neighbourhood working approach framework was accredited by the Chartered Institute of Housing (CIH) on 29 th June 2017. A year-long project 'Working Together – Neighbourhood Working', undertaken with other Local Authorities and Registered Social Landlords across the country, has resulted in accreditation which lasts for the next three years. We will be signing up to the CIH's Neighbourhood Charter, and have had feedback that they were really impressed by the quality of our submissions and approaches to the design and development of our frameworks. Their feedback said that their "overriding impression is that... developing your frameworks has had a significant impact on the way you work and collaborate".
7.	<p>I am pleased to report that our end of year performance report for 2016/17 demonstrates significant progress in a number of areas. We have significantly exceeded our targets in four areas:</p> <ul style="list-style-type: none"> • Number of supported jobs and accredited vocational training delivered through Employment and Skills Plans linked to major developments • Number of children with active social care involvement • Support provided to voluntary and community groups • Number of family friendly events each year in Southampton. <p>In addition to these, nine other indicators are 'green', showing significant progress has been made against all of our priority outcomes. I am particularly pleased to see that there has been a significant decrease in the number of looked after children, which has come down from 603 in December 2016 to 528 as of 23 June 2017, and means more children are being found permanent homes. We continue to work on all other key areas to deliver improvement.</p>
8.	I would like to take this opportunity to congratulate the Integrated Commissioning Unit (ICU) for their work on developing the South Central IFA (Independent Fostering Agency) framework and the Residential Framework. This has been recognised by other councils including Poole Borough Council who have written to us to say how impressed they have been with our approach in terms of the development of the South Central IFA framework and Innovation Fund application.
	STRONG AND SUSTAINABLE ECONOMIC GROWTH
9.	I am delighted to be able to confirm that one of Southampton's VIP projects, Itchen Riverside, has seen significant progress over the last few months. Brownfield regeneration specialists Inland Homes launched the marketing suite at the former Meridian TV studio site in February and most of the first phase has now been sold off plan. Work is already underway on Phase 2 of the development which will eventually deliver 350 new homes. Inland Homes is also working with the council to develop the former depot site at Chapel Riverside, close to the Itchen Bridge, to create a striking gateway to the city. Planning consent was approved in March 2017 for 457 new homes and there

	will also be public access to the waterfront along with a park for residents and visitors to enjoy. It is anticipated that this development will transform Itchen Riverside and attract commercial activities, especially in the marine sector, to make the most of the waterside location. Work has already begun preparing the site for development to commence this summer.
10.	I am also very pleased to confirm that in their meeting on 4 April 2017, the Planning and Rights of Way Panel resolved to grant planning permission to GE Blade Dynamics for the redevelopment of part of the Marine Employment Quarter at Woolston, the northern portion of the former Vosper Thorneycroft site, for the manufacture of wind turbines. The application site consists of 5.4 acres and the new development will include an industrial building with ancillary office/ research and development space, storage access and parking. It is anticipated that between 50 and 60 jobs could be created in the first phase of the development.
11.	In June 2017, Cabinet agreed to begin consultations on the next phase of the Townhill Park regeneration scheme, and the updated Decommissioning of Housing Stock, and Acquisition and Compulsory Purchase Order Policies. The consultations are seeking the views of council tenants and leaseholders, and other interested parties citywide and those at Townhill Park and the adjacent area on the draft policies and plan which, if policies are approved following public consultation, would first be applied to the next phases of the Townhill Park Regeneration Scheme. The feedback from these consultations will be analysed and taken into account and presented to Cabinet prior to making decisions as to whether or not to implement the draft updated policies and whether or not to go ahead with the further decommissioning of Townhill Park.
12.	In June 2017, Cabinet also agreed to launch a consultation on the formation of a Local Authority Trading Company (LATCo), an arms-length company that will be totally owned by the council. Creating a LATCo would provide an opportunity to grow our business and trade with more organisations. This would mean we could generate more income, and make a surplus which we could invest back into council services. This is an exciting opportunity, which would also enable us to increase our commercial skills, build on our public and private partnerships working, improve customer experience and deliver efficiencies. The first phase consultation launched on 15 June 2017, and will close on 13 July 2017. The feedback from this consultation will be taken to the Cabinet on 16 August 2017 for a decision on how best to proceed.
13.	I am pleased to be able to report on the successful work being done to support improved employment opportunities for the people in Southampton. During 2016-2017, 262 previously unemployed individuals have been supported into jobs on major construction sites and in new businesses to the area such as the Westquay restaurants, the cinema and the Lidl Regional Distribution Centre. In addition, a total of 92 apprentices have been engaged and 17 recent graduates have been employed by major sites' supply chains. A further 290 existing employees of construction companies and businesses opening in Westquay have completed accredited skills training and 280 unemployed individuals gained qualifications to help them compete for employment.
14.	The Employment and Skills Team worked alongside the Westquay Sustainability Team to support a successful bid made by the City Council

	Transport team to the Local Sustainable Transport Fund. The bid has secured £40,000 in 2017-2018 and £20,000 in 2018-19; this will support the long-term unemployed into work over the next 18 months.
15.	Our Adult Education provision had an Ofsted inspection on 27 and 28 June 2017. It is worth noting that the process and framework used is exactly the same as that applied to colleges, with the added challenge that we are responsible for assuring the quality of provision of 14 sub -contractors and delivery to over 3,000 learners per year (the size of a large college), many of whom are amongst our most vulnerable residents. I will report back on the Ofsted result, once we have received their letter. We also had a very successful and inspiring Adult Learners Awards presentation on 28 th June and are rightly proud of the achievements of many residents in the city. It is also a real credit to our Adult Education team.
	CHILDREN AND YOUNG PEOPLE GET A GOOD START IN LIFE
16.	Following Cabinet on 18 April 2017, it has been agreed that Southampton Adoption Service will move into a shared adoption service hosted by Hampshire County Council, known as the Adoption South Central Regional Adoption Agency (ASC RAA), from September 2018. This is in response to the Government's announcement in 2015 that local authorities should pool their resources to develop regional adoption agencies by 2020. The new ASC RAA will comprise four local authorities (Hampshire, Southampton, Portsmouth and the Isle of Wight) and each will have equal representation in governance arrangements. This change will reduce fragmentation of provision and improve the timeliness and efficiency of matching children with adopters, especially hard-to-place children, as there will be a larger pool of adopters and more specialist training. It will also enable the development of more flexible and efficient support services and reduce costs through efficiencies of scale.
17.	A new grant for foster carers was introduced in March 2017, whereby all new and current foster carers are entitled to a new supportive grant of £1,635. All households in the city received information about this as part of the annual Council Tax mailing, and it has also been promoted through the council's online communication channels and in the local media.
18.	I am pleased to report that we received a total of 54 enquiries about fostering in April and May 2017. This is 19 more enquiries than we received during April and May 2016. We also received 19 enquiries about adoption in April and May 2017. This is 5 more enquiries than we received during the same period last year. The service and the communications team continue to work together to identify innovative new ways of further promoting these services and converting such enquiries into increased numbers of foster carers and adopters in the city.
19.	I am pleased to note that the work of the Youth Forum and the Youth Forum Champions programme is continuing to develop, providing our young people with a growing opportunity to participate and have their voices heard. The three key areas that the Youth Forum Champions have prioritised this year are: <ul style="list-style-type: none"> • Life skills education • Mental health awareness • Safe, fun and accessible things to do in the city

	The Youth Forum Champions are currently looking at how they can progress these issues and how to ensure the wider youth voice is recognised and listened to.
20.	This year we are delighted to have capitalised on our great relationships with schools on the Isle of Wight, and I am pleased to say we have engaged with 100% of them in the past year! We have delivered a fantastically varied programme of instrumental and vocal workshops, whole class instrumental tuition and development for teachers. We have worked closely with our music hub partners to deliver this. I am also pleased to confirm that we have been awarded funding from the Brenda James Trust to deliver a programme of free instrumental lessons for pupils in schools which sit in deprived wards, starting in the Autumn term.
21.	Following a £30,000 bid from Youth Music, Southampton and Isle of Wight Music Hubs have been delivering a new music and mobile technology project, helping disadvantaged children and young people to make music using iPads. Focussed around developing music composition skills, as well as boosting confidence and communication through video blogging, the project has worked with over 2,000 children, young people and families in schools, pupil referral units and behavioural and special needs settings, as well as groups in the community. Free resources, including planning for schools and video guides for participants, will help ensure a lasting legacy for the project, which will now be shared nationwide. www.musictechsouth.com
22.	In 2017, Southampton Music Hub, in partnership with Bournemouth Symphony Orchestra (BSO), brought Southampton its first ever free, open-access, Family Orchestra. Following six months of family music workshops in community centres across the city, the Family Orchestra made their debut performance at Turner Sims Concert Hall in July 2017, accompanied by BSO's In at the Deep End ensemble. The project has inspired over 30 families to take part. The project will be a key part of Southampton Music Hub's Family Music Programme for 2018 and beyond: supporting lifelong journeys in music; boosting families' health and wellbeing; and building community cohesion through shared music experiences. www.southamptonmusicclub.org/familyorchestra
	PEOPLE IN SOUTHAMPTON LIVE SAFE, HEALTHY, INDEPENDENT LIVES
23.	I am very pleased to confirm that Southampton City Council has now approved plans for the largest 'Extra Care' housing scheme in the city, to be known as Potter's Court. The housing will comprise 84 flats at Wimpson Lane in Maybush, two thirds of which will be one-bedroom apartments and one third will have two bedrooms. There will also be a communal lounge and guest suite for residents and a kitchen and dining facility which can be used by the wider community. The scheme is aimed at eligible city residents with an assessed care need. However, there will also be 15 general needs homes for the over50s, comprising nine one-bedroom and six two-bedroom apartments. The scheme, which is expected to be completed in 2019, will cost £22M and will provide its tenants with freedom and flexibility, as well as the option for care when needed.
24.	I am also pleased to announce that the Telecare Services Association has

	re-accredited the council's Telecare Service for a further three years, singling out the quality of the installation and call-handling elements of the service as being excellent. This high quality service is supporting more people with support needs to live safe, independent lives.
25.	<p>I am delighted to be able to report on the work achieved through the Southampton Healthy Homes (SHH) programme. This was a 15 month project, funded by the British Gas Energy Trust and Southampton City Council and delivered by the Environment Centre (tEC) which aimed to reduce fuel poverty through increasing energy efficiency, reducing energy and using deprivation data. tEC worked with local networks to identify high-risk individuals using community outreach, Integrated Care teams and local health, energy efficiency and deprivation data. Key achievements include:</p> <ul style="list-style-type: none"> • 2,400 households assisted • 700 home visits • 507 energy efficiency interventions (including 101 large measures such as insulation, first time central heating systems, boiler repairs and replacements, double glazing and damp and mould treatment) • £424,000 of unclaimed benefits secured for vulnerable households • 182 front-line staff and volunteers trained on fuel poverty awareness • 1,000 people have received food packages • 479 households were supported with utility top-ups.
26.	In June 2017, Cabinet agreed that Southampton City Council will take the first steps towards setting up a local Energy Services Company (ESCo), by commencing a procurement and contract negotiation process leading to the selection of a preferred provider. This will enable Southampton City Council (SCC) to provide a branded energy supply product using a procured third party licensed energy supplier. This exciting new initiative has the potential to help tackle fuel poverty and to provide a low risk income stream and supply cost effective energy to residents and businesses across the southern region.
27.	Cabinet agreed, on 18 April 2017, to progress the future procurement of an integrated Advice, Information and Guidance (AIG) service for Southampton residents of all ages. To Date AIG services have been funded through a number of separate grants and contracts; these are well regarded but the funding arrangements have now come to an end and a more integrated approach will improve efficiency and access. This approach has enabled the council to specify the outcomes to be achieved and will support the people of Southampton to get the help they need to live independent lives. The procurement process is now successfully underway with the contract award expected in the autumn.
28.	I am delighted to announce that Housing and Adult Services have secured just under £400,000 of funding from the Department of Communities and Government's Rough Sleepers' Grant. This funding means that we will be able to provide more targeted assistance for those who are at imminent risk of sleeping rough in Southampton. This will be done through a number of measures, including more intensive support, accommodation and crisis intervention. The funding will also be used to inform the development of future commissioning by helping profile those who are most at risk of homelessness and considering what solutions are required.
29.	On Friday 2 June Oaklands Team & Recreational Sports (OTARS) supported by Southampton City Council put on their annual fundraising golf

	<p>day to raise funds to support service users with a learning disability to access sport and to compete in the Special Olympics. This year there were 26 teams and we were able to support OTARS to field a team. The team was made up of 2 people with a learning disability one member of staff and a family member. The OTARS team won the event on their first outing which was a fantastic achievement. The prize giving was, as is customary, hosted by Lawrie McMenemy MBE. The event raised £6,395 which will support ongoing sporting events throughout the year as well as help fund our athletes competing in the Special Olympic National games in Sheffield between the 7th and 11th August 2017.</p>
30.	<p>On 3 April 2017, a new partnership, known as Southampton Healthy Living (SHL), was launched. It is a consortium of health, voluntary, community and social enterprise agencies working in partnership to deliver targeted public health outcomes. This will support the delivery of behaviour change programmes across five areas:</p> <ul style="list-style-type: none"> • Smoking cessation • Weight management • Physical activity • Alcohol brief interventions • Mini NHS health checks
31.	<p>I am pleased to report the excellent progress that the Dementia-Friendly Southampton project has made so far. The project is seeing a remarkable return in outcomes on a relatively modest investment of £65K funding. 2,144 Dementia Friends have been created in the city since beginning of the project in January 2017, which is already well over half way towards our target of 3,500 additional Dementia Friends established in Southampton by December 2017.</p>
	<p>SOUTHAMPTON IS AN ATTRACTIVE AND MODERN CITY WHERE PEOPLE ARE PROUD TO LIVE AND WORK</p>
32.	<p>I am delighted that we have successfully rolled out Alternate Weekly Bin Collections, starting on Monday 5 June 2017. All residents have received two mailings explaining the changes and how to find their new collection day by checking the online calendar. We have also notified residents through a large scale email to 94,000 Stay Connected subscribers and taken a proactive approach to communicating the change and dealing with enquiries via our social media channels. For a total spend of £100, we have reached 213,000 people (some of these will be multiple 'reaches', so this does not represent unique customers), and had 20,781 clicks on our posts, and 3,339 interactions with customers. Thanks to the efforts of a cross council team under the leadership of the Cabinet Member, there has been a smooth transition with diligent care given to prompt responses to complaints and queries.</p>
33.	<p>I am delighted to announce a 15% increase in visitor numbers at our Arts & Heritage venues (SeaCity Museum, Tudor House & Garden and Southampton City Art Gallery), from 114,986 in 2015/16 to 132,190 in 2016/17. As a result, income from ticket sales has increased by £33,099. This is the second successive rise, following a 10% increase from 2014/15 to 2015/16. I would also like to take this opportunity to thank our staff and emergency services in the prompt action they took following the fire at SeaCity on 6th June, minimising the damage to one of the city's most</p>

	important visitor attractions.
34.	I am very pleased to confirm that the Arts Council England have announced a £13m investment in Southampton's cultural offer. Seven organisations in the city will be 'National Portfolio' organisations from 2018-2022, including the council's museums for the first time. John Hansard Gallery will receive a substantial increase on its current investment to support its move to a new site in the city centre. Four other organisations, Artsworld, Art Asia, NST – Nuffield Southampton Theatres and Turner Sims, continue to be supported at the same level as 2017-18. The funding awarded to Southampton City Council's Museums will fund their <i>Southampton Treasures</i> project. This funding will enable the council to bring its collections to a wider public and will include creating a dedicated, publicly accessible facility in SeaCity Museum that will help us to care for our extensive and outstanding collections, while enabling increased access to the public.
35.	The first ever National Clean Air Day was a huge success with over 200,000 engagements at 200 events taking place nationwide. The event hit the national papers achieving a total news reach of 21.58M across 557 articles with an equivalent advertising value of over £1,000,000. More than 40M people were engaged via Twitter with over 28,000 tweets on or close to the day. Locally we escorted ITV Meridian on a tour of our local events by electric vehicle including: Southampton General Hospital, St Johns School on French Street, The Bargate for an Electric Vehicle Rally and Westquay - where we had eight stands talking to people about air quality and the role they can play in helping to improve it. We also received positive coverage in The Echo and BBC Radio Solent.
36.	To further our work on Clean Air, I am very pleased that Southampton City Council has been awarded £892,000 of funding from the Government's Air Quality programme. This represents a quarter of the annual funding pot available nationally and will enable us to take action to reduce levels of nitrogen dioxide and particles that can impact on people's health. Projects planned include a £253,880 scheme to support the uptake of low emission taxis and a £99,000 scheme to co-fund eco-safe driver training on the council's vehicle fleet. We also secured a further £1.4M in grants across 2016-2017 to deliver work to improve local air quality and our Clean Air Zone.
37.	I am pleased to report that work with the Police to address issues of street begging and homelessness in the city is progressing. The neighbourhood police team, working with the council, have developed a new procedure to use community protection notices (CPNs) with individuals who aggressively beg in the city centre. The process requires written warnings to be served on individuals engaging in anti-social behaviour, prior to the service of the CPN. A Working Group has been established, with representatives from the Neighbourhood Police, Community Safety, Adult Safeguarding and Street Homelessness Prevention Teams, and meets regularly to identify individuals who persistently and aggressively beg and agree appropriate enforcement action, alongside support for individuals. In addition, work is being undertaken to address issues around rough sleepers in the city centre multi-storey car parks. New shutters have been installed in Marlands Car Park at level 10 to deter rough sleepers from staying there overnight and make this area safer and cleaner. Grosvenor MSCP has also had lockable shutters installed and the car park will be locked from midnight to 5.30am, to deter

	rough sleepers who use this area for antisocial activities. We will continue our work in this area, looking at all car parks over the coming months.
38.	<p>Southampton continues to offer a wide range of exciting, family-friendly events for residents and visitors alike. In the last 2 months, the following successful events have taken place:</p> <ul style="list-style-type: none"> • Mayfield Community Fair: 17-21 May – This popular community fair visited the east of the city. • Southampton Sailing Week: 24 – 29 May: 6 days of sailing and water activities in and around Southampton Water and The Solent. • Riverfest: 27 May – A new festival organised by the local community celebrating the influence the river plays on the local people. • Common People: 27 & 28 May – Extra security in light of Manchester terrorism didn't deter more than 27,000 people from enjoying Pete Tong, Sean Paul and so much more. • Veracity Community Fair: 31 May – 4 Jun – Community Fair. • Animal Installation: 1 – 30 June – Westquay continues to attract new visitors to the area with an art installation featuring giant snails. • Southampton World Naked Bike: 2 Jun – More than 50 people took to the streets to highlight the dependency on oil. • Women's Running 10k: 4 Jun – More than 500 people took part in this popular running event on Southampton Common. • Seawork: 13 – 15 Jun – For the second year, the popular maritime event Seawork brought visitors to Mayflower Park and provided a boost to the local economy. • Gung Ho! 17 Jun – More than 2,500 participated in the 5k run which was peppered with challenging obstacles on Southampton Common • Southampton Parkrun: Every Saturday around 1,000 people take part in this free 5k run around Southampton Common. This event is the second most popular in the country (out of more than 450) • HSBC UK City Ride: 25 Jun – The mass participation cycling event, formerly known as Sky Ride attracted thousands to the city centre who were able to cycle on traffic free closed roads.
	A MODERN, SUSTAINABLE COUNCIL
39.	<p>The Finance Service has started on the journey of implementing a new business model. The vision for the service is to become a low cost, high performing service with a strong customer focus that adds value to the organisation. This model sees a shift to Business Partnering, a strengthening of strategic planning and technical capability, an improved focus on capital expenditure. It also involves the automation of transactional tasks and a move to more value adding activities. The model has been based on research completed around Business Partnering and CIPFA guidance on the building blocks for strong financial management in an organisation. These being:</p> <ul style="list-style-type: none"> • Strong fundamental financial systems • Well trained and motivated staff • Sound Technical Expertise • Understanding the business and the customer • Providing a stewardship and challenger role.
40.	<p>The Local Government Association will be conducting a Corporate Peer Review, which will take place Page 254 September 2017. The last Peer</p>

	<p>Review was undertaken in 2013 and this offers an excellent opportunity to gain an independent perspective on the significant progress that has been made in the last four years, and to identify further improvements and opportunities to raise aspirations and ambitions in the city. The focus of the Peer Review will be on:</p> <ul style="list-style-type: none"> • Understanding of local place and priority setting • Leadership of place • Financial planning and viability • Organisational leadership and governance • Capacity to deliver. <p>The Peer Review team will include a Labour council leader, a senior Conservative Member, a Chief Executive, 2-3 senior officers, and the Local Government Association Review Manager. I welcome this opportunity to reflect on our achievements to date, as well as opportunities and challenges for the future, and our ambitions for the city.</p>
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RESOURCE IMPLICATIONS

Capital/Revenue

	None
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Property/Other

	None
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LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

	As defined in the report appropriate to each section.
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Other Legal Implications:

	None
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RISK MANAGEMENT IMPLICATIONS

	None
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POLICY FRAMEWORK IMPLICATIONS

	The report outlines activity supporting the delivery of the Council Strategy 2016-2020.
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KEY DECISION?	No
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WARDS/COMMUNITIES AFFECTED:	All
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SUPPORTING DOCUMENTATION

Appendices

1.	
2.	

Documents In Members' Rooms

1.	
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2.		
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		
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.		
2.		

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DECISION-MAKER:	CABINET COUNCIL			
SUBJECT:	DEPARTMENT FOR TRANSPORT ACCESS FUND			
DATE OF DECISION:	20 JUNE 2017 19 JULY 2017			
REPORT OF:	CABINET MEMBER FOR ENVIRONMENT AND TRANSPORT			
<u>CONTACT DETAILS</u>				
AUTHOR:	Name:	Neil Tuck	Tel:	023 8083 3409
	E-mail:	neil.tuck@southampton.gov.uk		
Director	Name:	Mike Harris	Tel:	023 8083 2882
	E-mail:	mike.harris@southampton.gov.uk		

STATEMENT OF CONFIDENTIALITY
Not applicable
BRIEF SUMMARY
To consider the report of the Cabinet Member for Environment and Transport seeking approval of the receipt of £2,294,000 of funding from the Department for Transport's Access Fund in order to deliver the 'Southampton: Driving our cycling ambition into local towns, schools, colleges and workplaces' programme for three years up until 31 st March 2020.
Key strategic partners including Hampshire County Council (HCC), Eastleigh Borough Council (EBC), HCC Public Health, British Cycling, Cycling UK and the University of Southampton have committed to match fund the project. They will contribute revenue funding at a total of £423,300. This will be coupled with £90,000 revenue contribution from Southampton City Council's Transport Policy revenue budget (over three years) and £18,000 HCC capital funding. Further approval is required for the use of £300,000 Local Transport Plan (LTP) capital funding (over three years) being used to match fund 12.5% of the project total. This will be allocated from the Integrated Transport Capital budget.
This project will deliver: <ul style="list-style-type: none"> • Travel advice to 600 long-term unemployed taking part in the City Deal Solent Jobs Programme; • Travel advice, training and e-bikes to domiciliary care workers; • Tailored travel advice, resources, activities and cycle support services to employers within the city including the Port of Southampton and West Quay South; • Expansion of the city's Travel Plan Network; • A Clean Air Schools Challenge; • Intensive engagement with 38 key schools per year in the Travel to Work Area, including delivery of the Bike-It programme, Modeshift STARS (the national schools awards scheme that has been established to recognise schools that have demonstrated excellence in supporting cycling and walking), voluntary

<p>School Travel Plans and other initiatives to promote active travel;</p> <ul style="list-style-type: none"> • 31.7km of a new Legible Cycle Network; • Bike-2-Bus infrastructure; • A Southampton Cycle Festival including a mass participation cycle event, a Big Bike Race, led rides, commuter challenges, mini cycle festivals, and supporting events/promotions; • A community cycle clubs programme to resource local community groups who organise and participate in regular cycling activities; • An expanded network of community cycle hubs known as 'Bike Kitchens'; • An annual package of marketing and promotion.
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RECOMMENDATIONS:

CABINET:

	(i)	To recommend that Council approve the receipt of Access Funds, totalling £2,294,000, awarded by the Department for Transport for 2017/18 through to 2019/20.
	(ii)	To recommend that Council approve the addition of £816,000 to the Environment & Transport Portfolio's revenue budget for 2017/18 and to note that the remaining £1,478,000 of the Access Fund award will need to be added to the revenue budgets for 2018/19 and 2019/20.
	(iii)	To recommend that Council approve the allocation of Local Transport Plan funds, totalling £300,000, from the Sustainable Travel and Integrated Transport budgets, within the approved Environment & Transport Portfolio Capital Programme, in order to match fund the grant at approximately 12.5% of the total.

COUNCIL:

	(i)	To approve the receipt of Access Funds, totalling £2,294,000, awarded by the Department for Transport for 2017/18 through to 2019/20.
	(ii)	To approve the addition of £816,000 to the Environment & Transport Portfolio's revenue budget for 2017/18 and to note that the remaining £1,478,000 of the Access Fund award will need to be added to the revenue budgets for 2018/19 and 2019/20.
	(iii)	To approve the allocation of Local Transport Plan funds, totalling £300,000, from the Sustainable Travel and Integrated Transport budgets, within the approved Environment & Transport Portfolio Capital Programme, in order to match fund the grant at approximately 12.5% of the total.

REASONS FOR REPORT RECOMMENDATIONS

1.	Financial Procedure Rules require that when a bid is successful, relevant amendments are made to the appropriate capital and revenue budgets, and that all necessary capital and revenue approvals are obtained before any expenditure is incurred or any commitment is made.
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ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2.	An option is not to approve the receipt of grant funding from the DfT. This would result in not being able to carry out the proposed project as outlined in
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	the associated bid document.
DETAIL (Including consultation carried out)	
3.	The Department for Transport (DfT) invited local authorities in England to apply for Access Fund grants for the period 2017/18 through to 2019/20 to deliver sustainable travel initiatives which support the local economy by improving sustainable access to new and existing employment, education and training.
4.	Southampton City Council (SCC), in partnership with Hampshire County Council, put forward a bid that would underpin a bold ambition for sustainable economic growth, supported through an increase in active travel. The bid builds on the award winning “My Journey” branded behaviour change programme to deliver a core element of Southampton’s cycling ambition as set out in the Cycle Strategy. The Access Fund programme will deliver revenue projects promoting cycling and walking in the city, and wider Travel to Work area, supported by planned capital investments focussed on 3 strategic cycle corridors. The ambition is to create a cycling and walking culture that enriches people’s lives and provides them with realistic travel choices to access work, education, enhance skills, get more active and tackle the pressing air quality problem across the Southampton area.
5.	Southampton has shown it can deliver sustainable travel programmes of this scale year on year on time and on budget through the LSTF and was awarded the Transport City of the Year (National Transport Awards 2013) for its “ambitious transport vision” and successful delivery of transport schemes, and highly commended for the same award in 2015.
6.	Cycling is becoming increasingly popular in Southampton, as it is across other parts of the country, with annual events such as SkyRide in June 2016 attracting over 11,000 people on bikes onto the streets of the city. Of the daily journeys to work 4.6% are made by bike ¹ , which is above the national average (2.8%); and between the 2001 and 2011 censuses the number of these journeys increased by almost a quarter. On the main roads entering the city centre, during the AM peak (7-9am), around 800 people a day cycle – approximately 2.5% of traffic. The number of bikes on the roads of Southampton continues to grow year on year with just over 15% ² more people cycling in 2015 compared to 2010. Away from journeys to work, 17% of Southampton’s population cycles for any purpose at least once a month ³ .
7.	The Cycle Strategy sets out a clear statement for how the City Council can continue to grow cycling in Southampton and becoming a cycling city. It sets out the policy approach to meet the rising demand for cycling, and an implementation plan of where SCC is planning to invest in the proposed improvements to the network and initiatives required to make Southampton a liveable and cycleable city.
8.	The Cycle Strategy outlines 3 key themes: 1. <u>Better Cycling</u> : a connected and safe Cycling City – delivery of the Southampton Cycle Network to link people’s journeys from door to

¹ 2011 Census – Method of Journey to Work

² Southampton City Council Cycle Counts 2010-2015

³ 2015 Sport England Active People Survey

	<p>door along a network of cycle routes and facilities;</p> <p>2. Simple Cycling: making cycling easy, legible and recognised – ensuring cycling is efficiently and effectively integrated into Southampton with other modes of transport, developing a legible cycling brand, helping people on the go, making access to a bike easy and support community led schemes;</p> <p>3. Attractive Cycling: marketing and promoting cycling – with a clear message to showcase cycling, support cycle events that raise cycling’s profile, work with local businesses, schools and residents to encourage more trips by bike, and support cycle training and security initiatives.</p> <p>The Access Fund delivers initiatives that will contribute towards each of these three themes.</p>
9.	<p>The Access Fund bid was a package of projects organised into 3 core elements;</p> <p>Element 1: Getting into Work and Training - using cycling as a means of getting into employment and training, with a focus on reducing transport barriers for long term unemployed people who are seeking a job or training, and working with employers to enable more staff to cycle and walk to work;</p> <p>Element 2: The Cool Route to School – delivery of projects which engage with pupils and parents to build awareness, skills and confidence making travel to school by bike and on foot cool; And,</p> <p>Element 3: Developing a Cycling and Walking Culture – Increasing cycling and walking through a totally new and much anticipated Legible Cycle Network, a week long Cycle Festival and grass roots support with targeted community groups designed to overcome barriers to physical activity. These activities will add benefit to the planned capital investment in cycle and walking infrastructure.</p>
10.	<p>The bid was put together through full open consultation with a number of key partners within the City of Southampton and with neighbouring authorities and the award of funding was through open competition.</p>
11.	<p>There will be a signed Memorandum of Understanding between the City Council, Hampshire County Council, Sustrans, Cycling UK and the University of Southampton securing the commitment of all five organisations to work collectively to deliver sustainable travel policy objectives in the city and Travel to Work Area (TtWA) focusing on reducing the need to travel (reduce reliance on private car and shift to sustainable modes), maximising the use of existing infrastructure and delivering targeted improvements along the three core corridors identified in the bid. This agreement will underpin partnership working for the bid period as a result of the funding award.</p>
12.	<p>The Access Fund programme for 2017/18 through to 2019/20 will be governed by the Centre for Sustainable Travel Choices Board which has representation from all five organisations.</p>
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
13.	<p>The revenue resource over the three year period 2017/18 to 2019/20 will be made up of £2,294,000 grant funding from the Department for Transport, £90,000 revenue contribution from Southampton City Council’s Transport</p>

	Policy revenue budget and £423,300 external match funding from key partners. This report recommends that grant funding of £816,000 is added to the Environment & Transport Portfolio's revenue budget for 2017/18. The remaining funding of £1,478,000 will need to be added to the revenue budgets for 2018/19 and 2019/20.
14.	The capital resource over the three year period 2017/18 to 2019/20 will be made up of £300,000 from LTP funds allocated through the Integrated Transport budget and an £18,000 contribution from HCC. Schemes funded through the LTP have already been added to the Environment & Transport Portfolio Capital Programme with approval to spend. It is recommended that priority is given to allocating LTP funding of £100,000 per annum to match fund this project over the period 2017/18 to 2019/20.
<u>Property/Other</u>	
15.	No conflict.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
16.	The project will be delivered in accordance with s.1 Localism Act 2011 and a variety of Highways and Environmental legislation, including but not limited to the Highways Act 1980, Road traffic Regulation Act 1994 and the Traffic Management Act 2004.
<u>Other Legal Implications:</u>	
17.	None.
POLICY FRAMEWORK IMPLICATIONS	
18.	The City Council is a Local Transport Authority as prescribed in the Transport Act 2000 and the Council's relevant Policy Framework is the City of Southampton Local Transport Plan (LTP4).
19.	The project is compatible with the objectives of the Cycle Strategy, Clean Air Strategy, Health & Wellbeing Strategy and City Council Strategy.

KEY DECISION?	Yes
WARDS/COMMUNITIES AFFECTED:	All wards
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Access Fund bid document: <i>'Southampton: Driving our Cycling Ambition into Towns, Schools, Colleges and Workplaces'</i>
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.	Yes/No

Privacy Impact Assessment		
Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.		Yes/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.		
2.		

Southampton

Agenda Item 9
Appendix 1

Driving our cycling ambition into local towns, schools, colleges and work places

9 September 2016



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Access Fund for Sustainable Travel Revenue Competition - Application Form



Department
for Transport

Bids should be no more than 30 pages long (excluding the cover page, S151 officer signature page, and any supporting documents listed as exempt in the [guidance document](#)).

Applicant Information

Local transport authority name(s):

Southampton City Council (Lead Authority)
Hampshire County Council

Bid Manager Name and position:

Neil Tuck, Programme Manager, Southampton City Council

Contact telephone number: 02380833409

Email address: neil.tuck@southampton.gov.uk

Postal address: Southampton City Council
Civic Centre
Southampton
SO14 7LY

Website address for published bid: <http://southampton.gov.uk/roads-parking/transport-policy/transport-funding-bids.aspx>

When authorities submit a bid for funding to the Department, as part of the Government's commitment to greater openness in the public sector under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004, they must also publish a version excluding any commercially sensitive information on their own website within two working days of submitting the final bid to the Department. The Department reserves the right to deem the business case as non-compliant if this is not adhered to.

SECTION A - Project description and funding profile

A1. Project name: Southampton: Driving our Cycling Ambition into Local Towns, Schools, Colleges and Workplaces

A2. Headline description:

The bid aims to deliver a bold ambition for sustainable economic growth, supported through an increase in active travel. The bid will build on the award winning “My Journey” behaviour change programme to deliver Southampton’s Cycling ambition. A corridor focussed programme of revenue projects will promote cycling and walking in the city and wider Travel to Work area and will be supported by planned capital investments. The ambition is to create a cycling and walking culture that enriches people’s lives and provides them with realistic travel choices to access work, education, enhance skills, get more active and tackle the pressing air quality problem across the Southampton area.

A3. Type of bid

a) This bid is:

Revenue & Capital, and I confirm we have sourced the capital funding locally and have made provisions for a minimum additional 10% matched contribution.

b) If your bid is reliant on capital funding, please select one of the following options:

Contains Local Growth Fund contribution, but not reliant on it. This bid contains a local contribution from the Local Growth Fund, but the work can still progress as planned if LGF funding is not secured.

A4. Total package cost (£): £3,125,455

A5. Total DfT revenue funding contribution sought (£): £2,294,155

A6. Local contribution (£): £831,300

Source	Revenue (£)	Capital (£)	Details	Letter attached
SCC		390,000		S151
HCC		18,000		Partner
EBC	86,000			Yes
HCC PH	32,300			Yes
Uni of Soton	50,000			Yes
City Deal	30,000			Yes
Cycling UK	30,000			Yes
British Cycling	195,000			Yes
TOTAL	423,300	408,000		

A7. Equality Analysis

Has any Equality Analysis been undertaken in line with the Equality Duty?

Yes No

A8. Partnership bodies: Letters for support have been received from the following organisations and businesses, and are included in Appendix 1.

Hampshire County Council: Partner to SCC in this joint bid, Hampshire County Council will be responsible for delivery of the bid proposals alongside SCC.

Solent LEP: Responsible for overseeing the Strategic Economic Plan for Solent and has identified transport investments to support long term economic growth.

Watermark West Quay: Major retailer in the City, which will soon open is new leisure complex that will support economic growth and job creation.

ABP Southampton: Operator of the Port of Southampton, a major local employer (5,000 in Southampton, 15,000 across Solent). We will work with through workplace Travel Plan network and improving cycling and walking infrastructure within the Port estate.

City Deal: Key delivery partner. Over the next 2 years they will be working with 600 long term unemployed people with health conditions and 250 NEET young people across the Southampton Travel to Work Area to support them into work and training.

Southampton Businesses: Local businesses/organisations that have benefitted from the workplaces support package in the LSTF programme and will act as ambassadors. These include Ordnance Survey, West Quay, Red Funnel, and Carnival UK.

Hampshire Chamber of Commerce: Independent voice for business; representing 4,000 local businesses in the South Hampshire region.

Sustrans: Leading sustainable transport charity and partner in Southampton's Centre for Sustainable Travel Choices programme.

British Cycling: National cycling organisation and partner with SCC, delivering led rides, training and support for SkyRide.

Public Health Southampton: Delivery partner and board member in the Centre for Sustainable Travel Choices programme.

University of Southampton: The University continues to invest in sustainable transport solutions to support the high number of students that live in the City.

Eastleigh College: Receiving Local Growth Deal support to expand opportunities for apprenticeships. This bid will support those seeking to access Eastleigh College.

Transport Research Group, University of Southampton – a nationally acclaimed department within one of the UK's leading research Universities, responsible for monitoring and evaluation of this project.

Solent Transport: Partnership body between Hampshire County Council, Portsmouth and Southampton City Councils and Isle of Wight Council.

Eastleigh Borough Council: Within Hampshire County Council covering a significant part of the journey to work area for Southampton.

New Forest District Council: A District Council within Hampshire County Council covering a key part of the journey to work area for Southampton and a key supporter of the bid.

Test Valley Borough Council: Within Hampshire County Council covering a key part of the journey to work area for Southampton and a key supporter of the bid.

Highways England - Highways England support better quality sustainable transport solutions. Their latest proposals for Redbridge Roundabout and the A3024 demonstrate their commitment to these ideas within the Southampton area.

Regulatory Services, SCC: Air quality management team, board member in the Centre for Sustainable Travel Choices programme and delivery partner.

SECTION B – The Business Case

B1. Project Summary

Following investment in cycling infrastructure and behaviour change (funded by LSTF) we have initiated the beginnings of a cycle culture within Southampton and the surrounding area. This has seen cycling rise to 7% along our three targeted corridors. We are now so confident that this is the right thing for the city that Southampton City Council and Hampshire County Council, with support of other organisations are planning to invest over £19m towards new cycle and walking infrastructure in the city and surrounding Hampshire towns by 2020. This activity is focused on three key corridors where evidence suggests there is latent demand. We are now asking for just over £2m to support a range of promotional activities whilst we undertake this investment. Our target is to increase the mode share of cycling on our three key corridors to 15%.

The strategic case shows that the city has all the right conditions to create a cycling culture in terms of very short commuting distances, busy road networks, flat topography and a well-established behaviour change brand – My Journey. In addition we also have a proven track record of delivery and in achieving successful outcomes. These are recognised through marketing awards for the My Journey campaign and through Southampton being Transport City of the Year in 2014 and runner up in 2015. This should give DfT the confidence that Access funding will be spent on behaviour change activity that will and have a real impact.

There are other reasons to invest Access funding in Southampton. We have a new air quality designation because we have been identified as having one of the highest levels of air pollution in the country leading to premature mortality, we are also one of the most socially excluded areas in the country and this gap is widening. The interventions included in this proposal have a direct positive impact on both these issues.

This Bid will focus on delivering cycling and walking revenue projects that are supported by capital infrastructure investments within the Southampton Travel to Work (TtW) area. This will directly support the primary Access Fund objectives by providing local people with realistic travel choices to access work, education, enhance skills, get them active and tackle the pressing air quality problem for the Southampton area with the ambition to make cycling the social norm. The Bid is a package of projects organised into three elements:

Element 1: Getting into Work and Training - using cycling as a means of getting into employment and training, with a focus on reducing transport barriers for long term unemployed people who are seeking a job or training, and working with employers to enable more staff to cycle and walk to work;

Element 2: The Cool Route to School – delivery of projects which engage with pupils and parents to build awareness, skills and confidence making travel to school by bike and on foot cool.

Element 3: Developing a Cycling and Walking Culture – Increasing cycling and walking through a totally new and much anticipated Legible Cycle Network, a week long Cycle Festival and grass roots support with targeted community groups designed to overcome barriers to physical activity. These activities will add benefit to the planned capital investment in cycle and walking infrastructure.

The revenue components of the Bid will complement capital investment in cycle and walking infrastructure targeted along three key corridors that connect to major employment, training and education sites. This planned investment is being delivered by the local authorities, Local Growth Deal, Highways England and partners including University of Southampton and ABP port of Southampton totalling £19.1m over the period 2016 to 2020. This ensures that the benefit of investing in the infrastructure can be maximised through the added value

derived from the package of behaviour change activities in this Bid. The £19.1m of supporting Infrastructure Schemes with cycling and walking elements due to be delivered 2016-2020 are:

Western Corridor

- Cycle infrastructure schemes in Totton, Romsey and Southampton along the corridor (SCC/HCC), Redbridge Roundabout including enhanced pedestrian and cycle facilities (Highways England)
- Millbrook Roundabout enhanced pedestrian and cycle facilities (SCC/Solent LEP), and
- Walking and cycling access and infrastructure in the Port of Southampton (ABP).

Northern Corridor

- Cycle infrastructure schemes in Eastleigh, Chandlers Ford and Southampton along the corridor (SCC/HCC), and
- Sustainable transport infrastructure and projects at the University of Southampton.

Eastern Corridor

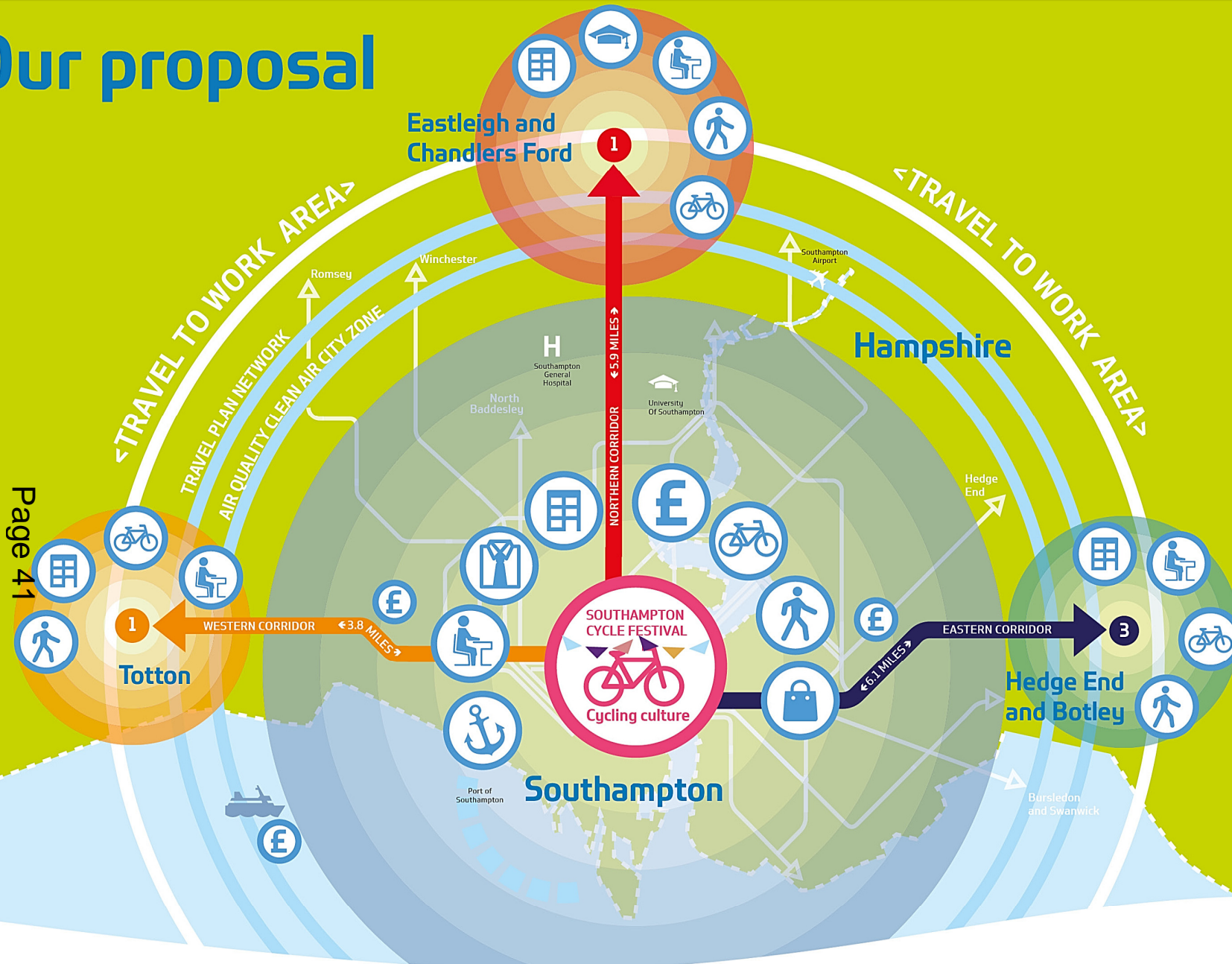
- Cycle infrastructure schemes in Hedge End, Botley and Southampton along the corridor (SCC/HCC),
- Botley Bypass including a pedestrian and cycle facility (HCC),
- Solent Gateways scheme – relocation of Red Funnel Isle of Wight ferry terminal with cycling and pedestrian facilities, and
- M27 Southampton Junctions Project including new and enhanced cycle and pedestrian facilities along the corridor and replacement of sub-standard Northam Rail Bridge (Highways England/SCC).

The Bid also complements LGD funding of £9m at Eastleigh College to improve its teaching accommodation as part of a skills improvement programme, £7.78m at Centenary Quay, Woolston delivering 342 new homes and public realm improvements, and recently completed LGD funded £7m Station Quarter North public realm and multi modal transport interchange at Southampton Central Station.

Headline Programme Outputs

- Double the mode share for cycling from the current 7.2% to 15% along the three corridors will mean an additional 1,572,120 cycle stages resulting in 6.6m car miles will be saved annually by 2020,
- An additional 2.6m journeys to and from work by bike and 2.7m miles walked to and from work by 2020,
- An additional 5,899 regular cyclists on the network through the workplaces and schools schemes,
- Support completion of £19.1m worth of cycling and walking infrastructure investment along the three corridors totalling 31.7km,
- Support the Southampton Clean Air Strategy targets to reduce levels of recorded NOx in the city's AQMAs and reduce the fraction of mortality attributable to poor air quality,
- Provide bespoke travel advice to 600 long-term unemployed people as they find active ways of getting back into work, with specific goals for the care industry.
- Support 500 new members of staff getting employed at Watermark West Quay,
- Doubling the number of businesses and employees engaged through an expanded Travel Plan Network from a current base of 53 businesses.
- Engaging with over 15,000 students at 38 schools to increase mode share for the number of pupils cycling, walking and scooting to school to 74%,
- Delivery of Legible Cycle Network wayfinding information signs along the three corridors, and
- Over 15,000 people engaged in active travel events each year.

Our proposal



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The Bid

ELEMENT 1 Getting into Work and Training

- Solent Jobs - pilot
- Port of Southampton
- Watermark WestQuay
- Eastleigh College
- Work place engagement and tool kits

ELEMENT 2 The Cool Route to School

- School travel planning
- Clean air school's challenge
- Bikelt

ELEMENT 3 Developing a Cycling and Walking Culture

- Showcasing cycling with My Journey
- Legible Cycle Network
- Showcasing walking with My Journey
- Cycling Festival

Supporting Walking and Cycle Capital Infrastructure

- Local Growth Deal Funding
- Capital Infrastructure
- Highways England Funding

Description of Bid Package

A description of the bid package and what it will deliver is below, the rationale for why this is the best approach for Southampton Travel to Work area is expanded on in the Strategic Case (B2).

Element 1 – Getting into Work and Training

Key Outputs:

- Providing bespoke travel advice to 600 long-term unemployed people as they find active ways of getting back into work,
- Support 500 new members of staff getting employed at Watermark West Quay,
- From current engagement with 53 businesses, double the number of businesses and employees engaged through an expanded Travel Plan Network.

Who is it for: Residents, Job-Seekers, Commuters, Businesses and Visitors

Strategic Case support: Access to new and existing Employment, Skills & Training; Increasing Cycling & Walking, Air Quality, Tackling Traffic Congestion.

Element 1 consists of three projects focussed on using cycling as a means of supporting the Southampton TtW economy. The projects will reduce the commonly stated transport barriers for people not pursuing a job or training opportunity and work with existing employees from some of the area's largest workplaces to promote journeys that are cycle-able. To have the greatest impact on long term behaviour change, these projects will have a geographic focus along the three transport corridors where supporting walking and cycling infrastructure is being built and where there is areas of high employment density.

i) Solent Jobs Pilot

- A dedicated Travel Advisor (0.6x FTE) and resources will be provided over a two year period (2017-2019) to integrate travel support and advice in the Solent Jobs Pilot programme, working with 600 of the very long-term unemployed¹ as part of the Southampton-Portsmouth City Deal;
- A specific focus for this support through the City Deal will be for the care industry, where lots of job opportunities exist but can't be filled as employees are reliant on driving between appointments where care is required and also struggle to get there on time and find parking. Active travel options can help to eliminate some of these barriers so carers can travel direct to client appointments without the need for a car or parking. Active travel modes offer more control over journey times, reduce congestion, pollution, fuel and parking costs;
- The Advisor will provide tailored travel planning support and advice advocating affordable and active travel alternatives to the private car, such as Wheels 2 Work, to overcome the transport barriers such as placements in shift work where public transport does not run.

ii) Travel Assistance Points

A Workplace Travel Plan Advisor (1x FTE) and resources will provide tailored travel advice and cycle support services with three employment and training providers, listed below, within the TtW area to make active travel a habit from day one of their employment or training. The advice will be targeted for those seeking to work, start apprenticeships or attending college. Research has shown that intensive engagement at 'transition points' represent the best opportunities for embedding active travel behaviours.

¹ NEETs who were not successful in getting a placement through the City Deal Work Programme and not working for a minimum of 24 months

- Port of Southampton – one of the biggest employers (5,000 in Southampton and supporting 15,000 jobs across the Solent) adjacent to investment being made in the Western Cycle Corridor and a significant contributor to NOx and CO2 emissions;
- Watermark West Quay – a major £85m leisure-led development (cinema, bowling alley, 200 residential units and 20 restaurants) in Southampton city centre where the three cycle corridors meet is due for completion over the next 12 months providing 500 new jobs;
- Eastleigh College – provides education and skills training to 18,000 students covering standard 16-19 years olds in full-time education, 2,000 apprenticeships, employee development, and adult education. Located close to Eastleigh town centre on the Northern Cycle Corridor. It has been provisionally awarded £9m Local Growth Fund funding by the Solent LEP to renovate and expand its campus buildings to provide skills and knowledge that local employers require.

iii) Workplace Travel Plan Network

- A Workplace Travel Plan Advisor (1x FTE) will work closely and more intensely with major employers located along the three key cycle corridors by expanding the existing successful Southampton Travel Plan Network (TPN). This will have an emphasis on cycling activities and incentives designed to increase the number of people walking and cycling to work. The current TPN has 53 business engaged primarily in Southampton city centre, and we will expand the TPN to businesses in the wider Travel to Work area including the Port of Southampton, University of Southampton, and businesses in Chandlers Ford/Eastleigh, Totton/Waterside and Hedge End/Botley/Hamble;
- We will provide a tailored package of resources, initiatives, activities and incentives targeted at workplaces keen to work with us. Initiatives will include a toolkit for self-promotion made up of template promotional materials, induction packs for new starters, promotional events to launch and support cycle initiatives, cycle support services and grants for improved facilities for cyclists (cycle parking, changing facilities, information) matched by SCC/HCC and the business;
- Participating members will sign up to a 'Cycle Charter' through the STARS initiative to target, measure and sustain good practice - with an emphasis on increasing the number of cyclists;
- By 2020 the TPN will be self-sustaining and working proactively with the Solent LEP in identifying transport improvements within the area that lead to significant economic development.

Element 2 – The Cool Route to School

Key Outputs: Engage with over 15,000 students at 38 schools to increase mode share for the number of pupils cycling, walking and scooting to school to 74%,

Who is it for: Residents and Schools.

Strategic Case support: Access to Education; Increasing Cycling and Walking, improving Air Quality and Tackling Traffic Congestion.

Element 2 consists of four projects and looks to promote sustainable access to education in the Southampton Travel to Work area. Daily school run traffic places considerable demand on the transport network at peak times, causing localised congestion and delays that negatively affect businesses, freight/delivery operations and air quality. We will work closely with schools on four projects to influence travel behaviour of pupils and parents by promoting the benefits of active travel to school and influencing parents everyday travel choices.. Partnership working between Sustrans, SCC and HCC has already established a well-supported core programme for schools of Bike-It and STARS. Of the 144 schools within the target area, 38 schools will be prioritised for intensive engagement against criteria of proximity to the main key corridors and associated promotable infrastructure, levels of

previous engagement with the school, Bikeit engagement, proximity to Air Quality Management Areas (AQMAs) and levels of car mode share. The four school projects are:

i) Clean Air Schools Challenge

- In response to DEFRA identifying the Southampton area as one of the five UK cities that are predicted to exceed limit values for NOx in 2020, funding will support development, training and delivery of a Clean Air Schools Challenge & Exhibition. This will visit five schools a year in the Southampton TtW area to raise awareness of the air quality issues and provide information on how cycling and walking can help tackle the problem.
- This new activity will build on the success of a pilot scheme run in 2015. During the summer holidays the exhibition will be a temporary exhibition at Southampton's Sea City Museum and The Point in Eastleigh to further promote the issue and demonstrate how everyone can play their part in improving air quality.

ii) Bikelt

- We will continue the well-received Bikelt programme engaging with schools that has operated in the Southampton TtW area over the past four years. It will provide for 1xFTE covering Southampton, for which funding is currently secured until spring 2017, and 1x FTE covering Hampshire (Eastleigh/Chandlers Ford, Totton & Hedge End), plus resources to deliver activities in schools. The Bikelt programme has engaged with 32 primary and secondary schools and over 9,000 children and this project will engage with a further 38 schools and potentially 15,300 pupils, plus staff and parents.

iii) School Travel Planning

- We will continue in-depth support for schools through the Modeshift STARS programme to achieve modal shift to cycling and walking. We will provide for 1.8xFTE School Travel Plan Officers to coordinate the Bikelt sessions and STARS accreditation, managing the core activity programme and stakeholder engagement. The successful bid would support 1 FTE covering Southampton (an increase in provision from the current 0.6 FTE, for which funding is secured till spring 2017), and 0.8 FTE covering Hampshire. (Eastleigh/Chandlers Ford, Totton & Hedge End) with resources to deliver activities and events. In the Bid area, 32 schools are already on the STARS programme and this project will continue that engagement and increase it to 38 plus capital funding support to deliver local infrastructure in and around the schools (e.g. cycle/scooter parking, cycle routes and DIY Play Streets).

iv) Core Programme Activity

- To maintain and grow these levels of active travel to school and make everyday cycling cool, we will the core programme of activities, using the successful initiatives 'Walk to School Week', Road Safety Training and The Big Pedal at 38 schools over the Bid period.

Element 3 - Developing a Cycling and Walking Culture

Key Outputs: Delivery of Legible Cycle Network wayfinding information signs along the three corridors, and over 15,000 people taking part in active travel events each year

Who is it for: Residents, Commuters, Businesses Visitors and Schools

Strategic Case support: Access to Employment, Skills & Training, Access to Education; Increasing Cycling & Walking, improving Air Quality and Tackling Traffic Congestion.

Element 3 consists of three projects and is focused on supporting the increases in people walking and cycling, whether this is to work, school or for fun. It is centred on developing a vibe and culture for cycling by promoting new and existing infrastructure, raising the profile of cycling where everyone can take part, making it easy to get back into cycling. This is an essential part of the Bid as it is aimed at widening people's active travel choices so that the

Southampton area can grow sustainably and meet its challenges around air quality, physical inactivity and sustainable economic growth.

i) Legible Cycle Network

- We will develop a consistent Legible Cycle Network for signing and information to continue to raise the profile of cycling and increase awareness of the three cycle corridors (total of 31.7km) where cycling infrastructure is being invested. This will also give new and future users the ability to navigate the best cycle routes confidently and tackle barriers around people's knowledge about the cycle routes and connections;
- Funding will be for phase 3 and 4 of the project, builds on the previously funded LSTF phases 1 and 2 (an audit of the key corridors of the network and development of a 'tube map'). Phase 3 is GIS mapping and audit of the next levels of the network - district routes, quietways and greenways to help map and plan improvement works. Phase 4 will develop the look and feel of the brand and implementation of the wayfinding and Bike to Bus (Eastleigh only) infrastructure along the three corridors with colour coded logos, signs and maps (linear and traditional) on interactive totems – including one VMS totem to support mobility on the go.

ii) Southampton Cycle Festival

- We will expand Southampton's successful mass participation event (SkyRide) to become the Southampton Cycle Festival - a week of activities and events that celebrates cycling across all sectors – with the aim of making cycling the social norm. The Festival week will comprise of the Big Bike Ride (SkyRide which attracted 12,000 people in 2016), the Big Bike Race (establishing a sportive/race e.g. 'Mayflower Classic' to attract elite level teams along with amateurs), supporting events/promotions, led rides (SkyRide Local), challenges (Commuter Cycle Challenge) and activities around the city in workplaces, civic spaces and schools. This aim will be to grow cycle participation by allowing people the opportunity to improve their cycle confidence by using traffic free/closed roads. Funding is required to initially support the Big Bike Race, maintain the 'free' element (family mass participation Big Bike Ride), and grow the income from the commercial, sponsorship and entry fees for the Big Bike Race to support the whole Festival. Other key partners include British Cycling, Sustrans, CyclingUK, local bike projects/groups, businesses, social cycling and volunteers.
- Alongside the flagship Southampton Cycle Festival will be a complementary local 'mini' cycling festival in each of the towns across a day coinciding with other events that are taking place (e.g. Eastleigh Carnival), to bring the cycling vibe into communities that aren't currently engaged or experience the opportunities. In addition there will be a Local Big Bike Ride that has the same ethos as the bigger version, around providing an environment where a family or those less confident can cycle and gain confidence.

iii) Join the Club

- We will take a bottom up approach to growing cycling and walking by empowering and resourcing local community groups who organise and participate in regular cycling activities for their members and the wider community through events such as the Big Bike Revival and CyclingUK's Community Clubs Programme.
- A Community Cycle Officer (1x FTE) will work with groups to create tailored activities which meet their needs and interests. Once established they can provide the club/group with support and equipment to enable to group to continue to incorporate cycling as a regular fixture. In the Southampton area this will focus on getting cycling into deprived communities, getting women – particularly new Mums with babies – back onto their bikes, minority groups and disenfranchised youth. We will also work with different areas of cycling (e.g. BMX, elite/club, mountain bike, stunts) as a way of getting people into cycling or riding a bike and making it the social norm.
- We will expand the network of Bike Kitchens by resourcing community hubs in Hedge End, Eastleigh and Totton with maintenance facilities and cycle refurbishment for cheap/low cost resale to increase access to a bike in low income communities.

Showcase Cycling and Walking – Annual package of promotion and marketing

A key strand linking the three elements is the continued use of the award winning marketing campaign – My Journey. A 1x FTE Marketing Officer will develop a clear message that showcases cycling and walking so that it is seen positively as a everyday transport mode. My Journey is a market tested, engaging and memorable brand that uses illustration to communicate its key messages in relation to active travel. One of the advantages for this proposal is that it's a shared asset for both Hampshire and Southampton whereby all communications can utilise the same creative for campaigns and marketing materials; leading to efficiencies and savings. My Journey brand awareness is at 43% in the wider Hampshire area and over 50% in Southampton with clear indications of achieving behaviour change through campaigns. This brand will be used to communicate all aspects of this bid. The annual programme consists of:

- Promotion/launch of new cycle and walking infrastructure along the three corridors,
- A major cycle related campaign with a themed message around how cycling can improve health, save money, tackle air quality, reduce carbon emissions and improve safety, as a method of breaking down the barriers/changing the image around cycling to make it attractive, cool and a social norm;
- Targeted support at events (e.g. Mayflower 400 celebrations, Southampton Boat Show) with temporary cycle parking hire or My Journey Roadshows;
- Target support for particular audiences or groups that do not have high levels of cycle participation – e.g. women, deprived neighbourhoods;
- Campaign support for the Cycle Festivals, workplace and schools projects e.g. BikeWeek, Walk to School; and
- Development, promotion and marketing of walking trails and walking related activities e.g. Marwell Zoo's Zany Zebras.
- All marketing communications direct online traffic to the My Journey website which to date over 1,000,000 pages have been viewed in over 550,000 sessions by more than 430,000 visitors. It is anticipated this will increase by at least 20% year on year. Social Media will be used to engage our audiences in quicker and shorter communications designed to be shared with other stakeholders, family and friends. The My Journey brand has won awards and / or been shortlisted ten times over for marketing excellence within its professional sector and that of sustainable travel. Examples include professional marketing bodies such as the CIPR and PRCA. Other awarding bodies include The Guardian, UK Public Sector Marketing Awards and Smarter Travel Awards.

B2. The Strategic Case

The Strategic Challenges

The Solent suffers from congestion which is holding back economic growth.

The Solent economy is currently worth over £25.8bn GVA (2011 prices), and the ambition of both local authorities and the Solent LEP are to achieve significant economic growth targets, aiming to increase both productivity per job and GVA. However, whilst employment growth in Solent has exceeded expectations, productivity per job remains 12% below the South East average and 5% below the UK average as reported by Oxford Economics. Part of the cause of this loss of productivity was attributed by Oxford Economics to congestion. Currently, average journey speeds are 32% lower than the national average.

Short motorised journeys effect on to urban congestion

Shorter trips are having a large effect on overall traffic patterns, particularly in urban areas. Analysis by Solent Transport using their SRTM of trip length of motorised journeys shows

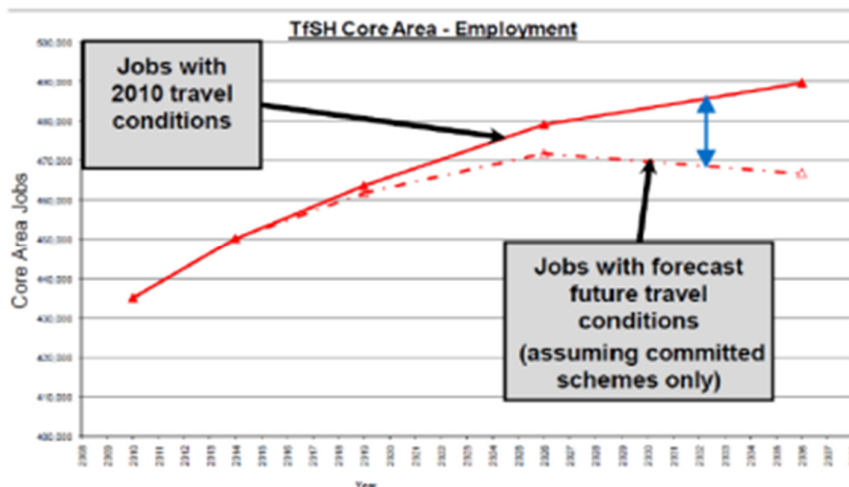
that 38% of all internal car trips within the mainland area are less than 5km in length and this rises to 56% in the most densely populated areas, which includes Southampton.

Nationally, research has found that the school run contributes 24% of overall traffic in the morning peak. In Southampton, over 40 schools have catchment area within 500m of a key arterial route into the city centre.

Congestion will get worse if left unaddressed

It is anticipated that Southampton's population will rise from around 240,000 currently to 285,000 in 2036, which could potentially increase total travel demand from 712,000 trips in 2014 to almost 800,000 in 2036. Without addressing this increase in traffic, the total time lost in delays is set to increase by more than 50% compared to 2010 levels. Most delays currently occur in the urban areas on radial routes into the city centres, as well as within the city centres. Analysis within the South Hampshire Transport Development Plan also predicted increasing levels of congestion over the period to 2026 with traffic flows increasing by 13%. And these problems are forecast to worsen in the future.

A decline in jobs post 2026 is predicted if no changes are made to the forecasted increase in traffic, as modelled by the Local Economic Impact Model component of the SRTM. The LEIM modelled the economic impact of this increasing congestion on jobs and housing growth, compared to a scenario where congestion doesn't worsen. Whilst the impact is limited in the short term, over the medium to longer term, it is significant. In an area already underperforming in terms of productivity, this is a clear problem.



Too many people in the Southampton area have poor health

Traffic is responsible for poor air quality leading to premature death DEFRA have identified the Southampton area as one of the five UK cities that are predicted to continue to exceed limit values for NOx in 2020 and road traffic emissions make a significant contribution to this. Data from Public Health England for 2015 has estimated that particulate air pollution causes 262 excess deaths per annum in the Southampton Journey to Work Area.

As a consequence of the model for continued exceedance, DEFRA has nominated Southampton as a location for a mandatory Clean Air Zone to meet the 2020 EU air quality limits. Other leading institutions have also weighed in; the World Health Organisation latest data shows that Southampton is one of 11 urban areas across the UK and Ireland breached the safe limit set for PM10.

There are eleven AQMAs in Southampton, three in Eastleigh Borough and one in the New Forest at Totton; these are all on transport corridors with high levels of road traffic. 44 schools have an AQMA either within their catchment area, or within 500m of their catchment area.

An analysis of Chronic Obstructive Pulmonary Disease registers showed that the crude prevalence rate of those with COPD was 1.7%; significantly higher than the England average. Further analysis by Southampton Public Health mapping COPD hospital admissions showed higher rates in Redbridge, Millbrook and Freemantle—all along key traffic corridors to the Port of Southampton and City Centre.

Physical activity rates are low and obesity is high

In Southampton, only 24% of adults are considered to be physically active (i.e. meeting the Chief Medical Officer's recommendation of participating in 30 minutes of moderately intensive activity three times per week).

Southampton is seventh place for the highest levels of obesity in the UK, according to the recent obesity report from the Health and Social Care Information Centre (HSCIC). Their analysis of hospital admissions found that out of every 100,000 people in Southampton there were 1,755 admissions where medics recorded a "primary or secondary" diagnosis of obesity. That is more than double the national average of 811 per 100,000 admissions. Overall, an estimated 63.5% of adults are classified as being either overweight or obese and In Southampton, it is estimated that obesity alone costs £4.5m per annum and if other diseases that raise BMI are included, this increases to £28.9m (Source: Public Health Southampton).

In Southampton, childhood obesity is most prevalent in the most deprived wards, where 23% of Year 6 children are obese compared to 15% in more affluent wards. Low physical activity rates is a national problem, with less than a quarter of primary school students meeting the suggested physical activity guidelines, and dropping to 11% of secondary school students.

The Southampton area has a high level of social exclusion, which is getting worse.

Within the Southampton Journey to Work area, there are significant pockets of deprivation and social exclusion in Southampton. In 2015, it was ranked as the 67th most deprived local authority area (out of 326) in the Index of Multiple Deprivation (IMD). This has worsened since 2010, when it was ranked 81st. Southampton now has a greater number of Lower Layer Super Output Areas (LSOAs) within the 10% most deprived in England, compared with IMD 2010 (an increase from 10 to 19). Almost 70% of LSOAs are more deprived in relative terms, compared with 2010. In addition, LSOAs in central Totton, central Eastleigh and Bishopstoke, and Millbrook have over 25% of households without access to a car, rising to over 40% of households in Newtown, and Northam. If more isn't done to increase transport alternatives to work, these communities' isolation and deprivation will only worsen.

There are wider impacts beyond the economy and transport access. Areas of multiple deprivation are adversely impacted on public health issues as well—both in terms of rates of obesity, children living in poverty, and air pollution. Redbridge, Millbrook, Northam, and Newtown all over 90th percentile on IMD and have AQMA areas running through their neighbourhoods. With car ownership and driving lower than average in those areas, they are suffering from congestion that they are contributing less to.

Solent LEP have also identified getting more people into work as a key target for the region as a whole. They have set a target as part of their Strategic Economic Plan to increase employment rates to 80% from the current 78% and improve economic activity rates from 80% to 81%.

Distance

🚲 Southampton to Eastleigh
5.9 miles (40 minutes cycling)

🚲 Southampton to Totton
3.8 miles (27 minutes cycling)

🚲 Southampton to Hedge End
6.1 miles (42 minutes cycling)

1 MILE

41,302

people who live in Southampton commute out to work...

Of which 31% go to Eastleigh

17  train stations

Eastleigh and Chandlers Ford

3.2M

journeys begin or end at Southampton Airport Parkway and Eastleigh stations

1.78M 

passengers used Southampton Airport in 2015 to 39 destinations

HAMPSHIRE

755 miles of highway



175

people were killed or seriously injured on our roads in 2015



3.8% of people cycle to work

41,891

people commute into Southampton to work from outside of which 27% come from Eastleigh

683 miles of footways

148 miles of public rights of way

11.8% ^{Above national average} journeys to work are on foot

125,639 people both live and work here

510,000 people live here



6.2% of residents travel by bus to work



60.9% of people drive a car to work



Journeys to work by bike rose by 13% 2001-2011



Page 49

Totton



SOUTHAMPTON

72 miles of dedicated cycle routes

6.4M

JOURNEYS began or ended at Southampton Central station

2 Universities

60,000 students

21% of households in the city do not own a car

Hedge End and Botley

4TH

LARGEST PORT

in the UK with 36M tonnes of cargo going through in 2015

Southampton City Centre

11.9M JOURNEYS

went through the train stations, 12.3% more than in 2010/11



18.5M

journeys were made on buses, up 4% on the previous year

3.5M

ferry passengers travelled through Southampton on Red Funnel to Isle of Wight and across to Hythe in 2014



1.7M

cruise visitors passed through the Port of Southampton in 2013/14

210km²

travel to work area [81miles²]

Travel to work area Current picture

The Strategic Approach

In 2011, to support addressing the strategic challenges identified above as well as the wider transport needs of the region, the three mainland Solent Transport authorities (Hampshire County Council, Portsmouth and Southampton City Councils) agreed a joint South Hampshire Local Transport Plan (LTP) Strategy, covering the period to 2031. This was then incorporated into individual authorities' Local Transport Plans.

Policy Context

The South Hampshire LTP3 (2011-2031) identified a number of proposed outcomes, all of which are relevant to this Bid:

- Reduced dependence on the private car through an increased number of people choosing public transport and the 'active travel' modes of walking and cycling;
- Improved awareness of the different travel options available to people for their journeys, enabling informed choices about whether people travel, and how;
- Improved journey time reliability for all modes;
- Improved road safety within the sub region;
- Improved accessibility within and beyond the sub region;
- Improved air quality and environment, and reduced greenhouse gas emissions; and
- Promoting a higher quality of life.

The Strategy includes a number of policies that aim to deliver the above outcomes. Those relevant to this bid are as follows, together with the Outcomes they contribute to:

- Policy A: To develop transport improvements that support sustainable economic growth and development within South Hampshire (3);
- Policy E: To deliver improvements in air quality (6,7);
- Policy G: To improve road safety across the sub-region (4,7); and
- Policy H: To promote active travel modes and develop supporting infrastructure (1,2,7);

Solent Transport has also created a Transport Delivery Plan (TDP). The TDP presents the prioritised transport interventions needed to support sustainable economic growth over the period from 2012 to 2026, to meet identified outcomes and objectives including improving sustainable access linking people to jobs and key facilities in our cities and towns. The Transport Delivery Plan set out an overarching strategy - Reduce. Manage. Invest.

In order to match the employment and housing growth forecasted by the Solent LEP, reduction of vehicle movements is essential to avoid more expensive investment in infrastructure that would be required in the future to tackle the potential 800,000 vehicle movements in 2036. Managing the existing network through improvements to pinch points, improving the resilience of the road network is important, and the Solent LEP has contributed significant funds towards improving those congestion hotspots through their Local Growth Fund.

However, it is by focusing on reduction first and foremost where the real savings will be found—not only for mitigating the need for expensive infrastructure in decades to come, but for improving lives and journey times now. This focus on reduction was instrumental to the design and success of the Southampton Sustainable Travel City and Better Connected South Hampshire LSTF projects, with focus on roll out of a wider LSTF-esque walking and cycling investment programme and further investment in strategic cycle routes that promote walking and cycling and reduce the need to travel.

This same approach is the foundation of this bid—reduce vehicle movements through a combination of behaviour change initiatives and capital improvements that focus on walking and cycling infrastructure. The Bid is entirely consistent with the TDP and South Hampshire LTP policy framework documents.

The Partnership for Urban South Hampshire (PUSH) published an updated Spatial Strategy Review in June 2016, focusing on a 'city first' approach that will help to keep commuting distances short. The housing allocations calculated (2011-2036) for Southampton is 19,450 dwellings, keeping potential employees close to the major workplaces in the area. Eastleigh has a target of 14,950 dwellings; an area of growth that links closely to the planned North cycle corridor, as well as key employment areas in Chilworth and Chandler's Ford. Smaller housing allocations are in Test Valley with 4,640 dwellings and New Forest with 3,600 dwellings.

Narrowing the focus: a compact bid area

The TDP highlighted the importance of short journeys moving away from car use and onto active travel. In terms of modal split, data from the Solent Transport Sub Regional Transport Model (SRTM) indicates that walking and cycling account for 32% of all trips originating within Southampton. Walking and cycling therefore already form a significant proportion of all journeys, but there is potential for much more growth. Although the Solent covers an area west of Southampton and east of Portsmouth as well as the Isle of Wight, a focus on short journeys was determined to be key to the Bid's success.

Analysis by Solent Transport found that trip length of motorised journeys shows that 56% of all internal car trips within Southampton are less than 5km in length. When compared to the commuting mode share, this SRTM analysis demonstrates that there is enormous potential to convert more trips to walking and cycling. By focusing on an urban setting and its surrounding areas, this programme makes the most of a compact conurbation. With significant additional housing allocations and employment plans, it is essential to convert more vehicle stages to walking and cycling. This Bid focuses on the Southampton Travel to Work area and centres around three key travel corridors.

The Southampton Travel to Work (TtW) area

The Southampton Travel to Work area extends well beyond the city administrative boundary and covers an area of 210km² with a combined population of 510,000 people and an estimated £5.78bn GVA for the area. Southampton is the centre of the Travel to Work area, with a population of 249,500 and is a compact city and relatively flat where journeys can be made easily by bike or on foot. Eastleigh Borough forms the next largest proportion with a population of 179,000 and the parts of New Forest 56,000 and Test Valley 25,500 within the Travel to Work area have populations of 56,000 and 25,500 respectively.

Distances between Southampton city centre and the neighbouring towns are relatively short with Totton being 3.6miles, Eastleigh 5.9 miles and Hedge End 6.1 miles – all distances with a comfortable 45 minute cycle.

Southampton has one of the highest levels of employment self-containment in Solent, with 53,597 people who live in Southampton also work in the city – at the TtW area level this rises to 125,639 residents who also work within the area. Within Southampton, most movements within the morning commute are to key employment areas—the core city centre, Southampton Port, the University of Southampton, and the hospital. In a compact city, most of these journeys are less than five miles. In addition, there are particularly strong two way Journey to Work movements between Southampton and Eastleigh Borough (13,304 Southampton to Eastleigh and 10,830 Eastleigh to Southampton), which are the highest inter authority commuting flows in the Solent. Another strong flow is between New Forest District and Southampton (around 3,000 in each direction).

Currently 3.8% of all journeys to work in the TtW area are made by bike and 11.8% are made on foot (2011 Census) – meaning out of 198,000 people almost 27,000 are already making journeys to work by cycling or walking. Coming into Southampton city centre each day during the AM peak are over 1,400 people on bikes and over 4,100 walking.

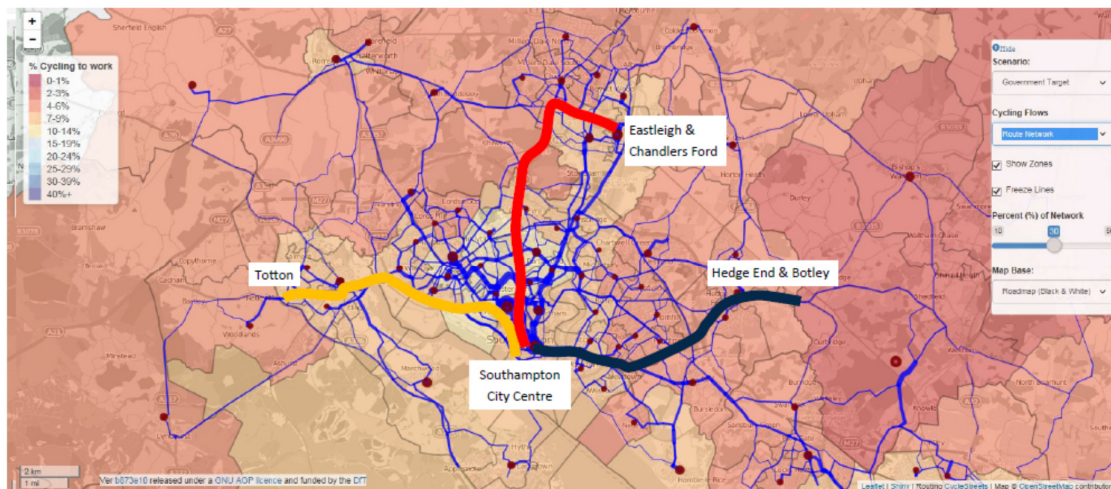
Looking specifically at the Journey to Work, the 2011 Census indicates that cycling's mode share across the area is 3.8% and walking is 9.8%, a total of 13.6%. In Southampton itself, cycling rises to 4.7% and walking to 16.5% reflecting the compact nature of the city and location of jobs – concentrated in the city centre where walking to work has a high mode share. Compared to Eastleigh cycling drops to 2.5% and walking 7.5%, New Forest cycling is 4.2% and walking 6.6%, and Test Valley cycling is 2.6% and walking 4.3%. These reflect the more rural suburban nature of these adjacent areas and where there is potential to increase cycling and walking.

Connecting the Travel to Work area - The three transport corridors

We know from previous projects such as the LSTF that the greatest impact can be made when behaviour change initiatives are paired with capital investment. As such, this Bid is focused around three transport corridors that cater for a significant proportion of the journeys between Southampton and its wider TtW area. They also represent the main routes that people currently use for cycle commuting. Cycle flows along these corridors are:

- Between Totton and the city centre along A33 Western Approach with over 600 cyclists/day,
- Eastleigh/Chandlers Ford to the city centre via The Avenue around 200 cyclists/day,
- Hedge End & Hamble via A3025 to Itchen Bridge at around 200 cyclists/day.

These high volume cycle corridors are the focus of our infrastructure investment which the behaviour change projects will support. Using DfT's Propensity to Cycle toolkit (below), the potential for growth in the numbers of people cycling is in those areas closest to the corridors where infrastructure is being implemented.



Propensity to Cycle Toolkit with Cycle Infrastructure overlaid— Government Target CWIS

The Solent LEP has recently submitted a bid for the third round of Local Growth Deal (July 2016) capital funding to deliver its economic growth targets, among which are a number of infrastructure improvements along the three corridors.

- Millbrook Roundabout a £5.81m LGD request to deliver a £8.3m major maintenance scheme including cycle and pedestrian crossing facilities (on Western Cycle Corridor),

- LGD support towards the Botley Bypass - a £24m project to take through traffic from Botley village centre (an Air Quality Management Area) and provide access to major development areas and connect new cycle/pedestrian paths to the Eastern Cycle Corridor,
- Eastleigh College a £9m LGD request to support a 12.4m project to provide accommodation upgrades and extensions at a key further education skills provider on the Northern Cycle Corridor, and
- Centenary Quay Phase 4 a £7.78m LGD request to deliver public realm infrastructure as part of a £72.2m,342 home development in Woolston adjacent to the Eastern Cycle Corridor.

Previous Local Growth Deal funding has delivered Station Quarter North, a £7m project to improve the public realm at Southampton Central station including cycling infrastructure (cycle parking and facilities) to improve the interchange between rail and other modes including walking and cycling.

Our approach: The Case for Investment

To address the Strategic Challenges of growing air quality concerns, congestion, and an underperforming economy, we have a targeted approach—around the compact Southampton Travel to Work area, around the three key transport corridors, and around the people who will see the most impact. Building on our previous successful behaviour change programme, we will provide local people with realistic travel choices to access work, education, enhance their skills, getting them active and tackle the pressing air quality problem for the Southampton area.

Targeting our efforts in the right areas

These key corridors that cater for a high volume of cyclists are the focus of our infrastructure investment which the behaviour change projects will support. This is for three reasons—the first is that these are the corridors that existing cycling commuters use. Capital works along these corridors not only improve the journeys of these existing cyclists, but we can use their baseline numbers to establish cycling as a social norm— Drivers using the same arterial routes see ‘people like them’ cycling alongside, giving increased exposure to a new social norm Monday to Friday. This is fundamental to our plan to “Develop a Walking and Cycling Culture”. The Legible Cycle Network wayfinding scheme will also help to ensure that new and potential cyclists know what routes are available to them and see these corridors as attractive options.

The second reason for focusing our revenue work along these key routes is to benefit lapsed, occasional, or non-cyclists. These corridors are through neighbourhoods with a high propensity for cycling as mapped using DfT Propensity for Cycling tool, so our initiatives measures will reach audiences with a greater likelihood to change their behaviour. In addition, perception of safety has been shown to be a significant barrier to people taking up cycling. This is confirmed locally by people’s intentions in the Southampton Travel Attitudes Survey 2015, where a third of respondents wanted to cycle more often but felt they were not confident enough to cycle on the road. Direct, safe, segregated routes will be the focus of our revenue measures to ensure that residents and commuters who don’t currently cycle know about these corridors.

The third reason is that a tighter geographic focus intensifies the impact. By focusing on schools, workplaces and neighbourhoods around the three cycle corridors, the programme not only makes the most of synergy with capital investment, but residents living nearby see the impact—see more cyclists and walkers in their neighbourhoods day after day.

Targeting our efforts at the right people - those who want to change

MOSAIC analysis completed in 2011 in preparation for the Southampton LSTF programme has detailed information about likelihood to change behaviour, current travel usage and access to a range of transport options. For example, our plans to promote “The cool route to school” will work along the Northern Corridor will target ‘more affluent families’ who have the highest driving patterns of any segment but also have very high rates of access to bikes and have indicated they are among the most likely to begin walking and cycling. Segments of the population who are most likely to access the Jobs Pilot programme have very low car ownership rates, but also tend to live within walking distance of the Port and the city centre.

The MOSAIC analysis is also supplemented by the Travel Attitudes Survey commissioned in 2014 and 2015 across Southampton and South Hampshire by ICM Unlimited. Results showed that one third of people want to walk and cycle more in the next year. Our mass participation events and targeted approach with schools and workplaces will make it easier to reach those who are more likely to change.

Targeting our efforts at the right people - those whose change will create the most impact

Getting people into work and training is essential to reduce congestion on the overall network, as AM and PM peak congestion can lock up the network and affect productivity. By focusing engagement on workplaces along the key corridors, within the city centre, or in the surrounding settlements, we connect with existing commuter patterns—we know that there is already a good baseline of walkers and cyclists, and potential to expand.

Element 1 of the Bid “Getting into Work and Training” also has a strong focus on people in ‘transition points’. Travel assistance will also be offered to Southampton TtW residents who are starting new employment and skills opportunities, whether based at Eastleigh College, Port of Southampton or Watermark West Quay. Research has shown that ‘transition points’ offer the best opportunity to change behaviour, and that specific journey planning is one of the most effective measures for enabling travel behaviour change. (Behaviour Insights Toolkit, DfT). By offering journey planning at those transition points, our project makes the most effective use of officer resource.

Our work in schools will be focused on mode shift for short journeys. The 38 participating schools will be decided against criteria of proximity to the main Travel to Work Corridors and associated promotable infrastructure, levels of previous engagement with the school, existing Bike It engagement, proximity to Air Quality Management Areas (AQMAs) and levels of car mode share.

Targeted initiatives for those seeking employment is also essential to tackle growing social exclusion. Clients who are long-term unemployed often do not have access to a car. Whereas results from the Travel Attitudes Survey across the Southampton population indicated that 20% of households do not own or have access to a car, this figure rose to 91.7% among the previous Into Work participants. In addition, a number of the opportunities available within the Jobs Pilot are within the care industry—positions are based across the Southampton TtW area. Bike loans and journey planning for those already with bikes will help participants to access positions that are not well served by public transport, either because of location or because of shift patterns.

Working within the community often takes a ‘scattershot’ approach. By linking in with partnering organisations to help deliver bike maintenance sessions, cycle rides and other activities, we can ensure that we are able to work with communities who are more likely to change. By having a geographic focus for the Southampton Cycling Festival, this will make it easier to focus the work in the community.

Increasing modal shift of walking and cycling

Increase walking and cycle stages for commuters

Support for workplaces will also be focused on businesses along the corridor routes and at the end of each corridor—Eastleigh and Chandlers Ford, Totton and Waterside, and Hedge End, Botley and Hamble, as well as intensifying efforts in the city centre.

The Travel Planners Network (TPN) will double its size by 2020, and increase its reach to commuters within the Southampton TtW area. This will build on the successful existing network that grew from 10 members in 2011 to 53 business in 2016. A number of the area's top employers are already part of the network, and have achieved considerable changes to their employees' travel patterns. By having leading employers setting an example and sharing best practice, the TPN can work towards the goal of having a self-sustaining group by 2020 and beyond; speaking as a core group of businesses who are committed to sustainable travel.

One key member of the organisation is Old Mutual Wealth, based in Southampton City Centre. A recent staff travel survey at Old Mutual Wealth in Southampton showed single car occupancy drop by 12 percentage points between 2014 and 2015 with the numbers walking and cycling to work at 24%. Workplaces Officers have assisted them with events, set up walking challenges, and advised on Bike Doctor services that the company pays for regularly.

The University of Southampton, based on the Northern Corridor, is another key member of the Travel Plan Network. They have reduced their single occupancy car use amongst staff to 37.5%, 9 percentage points below their 2010 baseline of 46.5%. A new focus of the expanded Travel Plan Network will be the Port of Southampton, with ABP, the largest employer within the Port of Southampton, and other key businesses joining the TPN.

Together, the Port of Southampton and University of Southampton are worth £1.4bn to the city's economy directly and indirectly, employing almost 8.5% of Southampton TtW area's workforce.

Increase walking and cycling to school

Cycling and walking rates at Southampton TtW schools have shown tremendous improvements since 2011. Just amongst Southampton Bike It schools, there are approximately 82,000 cycling and 700,000 walking journeys annually.

As a whole across the Southampton TtW area, a number of improvements have been made in rates of active travel amongst students. During the LSTF, 8% of students in Southampton and 12.7% of students in South Hampshire at schools that engaged with Sustrans Officers through the Bike-It programme reported usually cycling to school after engagement. Those schools also reported a decrease in pupils who usually travel to school by car—5.6 percentage point drop in Southampton (23.8% from 28.2% at the start of engagement) and 3.6 percentage points in South Hampshire (26.7% down from 30.3% at baseline) .

Schools who are part of the wider STARS school travel planning programme have also benefitted from a change in travel. Since 2003, walking at Hampshire schools has risen from 40% to 52%, cycling has risen from 2% to 3%, and driving to school alone has dropped from 44% to 32%. Over a similar period in Southampton, walking has increased from 24.9% to 44.2%, Cycling from 1% to 4.7%, and scooting from 0% to 5.7%. The rise in walking rates is significant as nationally there has been a decline in walking amongst school children.

This engagement with schools will be supplemented by grant funding through local capital contributions will allow further improvements to infrastructure. Previous capital schemes ran alongside LSTF behaviour change work, leading to additional scooter and cycle parking and refresh of zig zag lines among others. The new Southampton mobile parking enforcement

scheme, alongside behaviour change measures and travel planning, will address both real and perceived safety issues at the school gate.

The school element has a long-term approach whose legacy will reach beyond 2020. The STARS programme embeds changes within school policy documents and action plans; providing structure to school staff to continue changes. The Modeshift STARS accreditation scheme also encourages schools with a sense of competition. To date, schools have been awarded a total of 39 Bronze, 14 Silvers and three Golds.

In addition, the Bike It model is based upon building up an ethos of active travel. School Champions receive training and support to run activities, events and assemblies, with school-led activities becoming more common over time. A further three years of support would give time for clusters of schools to develop in order to ensure that they receive peer support.

Increase walking and cycling within the community

We will build on the success of our previous community work, particularly mass participation events. The Sky Ride Southampton is one of the largest in the country, with 12,000 people attending in 2016 – 10% of these consider themselves to be ‘lapsed’ cyclists wanting to get back into cycling. The My Journey Commuter Challenge 1,700 participants in 2015 with over 12,000 cycle journeys saving 210,000 car kms.

These events also have a lasting impact on many participants--75% of respondents to an end of My Journey Challenge survey told us that they were already switching to walking or cycling instead of driving for short, regular journeys and intended to keep it up. British Cycling research has shown that participants in their group rides has led to 87% of occasional cyclists (less than once a month) started cycling at least once a month, and 75% of regular (once per month) cyclists began cycling at least once a week.

The Southampton Cycling Festival and associated community events will extend beyond central Southampton to the key settlements at the end of the corridors – Totton, Eastleigh, Hedge End – these events build up interest for additional activities and behaviour change.

We will also continue to work with partnering organisations to make sure that we have better influence over residents in the area. Previous successful events and activities have been run with church groups, a number of ‘Friends of’ groups for green spaces, as well as Age UK, Transition Southampton, Freemantle Time Bank, Southampton Children’s Play Association, and Walking for Health.

Improving access for those who are most excluded

With widening social exclusion, offering opportunities to widen transport horizons is essential for those currently outside employment. However, for those on lower incomes, travel becomes a higher percentage of their household budget. By improving cycle and walking routes through wayfinding and capital improvements, as well as by offering improved information about active travel, it expands the travel options for those looking for work.

The travel advice and Wheels to Work element will help those NEET young people and long-term unemployed through the Jobs Pilot programme, but journey support to those accessing jobs in retail and in the port will also tend to benefit those in lower skill positions.

By addressing congestion and improving rates of active travel, we will also improve the overall life chances of those who are facing social exclusion—reducing the impact of air pollution and the effects of inactivity.

B3. The Economic Case – Value for Money

Appendix 2 contains the completed individual theme proformas where appropriate, an aggregated proforma for the programme as a whole and an Economic Appraisal Note has been produced detailing the proportionate value for money assessment, quantitative and qualitative inputs and key assumptions.

As the proposed interventions funded through this Bid are less than £3m in total costs, a detailed WebTAG compliant analysis has not been undertaken. However, evidence from analysis of other projects shows that active travel interventions (focused on walking and cycling) generally offer very high value for money, when assessed using a WebTAG compliant method.

DfT economic analysis of the 12 large LSTF projects for revenue and capital (2014) found that this gave an average value for money of 5:1, this included the previous Solent wide project which had a ratio of 8.5:1. The largest proportion of these benefits was associated with decongestion through car use. A quantitative assessment of the smaller LSTF projects also suggested that these represented high value for money.

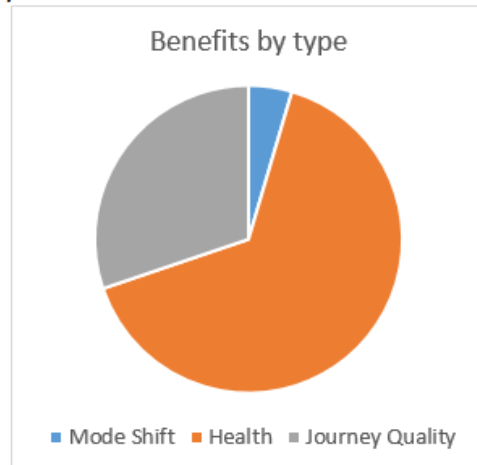
Detailed analysis of case studies of LSTF projects that focussed on workplace cycling and schools engagement by Transport for Quality of Life (2014) reported evidence that investing in active travel smarter choices, both alongside and in conjunction with infrastructure, can see positive outcomes. Engagement with workplaces that benefit from a new cycle route suggests that there was a growth in the number of cycle journeys of around 7% during commuting times. Work in schools through Bikelt indicates that combining smarter choices activities with infrastructure may deliver an uplift in cycling levels of between 12% and 16% that infrastructure alone cannot achieve.

An economic appraisal of this bid has been undertaken using the DfT's Active Travel Appraisal Toolkit (contained in Appendix 4) provides a BCR for the Bid of **11.44**. This means that the overall bid has been assessed as offering Very High Value for Money. Table 2 shows the analysis in more detail.

Table 2

Analysis of Monetised Costs and Benefits (in £'000)

Noise	29.12
Local Air Quality	0.00
Greenhouse Gases	97.79
Journey Quality	12218.73
Physical Activity (incl. absenteeism)	26397.62
Accidents	442.20
Decongestion	1794.93
Indirect taxation	-536.05
Private contribution	-647.11
Present Value of Benefits (PVB)	39797.23
Present Value of Costs (PVC)	3478.29
Benefit Cost Ratio (BCR)	11.44



The main benefit relates to health as the bid focuses heavily on walking and cycling initiatives, particularly for commuters and those travelling to schools and colleges.

Key benefits arising from the overall package are an increase in cyclists of almost 1,000 per day.

Overall, car driver trips in the morning peak are expected to fall by approximately 8,000 with a corresponding increase in those walking and cycling. The number of cycling trips is expected to increase by almost 50% once the programme has been implemented.

Additional Qualitative Benefits

- Efficiency and multiplying infrastructure and operational benefits: by helping to bring about mode shift away from the private car, the projects improve the efficiency of and journey time savings on the existing transport network;
- Public health benefits: economic impact from increased physical activity with savings for the NHS, reduce absenteeism and associated health benefits;
- Wide economic benefits: the CCAP and Southampton and Hampshire Local Transport Plans identify the importance of improving cycling and walking participation to drive local economic growth and contribute to the future vision of Southampton, Eastleigh, New Forest and Test Valley;
- Impact on individuals costs of travel: likely to be small reductions in cost of travel as cycling and walking, with a zero cost, is cheaper than motorised transport;
- Impact of cost for workplaces such as reduction in demand for car parking or operation of grey fleet vehicles;
- Labour mobility: increasing the labour pool availability and ability to access jobs where they may have been a barrier before, and for employers to access a skilled workforce.

These schemes, as with previous LSTF programmes in Southampton and Hampshire, have been developed from a strong evidence base and will add another tool to allow active travel levels to move past the critical 'tipping' point, after which walking and cycling will be a transport norm rather than the exception. Although projects are targeted on the three key corridors we would expect some additional benefit to be achieved across the whole of Southampton and towns – particularly given the strong intra area flows.

B4. The Financial Case – Project Costs

Table A: Funding profile (Nominal terms)

£	2017/18	2018/19	2019/20
DfT funding sought	815,279	751,879	726,997
Local Authority contribution	165,433	180,433	180,434
Third Party contribution including LGF	101,672	101,672	101,656
TOTAL	1,082,384	1,033,984	1,009,087

Project Cost breakdown

Component	DT funding sought (£)	Local Authority Contribution Sought (£)	Third Party contribution (£)	TOTAL (£)
Element 1: Getting into Work & Training				
Solent Jobs Pilot	129,030	7,500	30,000	166,530
Travel Assistance Points & Workplace TPN	552,300	90,000		642,300
SUB-TOTAL	681,330	97,500	30,000	808,830
Element 2: The Cool Route to School				
Clean Air Schools Challenge	34,500			34,500
Bike It	217,200	162,300		379,500
School Travel Planning	207,550	224,000		431,550
Core Programme Activity	144,300			144,300
SUB-TOTAL	603,550	386,300		989,850
Element 3: Developing a Walking & Cycling Culture				
Legible Cycle Network	69,000	38,000		107,000
Southampton Cycle Festival	430,100		195,000	625,100
Join the Club	155,025	4,500	30,000	189,525
SUB TOTAL	654,125	42,500	225,000	921,625
Showcasing Cycling & Walking				
Marketing & Promotion	355,150		50,000	405,150
SUB TOTAL	355,150		50,000	405,150
TOTAL	2,294,155	526,300	305,000	3,125,455

B5. Management Case - Delivery

A Project Plan and forecast spend profile is included in Appendix 2. Main milestones are indicated within the key provided in the Project Plan. Southampton and Hampshire will continue to have the resources in place through collaboration with partners, such as Sustrans and University of Southampton, to deliver the proposals upon announcement of successful award of funding to time, budget and high quality. These resource plans can be flexibly scaled up to further enhance the programme over the period 2017-2020.

Both authorities have an excellent track record in delivering walking and cycling projects in their respective areas and have worked together on a number of previous projects through Solent Transport including the large LSTF Better Connected South Hampshire programme. SCC has effectively delivered the Southampton Sustainable Travel City projects over the four year period from 2011 to 2016/17 where it has continued a “My Journey-Lite” behaviour change programme despite being unsuccessful in the 2016/17 DfT Transition year funding round. HCC has successfully delivered a number of cycling and walking projects through a variety of schemes in the North Hampshire LSTF, Two Parks LSTF and Rural Transition Year programmes. These have all been delivered to their funding profiles and with high quality outputs and outcomes.

Both SCC and HCC have defined project management systems that follow the principles of PRINCE2 and use a staged gateway system.

Table C: Construction milestones for Legible Cycle Network, STP, WTP

Scheme	Start of works	Opening date	Completion of works
Legible Cycle Network	July 2017		December 2018
Workplaces Travel Plan measures	June 2017		March 2018
	June 2018		March 2019
	June 2019		March 2020
School Grant Scheme	July 2017		September 2017
	July 2018		September 2018
	July 2019		September 2019

B6. Management Case – Statutory Powers and Consents

No part of this bid involves land acquisition, statutory approvals or construction. Capital schemes that are referred to as part of the wider programme of investment in cycling and walking infrastructure by SCC, HCC and partners, which supports the elements of this bid has separate governance and project delivery arrangements already in place.

B6. Management Case – Governance

Governance arrangements will be based on the existing structure for the Southampton Sustainable Travel City programme, which has ensured on time delivery and budget. In 2012, SCC created the Centre for Sustainable Travel Choices (CSTC) – a partnership between SCC, Sustrans and the University of Southampton to oversee and deliver the programme. This arrangement will be adapted to include Hampshire County Council. A new Memorandum of Understanding will be required to continue the programme beyond March 2017, this will set out the agreed roles and responsibilities, the requirement to meet quarterly at a Project Board and ensure that the governance is correct for this Bid.

The Project Board will consist of the following members:

- SCC Cabinet Member for Environment & Transport,
- HCC Cabinet Member for Environment & Transport,
- SCC Senior Responsible Officer
- HCC Senior Responsible Officer
- Head of Civil, Maritime and Environmental Engineering and Science, University of Southampton, and
- Director South, Sustrans.

If the political composition changes at either SCC or HCC there will be no reduction in the support and commitment to the programme, a pledge was signed up to by all parties at the outset of the programme.

The Senior Responsible Owners (SROs) are Mike Harris, Service Director Growth SCC and Frank Baxter, HCC. The Programme Manager is Neil Tuck of SCC. The Programme Manager takes direct responsibility for the delivery of the programme according to the budget, as authorised by the Project Board, and within the timescales and parameters as agreed by the DfT. The Programme Manager will also report to the Solent Transport Centre of Excellence and the Solent Transport Senior Management Group to ensure strategic objectives and synergies across the partnership are being met.

Infrastructure projects are delivered through the CSTC comprising of staff from all three partners or via SCC's Highways Partnership with Balfour Beatty Living Places (BBLP) or HCC's Highways Framework with Atkins. Where specialist support is required this is already in place or will be obtained via open tenders following the SCC's standard procurement process.

There will be ongoing liaison with Highways England and the Solent LEP on their larger scale infrastructure projects in the area.

An organogram for this programme can be found in Appendix 4.

B7. Management Case - Risk Management

Responsibilities for risk management are clearly defined within the Programme Manager job description. The Risk Management Strategy is summarised in the diagram below and is in place for the current Sustainable Travel City programme. A risk assessment is included in Appendix 5.

Refine programme objectives and delivery plan	<ul style="list-style-type: none"> •Responsibility of Programme Manager
Risk identification and assessment	<ul style="list-style-type: none"> •Responsibility of Programme Manager (support from team) •Report initially to SRO
Present risk register and mitigation measures	<ul style="list-style-type: none"> •Present to Centre for Sustainable Travel Choices Board
Update risk register (after each board)	<ul style="list-style-type: none"> •Programme manager revisits risk register and amends
Risk monitoring and mitigation (minor)	<ul style="list-style-type: none"> •Bi-weekly monitoring with Programme Management team meetings
Risk monitoring and mitigation (major)	<ul style="list-style-type: none"> •Bi-weekly monitoring with Programme Management team meetings •Regular monitoring within monthly Integrated Transport Board
Report to Board	<ul style="list-style-type: none"> •Report on status of risks every quarter to the Centre for Sustainable Travel Choices Project Board

B8. Management Case - Stakeholder Management

The success of the programme depends on the engagement and support of wide array of stakeholders acting either as promoters, advocates or delivery agents to various projects and initiatives. The Steering Group has attendance from not only the main partners – Hampshire County Council, Sustrans and the University of Southampton but also representation from HCC Public Health, Regulatory Services Southampton, Environmental Health and Solent Transport. The Solent LEP has also been presented with a summary of this Access Fund bid and has written with their support.

An annual report will be produced each summer and uploaded onto both the SCC website and the My Journey website. This is also disseminated to all stakeholders and a public facing summary document is made available to residents and Members. Weekly updates and consultation requests on sustainable transport are also sent out to residents via the City Council's Stay Connected e-bulletin. There are 11,000 residents currently signed up to this service.

The business community has been well engaged through the Travel Plan Network covering large businesses (see Appendix 1 for letters of support), organisations and SMEs, as well as the annual My Journey conference aimed at all businesses within Southampton. An e-bulletin has been sent regularly to businesses providing updates on the programme. The City Council also liaises with the Southampton Chamber of Commerce Planning & Transport Sub-Committee providing a link with businesses in a wider area.

Schools, college and the two main universities are also key stakeholders. An annual schools conference has been held to engage and update schools on programmes, and schools receive regular newsletters. All the main colleges, such as Eastleigh College, now have an active travel plan and both the UoS and Southampton Solent University will be heavily involved in delivery of their travel plans during 2016/17 and in the monitoring of the programme. Sustrans are the lead on community activities and are responsible for engaging a wide range of community groups and voluntary sectors bodies.

Stakeholder management is undertaken in accordance with RACI principles. Stakeholders are identified according to their role in project delivery and the extent to which they are directly involved into one of four categories (see Table 2 below).

- 1) Responsible – The Stakeholder is directly involved in delivery of the project
- 2) Accountable – The Stakeholder is accountable for delivery and spend
- 3) Consultee – The Stakeholder has a direct interest in the project and needs to be formally consulted as part of the project delivery
- 4) Informed – The Stakeholder has no direct interest in the project but is informed of progress as part of a regular dialogue on delivery of the overall programme.

Table 2			Stakeholders																																	
No	Project	Initiative	SCC Transport	SCC Members	Residents	Public Health	Regulatory Services	Eson, Devt & Skills	Other SCC/depts	Solent Transport	Neighbouring LAs	Solent LEP	Bailour Beatty	Sustrans	Health Promo Services	Sure Start Centres	Un of Solent	Hampshire CoI/C	Fed of Small Bus.	Business Solent	British Cycling	SHBOA	South West Trains	Ferry Operators	Solent University	ABP	Hauliers	Soton Businesses	Unil Hospital Soton	Cycle Groups	Voluntary Partners	Emp. Support Providers				
1	Access to Education	STARS accreditation	A	I	I	R	I	I	I	C	I	I	I	R	I	I	I	I	I	I	I	I	I													
		Campaign delivery	A	I	I	R	C	I	I	I	C	I	I	R	I	I	I	I	I	I	I	I	I													
		Scooter and cycle infrastructure	A	I	I	I	I	I	I	I	I	I	I	R	I	I	I	I	I	I	I	I	I													
		SEN Independent Travel Training	R	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I													
2	A Better City	Bikeability	A	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I														
		Sky Ride 2016	A	I	I	C	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I														
		Lad Rides x35	A	I	I	C	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I														
		Station Travel Plans measures	R	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I														
3	Getting into Work	Locality maps at bus interchanges	R	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I															
		Pedestrian wayfinding installation	R	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I															
		Delivery and Servicing Plans (DSPs)	A	I	I	I	C	I	I	I	C	T	C	I	I	I	I	I	R	C	C	C	I													
		STARSfor accreditation	A	I	I	I	I	C	I	I	C	T	C	I	I	R	I	I	I	C	C	C	I													
4	Healthy Neighbourhoods	Campaign delivery	A	I	I	I	I	I	I	C	T	C	I	I	R	I	I	I	C	C	C	I														
		Extend workplace travel plan network	R	I	I	I	I	I	I	I	I	I	I	R	I	I	I	I	I	I	I	I														
		Health & Wellbeing Charter promo	A	I	I	R	I	I	I	I	I	I	I	I	R	I	I	I	C	C	C	I														
		Resources, toolkits and infra. enhancements	R	I	I	I	I	I	I	I	I	I	I	R	I	I	I	I	I	I	I	I														
5	My Journey Products & Services	Southampton Young Persons Skills Pass	A	I	I	I	I	R	I	I	I	I	I	I	I	I	I	I	I	I	I															
		Active Travel Promotion in Sure Start Centres	A	I	I	C	I	I	I	I	I	I	I	I	R	C	I	I	I	I	I	C														
		Active Steps	A	I	I	C	I	I	I	I	I	I	I	R	C	I	I	I	I	I	I	C														
		Big Bike Revival	A	I	I	I	I	I	I	I	I	I	I	I	C	I	I	I	I	I	I	C														
6	Programme	Cycle Safety & Skills	A	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I															
		Monitoring & Evaluation	R	I	I	C	C	C	I	C	T	C	I	I	I	I	I	R	I	I	I	I														
		My Journey Marketing Programme	A	I	I	I	C	I	I	C	T	C	I	I	C	I	I	I	I	I	I	I														
6	Programme	My Journey Planner	A	I	I	I	C	I	I	C	T	C	I	I	I	I	I	I	I	I	I															
		Keeping Bikes Going	A	I	I	I	I	I	I	I	I	I	I	I	C	I	I	I	I	I	I															

- a) Can the scheme be considered as controversial in any way?
 Yes No
- b) Have there been any external campaigns either supporting or opposing the scheme?
 Yes No

B9. The Commercial Case

Since 2011, SCC and HCC has shown throughout their respective LSTF programmes that the authorities are able to consistently deliver active travel schemes on time and to budget. This is further evidenced through the acknowledgement at the National Transport Awards with both local authorities winning city and Local Authority of the Year in the last 5 years.

This Access Fund Bid builds upon the successful LSTF programme, and will seek to continue many of the established initiatives ensuring that the team is able to continue the work and focus on improving the local economy through cost-effective, evidence based initiatives.

The legal agreement between HCC, SCC, Sustrans and the University of Southampton for the Centre for Sustainable Travel Choices is in place and will be considered for extension to ensure the core resources from these bodies can continue to be provided should funding be secured.

For projects that are not able to be delivered in-house or through this partnership, they will either be delivered via the Highways Partnership with BBLP, the ongoing Public Health behaviour change programme or subject to the City Council’s standard procurement procedures.

SECTION C – Monitoring, Evaluation and Benefits Realisation

C1. Monitoring and Evaluation

Evaluation of the programme will be undertaken primarily by the Transportation Research Group at the University of Southampton through the Centre for Sustainable Travel Choices. This follows the same model used for the Southampton LSTF programmes and the South Hampshire (Solent Transport) LSTF programme, this ensures consistent and robust independent evaluation. It will also build on the experience of the University of Southampton in leading the LSTF case study on the Congestion Relief and Carbon Reduction for the Department for Transport.

Outcome monitoring will take place at the programme level and will centre on high level, aggregate Local Transport Plan data collected by SCC and HCC, supplemented by appropriate national data sets (Census Journey to Work, National Travel Survey etc.). The emphasis to date has been on changes in traffic volumes and modal split at a corridor and city wide level and analysis of attitudinal data collected in 2011, 2013 and 2015. In addition, vehicle count and speed survey data have been collated. This will continue but be more focused on the impacts and outputs on the three corridors from Southampton city centre to the surrounding towns in this Bid.


A difference-in-differences evaluation was undertaken for the LSTF based on individuals subject to targeted marketing through My Journey events compared to a control group who have been relatively unaffected by LSTF measures. This will form the basis for comparison of the impact on individual where intensive infrastructure and engagement on walking and cycling has occurred, against a control group away from the corridors in both Southampton and the towns. This indicated substantial differences in behavioural change. In addition, a 'realistic evaluation model' is proposed to allow continued measurement of project interdependencies and outcomes beyond LSTF. This will be developed with Public Health.


Output monitoring will take place at the individual project level. Internally, the SCC and HCC teams will continue to collect behavioural change data through the school travel plan and workplace travel plan programmes and awareness/impact surveys for marketing campaigns. Output reports are prepared each quarter, with input from all officers and reported to the Project Board. An annual report is published each summer on the SCC and HCC websites.

By submitting this bid, we agree to work with the Department to provide monitoring to enable the measurement of outputs and, where appropriate, evaluation of outcomes.

Yes No

SECTION D - Declarations

D1. Senior Responsible Owner Declaration	
As Senior Responsible Owner for "Southampton: Driving our Cycling Ambition into Local Towns, Schools, Colleges and Workplaces" I hereby submit this request for approval to DfT on behalf of Southampton City Council and confirm that I have the necessary authority to do so.	
I confirm that Southampton City Council will have all the necessary statutory powers in place to ensure the planned timescales in the application can be realised.	
Name: Mike Harris	Signed:
Position: Service Director - Growth	

D2. Section 151 Officer Declaration	
As Section 151 Officer for Southampton City Council I declare that the scheme cost estimates quoted in this bid are accurate to the best of my knowledge and that Southampton City Council	
<ul style="list-style-type: none"> - has allocated sufficient budget to deliver this scheme on the basis of its proposed funding contribution; - accepts responsibility for meeting any costs over and above the DfT contribution requested, including potential cost overruns and the underwriting of any funding contributions expected from third parties; - accepts responsibility for meeting any ongoing revenue and capital requirements in relation to the scheme; - accepts that no further increase in DfT funding will be considered beyond the maximum contribution requested and that no DfT funding will be provided after 2019/20; - Confirms that the authority has the necessary governance / assurance arrangements in place and the authority can provide, if required, evidence of a stakeholder analysis and communications plan in place. 	
Name: Alan Denford	Signed:
SERVICE LEAD - FINANCE BUSINESS PARTNERING (DEPUTY S151)	

*This is only required from the lead authority in joint bids

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DECISION-MAKER:	COUNCIL		
SUBJECT:	REVIEW OF THE CONSTITUTION – EMPLOYMENT & APPEALS PANEL		
DATE OF DECISION:	19 JULY 2017		
REPORT OF:	SERVICE DIRECTOR: LEGAL & GOVERNANCE		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Richard Ivory	Tel: 023 8083 2794
	E-mail:	Richard.ivory@southampton.gov.uk	
Director	Name:	Richard Ivory	Tel: 023 8083 2794
	E-mail:	Richard.ivory@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY	
None.	
BRIEF SUMMARY	
<p>This report sets out the element of the annual review of the Constitution regarding revised arrangements for Employment and Appeals Committee that was deferred at Council in May 2017. This was considered and initially discussed by Governance Committee on 24th April 2017 and again at its June meeting and its comments are included at paragraph 47. Further discussion will take place by Group Leaders on 12th July which will be given at the meeting.</p> <p>As ever the Constitution is a document that changes regularly and therefore further revisions may be proposed prior to or at Council.</p>	
RECOMMENDATIONS:	
	(i) to agree the changes to the Constitution and associated arrangements as set out in this report as detailed in Appendix 1;
	(ii) to authorise the Service Director: Legal & Governance to finalise the arrangements as approved by Council and make any further consequential or minor changes arising from the decision of Council;
REASONS FOR REPORT RECOMMENDATIONS	
1.	It is appropriate as a core tenet of good governance for the Council to keep its Constitution under regular review and to amend it, both to reflect experience and changing circumstances.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
2.	Members have a range of options about the proposed changes, not least of which is to amend or reject some or all of them.
DETAIL (Including consultation carried out)	
<u>Employment and Appeals Panel – Amalgamation with Governance Committee, Terms of Reference and delegations (Part 3)</u>	

3.	This matter was deferred at the last Council meeting. Since then it has been reconsidered by Governance Committee. That committee will now receive regular detailed reports on core HR data, including dismissals. Accordingly the committee considers that report now “fills the gap” that initially raised concerns and the original recommendations can proceed. As previously advised, after consultation with the recognised trade unions the proposal is that all matters relating to hearings and determination of any employee grievance or appeal under the Council’s disciplinary, grievance, dismissal and other employee relations procedure are delegated to Directors to determine. This accords with national HR good practice and will reduce timelines.
4.	Authority to dismiss is currently set out in the Scheme of Delegation and there is no proposal to amend that. However, it is proposed that all appeals against dismissal will be heard by a member of Senior Leadership Team (SLT) with appropriate advice and support from Human Resources and Legal Services. This will include appeals against the following dismissals:
	<ul style="list-style-type: none"> • Disciplinary • Ill-health • Redundancy • Capability • Probationary • SOSR
5.	School Transport and associated appeals will be heard by a three-person panel, comprising senior officers, chaired by the Service Director: Children’s and Families. Grievances will be heard in accordance with the current procedure and the final step will be heard by Service Lead, Service Director or SLT member as appropriate.
6.	In addition, revisions to the EAP’s terms of reference are recommended as below:
<u>Functions under the Fireman’s Pension Scheme</u>	
7.	It is proposed that this is deleted – it relates to the obligation of “every county and county borough shall, subject to the provisions of this Act, be the fire authority for the area of the Council”. This has been superseded by the creation of Hampshire Fire and Rescue Authority and is therefore obsolete.
<u>Redundancy and severance payments and early release of pension benefits,</u>	
8.	It is proposed this is delegated to the Chief Strategy Officer after consultation with Service Director; HR and Organisational Development, Service Director; Finance and Commercialisation and Service Director; Legal and Governance. This will include requests from schools who will be required to submit a business case to the CSO.
<u>Residual Appeals, etc</u>	
9.	Within the terms of reference an appeal provision will remain to cover any other residual appeals not specifically detailed in any other policies.
10.	A committee will still be needed to review HR policy and deal with residual appeals. In light of the reduced business that will be considered by EAP

	it is considered that it should form a core part of the Governance Committee's terms of reference and EAP will no longer exist as a Committee of the Council. Chief Officer Employment Panel will still remain in situ with its terms of reference unchanged.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
11.	None.
<u>Property/Other</u>	
12.	None
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
13.	The Executive Arrangements and Constitution are required under the Local Government Act 2000 (as amended) and the Localism Act 2011.
<u>Other Legal Implications:</u>	
14.	None
RISK MANAGEMENT IMPLICATIONS	
15.	None, this is merely a streamlining of processes. Individual's legal and employment rights remain unaffected
POLICY FRAMEWORK IMPLICATIONS	
16.	None

KEY DECISION?	No
WARDS/COMMUNITIES AFFECTED:	None
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Revised ToR for Governance Committee
2.	

Documents In Members' Rooms

1.	
2.	

Equality Impact Assessment

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

Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.	No
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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.		
2.		

TERMS OF REFERENCE FOR EMPLOYMENT AND APPEALS COMMITTEE

GENERAL

TERMS OF REFERENCE

1. All matters relating to hearings and determination of any employee grievance or appeal under the Council's disciplinary, grievance, dismissal and other employee relations procedure

5. Functions under the Fireman's Pension Scheme relating to pensions, etc as respects persons employed as members of Fire Brigades maintained pursuant to Section 4 of the Fire Services Act 1947 Section 26 Fire Services Act 1947 (10 & 11 Geo.6.C.41)

7. To determine any appeal against any decision made under a delegation where that delegation expressly confers a right of appeal. Such appeals will not extend to any matter falling within the terms of reference of another Panel, unless expressly provided for. Furthermore, such appeals shall not cover rights of appeal from the decision of any other Panel, save where expressly provided for.

8. To determine any appeal against a decision where a right of appeal exists at law, but where there is no specific provision in the terms of reference of any other Committee or Panel for the hearing of such an appeal.

Moved down [1]: a. This Panel is a committee of the Council appointed by the Council under Section 102(1) of the Local Government Act 1972.¶

¶
b. The Council has arranged under Section 101(1) of that Act for the discharge by the Panel of such of the council's functions as are within the Panel's terms of reference (set out below).¶

¶
c. Certain functions are delegated by this Panel to Officers. Full details may be found in the Officer's Scheme of Delegation which may be obtained from the Service Lead; Democratic & Electoral Services.¶

¶
d. Where a function or matter within the Panel's competence has been delegated to an officer, the Panel may exercise that function/matter concurrently with the officer to whom it has been delegated.¶

¶
e. The exercise of any function or matter within the Panel's competence is always subject to any relevant requirement of the Council's Constitution including any Special Procedure and Protocol drawn up and approved by the Service Director: Legal & Governance in pursuance of Council Procedure Rule 26.2. ¶
¶

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Moved down [2]: 2. Power to appoint staff, excluding Chief Officers, and to determine the terms and conditions on which all staff hold office but excluding revisions to pay scales (including procedures for their dismissal)

Moved down [3]: 6. To agree redundancy and severance payments and early release of pension benefits, where added years, enhanced payments or any element of discretion is sought.

Moved down [4]: 9. To determine any appeal where in the opinion of the Service Director: Legal & Governance a right of appeal should be conferred to give effect to the operation of the principles of natural justice or the principles contained in the Human Rights Act.

Delegations

Any delegation previously expressed as being "Service Director: Legal & Governance following consultation with the Chair of Employment Panel" shall be revised so that it reads "Service Director: Legal & Governance following consultation with the relevant Cabinet Member".

TERMS OF REFERENCE FOR GOVERNANCE COMMITTEE

GENERAL

- a. This Committee is a committee of the Council appointed by the Council under the Local Government Act 1972
- b. Certain functions are delegated by this Committee to Officers. Full details may be found in Part 3 of the Council's Constitution
- c. Where a function or matter within the Committee's competence has been delegated to an officer, the Committee may exercise that function/matter concurrently with the officer to whom it has been delegated.
- d. The exercise of any function or matter within the Committee's competence is always subject to any relevant requirement of the Council's Constitution including any Special Procedure and Protocol drawn up and approved by the Service Director: Legal & Governance in pursuance of Council Procedure Rule 26.2.

TERMS OF REFERENCE

Standards, ethics and probity

1. To lead on the Council's duties under Chapter 7 Localism Act 2011 and to design, implement, monitor, approve and review the standards of ethics and probity of the Council, both for Councillors and employees. The Committee's powers shall include responding to consultation documents and the promulgation of Codes of Conduct but the adoption and revisions to the local Members Code of Conduct shall be reserved to the Council.
2. To promote a culture of openness, ready accountability and probity in order to ensure the highest standards of conduct of Councillors and employees.
3. To lead on all aspects of Corporate Governance by promoting the values of putting people first, valuing public service and creating a norm of the highest standards of personal conduct.
4. To oversee and manage programmes of guidance, advice and training on ethics, standards and probity for Councillors and employees and on the Members Code of Conduct.
5. To be responsible for the Council's register of Members' interests and to receive reports from the Monitoring Officer on the operation of the register from time to time.
6. To be responsible for written guidance and advice on the operation of the system of declarations of Members' Interests and to receive reports from the Monitoring Officer on the operation of the system of declarations from time to time.
7. To establish, monitor, approve and issue advice and guidance to Councillors on a system of dispensations to speak on, or participate in, matters in which they have interests and give dispensation in appropriate cases.
8. To exercise the functions of the Council in relation to the ethical framework, corporate governance and standards of conduct of Joint Committees and other bodies.

9. To establish a Standards Sub-Committee to investigate and determine appropriate action in respect of alleged breaches of the Members Code of Conduct.
10. To support the Monitoring Officer and Service Director: Finance & Commercialisation in their statutory roles and the issuing of guidance on them from time to time.
11. To receive regular reports on the performance of the Corporate Complaints process, Local Government Ombudsman referrals, Annual Governance Statement and Code of Corporate Governance and to recommend revisions to related policies and procedures as appropriate.

Audit role

12. To provide independent assurance on the adequacy of the risk management framework and the internal control and reporting environment, including (but not limited to) the reliability of the financial reporting process and the annual governance statement.
13. To be satisfied and provide assurance that appropriate action is being taken on risk and internal control related issues identified by the internal and external auditors and other review and inspection bodies.
14. To receive, and make recommendations on, such reports as are required in relation to all audit matters including the Annual Audit Plan.
15. The Committee shall specifically have responsibility for oversight of and provision of assurance on the following functions:
 - ensuring that Council assets are safeguarded;
 - maintaining proper accounting records;
 - ensuring the independence, objectivity and effectiveness of internal and external audit;
 - the arrangements made for cooperation between internal and external audit and other review bodies;
 - considering the reports of internal and external audit and other review and inspection bodies;
 - the scope and effectiveness of the internal control systems established by management to identify, assess, manage and monitor financial and non-financial risks (including measures to protect against, detect and respond to fraud).

EMPLOYMENT MATTERS

General

- a. This Panel is a committee of the Council appointed by the Council under Section 102(1) of the Local Government Act 1972.
- b. The Council has arranged under Section 101(1) of that Act for the discharge by the Panel of such of the council's functions as are within the Panel's terms of reference (set out below).

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- c. Certain functions are delegated by this Panel to Officers. Full details may be found in the Officer's Scheme of Delegation which may be obtained from the Service Lead: Democratic & Electoral Services.
- d. Where a function or matter within the Panel's competence has been delegated to an officer, the Panel may exercise that function/matter concurrently with the officer to whom it has been delegated.
- e. The exercise of any function or matter within the Panel's competence is always subject to any relevant requirement of the Council's Constitution including any Special Procedure and Protocol drawn up and approved by the Service Director: Legal & Governance in pursuance of Council Procedure Rule 26.2.

TERMS OF REFERENCE

- 2. Power to appoint staff, excluding Chief Officers, and to determine the terms and conditions on which all staff hold office but excluding revisions to pay scales (including procedures for their dismissal) Section 122 Local Government Act 1972
- 3. The making of agreements with other local authorities for the placing of staff at the disposal of those other authorities, to the extent that the staff are being placed at the disposal of the other authority in relation to the discharge of functions which are not the responsibility of the Executive of the authority placing the staff Section 13(4) and (5) Local Government Act 1972
- 4. Functions relating to local government pensions, etc Regulations under Section 7, 12 or 24 Superannuation Act 1972
- 6. To agree redundancy and severance payments and early release of pension benefits, where added years, enhanced payments or any element of discretion is sought.
- 9. To determine any appeal where in the opinion of the Service Director: Legal & Governance a right of appeal should be conferred to give effect to the operation of the principles of natural justice or the principles contained in the Human Rights Act.
- 10. Without prejudice to the generality of the above, the Panel will be able to determine the following:
 - (i) An appeal from a decision relating to Education Awards and Home to School Transport Assistance.

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Delegations

Any delegation previously expressed as being "Service Director: Legal & Governance following consultation with the Chair of Employment Panel" shall be revised so that it reads "Service Director: Legal & Governance following consultation with the relevant Cabinet Member".

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DECISION-MAKER:	CABINET COUNCIL		
SUBJECT:	PROCUREMENT OF CARERS SUPPORT SERVICES		
DATE OF DECISION:	18 JULY 2017 19 JULY 2017		
REPORT OF:	CABINET MEMBER FOR HOUSING AND ADULT CARE		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Kirsten Killander	
	E-mail:	kirsten.killander@southampton.gov.uk	
Director	Name:	Stephanie Ramsey	
	E-mail:	stephanie.ramsey@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY					
None					
BRIEF SUMMARY					
<p>Two of the four priority outcomes in the Council Strategy is for (i) children and young people in Southampton get a good start in life and (ii) people in Southampton to live safe, healthy and independent lives. A key aspect of achieving these outcomes is for carers of all ages to have easy access to Information, Advice and Support (IAS) and assessments for their needs. Currently support for young carers and adult carers, including assessments, is provided under two separate contracts which were awarded to the present providers in 2013. Integration of the two current services is supported by the Children and Families Act (2014) (C&FA) requirement to have a single point of access (SPA) for young carers up to the age of 25. The Care Act (2014) (CA) provides for adults from the age of 18, young carers aged 18-25 would have an overlapping service rather than a SPA if the contracts were not integrated.</p> <p>An Adult Social Care (ASC) staff member will be co-located with the commissioned service to provide the more complex carers' assessments and to explore the link between carer assessments and the provision of replacement care in partnership with ASC teams. This has been discussed with and agreed by the Director of Operations for ASC.</p> <p>A review of the current services was conducted in 2016 and its findings have been taken into account in developing the recommendations in this report.</p> <p>This service does not include assessments for parent carers as discussions between Children's and Adults Social Care Services agreed these assessments would be carried out by Children's Services as part of whole family assessments.</p>					
RECOMMENDATIONS for Cabinet:					
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;">(i)</td> <td>To approve the recommendation to proceed with a procurement of an integrated Carers Support Services</td> </tr> <tr> <td style="text-align: center;">(ii)</td> <td>To delegate authority to the Director of Quality & Integration to carry out a procurement process for the provision for the carers' support services as set</td> </tr> </table>	(i)	To approve the recommendation to proceed with a procurement of an integrated Carers Support Services	(ii)	To delegate authority to the Director of Quality & Integration to carry out a procurement process for the provision for the carers' support services as set
(i)	To approve the recommendation to proceed with a procurement of an integrated Carers Support Services				
(ii)	To delegate authority to the Director of Quality & Integration to carry out a procurement process for the provision for the carers' support services as set				

		out in this report and to enter into contracts in accordance with the Contract Procedure Rules.
	(iii)	To delegate authority to the Director of Quality & Integration following consultation with the relevant Cabinet Members to decide on the final model of commissioned services for Carers Support Services and all decision making in relation to this recommissioning.
	(iv)	To authorise the Director of Quality and Integration to take all necessary actions to implement the proposals contained in this report.

RECOMMENDATIONS for Council:

	(i)	To approve a financial envelope of up to £2,479,400 for a maximum contract lifetime of 7 years (5 + 2 year extension).
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REASONS FOR REPORT RECOMMENDATIONS

1.	The provision of effective carers IAS and assessments supports the outcomes the Council wants to achieve in relation to increasing prevention and early intervention and helping people to find their own solutions as far as possible.
2.	There is an opportunity to integrate young carers and adult services to improve the adoption of whole family approaches when supporting families where young carers exist, and limit them having inappropriate caring roles.
3.	Integrating the services reflects a wider piece of work with voluntary sector providers which aims to consolidate services into larger single contracts, with partnership arrangements where appropriate, to achieve greater impact and support preventative approaches.
4.	The contracts for the current carers' services will come to an end in March 2018 and there is a need to recommission these services to comply with public procurement law.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

5.	To continue to fund individual services without maximising the opportunities for developing an integrated approach to service delivery: this would not provide the most appropriate service and miss opportunities for improving access for individuals.
6.	To provide all assessments through the Carers Support Services: this would not adequately enable the development of appropriately linking carers' assessments with replacement care required for them to live a life independently of caring.
7.	To decommission either or both services: the Council has to provide the service to meet statutory requirements and the decision to externally commission reflects the findings of the review and successful performance of the service in a community setting.

DETAIL (Including consultation carried out)

8.	<p>Two of the four priority outcomes in the Council Strategy is for (i) children and young people in Southampton get a good start in life and (ii) people in Southampton to live safe, healthy and independent lives. This means that the Council</p> <p><i>'...want Southampton to be a city where parents, families, communities and services work together to make sure children and young people get a good start in life. Ensuring that children and young people get a good start in life is crucial to enabling them to go on to fulfil their potential and become successful adults who are engaged in their communities.'</i> and</p> <p><i>'...want Southampton to be a city that is recognised for its approach to preventing problems and intervening early. We want our residents to have the information and support they need to live safe, active, healthy lives and to be able to live</i></p>
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	<p><i>independently for longer.'</i></p> <p>A key aspect of achieving these outcomes for carers of all ages is to have an integrated service providing easy access to IAS and assessments that are proportional to carers needs.</p>
9.	The Council has a long history for making provision for carers support services which promote the well-being of the city's residents. Prior to 2013 adult carers support was delivered through a number of projects funded through grants. The commissioning of one Adult Carers Support Service consolidated the existing programmes into one service and the Young Carers service was recommissioned at the same time but through two contracts.
10.	Services are provided by voluntary sector organisations (Mencap for adult carers, under the name of Carers in Southampton and Southampton Voluntary Services for young carers) and the recommendations in this report are consistent with the Council's strategic approach to working with the voluntary sector.
11.	The CA and the C&FA have placed additional requirements on local authorities in relation to ensuring the provision of IAS and assessments. Together these two Acts provide for carers of all ages and additionally the C&FA require the Council to provide a Single Point of Access for carers until they are 25 years old. The Care Act states there should be a choice for the carer in the way they can access an assessment and that all carers who have an 'appearance of need' should be offered a carers assessment.
12.	The CA and C&FA introduced the option for local authorities to delegate carers' assessments to external providers. Consultation of day care and Kentish Road provision in 2013/4 clearly supported carers' assessments to be delivered in a community setting rather than within Adult Social Care.
13.	A pilot programme was developed in 2015 when the Acts came into force, and has been adapted over the last 18 months to achieve this goal and both adults and young carers' assessments are delivered in the community.
14.	The pilot adult assessment service consisted of the present provider co-ordinating assessments and allocating to organisations on a Framework Agreement. The young carers' pilot provided assessments to young carers by the present provider.
15.	In 2016 the adult pilot programme was reviewed and an options paper written. This recommended that an ASC staff member be co-located with the commissioned service to provide carers assessments to adult carers which are proportionate to their needs and in a community setting. This has been discussed with and agreed by the Director of Operations for ASC.
16.	Further work to explore the link between carer assessments and the provision of replacement care will be undertaken and utilise the new social worker role alongside ASC teams.
17.	Having a SCC staff member delivering the assessments but within the community has a dual benefit of immediate access to SCC systems if required and supporting carers' preferences.
18.	To access the Young Carers Service, young carers were being assessed through a nationally developed tool. Since delegating young carers' assessment to the current provider they have worked with Children's Services and are using SCC's assessment tool and the national tools for support planning and monitoring personal goals.
19.	The integrated service will require young carers' assessments to be delivered through the commissioned service via trained members of their staff.

20.	Under a separate contract the incumbent adult carers support providers co-ordinated the co-production of the Southampton Strategy for Unpaid Carers and Young Carers 2016-2020 and supports the delivery of its Action Plan. This will be incorporated into the new Service Specification.
21.	The contract would start on April 1st 2018 and it is currently proposed that the contract is for 5 years with a possible 2 year extension.
22.	In light of the proposed contract time period the provider would be required to deliver their service with a flexible approach to in-service changes, particularly those that may be imposed upon SCC through legislative changes.
23.	The option to subcontract part of the service to another provider will be available for the successful organisation.
	Reviews of Adult Carers Services and Young Carers Services
24.	A Service Review was conducted in 2016 for both the adult and young carers' services. The reviews considered the current provision of carers support services against the Council's strategic intentions. Information was gathered from: each service; literature reviews; engagement with other organisations that support carers, service user and parents of young carers; and a number of wider determinants including legislation and national action plans and commitment to carers.
25.	The review identified that there is a track record of good provision and collaboration with other organisations that support carers, including schools in the case of young carers. Both services deliver support in a variety of ways to meet the needs of their clients.
26.	Quantitative and qualitative data considered during the review demonstrated a high use of services and a growing demand for both adults and young carers' services. This is expected to continue as: demand increases for services for cared for people, particularly through an aging population, and services are successful in identifying new and existing carers.
27.	An Equality and Safety Impact Assessment will be undertaken as part of the procurement process and in relation to the recommendations in this report and will be available to inform these decisions.
	Consultation and engagement
28.	During the review period there was engagement with current service users of both the adult and young carers' service and parents of young carers. Organisations within the wider public, community and voluntary sector were also consulted.
	Recommendations
29.	In line with the findings of the service review it is recommended that a procurement exercise is undertaken to commission integrated Carers Support Service.
30.	If the recommendation is supported, the procurement process will commence in August 2017.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
31.	The current investment in adult and young carers support services covers a number of services provided to people from two bases set in the community: This does not include support through peer support groups which are run throughout the city for adults. A review of carers support services has been undertaken recently which represents the first opportunity for an integrated approach to commissioning services.
32.	The proposal is to procure an integrated Carers Support Service within the approved

overall revenue budget for carers (detailed in table 1 below), which is provided by Southampton City Clinical Commissioning Group (CCG) and SCC. Any costs associated with the procurement process will be met from within this budget.

<u>Table 1 - Carer Revenue Budget Information</u>	
	£
Annual Budget (adult & young carers combined)	354,200
Less CCG Contribution	170,000
SCC net budget (per annum)	184,200
Maximum Financial Envelope (annual budget for 7 years)	2,479,400

Property/Other

33. There are no known property or other implications.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

34. Care Act 2014 and Children and Families Act 2014 provides the structure for support services for adults and young carers respectively. Any procurement will be governed by EU procurement rules depending on value

Other Legal Implications:

35. When carrying out any public functions the Council must have due regard to the Public Sector Equality Duty (PSED) under the Equality Act 2010. The LA must take into account a number of factors including the need to eliminate discrimination, harassment and victimisation, advance equal opportunity and foster good relations. The service users who will benefit from the Carers Support Services are likely to be protected by the PSED and the Human Rights Act 1998 which has similar duties to the PSED. In particular the protection under Article 14 the prohibition of discrimination and Article 6 the right to respect private and family life.

36. The Council must be mindful of the Southampton Compact and the Best Value Statutory Guidance in all its work with the voluntary sector. The Southampton Compact provides a code of good practice to build on existing good practice and continue to improve relationships between statutory, community and voluntary organisations. It covers five key areas with undertakings for both the public sector and voluntary sector in each area:

- a strong, diverse and independent civil society;
- effective and transparent design and development of policies, programmes and public service;
- responsive and high-quality programmes and services;
- clear arrangements for managing changes to programmes and services; and
- an equal and fair society.

37. The Best Value Statutory Guidance was issued by central government in 2011, revised in 2015. The Guidance provides a code of good practice for local authorities considering funding reductions that may affect the voluntary sector. It complements the Southampton Compact minimum consultation and notice periods.

RISK MANAGEMENT IMPLICATIONS

38. Stakeholder interest in the service is moderate to high and there would be significant

	complaints if the service was discontinued. This is not proposed. Risk = moderate
39.	Continual improvements to support carers at a more universal level will result in more carers seeking a carer assessment and being entitled to support. There is a risk this will increase costs for carer support but should provide a longer term, more sustainable approach to help carers to continue their caring role for longer which reflects the Councils commitment to preventative approaches. Risk = low
40.	Support for carers is linked to the provision of replacement care. Currently provision remains variable across client groups. As links are improved between the carer assessment function and ASC, it is likely there will be an increased demand for replacement care. There is a risk this will increase costs for replacement care but will ensure it is provided in a more equitable and fair way. Risk = low
41.	If the integrated Carers Support Services is not commissioned assessments would be delivered in-house which would partly meet the Council's statutory duty. However it would be more difficult for the Council to provide information, advice and support in-house to the same level that it is provided in a community setting. Risk = low
POLICY FRAMEWORK IMPLICATIONS	
42.	Council Strategy 2016-2020

KEY DECISION?	Yes
WARDS/COMMUNITIES AFFECTED:	All wards
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Equality and Safety Impact Assessment
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.	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	
Other Background documents available for inspection at: N/A	
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

1.	None	
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Equality and Safety Impact Assessment

Appendix 1

The **public sector Equality Duty** (Section 149 of the Equality Act) requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between different people carrying out their activities.

The Equality Duty supports good decision making – it encourages public bodies to be more efficient and effective by understanding how different people will be affected by their activities, so that their policies and services are appropriate and accessible to all and meet different people’s needs. The Council’s Equality and Safety Impact Assessment (ESIA) includes an assessment of the community safety impact assessment to comply with section 17 of the Crime and Disorder Act and will enable the council to better understand the potential impact of the budget proposals and consider mitigating action.

<p>Name or Brief Description of Proposal</p>	<p>Procurement of an adult and young carers services</p>
<p>Brief Service Profile (including number of customers)</p>	<p>The current adult and young carers services have been provided under separate contracts since 2013. Both services have been reviewed with positive finding about the way the service is offered and delivered.</p> <p>The reviews considered the current provision of carers support services against the Council’s strategic intentions. Information was gathered from each service, literature reviews, engagement with other organisations that support carers, service user and parents of young carer’s feedback and a number of wider determinants such as legislation and national action plans & commitment to carers.</p> <p>The review identified that there is a track record of good provision and collaboration with other organisations that support carers, including schools in the case of young carers. Both services deliver support in a variety of ways to meet the needs of their clients.</p> <p>Key findings from the review of both services and a local pilot to deliver carer assessments has resulted in two changes</p> <ul style="list-style-type: none"> - To bring the adult and young carer services under one contract - To secure a resource within Adult Social Care (ASC) to work closely with the carer service to support the delivery of carer assessments. This post will also provide the opportunity to explore the link between carer assessments and the provision of replacement care in partnership with ASC teams. <p>These findings have informed the new service specification for a combined adult and young carer service.</p>
<p>Summary of Impact and Issues</p>	<p>There is an opportunity to integrate young carers and adult services to improve the adoption of whole family approaches when supporting families where young carers exist, and limit them having inappropriate caring roles.</p> <p>Integrating the services reflects a wider piece of work with voluntary sector providers which aims to consolidate services into larger single contracts, with partnership arrangements where appropriate, to achieve</p>

	greater impact and support preventative approaches. This ensures services are located in the local community for carers.
Potential Positive Impacts	<ul style="list-style-type: none"> - Improved whole family approach around carer settings, especially where young carers are identified. - Improved links between support for carers and support to the person they care for, leading to appropriate and timely replacement care being provided. - Transition from young carer to adult carer will be improved. - Retain a local community based support for carers, reflecting their request for this to happen.
Responsible Service Manager	Sandra Jerrim
Date	21.06.17

Approved by Senior Manager	Carole Binns
Signature	
Date	

Potential Impact

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
Age	<p>Young carers may feel more comfortable accessing a service with which they are familiar and which is viewed as age appropriate.</p> <p>The current services have engaged an increased number of carers across all ages. The proposals continue to support this approach and likely to improve access for all ages.</p>	<p>The service specification will include requirements in relation to providing age specific services, food information which reaches young carers and appropriate access arrangements.</p> <p>Collaborative bid arrangements and sub-contracting will be considered in order to provide across a range of ages.</p>
Disability	<p>No negative impact identified.</p> <p>The current services have engaged an increased number of carers including those with a disability. The proposals continue to support this approach and likely to improve access for all ages.</p>	
Gender Reassignment	No identified impacts.	The specification will include requirements to address all issues of diversity to reflect the needs of the local population.
Marriage and Civil Partnership	No identified impacts.	
Pregnancy and Maternity	No identified impacts.	

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
Race	No negative impact identified. The current services have engaged an increased number of carers including those from different ethnic groups. The proposals continue to support this approach and likely to improve access for all ages.	The specification will include requirements to address all issues of diversity to reflect the needs of the local population. Access to the service will be monitored to address any gaps and mitigation actions needed.
Religion or Belief	No negative impact identified. The current services have engaged an increased number of carers including those with different religious beliefs. The proposals continue to support this approach and likely to improve access for all aged.	
Sex	No identified negative impacts.	
Sexual Orientation	No identified negative impacts.	
Community Safety	No identified negative impacts. The proposal is to keep the service located in the local community.	
Poverty	No identified negative impacts.	
Other Significant Impacts	Providers may feel disadvantaged as they only want to bid for one carer group.	Collaborative bid arrangements and sub-contracting will be considered in order to provide all agencies with an opportunity to bid for the service(s).

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DECISION-MAKER:	CABINET COUNCIL		
SUBJECT:	ACCEPTANCE OF ADULT SOCIAL CARE GRANT		
DATE OF DECISION:	18 JULY 2017 19 JULY 2017		
REPORT OF:	CABINET MEMBER FOR HOUSING AND ADULT CARE		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Paul Juan	Tel: 023 8083 2530
	E-mail:	paul.juan@southampton.gov.uk	
Director	Name:	Paul Juan	Tel: 023 8083 2530
	E-mail:	paul.juan@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY	
NOT APPLICABLE	
BRIEF SUMMARY	
Approval is sought to accept a one-off Government grant of £9.71M for the purpose of meeting adult social care needs, reducing pressures on the NHS and stabilising the social care provider market over three years from 2017/18 to 2019/20.	
RECOMMENDATIONS:	
	FOR CABINET:
(i)	To consider the report and agree that the recommendations set out below be made to Council on 19 July 2017.
	FOR COUNCIL:
(i)	To approve the acceptance of the one-off Government grant of £9,710,902 for adult social care over three years from 2017/18 to 2019/20;
(ii)	To approve the addition of £4.98M to the Housing & Adult Social Care Portfolio's revenue budget for 2017/18 and to note that the remaining £4.73M of the Government grant award will need to be added to the revenue budgets for 2018/19 and 2019/20; and
(iii)	To approve revenue expenditure of £4.98M in 2017/18 on schemes (set out in Appendix 1) that will meet adult social care needs, reduce pressures on the NHS and stabilise the social care provider market, in accordance with the grant conditions, Financial Procedure Rules and the governance arrangements for Southampton's Better Care Fund.
REASONS FOR REPORT RECOMMENDATIONS	

1.	Under the Financial Procedure Rules, Council is required to approve the acceptance of external funding exceeding £2M.										
2.	The Department of Health and Department for Communities and Local Government have stated that the grant will be pooled into the Better Care Fund, to support a continuing agreement with the local NHS.										
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED											
3.	No other options have been considered and rejected.										
DETAIL (Including consultation carried out)											
4.	Additional funding for adult social care was announced in the Spring Budget 2017 and the council's allocation is set out in figure 1 below. <table border="1" data-bbox="520 629 1150 898"> <thead> <tr> <th>Year</th> <th>Amount £</th> </tr> </thead> <tbody> <tr> <td>2017/18</td> <td>4,981,651</td> </tr> <tr> <td>2018/19</td> <td>3,161,704</td> </tr> <tr> <td>2019/20</td> <td>1,567,547</td> </tr> <tr> <td>Total</td> <td>9,710,902</td> </tr> </tbody> </table> <p data-bbox="461 909 1222 943"><i>Figure 1: Southampton City Council's grant allocation</i></p>	Year	Amount £	2017/18	4,981,651	2018/19	3,161,704	2019/20	1,567,547	Total	9,710,902
Year	Amount £										
2017/18	4,981,651										
2018/19	3,161,704										
2019/20	1,567,547										
Total	9,710,902										
5.	Conditions are attached to the grant to ensure that the money is spent on adult social care services and supports improved performance at the health and social care interface.										
6.	Proposals for schemes to be funded from this grant during 2017/18 are set out in Appendix 1. These proposals have been agreed in principle at the Integration Board and the Commissioning Partnership Board and are scheduled to be ratified by the Health and Wellbeing Board on 26 July 2017.										
7.	These schemes will help the council to meet eligible adult social care needs; support the NHS and, in particular, the progress being made across the local health and social care system to reduce delayed transfers of care from acute and community hospitals; and to help maintain a diverse and sustainable social care provider market locally.										
8.	The Department of Health and Department for Communities and Local Government have announced the development of new performance measures to assess how effectively this grant is being used. The Care Quality Commission (CQC) is scheduled to carry out 20 targeted inspections later this year with a focus on the interface between health and social care services.										
RESOURCE IMPLICATIONS											
<u>Capital/Revenue</u>											
9.	The new funding, totalling £9.71M, will be paid as a Department of Communities and Local Government grant.										
10.	Funding for the schemes proposed in Appendix 1 is additional to the budget for 2017/18 approved by Council on 15 February 2017.										
11.	Guidance has not been issued at this stage on whether any unspent funding can be carried forward to future years. Appendix 1 details how the first year's										

	funding of £4.98M will be allocated, while the remaining grant will be incorporated into the General Fund budgets for 2018/19 (£3.16M) and 2019/20 (£1.57m) scheduled to come before Full Council in February 2018 and 2019 respectively.
<u>Property/Other</u>	
12.	Any provision of nursing care at Holcroft House is likely to require building work, which will require scoping by the Capital Assets Team prior to approval by the Council Capital Board. The budget for this work may be transferred to the General Fund Capital Programme at this stage, funded by Direct Revenue Financing.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
13.	The Care Act 2014 amended the NHS Act 2006 to provide the legislative basis for the Better Care Fund.
<u>Other Legal Implications:</u>	
14.	There are no other legal implications arising from this report.
RISK MANAGEMENT IMPLICATIONS	
15.	Accepting the grant would reduce the risk of the council failing to ensure an effective and sustainable adult social care system, which is identified as a risk in the council's strategic risk register.
POLICY FRAMEWORK IMPLICATIONS	
16.	Accepting the grant would support delivery of the Southampton City Council Strategy 2016-2020 and, in particular, the key outcome of supporting people in Southampton to live safe, healthy and independent lives.
17.	Accepting the grant will also support delivery of the Health and Wellbeing Strategy 2017-2025 and the Southampton Better Care Plan.

KEY DECISION?	Yes/No
WARDS/COMMUNITIES AFFECTED:	ALL
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Proposals for spending the additional funding in 2017/18

Documents In Members' Rooms

1.	None
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Equality Impact Assessment

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

Do the implications/subject of the report require a Privacy Impact	Yes/No
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Assessment (PIA) to be carried out.		
Other Background Documents Other Background documents available for inspection at: Civic Centre, Southampton, SO14 7LY		
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.	Letter from Department of Health and Department for Communities and Local Government to Chief Executive dated 22/3/17	Not applicable

APPENDIX 1

Proposals for spending the grant in 2017/18

Scheme	Detail	Funding in 2017/18 £ ,000	Grant conditions		
			Meeting needs	NHS/ hospital discharge	Market
Extra nursing home capacity for complex needs	Conversion of all or part of Holcroft House residential care home to offer nursing in addition to residential care (subject to feasibility and registration); and/or commission additional capacity in private sector. This would not involve moving any existing clients from the premises	1,500	✓	✓	
Meeting increased demand and complexity	Additional investment to meet an increase in demand and complexity over and above original forecasts	1,000	✓		
Stabilising the provider market – workforce, home care and nursing	Additional investment to provide extra training and career development for carers; to consolidate increased domiciliary care capacity; and to support financial stability in the nursing home sector	850			✓
Speeding up hospital discharges for people with complex needs	Investment to support the complex discharge pathway, a discharge to assess scheme for Continuing Health Care (CHC) and an assess at home scheme covering the Royal South Hants (RSH) hospital	500	✓	✓	
Establish a dedicated Direct Payments Team	A new dedicated team working across the Council and Integrated teams to increase direct payment uptake, increasing choice and control and improving outcomes, including people leaving hospital	350	✓	✓	
Weston Court replacement care/short stay scheme	Working with a domiciliary care agency to provide support required to utilise existing facilities for replacement care, short stays, including for people with a learning disability, and to support hospital discharge	250	✓	✓	
Accelerating the extra care housing programme	A pump prime fund to accelerate plans for increasing the local supply of extra care housing, which leads to better outcomes in a more cost effective way when compared with residential and nursing care	250	✓		

Scheme	Detail	Funding in 2017/18 £ ,000	Grant conditions		
			Meeting needs	NHS/ hospital discharge	Market
Expanded 7 day social care operation in the hospital discharge team	To support discharge of individuals with complex needs from University Hospitals Southampton at the weekend	130		✓	
Enhanced social care out of hours service	To help prevent hospital admissions and support hospital discharges	100	✓	✓	
Care Technology Coordinator post	A dedicated Care Technology Coordinator working across Council and Integrated Teams to sustain an increase in referrals, supporting independence, preventing admissions & supporting timely discharges	50	✓	✓	
TOTAL		4,980			

DECISION-MAKER:	COUNCIL		
SUBJECT:	ANNUAL CORPORATE PARENTING REPORT 2015/2016		
DATE OF DECISION:	19 JULY 2017		
REPORT OF:	CABINET MEMBER FOR CHILDREN'S SOCIAL CARE		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Jane White	Tel: 023 8083 3939
	E-mail:	Jane.white@southampton.gov.uk	
Director	Name:	Hilary Brooks	Tel: 023 8083 4899
	E-mail:	Hilary.brooks@southampton.gov.uk	
STATEMENT OF CONFIDENTIALITY			
N/A			

BRIEF SUMMARY

The Care Planning, Placement and Case Review Regulations (2011) require Local Authorities to provide an annual report on the outcomes for Looked After Children (LAC) which is to be presented to the Corporate Parenting Committee. This report fulfils that requirement, and provides the Council a profile of Southampton's looked after children and care leavers for the year 2015/2016

RECOMMENDATIONS:

- | | | |
|--|-----|--|
| | (i) | That Council review and comment on the contents of the report. |
|--|-----|--|

REASONS FOR REPORT RECOMMENDATIONS

- | | |
|----|---|
| 1. | To provide evidence, alongside other reporting and scrutiny requirements, that the care of Southampton's looked after children is robustly and appropriately monitored. |
|----|---|

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- | | |
|----|-----|
| 2. | N/A |
|----|-----|

DETAIL (Including consultation carried out)

- | | |
|----|--|
| 3. | The term 'corporate parenting' emphasises that we should have the same interest in and aspirations for children and young people in care (or leaving care) as we would for our own children. Looked After children are those children and young people from birth to 18 years of age who are unable to remain with their family and are cared for by the local authority. This can be through a voluntary agreement reached with their parents or by virtue of a court order. Some are looked after by family or friends who have been approved as a foster carers. Looked after children and those leaving care are some of the most vulnerable and disadvantaged children in the community. |
| 4. | The term 'care leaver' refers to a Looked After Child/young person aged 16+ who is transitioning from childhood into adulthood. Local authorities currently have a statutory obligation to support care leavers until they are 21 years old (or 25 if they are in education or training). Young people who have been in Special Guardianship arrangements but were previously in care also have entitlements to a leaving care service. In addition to our current duties, the Children and Social Work Bill, currently at report stage is focussed on increasing support for care leavers. If accepted, it is likely to introduce the additional requirement to offer support to care leavers with a personal |

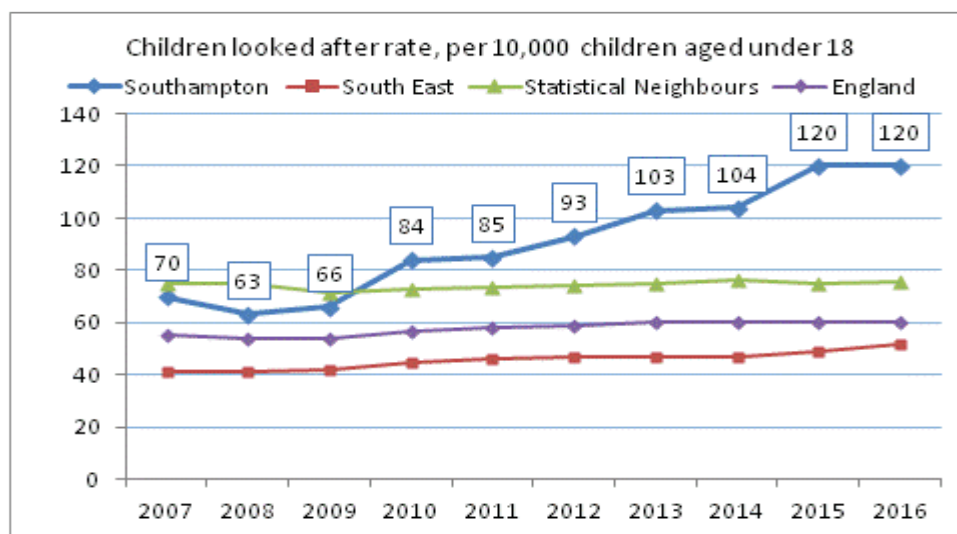
advisor up to the age of 25. The extended support role of the foster carer into adulthood will require focus and we will be required to produce a 'Care Leavers Covenant' which includes and a clear local offer of entitlements.

5. The concept of Corporate Parenting, introduced in The Children Act 2004, places collective responsibility on local authorities to achieve good parenting for all children in public care. "Corporate Parent" defines the collective responsibility of the council, elected members, employees and partner agencies for providing the best possible care and safeguarding for the children who are looked after in public care. Good corporate parents champion every opportunity to help children and young people in care to achieve their full potential and to have a successful transition into adulthood. Elected members in Southampton carry out this duty through:

1. Regular meetings between the Cabinet Member for Education and Children's Social Care and the Service Director, Children and families Service.
2. Scrutiny of regular reports at the Corporate Parenting Committee.
3. Representation from the Young People in Care Council at some meetings and additional meetings including members of this group and the Lead Cabinet Member.
4. The Children and Families Scrutiny Panel led by Elected Members robustly examines the work and performance of services and outcomes for children and young people in the City and includes a targeted focus upon children in care and care leavers.

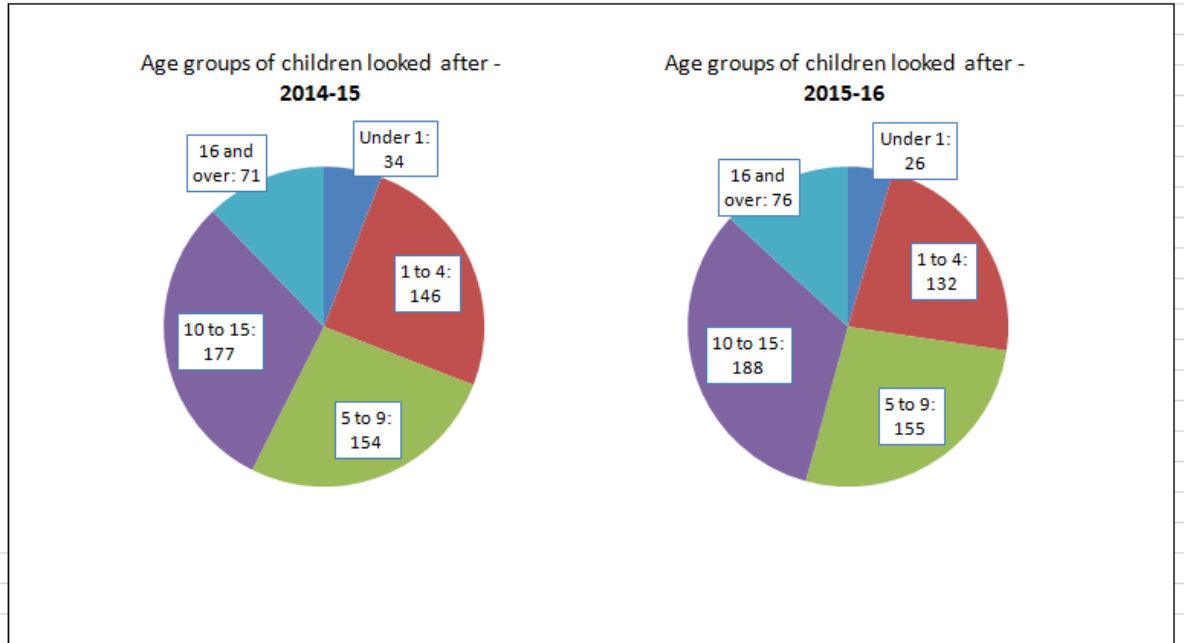
6. **Profile of looked after children and care leavers**

As at 31st March 2016, 590 children and young people were looked after in Southampton, in contrast to 31st March 2015 when there were 580 looked after children. In 2013-14 this figure was 500. The number of looked after children in Southampton is significantly higher than Statistical Neighbours at a rate of 120 children per 10,000 compared to 76 (Statistical Neighbours) and 60 (England). As at the end of September 2016, the number of looked after children in Southampton was 606, compared to 626 in the same period in the previous year.



7. In 2015-16, 210 children started, and 204 ceased to be looked after. The number of children who became looked after for a second or subsequent time in 2015-16 was 23; this was a reduction of 20 from the previous year.

At 31 March 2016, the largest proportion of children in care in Southampton was aged 10 to 15, as illustrated in the graph below. Of children starting to be looked after in 2015-16, 15.9% were aged under 1 and 29.0% aged 1-4. Under 5's are our most vulnerable group and this indicates a focus on early intervention with this group.

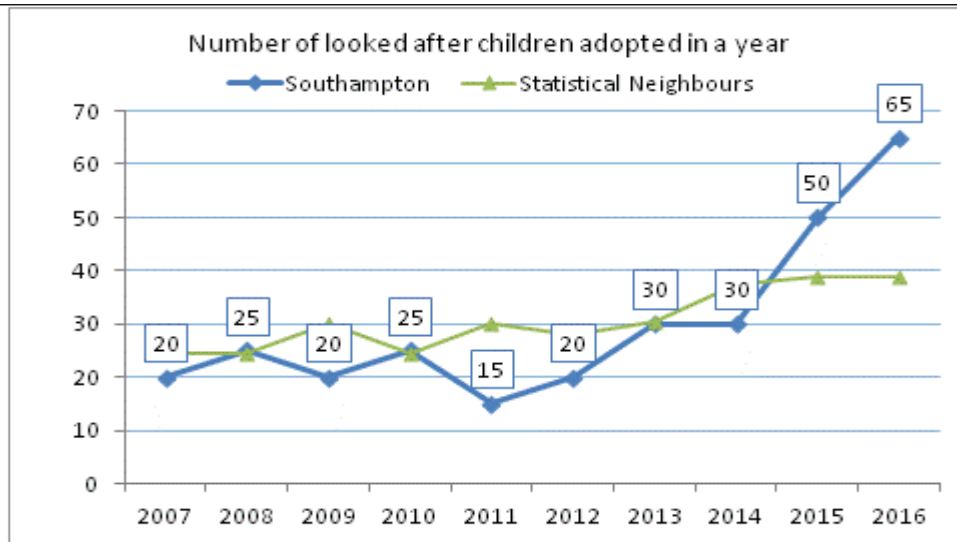


Overall, there continues to be more boys than girls looked after at the end of 2015-16, with 56% of CLA being boys and 44% girls. These percentages are in line with national data.

White British children continue to represent the largest cohort of looked after children at 74.5%. This is in line with national figures for 2016, with 75% of looked after children being White British in England.

8. Achieving Permanence

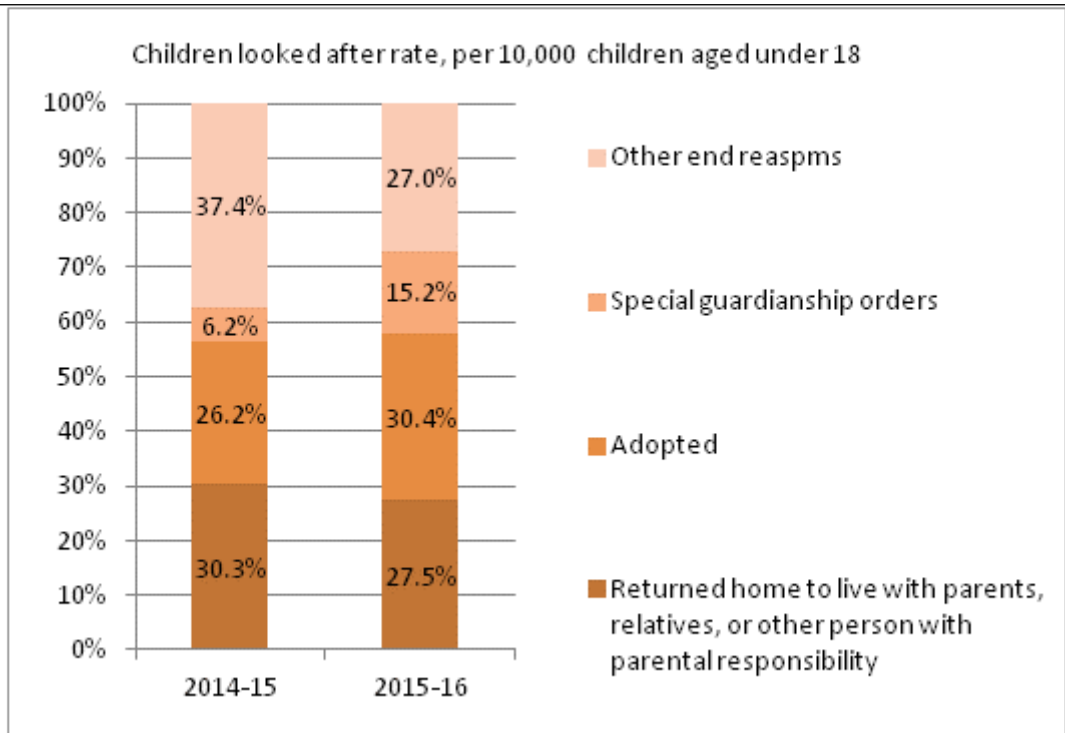
As at 31st of March 2016, 65 children had been placed with adoptive families, compared to 50 in 2015 and 30 in 2014. The annual numbers of adoptions for Southampton are shown below, with Statistical Neighbour's performance shown for comparison. Over the past 12 months (from October 2015 to September 2016), 60 children have been successfully placed with their adoptive families.



The average length of time between entering care and being adopted in 2012-15 was 463 days, compared to 476 in 2011-14 and 527 in 2010-13. The latest three year averages including data for 2016 had not been published at the time of writing this report.

9. Plans for returning children home when it is safe, and arranging for children to leave care, are considered as part of usual business and a full analysis of our looked after cohort took place in 2015-16. In 2015-16, the rate of ceasing looked after episodes was 42.6 in 10,000 0-18 year olds, compared to 40.7 in the previous year. The rate of new looked after children per 10,000 0-18 year olds was 43.8, a reduction from the previous year when the rate was 55.5. There are a number of initiatives in place to support children to remain with families wherever possible, including reunification programmes, edge of care interventions and a robust review of all our children's permanence arrangements. Of significance, a high proportion of our looked after children are subject to either an interim or full Court Order. This means a Court has agreed with the local authority that a child has met the threshold of 'significant harm'. To return them to their family therefore requires the Court to agree it is the correct course of action and it is safe. These plans are also scrutinised and ratified by independent reviewing officers and Court advisors. Alternative permanent options such as special guardianship, adoption and child arrangement orders are therefore the only way forward in many cases.

10. Of the children who ceased to be looked after in 2015-16, 27.5% were enabled to return home to live with their parents or placed with relatives. This is however, below the national average of 34%. The other large groups of children ceasing to be looked after included those with successful permanency plans including adoption (30.4%) and children granted a special guardianship order (15.2%). Special guardianship orders and adoptions both increased as end reasons compared to the previous year, as illustrated in the graph below.



Progress continues to be made in this area but it continues to be a challenge balanced against the number becoming looked after.

11. **Education of Looked after Children**

The Virtual School continues to work with schools both in and out of the city focussing on closing the gap between the outcomes of our Looked after Children and those of their peers. The completion rate of Personal Education Plans at the end of the academic year 2015/2016 was 80%. Personal Education Plans are written three times a year and are produced collaboratively between social workers, schools and Foster carers

The education data contained within this report is provisional and at the time of writing, only provisional data for Key Stage 2 and Key Stage 4 is available. No data is yet available for KS1 or EYFS.

12. **Key Stage 2 (Year 6, Age 11)**

There were 27 pupils that had been looked after continuously for at least a year as at the 31st March 2016. 1 pupil has been identified as taking end of key stage 2 assessments in a future year, therefore the cohort considered in the analysis below is 26 pupils with each pupil counting for 3.8%.

39% of this cohort achieved the Expected Standard in **Reading**. This is 27% below the achievement of all pupils nationally (66%). 39% achieved the Expected Standard in **Writing**. This is 39% below the achievement of all pupils nationally (74%). 42% of the cohort achieved the Expected Standard in **Maths**. This is 28% below the achievement of all pupils nationally (70%). 19% (5 no.) of the cohort achieved the Expected Standard in **Reading, Writing & Maths Combined**. This is 34% below the achievement of all pupils nationally (53%).

13.	<p><u>Key Stage 4 (Year 11, Age 16)</u></p> <p>Key Stage 4 GCSE results were released to schools and students on the 25th of August 2016. The short briefing note below, based on provisional data provides an overview of Southampton's performance for LAC pupils looked after continuously for a year as at the 31st March 2016. National and other Local Authority data will not be published by the DfE for several months; therefore comparisons are currently not possible.</p> <p>Southampton's provisional KS4 cohort of pupils consisted of 37 looked after children - of those, 34 were looked after continuously for 12 months. 9 pupils within this cohort were either not entered for any GCSE exams or not entered for any DfE Performance Table approved qualifications. Of these 9 pupils with no GCSE outcomes, 7 either attended Independent Schools, were EOTAS (Education Other Than At School) or Elective Home Education (EHE) and are therefore excluded from the calculations below. An additional CLA pupil who achieved a single GCSE qualification in an Independent school is also excluded.</p> <ul style="list-style-type: none"> • 27% (7 no.) of pupils achieved A*-C GCSE in English Language or English Literature. • 12% (3 no.) of pupils achieved A*-C GCSE in Maths. • 8% (2 no.) of pupils achieved A*-C GCSE in English and Maths, this is a decrease of 7% from 2015 when 15% of Southampton pupils achieved this threshold. This is below the 2015 National performance of 16% by 8%. • 25.0 was average Attainment 8 score for this CLA cohort (equivalent of a grade F across eight subjects) • 12% (3 no.) were entered for the English Baccalaureate (Ebacc). • No looked after pupils achieved the English Baccalaureate (Ebacc) in 2016 while in 2015, the national average was 3%.
14.	<p>The Virtual School continues to work with schools both within and outside Southampton to improve and develop opportunities for looked after children. The outcomes for 2015/2016 are in need of significant improvement but some firm foundations have been laid to secure progress in the future.</p> <ul style="list-style-type: none"> • 82% of Looked after Children now attend a Good or better school. • 92% of pupils needing a school move are admitted within 20days <p>The quality of PEPs is now monitored closely and at the end of the summer term over 65% were judged to be good or better. New PEP forms and guidance for social workers and designated teachers are in place. There are termly meetings with Designated teachers to target specific education issues. Attendance is monitored robustly with schools, social workers and carers. The Virtual School is in contact with the 26 other authorities where our children attend school.</p> <p>Tracking mechanisms have been improved and are still under review to robustly monitor the progress of each child in care. A Pupil Premium funding allowance is given</p>

	to schools to specifically address the individual needs of looked after children and the Virtual School works in partnership with schools to make best use of this investment to improve outcomes for the relevant children and young people.
15.	<p>Health of children in care and care leavers</p> <p>Looked After Children and young people share the same health risks and problems as their peers but often to a greater degree. They often enter care with an inferior level of health to that of their peers in part due to the impact of poverty, abuse, neglect and inadequate parenting.</p>
16.	Most children become looked after as a result of abuse and neglect. Although they have many of the same health issues as their peers, the extent of these is often greater because of their past experiences. Almost half of children in care have a diagnosable mental health disorder and two-thirds have special educational needs. Delays in identifying and meeting their emotional well-being and mental health needs can have far reaching effects on all aspects of their lives, including their chances of reaching their potential and leading happy and healthy lives as adults (Promoting the health and well-being of looked after Children DE, DH 2015).
17.	The NHS has a major role in ensuring the timely and effective delivery of health services to looked-after children. The Mandate to NHS England, Statutory Guidance on Joint Strategic Needs Assessments and Joint Health and Wellbeing Strategies and The NHS Constitution for England make clear the responsibilities of CCGs and NHS England to looked-after children (and care leavers). In fulfilling those responsibilities the NHS contributes to meeting the health needs of looked-after children in three ways: commissioning effective services, delivering through provider organisations, and through individual practitioners providing coordinated care for each child.
18.	Under the Children Act 2004, health professionals have a legal responsibility to promote the health and wellbeing of all children who they are responsible for, this is particularly pertinent with regard to vulnerable cohorts such as LAC. 'Promoting the Health and Wellbeing of Looked After Children' (DE DH 2015) sets out a framework for the delivery of care from health and social services to ensure their effectiveness to support and deliver care to LAC.
19.	NHS Southampton CCG employs a Designated Nurse for LAC (Head of Safeguarding) and Designated Doctor for LAC to assist the CCG in fulfilling their responsibilities as commissioner of services to improve the health of LAC. The Designated professionals also provide strategic oversight and advice working closely with health providers, Local Authorities, health care planners and commissioners to promote the welfare of LAC locally and out of area.
20.	NHS Southampton City CCG as the responsible commissioner for Southampton Looked After Children commission an annual report from Solent NHS Trust LAC Health Team in order to assure itself that services delivered to LAC are meeting expectations. In addition to Designated Professionals, NHS Southampton CCG commissions a bespoke LAC Health Service from Solent NHS Trust which includes a Named Nurse and 2 specialist nurses. Increases in the number of children coming into the care system is managed via the additional capacity built into the service from additional clinics and speciality GPs who can be used to respond to any unpredictable increase.
21.	Whilst locally, the numbers of LAC fluctuate they remain around 600 in total with the majority living in the Southampton area or within a 20 mile radius. Approximately 180 children are placed outside of this area (Nov 2016). NHS Southampton CCG retains responsibility for them all and funds the out of area health assessments as part of the

	responsible commissioner guidance Who Pays? Determining responsibility for payments to providers (see pages 12 and 13 of that guidance) (DH 2013). Ensuring that all LAC placed out of area receive quality and timely health assessments and have access to health services remains a challenge and will be a key priority for the Designated Professionals and Solent NHS Trust LAC health team next year.														
22.	<p>Annual reporting figures from Solent NHS Trust Health of LAC team (April 2015-March 2016) are detailed in the table below and are a marked improvement to the previous year results for health reviews at 6 monthly and annual timescales. The target of 90% has not been achieved and exception reporting undertaken by Solent, has identified out of area (ooa) health assessments and the high figures of “Was not brought” to appointments as areas of particular concern which impact upon performance figures.</p> <p>Table 1: Percentage data reporting</p> <table border="1"> <thead> <tr> <th>KEY PERFORMANCE INDICATOR / MEASURE</th> <th>March 2015 - April16</th> </tr> </thead> <tbody> <tr> <td>1. Annual reporting of percentage of children with an up to date dental check.</td> <td>79%</td> </tr> <tr> <td>2. Annual reporting of number of children who have been advised or whose foster carers have been advised of the need for a dental check.</td> <td>90%</td> </tr> <tr> <td>3. Annual reporting of percentage of children who are up to date with immunisations</td> <td>90%</td> </tr> <tr> <td>4. Annual reporting of percentage of children with up to date review health assessment in timescales</td> <td>94% (under 5 years of age / 6 monthly) 83% (over 5 years of age/annually)]</td> </tr> <tr> <td>5. Annual reporting of percentage of OOA children with up to date review health assessment in timescales</td> <td>61% (under 5 years of age/6 monthly) 68% (over 5 years of age/annually)</td> </tr> <tr> <td>6. Annual reporting of percentage of children within initial health assessment in timescales</td> <td>83% (85%within 28days of notification)</td> </tr> </tbody> </table>	KEY PERFORMANCE INDICATOR / MEASURE	March 2015 - April16	1. Annual reporting of percentage of children with an up to date dental check.	79%	2. Annual reporting of number of children who have been advised or whose foster carers have been advised of the need for a dental check.	90%	3. Annual reporting of percentage of children who are up to date with immunisations	90%	4. Annual reporting of percentage of children with up to date review health assessment in timescales	94% (under 5 years of age / 6 monthly) 83% (over 5 years of age/annually)]	5. Annual reporting of percentage of OOA children with up to date review health assessment in timescales	61% (under 5 years of age/6 monthly) 68% (over 5 years of age/annually)	6. Annual reporting of percentage of children within initial health assessment in timescales	83% (85%within 28days of notification)
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23.	<p>Exception reporting (now hotspots) has enabled Solent to appreciate further information as to why children and young people are not seen within timescales for the health assessment. Challenges are still evident in relation to non-attendance at health appointments which is monitored monthly by the LAC health team and details shared with the LAC Children’s Social Care team managers.</p> <p>Further analysis will be undertaken by Solent NHS Trust to understand the details of themes such as which group of carers does the “was not brought” relate to.</p>														
24.	Table 2: Themes for non-attendance at initial health assessment:														

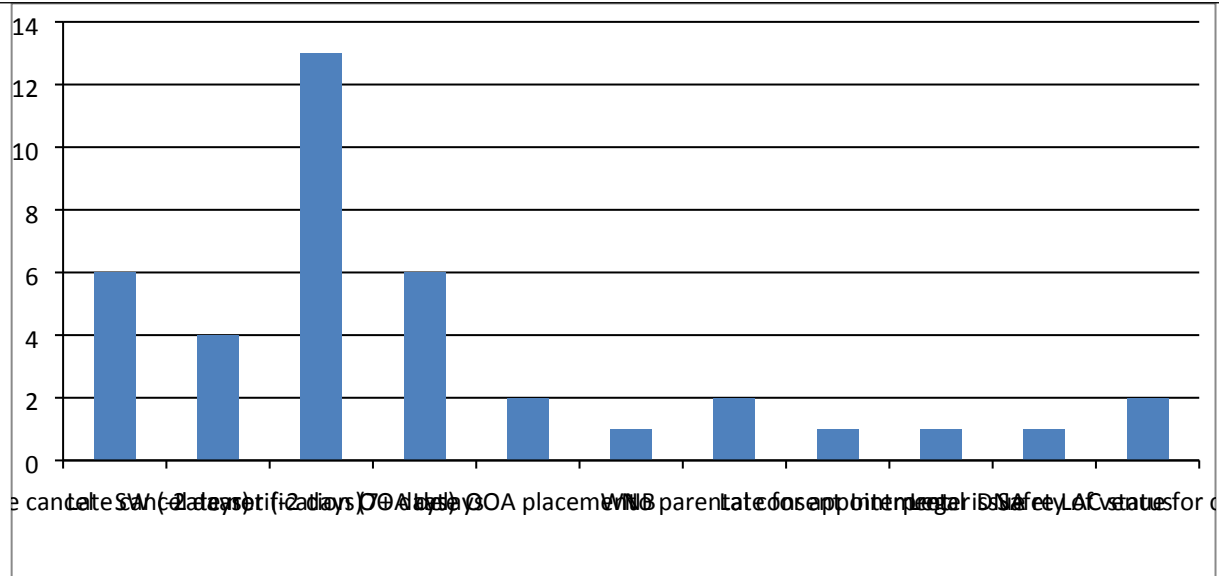
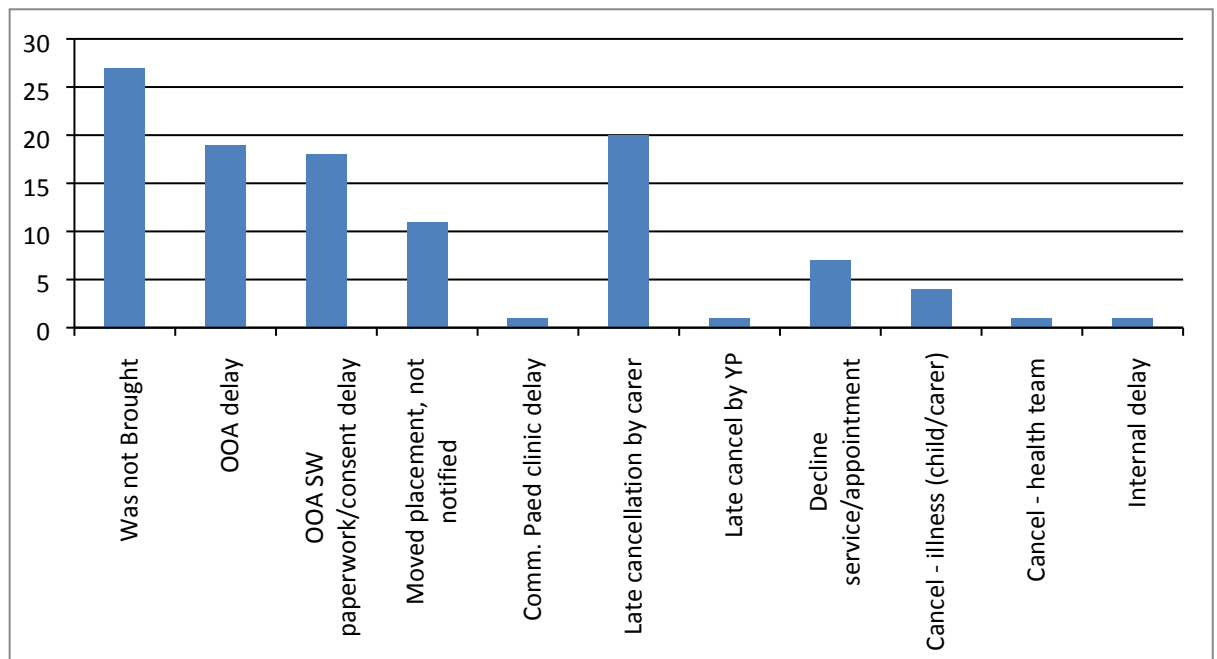


Table 3: Themes for non-attendance at review health assessment:



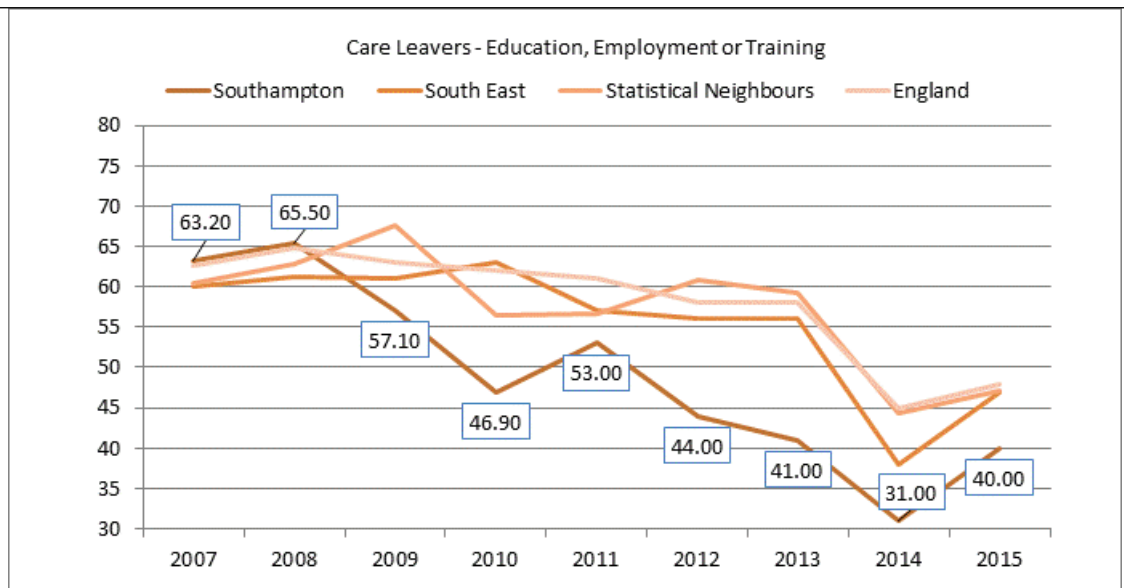
25. For Children in Care immunisation rates are 90% (2015/16) slightly higher than the national average of 87.1% which does not include the school leaver booster, administered via GP practices. A higher percentage of looked after children (95.2%) have received their first dose of immunisation by the age of two in Southampton. By the age of five, 90.6% of LAC have received their second dose of MMR immunisation which is higher than the England average.

26. The service continues to undertake a range of activities such as working with BRS (Building Resilience and Strength) to screen for and assess emotional and behavioural difficulties in Looked After Children, they have developed a Care-Leavers Health Care Plan and a “Declined Service” pathway to ensure those young people who do not wish to engage with the service have access to health information and know how to re-engage when they wish. The service is also looking at appropriate incentives to improve the uptake of health assessments by young people.

27.	<p>In January 2016, a multi-agency group named the Health and Wellbeing of LAC was established by the Designated Nurse in the Clinical Commissioning Group. The aim of the group was to ensure effective working across all agencies and services to improve the health and wellbeing of LAC in Southampton. The group is well supported and includes representatives from education, social care, foster carers, Youth options, No Limits as well as health services such as CAMHS, sexual health and the specialist LAC health team. The group is supporting a health needs assessment of LAC which is being undertaken by a specialist registrar in public health (Health Education Wessex). This report will be completed by Jan 2017. The group provides a forum for best practice and challenge and has already improved information sharing of services to support health and wellbeing outcomes such as increased referrals to advocacy services and awareness of services and tools to support the ongoing work into child sexual exploitation.</p>
28.	<p>CQC Review of LAC</p> <p>CQC undertook a review of Southampton LAC and safeguarding children health services in February 2016. The service delivery model of the looked after children team was inspected and reported to be; “gold’ standard and highly commendable, more so given the high quality of health assessments and the high number of young people in care.”</p> <p>The inspectors found that the overall quality of the initial health assessments (IHAs) and review health assessments (RHAs) undertaken by the team were of exceptional and consistent quality and that all IHAs are undertaken by the designated doctor/team of paediatricians unless the child is immediately placed out of the Southampton area.</p>
29.	<p>Looked-after children with emotional and mental health needs receive very robust, child centred support promptly from BRS (previously Behaviour Resource Service), an Integrated Family Assessment and Intervention Service (IFAIS) in Southampton. BRS is a jointly commissioned multi-agency team (health and social care) which provides therapeutic services for children and families across the looked after children pathway in Southampton. One of the specialist LAC nurses sits on the BRS therapeutic panel and the looked after children health team meet bi-monthly with BRS enabling joint exploration and discussion of cases, and provides an element of supervision to the looked after children practitioners.</p>
30.	<p>CQC did identify that young people looked after are not benefiting from the use and evaluation of strength and difficulties questionnaires (SDQs) as there is currently no local provision of SDQs in Southampton. This is not compliant with Department for Education requirements and when utilised effectively, can be very helpful in identifying and tracking a child’s emotional health and wellbeing whilst in care. This has been addressed by Solent NHS Trust and from June 2016 onwards, the team will integrate the SDQ into the health assessment process.</p>
31.	<p>CQC LAC Health recommendations:</p> <ol style="list-style-type: none"> 1. Ensure better recording of the ‘voice of the child’ in looked after children initial and review health assessments as opposed to quoting them in the ‘third person’ and making care plans SMART. 2. Put into place a formalised quality assurance framework to better assess the quality of both IHAs and RHAS for children and young people placed both in and out of area. 3. Ensure SDQ scoring is used to assist the care planning process for all looked after children and young people across Southampton.

32.	<p>Since the CQC visit, the designated doctor has already put in place actions to address the 3 recommendations. The voice of the child and SDQs has already been discussed and a quality assurance process for all out of area initial and review health assessments, and health plans has also been put in place by the Designated Doctor. This process will be supported by the Named nurse once in post and a formal framework with supporting documentation has been developed by designated doctor.</p>
33.	<p>There is a strong offer of health support to care leavers even though the service is commissioned to age 18 only. Young people who have had a background in care are more likely than their peers to have poor social outcomes in later life and the specialist health team continue to actively support many young people beyond the age of 18 years. The specialist LAC team have already developed processes to support care leavers and will continue to work with the designated professional to engage first hand with the Children in Care council to develop and roll out a care leaver's health passport. The specialist nurses are working on an options paper to consult the group with; listening to their explicit needs has previously established a need to provide them with a Health Passport which will contain their historical and current health information. It is anticipated in autumn 2015 that this consultation will take place.</p>
34.	<p>As commissioning lead for the LAC health service, during 2015, the Designated Nurse has reviewed the existing service specification with the addition of reporting and quality schedules, to enable transparency between the CCG and commissioned providers and ensure relevant monitoring of service performance, delivery and quality assurance through audit of outcomes for LAC in Southampton. This report identifies multiple challenges for the LAC health team during 2016/17, however, with strong leadership from the Designated Doctor and the passion of the team to deliver a quality service, potential opportunities for further development of the already strong service model and improvement in practice are exciting and the Designated nurse will continue to provide support and advice whilst monitoring and seeking assurance.</p>
35.	<p>Care leavers</p> <p>There has been continued progress against some measures of performance for young people leaving care but further work is still required to improve and maintain a consistently good level of outcomes and opportunities. Due to high numbers of looked after children demands on the service have increased and this requires further consideration in terms of resource. The percentage of care leavers who were still in contact with Social Services in 2014-15 was 89.0% and 90.1% in 2015-16. The latest figures for Southampton show that at the end of Quarter 2 2016-17, 98.5% of care leavers were still in contact. Clearly, this is a positive increase and provides opportunities for practitioners to work with young people to address and deliver improved outcomes in relation to identified needs.</p>
36.	<p>The city's strategic approach to sourcing and accessing suitable accommodation for young care leavers includes a "staying put" offer for care leavers to continue to reside with their current foster carer(s). Joint working between the Care Leavers/Pathways Team and the Housing Needs Team is positive, with weekly housing panels in place. This ensures that the most appropriate housing and support is identified as part of the young person's pathway planning process, including access to a secure tenancy with SCC or one of the City's Housing providers. A joint protocol between the relevant agencies to ensure all partners understand their roles and young people experience a planned and supported transition to independent living is in place. This includes a shared commitment by agencies to adopt a 'corporate parenting' approach for care leavers. The Children and Social Work Bill also indicates we will need to consider</p>

	<p>'staying close' arrangements for young people leaving care out of county to ensure they maintain good support networks if they wish to remain near to their residential home and link workers</p>
37.	<p>The latest figures for Southampton show that at the end of Quarter 2 2016-17, 88.1% of care leavers were in contact and in suitable accommodation. The total number of care leavers being supported by Southampton at 31st of March 2016 was 176. 117 (82.4%) of these young people were in contact with the Local Authority and in suitable accommodation. 25 (17.6%) were deemed to live in unsuitable accommodation. 34 care leavers were not included in this cohort and therefore excluded from the above percentage calculation as they were either not in touch (and therefore it was not known whether their accommodation was suitable), or the young person had died, or returned home to live with parents or someone with parental responsibility for a continuous period of six months or more.</p>
38.	<p>Looking at the previous years' figures, at the end of March 2015, 78% of care leavers were in contact and in suitable accommodation. This represents an upward trend in performance of 8% since March 2014, when the percentage was 70.</p> <p>Outcomes in the area continue to improve although the service recognises that activity in this area must continue to drive improvement up to statistical neighbour rates (79.1% in 2015) and beyond.</p>
39.	<p>Local Authority continues to be committed to the national Care Leavers Charter; with an allocation of £2,000 for all Care Leavers to support transition to independence; the creation of a more robust and effective Young People in Care Council; the development of a Facebook page to promote ongoing contact and support beyond their 25th birthday and to improve partnerships that enable Care Leavers to access apprenticeships, work experience, further and higher education.</p>
40.	<p>The City currently undertakes a pathway needs assessment at 15yrs and 9 months for each young person who will remain looked after and therefore become a care leaver. It continues to be acknowledged that this planning process should be commenced earlier to ensure stronger plans which have comprehensive 'buy-in' from young people and involve carers and the entire professional network at each stage of planning. Auditing outcomes are well established to monitor and then check that the Pathways team is focussing upon improving the quality and timeliness of plans. It is expected that all young people have a complete and robust pathway plan in place by the age of 16years and 3 months.</p>
41.	<p>Education, Training and Employment for care leavers</p> <p>According to published figures, 40% of 18-21 care leavers were in education, employment or training at the end of March 2015, an 9% increase on the previous year (at 31%). Despite the improvement in this area, Southampton care leavers in EET fared less well compared to statistical neighbours (47%) and England (48%). At the time of writing, 2016 figures have not been published.</p>



43.

Employment Training and Education remains a key priority improvement area, and a range of focussed activities are in place to secure better outcomes and performance. These include:

- Improved tracking of personal education plans for year 10 and 11 looked after pupils transitioning towards independence.
- Monitoring and tracking of the cohort of young people not engaged in education, training and employment with partners within the council, educational provision and the third sector (including monitoring and reporting 16-17 year old Care Leavers to Corporate Parenting, which is over and above the statutory reporting requirement).
- The provision of a dedicated worker from the Council- led City Deal programme to assist in supporting employment outcomes for those young people who are referred through the Pathways Team.
- Recruitment of a part-time Careers Advisor to provide careers information advice and guidance, and ensure that systems are in place to support and track the young people from KS4 through to fully engaging in post 16 provision (post holder commencing November 2016).
- An offer of a placement or apprenticeship within the Council to care leavers, and prioritisation in the Council's apprenticeship recruitment
- Inclusion of Care Leavers as one of the three priorities for Connect, Southampton's Strategic partnership, to enable mentoring and placements through local major employers.
- Access to funded enhanced traineeships (pre-Apprenticeship) through EU funded programme, including work placements, English and Maths support and expenses payments for the young people.
- A NEET prevention system for the City including a process to identify Risk of NEET in school, which includes Children in Care status. These young people are then referred to support including during summer holidays and into progression post- 16
- Case conferencing systems to ensure full support is in place.

However, it should be noted that funding and provision of services to support NEET young people fluctuates through the year due to grant availability.

44.	<p>Participation and engagement of children and young people</p> <p>The active participation of children and young people is a key priority for Children’s Services and its partners. The strategy for looked after children sets out a clear vision for practice, and the Quality Assurance Business Unit alongside the LAC Service facilitates consultation, involvement and participation of children and young people who are looked after. The additional support of Southampton’s young people’s participation worker has been welcomed. Consultation is gradually feeding into service development, and our involvement in the Bright Spots survey has identified key areas where young people feel we could improve as well as what is going well. Our action plan is in place and will be monitored by the Corporate Parenting Committee.</p>
45.	<p>Positive messages came out of the above survey including:</p> <ul style="list-style-type: none"> • Children were generally positive about their future compared to children in care in other local authorities and believed their lives were improving. • The vast majority of children felt settled, trusted carers and had access to an adult who they trusted and who they saw as helping them. • Young children in particular had a positive sense of wellbeing in terms of trusting their carers, feeling settled in their placements, feeling safe and feeling happy. • Children had fun and were able to pursue hobbies and interests and access the outdoors. • They generally enjoyed schools and their carers were engaged in supporting their learning.
46.	<p>An annual awards ceremony recognises the achievements and contribution of children and young people looked after and care leavers. The Children in Care Council (in Southampton called the Young People In Care Council – YPiCC) directly supports the Corporate Parenting Committee to measure and monitor the effectiveness and quality of ‘Corporate Parenting’ to children and young people in accordance with the views and experiences of the children who are in care. The committee remains fully committed to listening to the voice of service users and the active involvement of children and young people within the decision-making processes. However, it is recognised that the Young People in Care Council (YPiCC) has had a fluctuating membership. The group meets on a monthly basis but numbers remain low and we are currently looking at other options to increase membership and participation options. In 2015/16 they have been working on Southampton’s ‘Pledge’ and have created a video to promote awareness of Child Sexual Exploitation. The younger group have focussed on stranger danger and both groups have been working on projects supporting children who come into care.</p>
47.	<p>Children Missing from Care</p> <p>Overall percentages of looked after children having a period missing from care were low in Southampton (1%) compared to Statistical Neighbour (6.9%) and England (6.0%). At the end of quarter 2 2016-17, the number of looked after children missing for 24 hours or more was 16 (2.6% of all looked after children). Robust missing from care procedures remain in place and the individual cases of missing children are tracked and scrutinised by managers on a daily basis.</p>
48.	<p>The graph below shows that compared to Statistical Neighbour and England averages, Southampton had a significantly lower percentage of looked after children going missing during the year. Figures for 2016 are currently not available for this indicator.</p>

	<p style="text-align: center;">Percentage of Children Looked after whom had a missing incident during the year</p> <table border="1"> <thead> <tr> <th>Region</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Southampton</td> <td>1.0%</td> </tr> <tr> <td>South East</td> <td>7.0%</td> </tr> <tr> <td>Statistical Neighbours</td> <td>6.9%</td> </tr> <tr> <td>England</td> <td>6.0%</td> </tr> </tbody> </table>	Region	Percentage	Southampton	1.0%	South East	7.0%	Statistical Neighbours	6.9%	England	6.0%	
Region	Percentage											
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<p>49.</p>	<p>Barnardo's currently deliver a return 'safe and well' service for Southampton children and young people. When a child/young person returns from going missing, Barnardo's are notified and then contact that child/young person to identify any issues or concerns that are ongoing for them. Information on the matter is then passed to the relevant 'lead professional' via the MASH and this is used to help inform future safety and protection planning where relevant. The Local Authority works with the Local Safeguarding Children's Board's 'Missing, Exploited and Trafficked' Group (MET) to identify particular concerns for individual children, and areas of the City, and then addressed these matters through the sharing of intelligence amongst agencies, joint planning and targeted interventions. There has been a lot of activity in the summer of 2016 ensuring we are risk assessing and planning appropriately for children who are going missing and potentially at risk of CSE.</p>											
<p>50.</p>	<p>Summary of Priorities for 16/17</p> <p>We must take our corporate parenting role seriously and have the same high aspirations for children looked after as we would for our own children. We need to listen to the messages from our children and young people, build on our strengths and develop our services with their needs and views at the centre of any plan.</p> <p>The numbers of children in care at the end of March 2016 is significantly higher than two years ago. Further initiatives and options are being developed to strengthen available support to children and young people on the edge of care to remain in the care of their own families and to move into other permanence arrangements from care. The Bounce Group in particular is a 12 week group which aims to build resilience for children looked after. It is being researched in conjunction with the university of Southampton and is beginning to show positive outcomes for this cohort of children.</p> <p>Services for care leavers are improving, however we have more to do. In 2016 – 17 we are prioritising the development of our care leavers service to ensure we are meeting needs at all levels and expanding our 'offer'. This will include ensuring we are accessible at times when young people need us.</p>											

51.	Adoption rates and the timeliness of placements continue to show significant improvement over the past 12 months. Permanency planning processes for children are being continuously reviewed and strengthened. We are moving towards different delivery arrangements within the adoption service with the Government push to move into regional adoption agencies. 2016 – 17 will see significant developments in this area. Should widen opportunities to matching children with permanent families at an earlier stage.
52.	Health assessments for looked after children have been significantly improved over the past 12 in both timeliness and quality. This improvement must be monitored and maintained through the partnership of agencies and processes put in place to establish these improvements. Solent NHS Trust and the Local Authority also need to deliver similar improvements in relation to immunisations and dental checks for children in care.
53.	Priorities going forward include the development and introduction of a health “passport” for all care leavers which is given to young people when they leave care. The health passports for all LAC will contain key health information about all children throughout their formative years and provide young people with a complete health history which is crucial in promoting and managing individual health needs.
54.	Other work will focus on ensuring that the Local Authority better understands the emotional and mental health needs of young people prior to, and after they leave care, and ensure that services consistently meet identified needs, and promote services designed to address such needs. Recent Quarter 2 information showed BRS outcome measure (CGAS) demonstrate an average 15 point improvement post intervention from the service.
55.	The educational performance of children in care declined during the year amongst the older age group, but there has been relatively good performance across other age ranges. However, in general outcomes for looked after children and care leavers in Southampton requires improvement and is a major priority for the Corporate Parenting Committee chaired by the Lead Elected Member in the year ahead. The way the Virtual School works has been refreshed in recent months and their staff are working more closely with care planning practitioners and have identified a clear approach for monitoring the educational development and needs of looked after children. Additionally, the Personal Education Plan (PEP) assessment tool has been strengthened and used more effectively to identify children’s needs, set realistic and ambitious goals and to put support in place quickly. The PEP completion rates require significant improvement and will be monitored and driven meticulously throughout the year ahead.
56.	<p>A further challenge for the coming year will be to support and maintain the current cohort of 16 to 18 year old young people in their education, employment and training settings and empower them to complete chosen pathways successfully, and transition on to fulfil their individual ambitions and potential. These young people together with those up to the age of 21 will be closely monitored through a multi-agency group and officers will explore greater opportunities to increase apprenticeships and work based opportunities for looked after children and care leavers.</p> <p>The service is involving children and young people more in participation and service development but there is more work to do in this area.</p>
57.	Working with looked after children with significant levels of vulnerability including those at risk of sexual exploitation and offending behaviours continues to be an overarching priority. The Service has processes in place to both identify these young people as

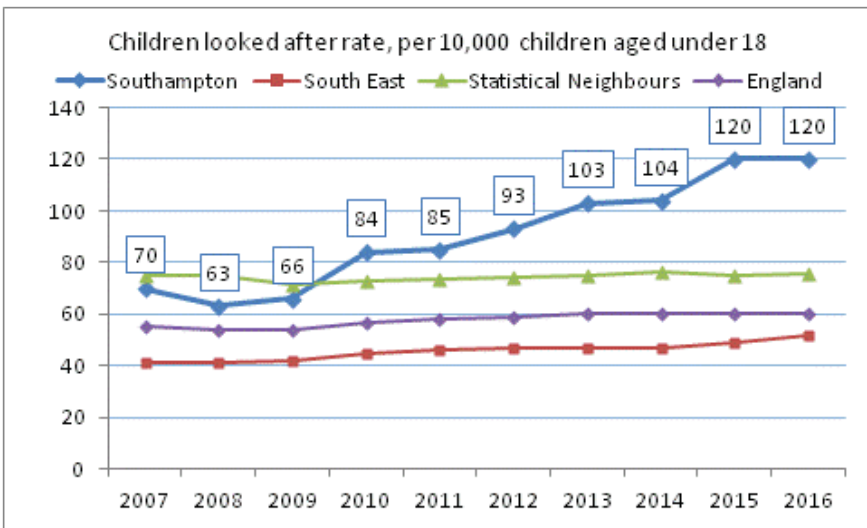
	early as possible and to ensure that appropriate services are put into place to support and keep them safe.
RESOURCE IMPLICATIONS	
There are no new resource implications arising from this report.	
<u>Capital/Revenue</u>	
	N/A
<u>Property/Other</u>	
	N/A
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
	The Children Act 2004 places a duty on local authorities to take collective responsibility for good parenting of children in care and looked after.
<u>Other Legal Implications:</u>	
	The corporate parenting responsibilities must be carried out having regard to the Equalities Act 2010, the Human Rights Act 1998 and all other pervasive legislation.
POLICY FRAMEWORK IMPLICATIONS	
	The proposals set out in this report are wholly consistent with the Council's Policy Framework.
KEY DECISION?	No
WARDS/COMMUNITIES AFFECTED:	N/A
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	N/A
Documents In Members' Rooms	
1.	N/A
Equality Impact Assessment	
Do the implications/subject of the report require an Equality and Safety Impact Assessments (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.	N/A	

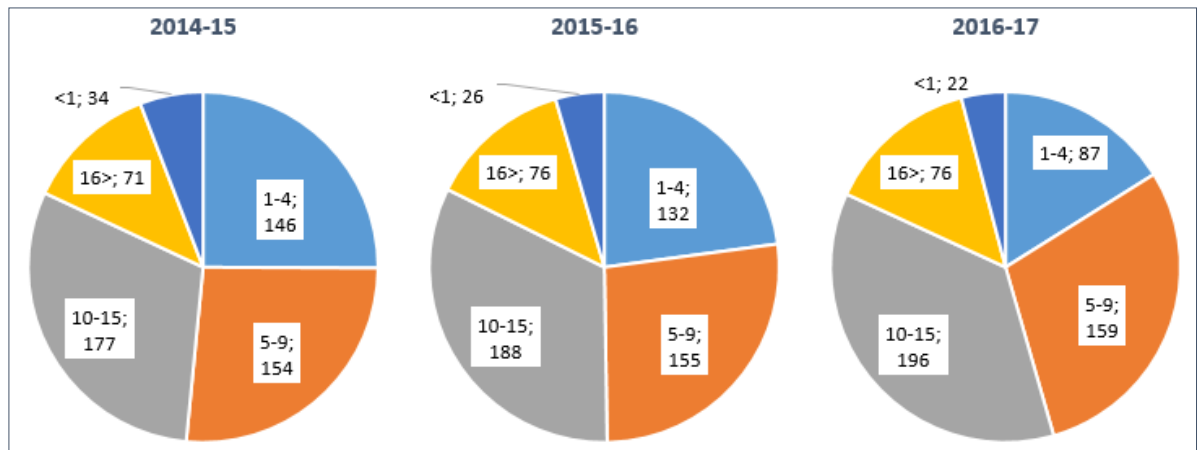
Agenda Item 13

Appendix 1

DECISION-MAKER:	Council		
SUBJECT:	Annual Corporate Parenting Report 2016/2017		
DATE OF DECISION:	19 th JULY 2017		
REPORT OF:	CABINET MEMBER FOR CHILDREN'S SOCIAL CARE		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Jane White	Tel: 023 8083 3939
	E-mail:	Jane.white@southampton.gov.uk	
Director	Name:	Hilary Brooks	Tel: 023 8083 4899
	E-mail:	Hilary.brooks@southampton.gov.uk	
STATEMENT OF CONFIDENTIALITY			
N/A			
BRIEF SUMMARY			
<p>The Care Planning, Placement and Case Review Regulations (2011) require Local Authorities to provide an annual report on the outcomes for Looked After Children (LAC). This report fulfils that requirement, and provides a profile of Southampton's looked after children and care leavers for the year 2016-17.</p>			
RECOMMENDATIONS:			
	(i)	That Council review and comment on the contents of this report.	
REASONS FOR REPORT RECOMMENDATIONS			
1.	To provide evidence alongside with other reporting and scrutiny panels that our CIC are appropriately monitored and will also inform the ongoing work in raising out comes for CIC in Southampton.		
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED			
2.	N/A		
DETAIL (Including consultation carried out)			
3.	<p>The term 'corporate parenting' emphasises that we should have the same interest in and aspirations for children and young people in care (or leaving care) as we would for our own children. Looked after children are those children and young people from birth to 18 years of age who are unable to remain with their family and are cared for by the local authority. This can be through a voluntary agreement reached with their parents or by virtue of a court order. Some are looked after by family or friends who have been approved as a foster carers. Looked after children and those leaving care are some of the most vulnerable and disadvantaged children in the community.</p>		
4.	<p>The term 'care leaver' refers to a looked after child/young person aged 16+ who is transitioning from childhood into adulthood. Local authorities have a statutory obligation to support care leavers until they are 21 years old. In addition the Children and Social Work Act 2017, Royal Assent 27th of April 2017 introduces the additional requirement to offer support to persons aged under 25 who are former relevant children. The extended support role of the foster carer into adulthood will require focus and we are required to produce a 'Care Leavers Covenant' which includes a clear local offer of entitlements. Young people who have been in Special Guardianship arrangements but</p>		

	were previously in care also have entitlements to a leaving care service.																																																							
5.	<p>The concept of Corporate Parenting, introduced in The Children Act 2004, places collective responsibility on local authorities to achieve good parenting for all children in public care (duties of local authorities towards looked after children were listed before, in Children Act 1989, Part III, S. 22 onward). “Corporate Parent” defines the collective responsibility of the council, elected members, employees and partner agencies for providing the best possible care and safeguarding for the children who are looked after in public care. Good corporate parents champion every opportunity to help children and young people in care to achieve their full potential and to have a successful transition into adulthood. Elected members in Southampton carry out this duty through:</p> <ol style="list-style-type: none"> 1. Regular meetings between the Cabinet Member for Education and Children’s Social Care and the Service Director, Children and Families Service. 2. Scrutiny of regular reports at the Corporate Parenting Committee 3. Representation from the Young People in Care Council at some meetings and additional meetings including members of this group and the Lead Cabinet Member. 4. The Children and Families Scrutiny Panel led by Elected Members robustly examines the work and performance of services and outcomes for children and young people in the City and includes a targeted focus upon children in care and care leavers. 																																																							
6.	<p>Profile of looked after children and care leavers</p> <p>As at 31st March 2017, 540 children and young people were looked after in Southampton, in contrast to 31st March 2016 when there were 590 looked after children. At the end of financial year 2014-15 this figure was 580. The number of looked after children in Southampton is significantly higher than Statistical Neighbours, however the number has decreased compared to the previous year. The rate of looked after children per 10,000 children in Southampton was 120 last year, compared to 76 (statistical neighbour average) and 60 (England average). At the end of 2016-17, Southampton’s rate per 10,000 was 110.</p>  <table border="1" data-bbox="502 1355 1372 1881"> <caption>Children looked after rate, per 10,000 children aged under 18</caption> <thead> <tr> <th>Year</th> <th>Southampton</th> <th>South East</th> <th>Statistical Neighbours</th> <th>England</th> </tr> </thead> <tbody> <tr> <td>2007</td> <td>70</td> <td>40</td> <td>76</td> <td>55</td> </tr> <tr> <td>2008</td> <td>63</td> <td>40</td> <td>74</td> <td>53</td> </tr> <tr> <td>2009</td> <td>66</td> <td>41</td> <td>73</td> <td>54</td> </tr> <tr> <td>2010</td> <td>84</td> <td>44</td> <td>73</td> <td>56</td> </tr> <tr> <td>2011</td> <td>85</td> <td>46</td> <td>74</td> <td>57</td> </tr> <tr> <td>2012</td> <td>93</td> <td>47</td> <td>74</td> <td>58</td> </tr> <tr> <td>2013</td> <td>103</td> <td>47</td> <td>75</td> <td>59</td> </tr> <tr> <td>2014</td> <td>104</td> <td>48</td> <td>76</td> <td>60</td> </tr> <tr> <td>2015</td> <td>120</td> <td>49</td> <td>76</td> <td>60</td> </tr> <tr> <td>2016</td> <td>120</td> <td>51</td> <td>76</td> <td>60</td> </tr> </tbody> </table>	Year	Southampton	South East	Statistical Neighbours	England	2007	70	40	76	55	2008	63	40	74	53	2009	66	41	73	54	2010	84	44	73	56	2011	85	46	74	57	2012	93	47	74	58	2013	103	47	75	59	2014	104	48	76	60	2015	120	49	76	60	2016	120	51	76	60
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7.	<p>In 2016-17, 167 children became looked after, and 220 ceased to be looked after, compared to 2015-16 when 210 children started, and 204 ceased to be looked after. Of the 167 who started in 2016-17, 21 children had been looked after before, at some point in their lives. The number of children who became looked after for a second or subsequent time in 2015-16 was 23; this was a reduction of 20 from 2014-15.</p>																																																							

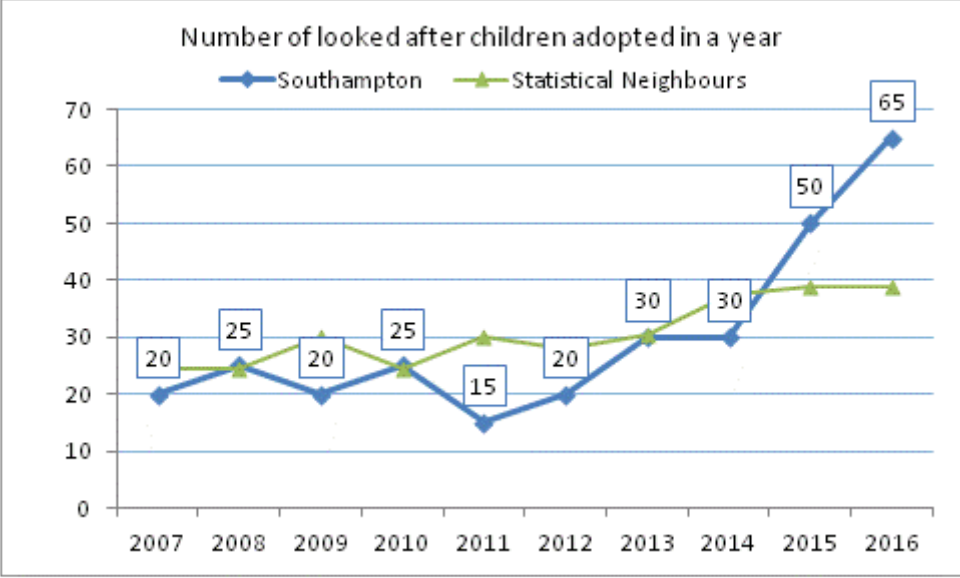
8. At 31 March 2017, the largest proportion of children in care in Southampton was aged 10 to 15, as illustrated in the graph below. Of children starting to be looked after in 2016-17, 4.1% were aged under 1 and 16.1% aged 1-4. Under 5s are our most vulnerable group and this indicates a focus on early intervention with this cohort, outcomes of which can also be seen in the graph below, which show a clear reduction in the proportion of younger children aged 0-4 in care.

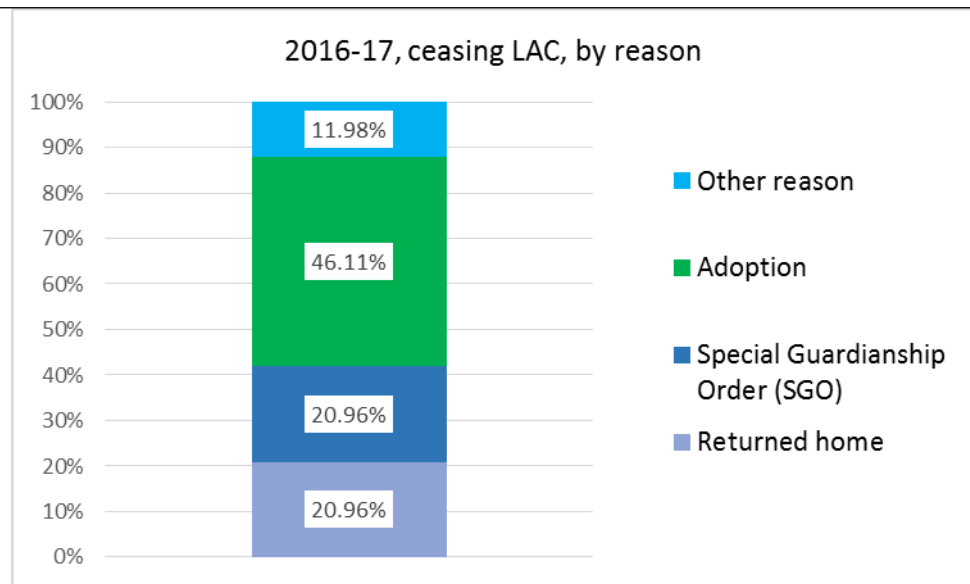


9. Overall, there continues to be more boys than girls looked after. At the end of 2016-17, there were 301 boys (55.7%), and 239 girls (44.3%) looked after. This is similar to the previous year, with 56% of looked after children were boys and 44% girls.

10. In 2015-16, white children continued to represent the largest cohort of looked after children at 78.8%. This is in line with national figures for 2016, with 75.4% of looked after children being white in England. 2016-17 data on ethnicity has not yet been published.

11. **Achieving Permanence**
 As at 31st of March 2017, according to internal data, 77 children were placed with adoptive families, compared to 65 in 2016 and 50 in 2015. The latest annual published numbers of adoptions for Southampton are shown below, with Statistical Neighbour's performance shown for comparison (2016-17 data will be published later on in the year).

	 <p style="text-align: center;">Number of looked after children adopted in a year</p> <p style="text-align: center;">◆ Southampton ▲ Statistical Neighbours</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Year</th> <th>Southampton</th> <th>Statistical Neighbours</th> </tr> </thead> <tbody> <tr><td>2007</td><td>20</td><td>25</td></tr> <tr><td>2008</td><td>25</td><td>25</td></tr> <tr><td>2009</td><td>20</td><td>30</td></tr> <tr><td>2010</td><td>25</td><td>25</td></tr> <tr><td>2011</td><td>15</td><td>30</td></tr> <tr><td>2012</td><td>20</td><td>20</td></tr> <tr><td>2013</td><td>30</td><td>30</td></tr> <tr><td>2014</td><td>30</td><td>30</td></tr> <tr><td>2015</td><td>50</td><td>38</td></tr> <tr><td>2016</td><td>65</td><td>38</td></tr> </tbody> </table>	Year	Southampton	Statistical Neighbours	2007	20	25	2008	25	25	2009	20	30	2010	25	25	2011	15	30	2012	20	20	2013	30	30	2014	30	30	2015	50	38	2016	65	38
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12.	<p>The average length of time between entering care and moving in with their adoptive family in 2012-15 was 674 days, compared to 697 in 2011-14 and 691 in 2010-13. The latest three year averages including data for 2016 had not been published at the time of writing this report.</p>																																	
13	<p>Plans for returning children home when it is safe, and arranging for children to leave care, are considered as part of usual business and a full analysis of our looked after cohort took place in 2015-16. In 2015-16, the rate of ceasing looked after episodes was 42.6 in 10,000 0-17 year olds, compared to 40.7 in the previous year. Data for 2016-17 has not been published yet, but internal data shows that in 2016-17, 220 children ceased to be looked after (45 per 10,000 children). The rate of new looked after children per 10,000 0-17 year olds was 34 (167 children), a reduction from the previous year when the rate was 43.8. The latest internal data indicates that this year, there have clearly been fewer new children starting to become looked after than ceasing.</p>																																	
14.	<p>There are a number of initiatives in place to support children to remain with families wherever possible, including reunification programmes, edge of care interventions and a robust review of all our children’s permanence arrangements. Of significance, a high proportion of our looked after children are subject to either an interim or full Court Order. This means a Court has agreed with the local authority that a child has met the threshold of ‘significant harm’. To return them to their family therefore requires the Court to agree it is the correct course of action and it is safe. These plans are also scrutinised and ratified by independent reviewing officers and Court advisors. Alternative permanent options such as special guardianship, adoption and child arrangement orders are therefore the only way forward in many cases.</p>																																	
15.	<p>Of the children who ceased to be looked after in 2016-17 (167 in total), 35 returned home to live with their parents, 35 ceased due to Special Guardianship Order arrangements, and 77 were adopted. In 2015-16, of the children who ceased to be looked after, 27.5% were enabled to return home to live with their parents or placed with relatives 30.4% were adopted and 15.2% were granted a Special Guardianship Order (SGO).</p>																																	
16.	<p>The graph below shows the proportions of children who ceased to be looked after in 2016-17, by reason.</p>																																	



Progress continues to be made in this area but it continues to be a challenge balanced against the complexities and number looked after.

- 17. **Education of Looked after Children**
The 2016/ 2017 Head teacher’s Annual Report for the Virtual School will be available early in the Autumn term and will reflect the work of the school over the 2016/2017 academic year. The Virtual School continues to work with schools both in and out of the city focussing on fully engaging our young people in education and on closing the gap in outcomes between looked after children and their peers.
- 18. At the end of the last academic year 82% of looked after children attended schools judged to be good or better by Ofsted. At the end of April 2017 this figure had dropped slightly to 80%.
- 19. Pupil attendance is monitored and regularly followed up .A recent review by the Principal Education Welfare Officer judged the work of the virtual school on attendance to be at least good and taking all the appropriate action to support and maintain good attendance.
- 20.. Personal Education Plans are written three times a year and are produced collaboratively between social workers, schools, foster carers and the virtual school. The completion rate of Personal Education Plans at the end of the academic year 2015/2016 was 80%. The average for the first two terms of 2016/17 stands at 91%.
- 21. Training for the implementation of an ePEP system is underway and all schools and social workers who work with looked after children will complete their training by the end of the first week in September. New guidance on the allowed uses of the pupil premium will also be introduced.
- 22. The educational outcomes data in this report is for the year 2015/2016. This is the confirmed data which did not become available until March 2017. The numbers represent the percentages of pupils reaching the national baseline and above and offer a comparison against the outcomes for all pupils nationally and against the outcomes for all children looked after nationally.

23. Key Stage 1 (Year 2, Age 7) 50 pupils

Subject	All pupils	All CLA	All CLA	Southampton	Southampton
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	nationally	nationally	Southampton	12months + CLA	Less than 12 months CLA
Reading	74.2%	50.2%	60%	50%	70.8%
Writing	65.7%	38.5%	46%	42.3%	50%
Maths	72.8%	46.5%	50%	46.2%	54.2%
Science	82%	59.4%	58%	57.7%	58%

The outcomes for this age group compare favourably against the outcomes for looked after children nationally.

24. Key Stage 2 (Year 6 age 11) 40 pupils

Subject	All pupils nationally	All CLA nationally	All CLA Southampton	Southampton 12 months+ CLA	Southampton Less than 12 months CLA
Reading	66%	40.8%	40%	44%	33.3%
Writing (Teacher assessment)	74%	45.9%	40%	40%	40%
Maths	69.8%	41.9%	40%	44%	33.3%
Grammar, punctuation, spelling	72.5%	44.3%	45%	48%	40%
Combined reading, writing, maths	53.5%	25.7%	20%	24%	13.3%

The outcomes for this group are broadly very close to the national data for looked after children. In common with national outcomes the children in this age group who had been in care for over a year did better than those children who had only been in care a short time.

25. Key Stage 4 (year 11 age 16) 38 pupils. 9 pupils had been in care for less than 12 months.


Subject	All pupils nationally	All CLA nationally	All CLA Southampton	Southampton 12 months + CLA	Southampton Less than 12 months CLA
Attainment 8 score	48.6	20.9	20.0	19.6	21.2
Progress 8	-0.08	-1.46	-1.56	-1.42	-2.15
English and maths (A*-C)	59.5%	15.9%	5.3%	3.4%	11.1%
5+ inc E+M (A*-C)	53.7%	12.1%	2.6%	0.0%	11.1%
Any Qualification	97.3%	74.2%	73.7%	75.9%	66.7%

The outcomes for KS4 continue to present the greatest challenge. Progress 8 outcomes are within 0.1 of the national CLA outcomes.

26. Looked After Children and young people share the same health issues and problems as their peers but often to a greater degree. They often enter care less “healthy” than their peers, in part due to the impact of poverty, abuse, neglect and inadequate parenting. They are more likely than the general population to have been exposed to

	harm in utero - e.g. drug and alcohol misuse .This can have a lifelong impact on the child affected.
27.	Most children become looked after as a result of abuse and neglect. Although they have many of the same health issues as their peers, the extent of these is often greater because of their past experiences. Almost half of children in care have a recognised mental health disorder and two-thirds have special educational needs. Delays in identifying and meeting their emotional well-being and mental health needs can have far reaching effects on all aspects of their lives, including their chances of reaching their potential and leading happy and healthy lives as adults (Promoting the health and well-being of looked after Children DE, DH 2015).
28.	The NHS has a major role in ensuring the timely and effective delivery of health services to looked-after children. The Mandate to NHS England, Statutory Guidance on Joint Strategic Needs Assessments, Joint Health and Wellbeing Strategies and The NHS Constitution for England make clear the responsibilities of CCGs and NHS England to looked-after children (and care leavers). In fulfilling those responsibilities the NHS contributes to meeting the health needs of looked-after children in three ways: <ul style="list-style-type: none"> • Commissioning effective services • Delivering these through provider organisations • Delivering through individual practitioners providing coordinated care for each child.
29.	Under the Children Act 2004, health professionals have a legal responsibility to promote the health and wellbeing of all children who they are responsible for, this is particularly pertinent with regard to vulnerable cohorts such as LAC. 'Promoting the Health and Wellbeing of Looked After Children' (DE DH 2015) sets out a framework for the delivery of care from health and social services to ensure their effectiveness to support and deliver care to LAC.
30.	NHS Southampton CCG employs a Designated Nurse for LAC (Head of Safeguarding) and Designated Doctor for LAC to assist the CCG in fulfilling their responsibilities as commissioner of services to improve the health of LAC. The Designated professionals also provide strategic oversight and advice working closely with health providers, Local Authorities, health care planners and commissioners to promote the welfare of LAC locally and out of area.
31.	NHS Southampton City CCG as the responsible commissioner for Southampton Looked After Children commission an annual report from Solent NHS Trust LAC Health Team in order to assure itself that services delivered to LAC are meeting expectations. In addition to Designated Professionals, NHS Southampton CCG commissions a bespoke LAC Health Service from Solent NHS Trust.
32.	<p><u>Current Solent NHS Trust LAC Workforce</u></p> <p>During 2016/17 the team has expanded to increase capacity in the team and improve services for the children and young people .At the end of this financial year the workforce consists of:</p> <ul style="list-style-type: none"> • 4 admin posts, plus a joint post with Southampton City Council • 1 Lead / Designated LAC Doctor /medical advisor for Fostering and Adoption • 1 sessional Dr Medical advisor for fostering • 2 sessional LAC Drs • 1 B7 Named Nurse on secondment until June 2017 • 1 B6 Specialist LAC Nurse

	<ul style="list-style-type: none"> • 1 B5 LAC Nurse • 2 B6 Community Paediatric Medical Service nurses shared across LAC, Child Protection & Neuro-Disability teams • 1 B3 Clinic Support Worker (2 further posts appointed to in April 2017) 										
33.	<p>Competency Frameworks are now in place for Nursing and Support roles in line with the Intercollegiate Framework (2015). Support Workers are undertaking training to support public health and behaviour change interventions. This is a new role to ensure smooth running of all clinics and to develop and pilot group interventions to improve the health & wellbeing of children & young people, this will include support for children, young people and Foster Carers with healthy eating, weight management and physical exercise information. The Support Worker role will contribute to an improvement in the numbers of children attending for health assessments and ensure that SDQ paperwork is completed by Carers and children. The flexibility provided by the additional staffing in the team should allow for any fluctuations in the number of children coming into care.</p>										
34.	<p>Whilst locally, the numbers of LAC fluctuate they have reduced over the past 12 months to around 540 in total with the majority living in the Southampton area or within a 20 mile radius. There are still many children placed out of area. NHS Southampton CCG retains responsibility for them all and funds the out of area health assessments as part of the responsible commissioner guidance Who Pays? Determining responsibility for payments to providers (see pages 12 and 13 of that guidance) (DH 2013). Ensuring that all LAC placed out of area receive quality and timely health assessments and have access to health services remains a challenge . Over the past 12 months the Designated Doctor has developed a “ standard quality “ Health assessment and Health care plan that we send to out of area health providers to give an indication of the standard expected for Southampton Looked after children and young people . Once completed, the assessments are then quality assured by the Designated Doctor before payment to the out of area provider is agreed. The quality of these assessments is variable. Any of substandard quality are discussed with the Out or area teams to ensure that the child or young person has a thorough assessment that meets our standard. The Performance with out of area health assessments has remained a challenge .This is a nationwide issues .Over the course of the 12 months, our performance has generally improved. To some extent this is out of our control, as it relies on other Health providers being able to see our children, within timescales.</p>										
35.	<p><u>Annual Reporting figures from Solent NHS trust Health of LAC team (April 2016 – March 2017)</u></p> <p>Table 1: Percentage data reporting</p> <table border="1" data-bbox="327 1601 1497 2132"> <thead> <tr> <th data-bbox="327 1601 874 1688">KEY PERFORMANCE INDICATOR / MEASURE</th> <th data-bbox="874 1601 1497 1688">March 2016 – April 2017</th> </tr> </thead> <tbody> <tr> <td data-bbox="327 1688 874 1783">1. Annual reporting of percentage of children with an up to date dental check.</td> <td data-bbox="874 1688 1497 1783">66%</td> </tr> <tr> <td data-bbox="327 1783 874 1912">2. Annual reporting of number of children who have been advised or whose foster careers have been advised of the need for a dental check.</td> <td data-bbox="874 1783 1497 1912">100%</td> </tr> <tr> <td data-bbox="327 1912 874 2007">3. Annual reporting of percentage of children who are up to date with immunisations</td> <td data-bbox="874 1912 1497 2007">90%</td> </tr> <tr> <td data-bbox="327 2007 874 2132">4. Annual reporting of percentage of children with up to date review health assessment in timescales</td> <td data-bbox="874 2007 1497 2132">77 % (under 5 years of age / 6 monthly) 69 % (over 5 years of age/annually)]</td> </tr> </tbody> </table>	KEY PERFORMANCE INDICATOR / MEASURE	March 2016 – April 2017	1. Annual reporting of percentage of children with an up to date dental check.	66%	2. Annual reporting of number of children who have been advised or whose foster careers have been advised of the need for a dental check.	100%	3. Annual reporting of percentage of children who are up to date with immunisations	90%	4. Annual reporting of percentage of children with up to date review health assessment in timescales	77 % (under 5 years of age / 6 monthly) 69 % (over 5 years of age/annually)]
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	5. Annual reporting of percentage of OOA children with up to date review health assessment in timescales	56% (under 5 years of age/6 monthly) 68% (over 5 years of age/annually)
	6. Annual reporting of percentage of children within initial health assessment in timescales	82 %
36..	<p>Exception reporting (now hotspots) has enabled Solent to appreciate further information as to why children and young people are not seen within timescales for the health assessment. Challenges are still evident in relation to non-attendance at health appointments which is monitored monthly by the LAC health team and details shared with the LAC Children's Social Care team managers at 6 weekly joint meetings.</p> <p style="text-align: center;"> LAC Soton Hotspots Report v3 March 2017</p>	
37.	<p><u>Immunisations :</u> For Children in Care immunisation rates are 90% (2016/17) slightly higher than the national average of 87.1% which does not include the school leaver booster, administered via GP practices.</p>	
38.	<p><u>Dental Health :</u> At Health assessment children and young people of all ages are offered advice about dental health 100 % of the time. This includes identifying children who are not registered with a Dentist. If carers or young people are not able to do so then we can refer to Community Dental services across Southampton. Recorded attendance at Dental appointment remains Low at approximately 65 %. All children over 3 years of age, and any children under the age of 3 years where there are concerns should be having regular dental checks. This is an area that needs ongoing work to improve attendance and ensure accurate recording of attendance at Dental appointments. This will be looked at by the LAC health team over the next 12 months as an area that needs improvement.</p>	
39.	<p><u>Care Leavers - Health</u> There is a strong offer of health support to care leavers even though the service is commissioned to age 18 only. Young people who have had a background in care are more likely than their peers to have poor social outcomes in later life and the specialist health team continue to actively support many young people beyond the age of 18 years. The specialist LAC team have already developed processes to support care leavers and will continue to work with the designated professional to engage care leavers. Engaging care leavers to improve the uptake of health reviews is now the dedicated responsibility of a LAC Nurse with a change in communication methods and venues offered for health reviews. Closer working with the voluntary sector to consult young people on their health needs will lead to some project work in 2017. The changes piloted in quarters 3 and 4 of 2017 have seen a significant improvement with 100% of care leavers having contact with the team by the end of these quarters. The changes piloted including targeting young people who do not wish to attend a health assessment,</p>	

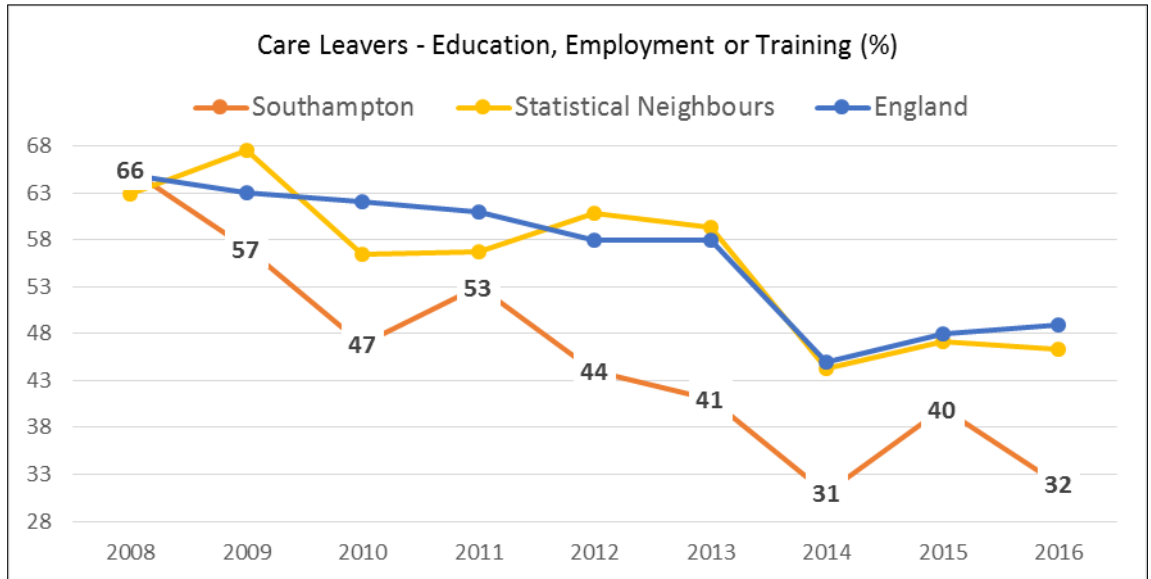
	with letters inviting them to contact the team if they change their mind, and detailed health care plans with “generic “important health advice.
40.	<p><u>Care leavers</u></p> <p>There has been continued progress against some measures of performance for young people leaving care but further work is still required to improve and maintain a consistently good level of outcomes and opportunities. Due to high numbers of looked after children demands on the service have increased and this requires further consideration in terms of resource. The percentage of care leavers who were still in contact with Social Services in 2014-15 was 89.0% and 90.1% in 2015-16. The latest figures for Southampton show that at the end of Quarter 2 2016-17, 98.5% of care leavers were still in contact. Clearly, this is a positive increase and provides opportunities for practitioners to work with young people to address and deliver improved outcomes in relation to identified needs.</p>
41.	<p>The city’s strategic approach to sourcing and accessing suitable accommodation for young care leavers includes a “staying put” offer for care leavers to continue to reside with their current foster carer(s). Joint working between the Care Leavers/Pathways Team and the Housing Needs Team is positive, with weekly housing panels in place. This ensures that the most appropriate housing and support is identified as part of the young person’s pathway planning process, including access to a secure tenancy with SCC or one of the City’s Housing providers. A joint protocol between the relevant agencies to ensure all partners understand their roles and young people experience a planned and supported transition to independent living is in place. This includes a shared commitment by agencies to adopt a ‘corporate parenting’ approach for care leavers. The Children and Social Work Act 2017 also expects we will need to consider ‘staying close’ arrangements for young people leaving care out of county to ensure they maintain good support networks if they wish to remain near to their residential home and link workers.</p>
42.	<p>The latest figures for Southampton show that at the end of Quarter 2 2016-17, 88.1% of care leavers were in contact and in suitable accommodation. The total number of care leavers being supported by Southampton at 31st of March 2016 was 176. 117 (82.4%) of these young people were in contact with the Local Authority and in suitable accommodation. 25 (17.6%) were deemed to live in unsuitable accommodation. 34 care leavers were not included in this cohort and therefore excluded from the above percentage calculation as they were either not in touch (and therefore it was not known whether their accommodation was suitable), or the young person had died, or returned home to live with parents or someone with parental responsibility for a continuous period of six months or more.</p>
43.	<p>Looking at the previous years’ figures, at the end of March 2015, 78% of care leavers were in contact and in suitable accommodation. This represented an upward trend in performance of 8% since March 2014, when the percentage was 70. Outcomes in the area continue to improve although the service recognises that activity in this area must continue to drive improvement upwards.</p>
44.	<p>Local Authority continues to be committed to the national Care Leavers Charter; with an allocation of £2,000 for all Care Leavers to support transition to independence; the creation of a more robust and effective Young People in Care Council; the development of a Facebook page to promote ongoing contact and support beyond their 25th birthday and to improve partnerships that enable Care Leavers to access apprenticeships, work experience, further and higher education.</p>
45.	<p>The City currently undertakes a pathway needs assessment at 15yrs and 9 months for each young person who will remain looked after and therefore become a care leaver. It</p>

continues to be acknowledged that this planning process should be commenced earlier to ensure stronger plans which have comprehensive 'buy-in' from young people and involve carers and the entire professional network at each stage of planning. Auditing outcomes are well established to monitor and then check that the Pathways team is focussing upon improving the quality and timeliness of plans. It is expected that all young people have a complete and robust pathway plan in place by the age of 16 years and 3 months.

46.

Education, Training and Employment for care leavers

According to latest published figures (2016), 32% of care leavers were in education, employment or training (EET) on their 19th, 20th and 21st birthday. This is compared to the end of 2015, when 40% of 19-21 care leavers were in education, employment or training. Southampton care leavers in EET have fared less well compared to statistical neighbours (46 %) and England (49 %). At the time of writing, figures for 2017 have not been published.



47.

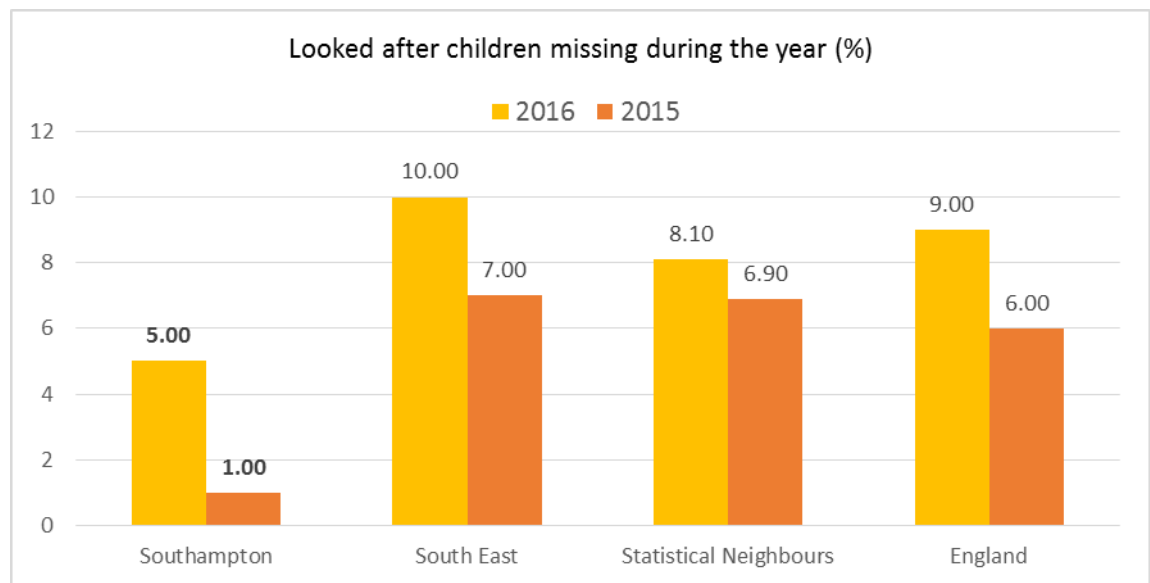
Employment Training and Education remains a key priority improvement area, and a range of focussed activities are in place to secure better outcomes and performance. These include:

- Improved tracking of personal education plans for year 10 and 11 looked after pupils transitioning towards independence.
- Monitoring and tracking of the cohort of young people not engaged in education, training and employment with partners within the council, educational provision and the third sector (including monitoring and reporting 16-17 year old Care Leavers to Corporate Parenting, which is over and above the statutory reporting requirement).
- The provision of a dedicated worker from the Council- led City Deal programme to assist in supporting employment outcomes for those young people who are referred through the Pathways Team.
- Recruitment of a part-time Careers Advisor to provide careers information advice and guidance, and ensure that systems are in place to support and track the young people from KS4 through to fully engaging in post 16 provision. A focussed tracking of those at risk of becoming not in education training or employment.

	<ul style="list-style-type: none"> • An offer of a placement or apprenticeship within the Council to care leavers, and prioritisation in the Council's apprenticeship recruitment which is extended to work experience and work taster sessions. • A dedicated careers event planned for Care Leaver's week. • An offer of mentoring and support via corporate parenting committee members is currently being explored. • Inclusion of Care Leavers as one of the three priorities for Connect, Southampton's Strategic partnership, to enable mentoring and placements through local major employers. • Access to funded enhanced traineeships (pre-Apprenticeship) through EU funded programme, including work placements, English and Maths support and expenses payments for the young people • A NEET prevention system for the City including a process to identify Risk of NEET in school, which includes Children in Care status. These young people are then referred to support including during summer holidays and into progression post- 16 • Case conferencing systems to ensure full support is in place <p>It should be noted that funding and provision of services to support NEET young people fluctuates through external grant availability.</p>
48.	<p><u>Participation and engagement of children and young people</u></p> <p>The active participation of children and young people is a key priority for Children's Services and its partners. The additional support of Southampton's young people's participation worker last year has been welcomed. We are now changing our arrangements by bringing our Looked After participation in house. We are currently advertising for a dedicated Looked After Children / Care Leaver participation worker to work with the teams to increase participation activities, including the children and young people in care councils. Consultation is gradually feeding into service development.</p>
49.	<p>Children and young people have been involved in a number of activities over 2016/2017, including making 'welcome boxes' for children coming into care and the production of an awareness raising DVD. We have regular young people attendance at our corporate parenting committee meeting and Care Leavers have presented their views in a number of ways. Young people have also worked closely with the fostering team to design and produce information leaflets for children and young people coming into care. We continue to work with Coram Voice through the Bright Spots survey to gain our looked after children's views and comments on life in care to inform our practice. It is our ambition to include young people in our recruitment activities in the coming months.</p>
50.	<p>Every year we hold our annual awards event which recognises the achievements and contribution of children and young people looked after and care leavers. This year we are going to link this to a careers event.</p>
51.	<p>The Children in Care Council (in Southampton called the Young People In Care Council – YPiCC) directly supports the Corporate Parenting Committee to measure and monitor the effectiveness and quality of 'Corporate Parenting' to children and young people in accordance with the views and experiences of the children who are in care. Our committee remains fully committed to listening to the voice of service users and the active involvement of children and young people within the decision-making processes.</p>
52.	<p><u>Children Missing from Care</u></p> <p>Overall percentages of looked after children having a period missing from care were</p>

lower in Southampton in 2016, 5% compared to Statistical Neighbour (8.1%) and England (9.0%). There was, however, an increase in the average percentage compared to 2015, when the figure was 1%. At the end of quarter 4 2016-17, the number of looked after children missing for 24 hours or more was 12 (2.2% of all looked after children). Robust missing from care procedures remain in place and the individual cases of missing children are tracked and scrutinised by managers on a daily basis.

The graph below shows that compared to Statistical Neighbour and England averages, Southampton had a somewhat lower percentage of looked after children going missing during the year. Figures for 2017 are not yet available for this indicator.



53. Barnardo’s currently deliver a return ‘safe and well’ service for Southampton children and young people with the contract due to end in July 2017. When a child/young person returns from going missing, Barnardo’s are notified and then contact that child/young person to identify any issues or concerns that are ongoing for them. Information on the matter is then passed to the relevant ‘lead professional’ via the MASH and this is used to help inform future safety and protection planning where relevant. The Local Authority works with the Local Safeguarding Children’s Board’s ‘Missing, Exploited and Trafficked’ Group (MET) to identify particular concerns for individual children, and areas of the City, and then addressed these matters through the sharing of intelligence amongst agencies, joint planning and targeted interventions. Barnardo’s only cover children and young people who live in the Southampton area. We are currently looking at other options for delivery which will offer a timely response which also reaches out to young people placed out of county.

54. **Placements of Children and Young People.**
 Southampton has a number of children and young people placed out of county both in residential and independent fostering arrangements. In 2017/18 we need to explore options to bring children and young people closer to home where they can access appropriate provision, local services and support networks. This will include initiatives to expand our service to meet the needs of our LAC cohort and increased focussed recruitment activity for in house carers.

55. **The Recruitment of Foster Carers**
 The Fostering Team’s recruitment target for 2016/17 was to recruit 20 new mainstream fostering households and 21 was achieved. During the year there were 207 enquiries

	<p>of which 121 progressed to referral and 103 resulted in an Initial Home Visit, where they were provided with more in depth information about fostering. Of the 103 IHV, 39 prospective foster carers submitted an application forms and 21 of these progressed to assessment and approval.</p>
56.	<p>In comparison to the previous two years the overall figures are lower. In 2014/15 there were 271 enquiries, 45 applications and 31 approvals and in 2015/16 there were 304 enquiries, 45 applications and 33 approvals. This reduction in numbers can be attributed to a number of factors:</p> <ul style="list-style-type: none"> • The realignment of the Recruitment and Assessment team in July. • The vacancy of the Marketing and Recruitment Officer post for part of the year and the subsequent reduction in recruitment events during this period. • Increased market competition from neighbouring local authorities and independent agencies, leading to market saturation. • The industry reporting a downward trend in local communities responding to fostering campaigns.
57.	<p>In order to ensure a range of foster carers that can meet the needs of Southampton's looked after children a range of marketing and recruitment activities have taken place during the year. These have included outreach work; advertising; press coverage; online posts/websites/Facebook. Despite the lower numbers there has been increased interest on social media and the internet;</p> <ul style="list-style-type: none"> • Fostering and adoption e-alert subscribers has increased from 35 to 604. • Fostering and adoption Facebook page likes increased by 490 to 1,130. • Average monthly hits on fostering web page have increased from 1,401 to 2,264, along with an increased average spend on the page from 6 seconds to 1 minute and 50 seconds.
58.	<p><u>Connected Persons Assessments</u></p> <p>Between 1st April 2016 and 31st March 2017 the Friends and Family team had received 245 referrals in relation to assessing connected persons' fostering placements. During the period 57 viability assessments were completed which lead to 25 Regulation 24 assessments being undertaken and 22 fostering assessments, although 6 were not completed due to the applicant withdrawing or not being suitable.</p> <p>As of 31st March 2017 there were 52 approved connected persons fostering households that were fostering 83 looked after children. The Friends and Family team are responsible for ensuring that these carers meet the fostering standards as set out in the National Minimum Standards. An area for service development in 2017/18 is for the supervising social workers to support their carers completing the Training Support and Development Standards (TSDs).</p>
59.	<p><u>Special Guardianship Orders</u></p> <p>The Friends and Family team also undertake Special Guardianship assessments for connected persons carers, court ordered assessments and for private arrangements. In 2016/17 the team assessed 19 Special Guardian applicants and this relates to 33 children who were looked after at the time the SGO was granted and 6 non-agency SGOs. This is a significant difference to the previous year when 24 children left care through a SGO being granted. This increase reflects the team's positive contribution to ensuring children achieve both psychological and legal permanence away from the care system.</p>
60.	<p><u>Summary of priorities for 2016/2017</u></p> <p>This report has summarised the progress made in a number of key areas as well as identifying where alternative approaches are being planned to enhance and improve our service delivery.</p>

61.	The numbers of children in care at the end of March 2017 had reduced significantly, and they continue to gradually reduce due to focussed attention on timely focussed interventions, SMART planning and permanence opportunities. Further initiatives and options are being developed to strengthen available support to children and young people on the edge of care to remain in the care of their own families.
62.	In 2017/18 a high priority is to explore options to bring children and young people closer to home where they can access appropriate provision, local services and support networks. We also need to ensure we have a good stock of suitable accommodation for our care leavers.
63.	We need to improve our educational outcomes The virtual school are working hard to address outcomes for children in care, in particular the outcomes for KS4 which continue to present the greatest challenge.
64.	The LAC Health team will be focusing on improvement of attendance and accuracy of recording of attendance at Dental appointments.
65.	We have seen further improvements in our performance for care leavers, however the area of education training and employment remains a challenge and needs to be a key area of focus in coming months. As a whole council we are striving to improve our offer of opportunities to include work tasters and work experience opportunities as well as apprenticeships. We are also seeking to develop mentoring opportunities and closely tracking young people who are likely to become 'NEET.'
66.	It has been another busy and challenging year for Southampton's Fostering Service. Whilst the use of independent fostering providers dropped by 30 placements in the over the year, the service still struggles to provide in-house places for children and young people with more challenging and complex profiles. The fostering service now has sufficient foster carers for preschool and younger children. The marketing focus for the coming year will be to recruit prospective foster carers who offer a home to children with complex needs, older young people and larger sibling groups. In order to achieve this consideration must be given to an enhanced fostering service with sufficient support to foster carers.
RESOURCE IMPLICATIONS	
There are no new resource implications arising from this report	
<u>Capital/Revenue</u>	
	N/A
<u>Property/Other</u>	
	N/A
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
	The Children Act 2004 places a duty on local authorities to take collective responsibility for good parenting of children in care and looked after.
<u>Other Legal Implications:</u>	
	The corporate parenting responsibilities must be carried out having regard to the

	Equalities Act 2010, the Human Rights Act 1998 and all other pervasive legislation.	
POLICY FRAMEWORK IMPLICATIONS		
	The proposals set out in this report are wholly consistent with the Council's Policy Framework.	
KEY DECISION?	No	
WARDS/COMMUNITIES AFFECTED:	N/A	
<u>SUPPORTING DOCUMENTATION</u>		
Appendices		
1.	N/A	
Documents In Members' Rooms		
1.	N/A	
Equality Impact Assessment		
Do the implications/subject of the report require an Equality and Safety Im Assessments (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.	N/A	

DECISION-MAKER:	COUNCIL		
SUBJECT:	GENERAL FUND AND HOUSING REVENUE ACCOUNT REVENUE OUTTURN 2016/17		
DATE OF DECISION:	19 JULY 2017		
REPORT OF:	CABINET MEMBER FOR FINANCE		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Sue Cuerden	Tel: 023 8083 4153
	E-mail:	Sue.Cuerden@southampton.gov.uk	
Director	Name:	Mel Creighton	Tel: 023 8083 4897
	E-mail:	Melanie.Creighton@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY

None

BRIEF SUMMARY

The purpose of this report is to summarise the overall General Fund and Housing Revenue Account (HRA) revenue outturn position for 2016/17. It compares actual spending against the budget for 2016/17 noted by Council in February 2016, updated in February 2017 and adjusted for approved changes made since that date.

The report also considers any requests for carry forwards and the allocation of funds for corporate purposes or other additional expenditure.

The overall position on the General Fund shows that Portfolios had a net over spend of £3.67M against budget. With the main areas of concern being Adult Social Care, Education and Transformation, more detail is included in paragraph 8 and Appendix 2.

After taking into account the outturn on other spending items and approved movements from balances, the Council's outturn allowed a transfer to reserves of £4.97M resulting in a balance position.

The level of General Fund balance at 31 March 2017 is £11.3M, which is in line with the Medium Term Financial Strategy agreed at February Council. The report also now incorporates more information regarding the position on the Collection Fund. At the year end, the Collection Fund has an additional surplus of £2.1M (SCC Share) over that assumed when setting the budget in February 2017. This surplus will be taken into account when reviewing and setting the budget for 2018/19.

The overall position on the HRA was a net underspend of £1.0M. A surplus was required to partly offset the budgeted loss of income from rents in 2017/18.

The revised HRA working balance at 31 March 2017 of £3.0M exceeds the minimum requirement for the HRA of £2.0M (approved by Council in February 2012).

The HRA outturn for day to day service expenditure and income items (excluding depreciation and direct revenue financing of capital) was an adverse variance for the

year of £0.65M. This variance has been offset by a reduction of £0.65M in the revenue allocated to fund the HRA capital programme.

RECOMMENDATIONS:

It is recommended that Council:

	(i)	Notes the final General Fund outturn for 2016/17 detailed in Appendix 1 is a balanced position following the transfer to earmarked reserves and the revenue grants reserve totalling £4.97M as noted in paragraph 7.
	(ii)	Notes that the level of General Fund balances at 31 March 2017 was £11.3M.
	(iv)	Notes the performance of individual Portfolios in managing their budgets as set out in paragraph 8 of this report and notes the major variances in Appendix 2.
	(v)	Approves the carry forward requests totalling £0.13M and as outlined in paragraph 16.
	(vi)	Notes that £0.8M has been transferred to the Revenue Grants Reserve as detailed in paragraph 15.
	(vii)	Notes the accounts for the Collection Fund in 2016/17 as detailed in paragraphs 24 to 31 and in Appendix 4.
	(viii)	To note the HRA revenue outturn for the financial year 2016/17, as set out in Appendix 5, and the working balance at the end of the year of £3.0M.

REASONS FOR REPORT RECOMMENDATIONS

1.	The reporting of the outturn for 2016/17 forms part of the approval of the statutory accounts.
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ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2.	Reporting of outturn is undertaken in line with Local Government Accounting Practice. This is the only appropriate option.
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DETAIL (Including consultation carried out)

GENERAL FUND BUDGET

3.	The original budget was approved by Council in February 2016 with the working budget noted by Council in February 2017. Each Portfolio within the General Fund is responsible for monitoring net controllable spend against the budget throughout the financial year.
4.	Whilst there are a numbers of under and over spends highlighted in this report (Appendix 2), many of these have already been reported to Cabinet and Scrutiny as part of the financial monitoring process throughout the year. In general terms, Portfolios are required to manage their budgets “within allocated resources” and where potential problems have been identified, Service Directors have prepared and implemented action plans to bring

	<p>spending back in line. Additionally 'Intensive Care Meetings' are held with the Senior Leadership Team, chaired by the Chief Executive and attended by appropriate officers to ensure that the actions are being undertaken, issues and risks are raised and discussed and resolutions are identified.</p>		
5.	<p>This report covers the outturn position for 2016/17 and analyses spending against the budget, where any under spend has been requested to be carried forward into 2017/18 and the reason why.</p>		
OVERALL GENERAL FUND REVENUE POSITION			
6.	<p>The overall year end position is a balanced position following a transfer to reserves of £4.97M. This transfer comprises an allocation to earmarked reserves of £4.17M and a transfer to the revenue grants reserve of £0.8M.s summarised in Appendix 1 and in the table below:</p>		
		(Under) / Over Spend £M	
	Portfolio Total	3.67	
	Levies & Contributions	0.06	
	Capital Asset Management	(2.35)	
	Other Expenditure & Income	(4.29)	
	Transfers from reserves in year	(0.80)	
	Transfer to reserves - year-end balance	4.17	
	Transfer to Revenue Grants Reserve	0.80	
	Grants	(1.26)	
	Final Position following transfer to reserves	0.00	
7.	<p>As shown in the above table the Portfolio revenue outturn is an overspend of £3.67M and this is analysed in the table below:</p>		
	Portfolio	(Under)/Over £M	
	Communities, Culture & Leisure	(0.27)	
	Education and Children's Social Care	(0.37)	
	Environment & Transport	(0.91)	
	Finance	(0.82)	
	Health & Adult Social Care	5.46	
	Housing & Sustainability	(0.49)	
	Leader's Portfolio	(2.24)	
	Transformation	3.31	
	Net Controllable Spend Total	3.67	

8.	<p>The main variations are:</p> <p><u>Health and Adult Social Care</u></p> <p>Long Term Care continues to be an issue within this area due to increased demand and increased complexity of cases, with some savings not being achieved, resulting in an overspend of £5.14M.</p> <p>£4M has been injected into the budget for the 2017/18 financial year to reflect the increase in demand. This is alongside the further non recurrent improved Better Care Fund monies that will be invested in more transformational projects to put in place long term solutions to issues.</p> <p><u>Education and Children’s Social Care</u></p> <p>The High Needs Area has overspent by £1.27M due to an increase in the pupil numbers attending Special Schools. In 2017/18 it is expected that this pressure will continue. Work is currently being carried out with in conjunction the Schools Forum to review funding in the High Needs Area. To support this issue in 2017/18 there is an intention to inject a one-off transfer from reserves.</p> <p>This has been offset in part by Children’s Social Care underspending for the first time in a number of years. There is an underspend in this area of £1M as a result of activity looking at cost control, improved practice, management oversight, transforming services and reviewing cases.</p> <p><u>Transformation</u></p> <p>The £3.31M overspend in area relates largely to undelivered savings the largest of which has been dealt with in the budget going forward.</p> <p><u>Leader’s Portfolio</u></p> <p>The Leader’s Portfolio has underspent by £2.24M, £1.61M of these has arisen due to slippage on the planned schedule of repair and maintenance works. The programme for 2017/18 has been reviewed to take this into account. All work scheduled to take place in 2017/18 is expected to be within the allocated budget.</p>
9.	<p>This position cannot be sustained going forward and it is the intention when improving financial management within the Council to operate a “no surprises” policy on monitoring. In order to facilitate this improvement a need was identified to introduce a new operating model for Finance. This model sees the establishment of Business Partners working very closely with service areas to ensure Finance staff are part of the decision making process, and can highlight issues early. Further collaboration with Business Intelligence should also lead to improvements in forecasting and management information for budget control. There will also be a review of the budget monitoring process with a clearer focus on actuals and commitments working alongside managers.</p>
10.	<p>This along with the intensive care sessions that are held with the Senior Leadership Team put a greater focus on controlling financial spend and ensuring savings proposals are progressing.</p>
11.	<p>Details of significant issues and variations in net controllable spending on Portfolios are given in Appendix 2.</p>
12.	<p>Appendix 2 also details any unachieved savings in 2016/17 and the actions</p>

	that have been put in place to mitigate this in 2017/18 and future years.
	NON-PORTFOLIO VARIANCES
13.	<u>Capital Asset Management - £2.35M Favourable</u> Borrowing costs are lower than anticipated due to continued low interest rates and reduced need to take out new borrowing. Additionally, when setting the budget it was assumed that borrowing would be taken on a long term basis and there would have been a move away from internal borrowing to external but we have continued with short term borrowing and internal borrowing as the interest rates are substantially lower than anticipated.
14.	<u>Other Expenditure & Income - £4.29M Favourable</u> The main element of this favourable variance is the release of the Risk Fund to offset the net portfolio overspend.
15.	<u>Grants - £1.26M Favourable</u> This is largely due to higher than anticipated Education Services Grant (ESG) as the number of academy conversions were lower than anticipated.
	CARRY FORWARD REQUESTS AND OTHER NEW SPENDING
16.	There has been one carry forward request of £0.13M put forward by Officers in relation to the Arts Complex. It is proposed that funding of £0.13M should be carried forward into 2017/18 for the purpose of establishing a sound basis for its business operation, programme and marketing, ensuring the best possible preparation for future financial viability. Council is requested to approve the carry forward, and note that the spend will be incurred in 2017/18 and be funded from the carry forward reserve.
17.	It should also be noted that a sum of £0.8M has been transferred to the revenue grants reserve which was set up for the carry forward of unconditional specific grants. It is anticipated spend will be incurred in 2017/18 and funded from this reserve.
	MEDIUM TERM POSITION ON RESERVES AND BALANCES
18.	The General Fund balance stands at £11.3M. This is a net reduction of £1.5M compared to a balance of £12.8M at the end of 2015/16.
19.	The council's approved level for the General Fund Balance was £5.5M. Following an assessment of risk by the Chief Financial Officer, it was recommended that this should increase to £11.3M. In reviewing the level of reserves and balances as part of closing the 2016/17 accounts, it was possible to increase the balance to the recommended level in line with the coming year's budget recommendation. There is no proposed draw on the balance to support the budget position in 2017/18.
20.	Within the Medium Term Financial Strategy (MTFS), the financial risks facing the Council have been identified. This includes assessing the risk of continuing reductions in Central Government Funding. The subsequent budget shortfalls that the Council then faces and overall local and national economic factors which can affect the financial stability of the council.
21.	In light of the increasing level of risk and uncertainty identified with the MTFS and the increased probability of resources being required to support its delivery, a full review of useable reserves and provisions has been

	undertaken. In closing the accounts for 2016/17 a view has been taken on maintaining and strengthening, where necessary, those reserves specifically earmarked to support the highest areas of risk resulting in the rationalisation of reserves and provisions where possible and in some cases additional funding being set aside.																				
22.	<p>It should also be noted that two new reserves have been created:</p> <ul style="list-style-type: none"> • Learning Disabilities Housing Reserve – The Council received funding from the Clinical Commissioning Group (CCG) to help fund the provision of appropriate accommodation for adult clients with Learning Disabilities. It is appropriate to hold the funding in a reserve to be released as suitable schemes are developed as it can only be used for this purpose. • Insurance Reserve – previously the Council held a number of insurance provisions to meet the potential liability for insurance claims against the authority. Following advice from our external auditors, this has now been split between a provision for known claims and a reserve to meet the costs of potential claims. 																				
23.	The Council maintains a number of useable reserves these totalled £73.56M at year end. This includes £68.55M of General Fund Reserves and £5.01M of school balances. A breakdown of useable reserves is shown in Appendix 3.																				
COLLECTION FUND																					
24.	<p>There is an overall surplus on the Collection Fund of £10.02M to be carried forward into 2017/18. The following table shows how the surplus has been derived:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Collection Fund Table</th> <th style="text-align: center;">Council Tax £M</th> <th style="text-align: center;">Business Rates £M</th> <th style="text-align: center;">Total Collection Fund £M</th> </tr> </thead> <tbody> <tr> <td>(Surplus)/Deficit 2015/16 B/Fwd</td> <td style="text-align: center;">(2.14)</td> <td style="text-align: center;">(7.83)</td> <td style="text-align: center;">(9.97)</td> </tr> <tr> <td>(Surplus)/Deficit 2016/17</td> <td style="text-align: center;">(1.70)</td> <td style="text-align: center;">1.65</td> <td style="text-align: center;">(0.05)</td> </tr> <tr> <td>(Surplus)/Deficit 2016/17 C/Fwd</td> <td style="text-align: center;">(3.84)</td> <td style="text-align: center;">(6.18)</td> <td style="text-align: center;">(10.02)</td> </tr> <tr> <td>Southampton City Council Share</td> <td style="text-align: center;">(3.19)</td> <td style="text-align: center;">(3.03)</td> <td style="text-align: center;">(6.22)</td> </tr> </tbody> </table>	Collection Fund Table	Council Tax £M	Business Rates £M	Total Collection Fund £M	(Surplus)/Deficit 2015/16 B/Fwd	(2.14)	(7.83)	(9.97)	(Surplus)/Deficit 2016/17	(1.70)	1.65	(0.05)	(Surplus)/Deficit 2016/17 C/Fwd	(3.84)	(6.18)	(10.02)	Southampton City Council Share	(3.19)	(3.03)	(6.22)
Collection Fund Table	Council Tax £M	Business Rates £M	Total Collection Fund £M																		
(Surplus)/Deficit 2015/16 B/Fwd	(2.14)	(7.83)	(9.97)																		
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(Surplus)/Deficit 2016/17 C/Fwd	(3.84)	(6.18)	(10.02)																		
Southampton City Council Share	(3.19)	(3.03)	(6.22)																		
25.	The Council Tax element of the Collection Fund had a surplus for the year of £1.70M. There was a surplus brought forward from 2015/16 of £2.14M, to give a surplus to be carried forward to 2017/18 of £3.84M.																				
26.	It was estimated that there would be a deficit of £0.07M to be carried forward. This estimated deficit was taken into account in setting the 2017/18 Council																				

	<p>Tax and was shared by the City Council, the Police & Crime Commissioner for Hampshire and the HFRA in proportion to the precepts levied by each authority in 2016/17.</p> <p>The favourable movement has been brought about by the following:</p> <ul style="list-style-type: none"> • a decrease in the Council Tax bad debt provision (£0.6M); and • an increase in income from Council Tax Payers (£1.2M). 								
27.	The NDR element of the Collection Fund had a deficit for the year of £1.65M. A deficit on this account was always anticipated for this financial year as the previous years' surplus of £7.83M was to be distributed. This gives a surplus of £6.18M to be carried forwarded into 2017/18.								
28.	<p>It was estimated that there would be an NDR surplus of £4.74M to be carried forward. The reason for the improved position is:</p> <ul style="list-style-type: none"> • increased income from NDR Ratepayers (£1.1M); • decreased in transitional payments to DCLG (£0.6M);and • an increase in the NDR related provisions of £0.3M. 								
29.	When setting the estimate a prudent assessment was made of the impact of the economic climate on the arrears position and the resulting bad debt provision required. This has been more favourable. Additionally, as a result of a lower than expected reductions in respect of refunds granted relating to successful appeals there is an increase income from rate payers compared to that assumed.								
30.	This additional surplus of £1.44M that will be carried forward to 2018/19 will be shared between Central Government (50%), Southampton (49%) and Hampshire Fire and Rescue Authority (1%).								
31.	The further detail regarding the Collection Fund Account 2016/17 is contained in Appendix 4.								
HOUSING REVENUE ACCOUNT (HRA)									
32.	The HRA budget for 2016/17 was set at £1.0M surplus which was the actual outturn position for the year. The HRA working balance at 31 March 2017 has increased accordingly to £3M. A surplus was required to partly offset the budgeted loss of income from rents in 2017/18.								
33.	The HRA Business Plan, agreed by Cabinet and Council in February 2012, set a minimum working balance for the HRA each year of £2.0M. The revised HRA working balance at 31 March 2017 exceeds this minimum requirement by £1.0M.								
34.	The table below shows the overall outturn variances compared to the 2016/17 budget:								
	<table border="1"> <thead> <tr> <th></th> <th>£M</th> </tr> </thead> <tbody> <tr> <td>Increase in Repairs</td> <td>2.4</td> </tr> <tr> <td>Savings on Supervision & Management</td> <td>(0.3)</td> </tr> <tr> <td>Reduction in Capital Financing Charges</td> <td>(1.3)</td> </tr> </tbody> </table>		£M	Increase in Repairs	2.4	Savings on Supervision & Management	(0.3)	Reduction in Capital Financing Charges	(1.3)
	£M								
Increase in Repairs	2.4								
Savings on Supervision & Management	(0.3)								
Reduction in Capital Financing Charges	(1.3)								

	Income Variation	(0.1)
	<i>Variation on day to day services</i>	0.7
	Reduction in Capital Funding from Direct Revenue Financing and Depreciation	(0.7)
	Total Variation	0.0
35.	The outturn for day to day services was an adverse variance for the year of £0.65M. This variance has been offset by a reduction of £0.65M in the revenue allocated to fund the capital programme.	
36.	After this adjustment, the HRA Revenue Summary, attached at Appendix 5, shows an increase in expenditure of £0.09 (0.12%) and an increase in income of £0.09 (0.11%). An explanation of the main variances can be found at Appendix 6.	
RESOURCE IMPLICATIONS		
<u>Capital/Revenue</u>		
37.	As set out in the report details.	
CONSULTATION		
38.	Although there is no statutory duty to consult, the HRA outturn position noted in this report has been discussed at meetings of the Tenant Resources Group, which comprises tenants from across the city, and their input is acknowledged with thanks.	
<u>Property/Other</u>		
39.	None.	
LEGAL IMPLICATIONS		
<u>Statutory power to undertake proposals in the report:</u>		
40.	The Council's accounts must be approved by Council in accordance with the Accounts and Audit Regulations 2011.	
41.	The requirement to maintain a Housing Revenue Account is set out in the Local Government and Housing Act 1989 and the requirement to publish final accounts is set out in the Accounts and Audit Regulations 2003.	
<u>Other Legal Implications:</u>		
42.	None.	
RISK MANAGEMENT IMPLICATIONS		
43.	None.	

POLICY FRAMEWORK IMPLICATIONS	
44.	The proposals contained in the report are in accordance with the Council's Policy Framework Plan.

KEY DECISION?	Yes/No
WARDS/COMMUNITIES AFFECTED:	All

SUPPORTING DOCUMENTATION

Appendices	
1.	General Fund Revenue Outturn 2016/17
2.	General Fund Portfolio Variances
3.	Useable Reserves at 31 st March 2017
4.	Collection Fund 2016/17
5.	HRA Revenue Summary Outturn 2016/17
6.	HRA Variance Explanations 2016/17

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.	Yes/No

Privacy Impact Assessment	
Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.	Yes/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 2016/17 TO 2019/20 – Council 10 February 2016
2.	

Agenda Item 14

Appendix 1

GENERAL FUND REVENUE OUTTURN 2016/17

	Revised Budget 2016/17	Portfolio Outturn 2016/17	Outturn Variance 2016/17
	£M	£M	£M
Portfolios			
Communities, Culture & Leisure	5.84	5.57	(0.27)
Education and Children's Social Care	43.91	43.54	(0.37)
Environment & Transport	22.05	21.14	(0.91)
Finance	35.42	34.60	(0.82)
Health & Adult Social Care	65.73	71.19	5.46
Housing & Sustainable Living	(4.85)	(5.35)	(0.49)
Leader's Portfolio	12.91	10.67	(2.24)
Transformation	(1.89)	1.42	3.31
Sub-total for Portfolios	179.11	182.78	3.67
Levies & Contributions	0.63	0.69	0.06
Capital Asset Management	1.76	(0.59)	(2.35)
Other Expenditure & Income	4.06	(0.23)	(4.29)
Transfer to Grants Reserve at Year End	0.00	0.80	0.80
Transfer to Reserves - Year End Surplus	0.00	4.17	4.17
Net Revenue Expenditure	185.57	187.62	2.05
Funded By:			
Addition to / (Draw From) Balances	(3.89)	(3.89)	0.00
Transfers from Provisions/Reserves In Year	(4.26)	(5.06)	(0.80)
Council Tax	(81.01)	(81.01)	(0.00)
Non-Specific Government Grants & Other Funding	(41.81)	(42.97)	(1.17)
Business Rates	(50.72)	(50.80)	(0.09)
Council Tax Collection Fund (Surplus) / Deficit	(0.87)	(0.87)	(0.00)
Business Rates Collection Fund (Surplus)/Deficit	(3.01)	(3.01)	0.00
Total Funding	(185.57)	(187.62)	(2.05)
(SURPLUS)/DEFICIT	0.00	0.00	0.00

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KEY ISSUES – OUTTURN 2016/17

The Portfolio has under spent by **£0.27M** at year-end, which represents a percentage variance against budget of **4.6%**. The Portfolio outturn variance has moved **favourably** by **£0.38M** from the position reported at Quarter 3.

	Forecast Variance £M	Movement from Quarter 3 £M
Portfolio Outturn	0.27 F	0.38 F
Carry Forward Requests	0.13	0.13
Unachieved Savings 2016/17	0.00	-

A summary of the movements in the Portfolio outturn variance, compared to Quarter 3, are shown in the table below:

Division / Service Activity	Outturn Variance £M	Forecast Variance Quarter 3 £M	Movement £M	Ref.
Gallery & Museums	0.16 A	0.23 A	0.07 F	COMM 1
Leisure Client	0.07 F	0.03 F	0.04 F	COMM 2
Major Projects	0.15 F	0.01 F	0.14 F	COMM 3
Libraries	0.05 F	0.02 A	0.07 F	COMM 4
Heritage, Collection & Management	0.08 F	0.04 F	0.04F	COMM 5
Families Matter	0.03 A	0.00	0.03 A	COMM 6
Other	0.11 F	0.06 F	0.02 F	
Total	0.27 F	0.11 A	0.38 F	

The SIGNIFICANT issues for the Portfolio are:

COMM 1 – Gallery & Museums £0.16M adverse (£0.07M favourable movement)

There is a shortfall in income due to fee paying visitor numbers being lower than anticipated for SeaCity Museum, a £0.12M adverse variance and Tudor House Museum, a £0.04M adverse variance.

The position has improved from quarter 3 due to expenditure controls being in operation.

This variance has been offset by favourable movements in Concessionary Fares costs (see E&T 6) and Development Management fees and charges (see E&T 7). The budgets in these areas will be realigned in the new financial year.

COMM 2 – Leisure Client £0.07M favourable (£0.04M favourable movement)

There is a favourable variance of £0.06M on the Active Nation (Sports & Recreation) contract, due to lower utility inflation payments in respect of 2015/16.

In addition, there are savings of £0.02M on the Live Nation contract, mainly due to the receipt of the Council's share of 2015/16 profits in accordance with the contract, and £0.02M on Guildhall client costs. These favourable variances are unchanged from quarter 3.

The favourable movement is due to the forecast cost of works at the Outdoor Sports Centre (£0.02M) and Bitterne Leisure Centre (£0.02M) being charged in part to contractor and in part absorbed by central property.

COMM 3 – Major Projects £0.15M favourable (£0.14M favourable movement)

There is a carry forward request for funding of £0.13M to help support the operating company for the new Arts Complex (Studio 144).

Council funding of £0.16M, along with Arts Council England (ACE) funding of £0.15M, was originally planned to transfer to the operating company of the new Arts Complex in 2014/15. Council funding of £0.13M was then carried forward into 2015/16 and 2016/17.

The project has suffered further delays and the full sum of £0.13M has not yet been transferred, resulting in a favourable movement of £0.13M from quarter 3. Although the ACE funding has been spent in its entirety, a further carry forward to 2017/18 is requested for the Council funding.

COMM 4 – Libraries £0.05M favourable (£0.07M favourable movement)

There are favourable variances of £0.02M on IT and £0.03M on stock, due to a number of projects not being delivered on time. There will be no additional pressures in 2017-18 as projects will be delivered within revenue funding.

COMM 5 – Heritage, Collection & Management £0.08M favourable (£0.04M favourable movement)

Reported for the first time, there is a favourable variance of £0.04M on repairs and maintenance mainly relating to monuments. There is also a favourable variance of £0.04M on employee costs due to holding vacancies.

EDUCATION AND CHILDREN'S SOCIAL CARE PORTFOLIO

KEY ISSUES – OUTTURN 2016/17

The Portfolio has under spent by **£0.37M** at year-end, which represents a percentage variance against budget of **0.8%**. The Portfolio outturn variance has moved **favourably** by **£0.31M** from the position reported at Quarter 3.

	Forecast Variance £M	Movement from Quarter 3 £M
Portfolio Outturn	0.37 F	<i>0.31 F</i>
Carry Forward Requests	0.00	<i>0.00</i>
Unachieved Savings 2016/17	0.00	-

A summary of the movements in the Portfolio outturn variance, compared to Quarter 3, are shown in the table below:

Division / Service Activity	Outturn Variance £M	Forecast Variance Quarter 3 £M	Movement £M	Ref.
Divisional Management & Legal	0.07 F	<i>0.08 A</i>	<i>0.15 F</i>	E&CS1
Quality Assurance	0.25 F	<i>0.11 F</i>	<i>0.14 F</i>	E&CS2
MASH & Early Help	0.19 F	<i>0.14 F</i>	<i>0.05 F</i>	E&CS3
Looked After Children Provision	0.23 F	<i>0.00</i>	<i>0.23 F</i>	E&CS4
ICU – Children's Services	0.26 F	<i>0.15 F</i>	<i>0.11 F</i>	E&CS5
Education Early Years & Asset Management	0.37 F	<i>0.41 A</i>	<i>0.78 F</i>	E&CS6
Education – High Needs & Schools	1.27 A	<i>0.00</i>	<i>1.27 A</i>	E&CS7
Early Help	0.25 F	<i>0.17 F</i>	<i>0.08 F</i>	E&CS8
Other	0.02 F	<i>0.02 A</i>	<i>0.04 F</i>	
Total	0.37 F	0.06 F	0.31 F	

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

E&CS1 – Divisional Management & Legal £0.07M favourable (£0.15M favourable movement)

Children's Services, supported by Finance, have worked towards decreasing the number of agency staff employed this year. A favourable movement of £0.19M from quarter 3 reflects the final underspend due to the reduction in the number of agency staff for this year from 114 in post in May 2016 to 48 in post in March 2017. This was partly offset by the £0.08M cost of the overseas social workers scheme. This scheme was implemented to aid the retention of staff and reduce agency expenditure.

There was also a favourable movement on the legal budget. At quarter 3, an adverse outturn of £0.09M was expected based on a projection of expenditure for the year to date. The final outturn position was £0.03M favourable, due to an under spend on magistrates and court fees, which had been difficult to predict due to a back log of invoices to process. The process has been reviewed for 2017/18 and invoices are processed weekly reflecting the current work.

A new supplier was procured for the translation service and this has resulted in a reduction in expenditure from £0.30M in 2015/16 to £0.11M in 2016/17. However the budget was reduced as part of the procurement saving and whilst demand and price have reduced, the demand is causing an overspend.

E&CS2 – Quality Assurance Business Unit £0.25M favourable (£0.14M favourable movement)

There has been a reduction in the number of student social workers in 2016/17 from 10 in 2015/16 costing a total of £0.08M to 4 in 2016/17 costing £0.03M. This was decided following close analysis of the benefit to Southampton City Council of training student social workers. The reduction has led to an under spend of £0.05M.

There have been a number of vacant posts that were not filled as anticipated during the year which, offset by the cost of agency staff, has resulted in an under spend of £0.07M. This is a favourable movement of £0.05M from quarter 3 due to vacancies being held longer than anticipated.

Expenditure on staff training and resources is £0.06M less than budgeted. This is a favourable movement of £0.03M and reflects the reduction in permanent staff. In addition, income from training provided by the service to external bodies is higher than expected for 2016/17, as £0.05M was invoiced in quarter 4.

E&CS3 – Multi Agency Safeguarding Hub (MASH) & Children In Need (CIN) £0.19M favourable (£0.05M favourable movement)

Due to the transformational changes the initial contact process of the front door service, which is situated in MASH, has been handling the initial contact process for referrals. Whilst this has led to an increase in the number of contacts, referrals onwards have been reduced, allowing a number of posts to be held vacant. The favourable variance on staffing, offset by the cost of agency staff, has created a net favourable variance of £0.12M across MASH, CIN and the Emergency Duty Team. This is a favourable movement of £0.03M from quarter 3.

In addition, grant funding towards the cost of MASH staff was £0.06M higher than originally anticipated, a favourable movement of £0.02M.

E&CS4 – Looked After Children Provision £0.23M favourable (£0.23M favourable movement)

There has been favourable variance in the cost of foster care by £1.44M, mainly due to a reduction in the number of Independent Foster Agency (IFA) placements.

This is partly offset by an increase in expenditure on residential placements of £1.34M, due to both an increase in demand and an increase in the average cost per placement.

A new initiative by the Care Placement Service, situated within the ICU, started in December 2016. This identifies negotiation with providers, and the monitoring & interrogation of invoices as key to reducing unit costs of each placement.

Children's Services have undertaken a targeted piece of work to reduce the number of Looked after Children (LAC) and to look at more appropriate placements. The initial results of this has seen a significant reduction in LAC.

There is an under spend on staff expenditure across the LAC teams, after deducting the cost of agency staff, of £0.45M. This is mainly due to vacant posts that have not been filled. The cost of transport is also £0.16M lower than budgeted due to lower permanent staffing levels.

The service is working towards an increase in permanence for children who are looked after and this has resulted in a rise in the number of Special Guardianship Orders. 151 children have been placed compared to the 115 provided for in the budget, resulting in an adverse variance of £0.24M. During 2016-17 we were made aware that the Interagency Adoption grant would end in October 2016 and the cost of Interagency Adoption placements for the remainder of the year funded by the Council was £0.23M.

There has been a favourable movement since quarter 3 of £0.16M, due to a reduction in the number of Independent Foster Care placements, and £0.11M, due to a reduction in expenditure on in-house foster carers. There has also been a favourable movement of £0.10M, due to saving in the costs of residential placements in quarter 4 compared to that predicted. These favourable movements are offset by an adverse movement of £0.12M due to children who have left the service prior to 18 coming back to the service for support upon turning 18.

E&CS5 – ICU Children's Services £0.26M favourable (£0.11M favourable movement)

During 2015/16 the service decided not to commission a contract for midwifery services, generating a saving of £0.16M.

In addition to this, there has been a reduction in the short term fostering and outreach services purchased resulting in an under spend of £0.09M. This is a favourable movement since quarter 3 as the contract is to block purchase a number of nights and these are then split between adults and children, with a larger proportion charged to Adults at the end of the year. Work has been undertaken to enable us to identify during the year which service these costs relate to.

E&CS6 – Education – Early Years & Asset Management £0.37M favourable (£0.78M favourable movement)

This variance is a combination of a favourable position against the Dedicated Schools Grant (DSG) of £0.85M and an adverse variance of £0.47M against SCC General Fund, mainly against Home to School Transport for Special Schools (HTST) due to increased demand.

Dedicated Schools Grant (DSG) - Within this area, there is DSG underspend of £0.85M against Early Years funding for payments to 2, 3 and 4 year olds. This position is better than previously forecast (£0.5M at Quarter 3) as a result of expenditure being less than expected which was based on payments using summer and autumn term pupil data. This underspend has offset the pressure against DSG High Needs block.

Home to School Transport - The adverse variance of £0.47M includes an overspend of £0.57M against Home to School Transport (HTST) for children attending Special schools which is due to the impact of the continuing increase in pupil numbers at Special Schools. This correlates with the recent increases in capacity at the Special Schools. At present the maintained Special Schools within the City are at capacity, thus new cases where there is need for a specialist provision cannot be met in area. As a consequence the numbers placed out of area has increased. This has a knock on impact on transport. Additionally, the age range increase from 0 to 25 years has resulted in ongoing additional costs. (Prior to changes in legislation in 2013/14 only the age range 5-21 was serviced).

There is planned work starting during the summer, to look at a more robust pupil planning process for children with SEN to reduce the need for external placements and to assess the scope and potential to reduce spend in this area. Procurement have investigated the possibility of re-tendering home to school transport, with the conclusion that the recent contract (s) signed in this area already provides market value. Savings are being sought through the development of a digital solution to optimise the bookings system and reduce the use of individual escorts. This project will work towards finding a solution to this as part of a wider transport focused programme, taking account of all travel and transport needs for SCC, reducing demand, increasing efficiency in method of supply and reviewing corporate policy and customs and practice.

The adverse variance of £0.57M against HTST is partially offset by various minor favourable variances of £0.10M against;

- IT as a result of increased income due to more schools signing up for SLAs, combined with a reduction in Hampshire County Council (HCC) broadband licence charge;
- and additional income from communities being received against Green Lane Sports Hall budget.

Since quarter 3, the adverse variance against HTST increased by £0.16M as a result of increased children allocated HTST. In 2017/18 a change to the process should ensure information from the service is fed through to the forecast process on a timely basis. This was offset by an increase in favourable variances of £0.10M against various budgets as detailed in earlier paragraph, giving a net movement of £0.60M since quarter 3.

E&CS7 - Education – High Needs & Schools £1.27M adverse (£1.27M adverse movement)

This variance is a combination of an adverse position against the Dedicated Schools Grant (DSG) of £1.44M which has been partially offset by favourable variances against High Needs areas that are funded from SCC General Fund of £0.17M.

Dedicated Schools Grant (DSG) –

Commitments dedelegated from DSG in 2016/17, as approved by schools forum primarily relating to growth fund, schools in financial difficulties have been under allocated by £0.79M. This has been carried forward to be allocated in 2017/18.

As previously reported, there is an adverse variance on Pupils with Statements £0.46M due to an increase of hours and pupils that require additional special educational needs.

There has also been an adverse variance on Special Schools as a result of an increase in the number of pupils attending our Special Schools (£0.32M) which will have a full year affect in 2017/18. In year this has been off-set by a decrease in Independent Schools (£0.31M favourable) as a result of children being placed in our special schools or due to families entering the tribunal process and admission being delayed.

It is important to note that some of the current high needs pressures will have a full year impact in 2017/18. For High Needs Block, there is a forecast pressure of £2.9M against DSG. Schools Forum also agreed to set up a working group to look into various options to meet the forecast pressure and bring those options to a future Schools Forum meeting. This working group has considered a number of options which are currently being reviewed and an update will be provided to Schools Forum meeting in June. The use of reserves will be required in 2017/18 to contribute to this pressure whilst the Schools Forum working group has considered and implemented options.

Other minor variances - There is a favourable variance of £0.17M on Council funded areas. The main areas contributing to this are:

- School Improvement favourable variance of £0.08M due to vacant posts and additional income from services being provided to other local authorities.
- As previously reported Jigsaw have received income relating to 2015/16 in this financial year.

In addition, the Council is expected to receive grant of £0.17M in 2017/18. A combined business case is being submitted to request total funding in 2017/18 and budget will be adjusted accordingly.

E&CS8 – Early Help £0.25M favourable (£0.08M favourable movement)

The favourable variance is as a result of vacancies not being filled £0.07M and underspends against premises costs and supplies and services £0.05M. Over achievement of income from rental income £0.03M and Grants £0.06M has also been received. The movement of £0.08M since quarter 3 primarily relates to savings from vacant posts which were hoped to be filled during the latter part of the year.

ENVIRONMENT & TRANSPORT PORTFOLIO

KEY ISSUES – OUTTURN 2016/17

The Portfolio has under spent by **£0.91M** at year-end, which represents a percentage variance against budget of **4.2%**. The Portfolio outturn variance has moved **favourably** by **£0.24M** from the position reported at Quarter 3.

	Forecast Variance £M	Movement from Quarter 3 £M
Final Portfolio Outturn	0.91 F	<i>0.24 F</i>
Carry Forward Requests	0.00	<i>0.00</i>
Unachieved Savings 2016/17	0.33	-

A summary of the movements in the Portfolio outturn variance, compared to Quarter 3, are shown in the table below:

Division / Service Activity	Outturn Variance £M	Forecast Variance Quarter 3 £M	Movement £M	Ref.
Domestic Waste Collection	0.38 A	<i>0.37 A</i>	<i>0.01 A</i>	E&T 1
Commercial Waste Collection	0.19 A	<i>0.12 A</i>	<i>0.07 A</i>	E&T 2
Waste Disposal	0.24 A	<i>0.23 A</i>	<i>0.01 A</i>	E&T 3
E&T Contracts Management	0.21 F	<i>0.08 F</i>	<i>0.13 F</i>	E&T 4
Off Street Parking	0.71 F	<i>0.48 F</i>	<i>0.23 F</i>	E&T 5
Travel	0.59 F	<i>0.42 F</i>	<i>0.17 F</i>	E&T 6
Development Management	0.35 F	<i>0.33 F</i>	<i>0.02 F</i>	E&T 7
Regulatory Services - Commercial	0.12 F	<i>0.14 F</i>	<i>0.02 A</i>	E&T 8
Parks and Street Cleansing	0.06 A	<i>0.31 A</i>	<i>0.25 F</i>	E&T 9
Highways Manager	0.18 A	<i>0.00</i>	<i>0.18 A</i>	E&T 10
Other	0.08 F	<i>0.25 F</i>	<i>0.17 A</i>	
Total	0.91F	0.67 F	0.24F	

The SIGNIFICANT issues for the Portfolio are:

E&T 1 – Domestic Waste Collection £0.38M adverse (£0.01M adverse movement)

There is an adverse variance of £0.16M relating to the estimated additional cost of temporary agency cover for staff sickness absences and related issues, an adverse movement of £0.07M from Quarter 3.

In addition, there is an adverse variance of £0.20M for fleet charges, an adverse movement of £0.01M from Quarter 3. The procured new fleet of ten refuse collection vehicles have a forecast part year additional cost of £0.06M, with the balance of £0.14M mainly being additional hire charges for replacement vehicles whilst awaiting the delivery of the new fleet and the hire of a narrow vehicle which we plan to purchase in December 2017.

There is an adverse variance of £0.11M, for the cost of bin purchase and storage and a new, lower cost storage facility has been found to reduce this in 2017/18

Reported for the first time, there is a favourable variance of £0.09M from dry mixed recyclables and glass income.

The adverse variance has been offset by savings elsewhere in the portfolio and if necessary budgets will be realigned within the next financial year.

E&T 2 – Commercial Waste Collection (£0.19M adverse, £0.07M adverse movement)

There is an adverse variance of £0.18M, for trade waste disposal costs, an adverse movement of £0.08M from quarter 3. This is due to additional volumes of waste and the use of the transfer station while the incinerator was under non-routine maintenance, where a premium is paid to Veolia to subsequently transfer this at a later date. There is no obligation for the incinerator to receive Commercial Waste but can be utilised if spare capacity is identified.

There are a number of small favourable variances on income in both trade waste and garden waste, largely due to higher than expected volumes of recyclables.

There is an adverse variance of £0.06M on vehicle damage and repairs, an adverse movement of £0.02M. This is due to a number of expensive repairs due to the age of the vehicle, this should not be a pressure in 2017/18 as these have been replaced.

E&T 3 – Waste Disposal (£0.24M adverse, £0.01M adverse movement)

The main issue is the fixed fee element of the disposal costs within the contract for general collected household waste is £0.21M more than planned, an adverse movement of £0.07M compared to Quarter 3. This is due to the final agreed re-negotiated contract not fully achieving the required reductions in the early years, with the overspend being reduced significantly in 2017/18 and all savings achieved in 2018/19.

There are also adverse variance of £0.08M, an adverse movement of £0.01M from Quarter 3, due to the additional disposal costs from contaminated recyclables within the Dry Mixed Recyclables collections is resulting in an overspend of £0.08M. There is a campaign underway to reduce contamination with a view to reduce these costs.

This is offset by £0.10M favourable variance on the cost of Civic Amenity waste, a favourable movement of £0.04M. This is due to the introduction of charging for the disposal of some non-domestic waste types (soil and rubble etc.)

Additionally there is an adverse variance of £0.07M on third party income, no movement from Quarter 3. This is due to lower income from the profit share (ERF - incinerator) and a Household Waste Recycling Centre (HWRC) income shortfall (e.g. lower resale price of metal).

Reported for the first time there is a favourable variance of £0.03 due to income from Other Local Authorities' and from additional income from business users.

E&T 4 – E&T Contracts Management £0.21M favourable (£0.13M favourable movement)

The Private Finance Initiative (PFI) Street Lighting contract sum, has a favourable variance of £0.19M, a favourable movement of £0.04M from Quarter 3. This is due to contract deductions, and contract indexation adjustments.

There is a favourable variance on the Highways Partnership Third Party Income share for 2015/16 of £0.09M. However the client charges to the Traffic Management Act (TMA) Permit scheme are adverse by £0.03M. This has been identified as an ongoing pressure and an amount has been factored into the budget for 2017/18.

There is an adverse variance on Street Lighting energy of £0.13M, due to higher forecast consumption of £0.05M and electricity price increases of £0.08M.

There is a nil variance, a favourable movement of £0.06M, on the extended CityWatch contract as the part-year savings covered the set-up costs.

Reported for the first time, there are savings from Street Lighting Non PFI Maintenance of £0.02M and CityWatch Contract Sum indexation of £0.01M

E&T 5 – Off-Street Parking £0.71M favourable (£0.23M favourable movement)

Off-Street Parking income is higher than planned by £0.51M, a favourable movement of £0.09M from Quarter 3. This is due to ticket machine income and season ticket income being higher than anticipated slightly offset by lower than expected income from penalty charge notices. Budgets will be realigned for the new financial year.

There has been a favourable variance of £0.10M on routine repairs and maintenance an improved position of £0.02M from Quarter 3, following a move to only essential maintenance being carried out.

E&T 6 – Travel £0.59M favourable (£0.17M favourable movement)

The total number of Concessionary Fare passenger journeys and the average fare are monitored closely throughout the year. Based on the final calculation of these factors, there is a favourable variance on the scheme of £0.58M, a favourable movement of £0.18M from Quarter 3 due, in part, to an expected price increase towards the end of Quarter 3 which did not materialise.

E&T 7 – Development Management £0.35M favourable (£0.05M favourable movement)

There is a favourable variance on planning applications income of £0.16M, an improved position from quarter 3. This reflects a higher level of applications, including for proposed major developments than anticipated.

Also there are favourable variances on Community Infrastructure Levy (CIL) administration fees of £0.15M, and section 106 administration fees of £0.08M, a favourable movement of £0.02M from Quarter 3. In 2017/18 we will improve the forecasting of this income by monitoring the schedule provided by the CIL Officer.

E&T 8 – Regulatory Services - Commercial £0.12M favourable (£0.02M adverse movement)

Favourable variance due to higher income from an increased volume of Port Health work and additional food safety fees from a shared service with Eastleigh Borough Council has moved adversely from Quarter 3 by £0.06M. In addition to this there is a favourable variance on operational income of £0.04M, a £0.02M adverse movement from Quarter 3.

E&T 9 – Parks and Street Cleansing £0.06M adverse (£0.25M favourable movement)

There is a total unachieved employee saving of £0.19M, a slightly improved position from quarter 3. The adverse variance on permanent staff is £0.08M, offset by savings on seasonal employee costs of £0.05M. In addition, agency costs are £0.12M adverse and there is a £0.04M adverse on overtime payments, which are required in order to deliver this 365 day a year service. In 2017/18 a new contract with HCC will provide additional income to meet this pressure and it is expected that the service will deliver services within its staffing budget.

Reported for the first time, there is a favourable variance of £0.12M, due to additional grounds maintenance contract income of £0.04M, from a new contract with Hampshire County Council, which has recently been signed during the final quarter of the year, and subcontractor income of £0.08M from the team's work for the trading arm.

E&T 10 – Highways Manager £0.18M adverse (£0.18M adverse movement)

Reported for the first time, there is an adverse variance of £0.22M, due to unrecoverable costs due to poor structural conditions from accident damage on Redbridge flyover. Work is currently being undertaken on Redbridge and Millbrook flyovers to minimise this risk in 2017/18.

Realignment of Budgets – As the Portfolio has underspent as a whole the favourable variances will be reviewed by Service Manager and Finance. If these are expected to continue, budgets will be realigned in line with Financial Procedure Rules to deal with unachieved savings and the other pressures within the area.

UNACHIEVED SAVINGS 2016/17

Description	Unachieved Savings 2016/17 £M	Explanation of ongoing impact and mitigating actions.
Reducing residual bin waste sent to landfill.	0.03	To be dealt with through budget realignment.
Waste Disposal contract savings.	0.03	To be dealt with through budget realignment.
Riverside Pitch & Putt course.	0.01	To be dealt with through budget realignment.
Restructure of Parks, Open Spaces & Street Cleansing.	0.19	Ongoing impact of £0.10M will be mitigated with new contract income from Hampshire County Council.
Pest Control: increase income to cover cost.	0.01	To be dealt with through budget realignment.
Increase income from recycling of textiles.	0.01	To be dealt with through budget realignment.
Introduce charges for cone deployment.	0.01	To be dealt with through budget realignment.
Pest Control: Introduce new rates.	0.03	To be dealt with through budget realignment.
Close Woolston & Portswood Public Toilets.	0.01	To be dealt with through budget realignment.
	0.33	

FINANCE PORTFOLIO

KEY ISSUES – OUTTURN 2016/17

The Portfolio has under spent by **£0.82M** at year-end, which represents a percentage variance against budget of 2.3%. The Portfolio outturn variance has moved **favourably** by **£0.23M** from the position reported at Quarter 3.

	Forecast Variance £M	Movement from Quarter 3 £M
Final Portfolio Outturn	0.82 F	0.23 F
Carry Forward Requests	-	-
Unachieved Savings 2016/17	0.60 A	-

A summary of the movements in the Portfolio outturn variance, compared to Quarter 3, are shown in the table below:

Division / Service Activity	Outturn Variance £M	Forecast Variance Quarter 3 £M	Movement £M	Ref.
Audit & Risk Management	0.00	<i>0.08 F</i>	<i>0.08 A</i>	FIN 1
Business Support	0.37 F	<i>0.24 F</i>	<i>0.13 F</i>	FIN 2
IT Services	0.17 A	<i>0.07 A</i>	<i>0.10 A</i>	FIN 3
Debtors & Creditors	0.23 F	<i>0.17 F</i>	<i>0.06 F</i>	FIN 4
Partnership	0.48 F	<i>0.06 F</i>	<i>0.42 F</i>	FIN 5
Procurement	0.16 A	<i>0.00 A</i>	<i>0.16 A</i>	FIN 6
Other	0.07 F	<i>0.03 F</i>	<i>0.04 F</i>	-
Total	0.82 F	0.59 F	0.23 F	

The SIGNIFICANT issues for the Portfolio are:

FIN 1 – Audit & Risk Management £NIL (£0.08M adverse movement)

The outturn position represents a nil variance against budget, an adverse movement of £0.08M compared with quarter 3. This is primarily due to one-off set up costs incurred in establishing the new internal audit service and shared working arrangements with Portsmouth City Council, effective from 1st April 2017.

FIN 2 – Business Support £0.37M favourable (£0.13M favourable movement)

A favourable variance has arisen due to in-year underspends against the centralised stationery £0.04M and staff training budgets £0.07M. This is the early achievement of budget proposals for 2017/18, a favourable movement of £0.02M compared with quarter 3.

In addition a favourable variance of £0.26M has arisen from staff vacancies prior to the introduction of the Business Operations and Digital structure from 1st October 2016, a favourable movement of £0.11M compared with quarter 3. At quarter 3, post restructure, there was an assumption that all vacant posts would be filled but the service continued to carry vacant posts following restructure.

FIN 3 – IT Services £0.17M adverse (£0.10M adverse movement)

The net adverse outturn position has arisen due to the following key variances:

- £0.12M shortfall against the annual digital guarantee. Part of the activity under taken by Capita has resulted in cost reductions rather than the budget savings that were anticipated as part of the Capita contract reset. This wasn't included in the forecast at quarter 3 as discussions were ongoing with Capita at that time regarding the savings / cost reductions that would count against the £1.8m annual guarantee.
- £0.02M shortfall against an approved budget saving relating to the reduction in the cost of software licence agreements. The cost of the new contract is higher than expected due to an increase in the number of licences, plus a new licence is now required to ensure that all staff have digital access.
- £0.05M net one-off costs incurred on essential security measures due to the number of cyber threats, together with the need for increased network storage. These costs will be reviewed to determine if any ongoing pressures need to be considered as part of the 2017/18 budget setting process.
- £0.04M over spend against the centralised photocopying budget for services based in the Civic Centre. Photocopying budgets were the subject of a Feb 14 £0.02M approved budget saving effective from 2014/15. Spend is now exceeding pre-2014/15 levels and will need to be addressed for 2017/18 onwards to ensure future annual spend remains within budget. This adverse variance was not forecast at quarter 3 as the potential over spend at that time was not material.
- The above are offset in part by £0.06M in-year underspends on salaries within the new IT / Systems team structure due to ongoing vacancies, not forecast at quarter 3.

FIN 4 – Debtors & Creditors £0.23M favourable (£0.06M favourable movement)

A favourable variance of £0.23M has arisen due to an under spend on salaries prior to the introduction of the Business Operations and Digital structure from 1st October, a favourable movement of £0.06M compared with quarter 3.

FIN 5 – Partnership £0.48M favourable (£0.42M favourable movement)

A new favourable variance of £0.31M has arisen against the overall Capita contract and represents the SCC share of profit / under spend arising from the new company (CSL) set up between SCC and Capita. This was not forecast at quarter 3 as the CSL financial year end is 31st Dec and the accounts were therefore unavailable until late January 2017.

In addition there is an overall saving against the contract reset of £0.17M which is primarily to offset any shortfall against the procurement and digital guarantees as a result of cost reductions achieved rather than ongoing budget savings, again not forecast at quarter 3 due to ongoing discussion with Capita on the guarantees.

FIN 6 – Procurement £0.16M adverse (£0.16M adverse movement)

£0.16M shortfall against the annual procurement guarantee as part of the activity undertaken by Capita has resulted in cost reductions rather than budget savings anticipated as part of the Capita contract reset. This was not forecast at quarter 3 as discussions were ongoing with Capita at that time re the savings / cost reductions that would count against the guarantee.

UNACHIEVED SAVINGS 2016/17

Saving Reference	Description	Unachieved Savings 2016/17 £M	Explanation of ongoing impact and mitigating actions.
FIN 2	Reduced cost of software licences	0.04	Review of IT strategy required for policy on IT estate and management. Should be impacted by reduction in employee numbers, but current growth in devices to be reviewed and managed. NB: also subject to additional saving from 17/18 of £0.11M.
FIN 17	Procurement savings (cross cutting)	0.16	This has been actioned with the reset of the Capita contract and is now linked to the Capita Guarantee.
TRANS 1 (Nov 15)	Digital savings	0.40	This has been actioned with the reset of the Capita contract and is now linked to the Capita Guarantee.
Total		0.60	

HOUSING & ADULT CARE PORTFOLIO

KEY ISSUES – OUTTURN 2016/17

The Portfolio has over spent by **£5.46M** at year-end, which represents a percentage variance against budget of **8.3%**. The Portfolio outturn variance has moved **adversely** by **£0.91M** from the position reported at Quarter 3.

	Forecast Variance £M	Movement from Quarter 3 £M
Final Portfolio Outturn	5.46 A	<i>0.91 A</i>
Carry Forward Requests	0.00	<i>0.00</i>
Unachieved Savings 2016/17	1.30	

A summary of the movements in the Portfolio outturn variance, compared to Quarter 3, are shown in the table below:

Division / Service Activity	Outturn Variance £M	Forecast Variance Quarter 3 £M	Movement £M	Ref.
Long Term	5.14 A	3.44 A	1.69 A	ASC 1
Safeguarding Adult Mental Health & Out of Hours	0.38 A	0.63 A	0.25 F	ASC 2
Integrated Teams and First Response	0.35 A	0.44 A	0.09 F	ASC 4
ICU System Redesign	0.45 F	0.20 F	0.25 F	ASC 5
Adult Services Management	0.14 F	0.09 A	0.23 F	ASC 7
Other	0.18 A	0.15 A	0.04 A	-
Total	5.46 A	4.55 A	0.91 A	

The SIGNIFICANT issues for the Portfolio are:

ASC 1 – Long Term £5.14M adverse (£1.69M adverse movement)

The budget for externally purchased care for Older Persons and clients with either a Physical Disability or Learning Disability is over spent by £5.14M. A project to review client packages as part of a project by Capita was commenced in quarter 3, the cost of this review in 16/17 was £0.60M, which increased the adverse position in Long Term Care this year. It was envisaged that this additional cost would be met from savings in year but the majority of the financial benefit of this review is likely to occur in 2017/18.

The savings achieved in year amounted to £2.07M of the required £3.24M, leaving a shortfall of £1.17M. As part of the budget setting process £0.60M of savings have been removed from the 2017/18 budget. It is anticipated the balance of the saving target will be achieved in the new financial year as a result of actions taken in 2016/17 and early in 2017/18.

This adverse position has increased by a rise in learning disability, older persons and disabled client packages of £3.01M. The adverse position has increased since quarter three by an increase in client costs of £0.91M. An element of this amount, £0.34M, was due to a greater than anticipated level of bad debts and this will form part of a review in 2017/18. Increase in package costs, is in part due to the following:

- an increase in the number of high cost nursing placements above the City Council's published rates
- an increase in clients whose capital has depleted
- an increase clients who are no longer eligible for continuing healthcare
- And a reduction in client contributions

£0.25M savings target for 2016/17 based on the introduction of the wider role of Telecare to reduce client packages by identifying the cost of alternative care has been achieved. Work is ongoing to ensure these savings can be monitored.

Additional funding of £4.1M has been injected into Adult Social Care in 2017/18, to offset this increased demand and meet future cost expectations.

ASC 2 – Safeguarding Adult Mental Health & Out of Hours £0.38M adverse (£0.25M favourable movement)

There has been an increase cost for Mental Health clients' packages of £0.56M above the budget due to review of packages identify a change in need away from health to social care. This has decreased by £0.25M in the last quarter due to clients transferring to other social care areas. We have also seen an increase in client contributions and the recovery of overpayments from suppliers.

This increase in packages relates, in part, to existing care packages, where a change in need has been identified. The packages have been reassessed and financial contributions re-evaluated using standard agreed procedures. As a consequence, some clients who were 100% funded by Health, following a joint matrix exercise with SCC, are now showing eligible social care needs. Therefore, we are seeing increasing numbers of clients moving from health funding to social care funding.

The 2017/18 budget has been increased to reflect this increase in client costs.

The increase in packages has been offset by £0.25M of staffing savings due to vacant posts and reduced costs for Legal Support for Deprivation of Liberty Safeguards and £0.02M premises savings.

ASC 3 – Provider Services £0.30M adverse(no movement from quarter 3)

Kentish Road Respite Centre overspent by £0.08M due to an increase in staffing costs to meet client demand. Glen Lee overspent by £0.10M and Holcroft House by £0.21M due to an increase in temporary staff costs to cover long term sickness and maternity leave and additional shift pay and allowances costs, offset by staff vacancy savings, additional income and supplies savings.

The adverse position is reduced by staff savings in Southampton Day Services of £0.06M due to keeping posts vacant, reducing the hours of permanent staff and additional income plus a reduction in security costs for Woodside Lodge of £0.04M.

ASC 4 – Integrated Teams and First Response £0.35M adverse (£0.09M favourable movement)

The Hospital Discharge Team overspent by £0.28M due to additional staffing costs to meet the current level of client demand. Any delay in the transfer of care of clients from hospital has the potential risk that the City Council could face fines for bed blocking.

Due to a delay in finalising the staffing arrangements, connected with the closure of Brownhill House, £0.06M savings were not achieved this year.

As reported at quarter 3, additional staffing costs of £0.10M were incurred above the budget by the Urgent Response Service. This was due to a greater number of existing staff joining the superannuation scheme, non-achievement of the vacancy management target and increased allowances, overtime and shift pay costs. The budget for 2017/18 has been increased to reflect these ongoing pressures from the service.

The over spend was offset by savings of £0.07M by the Community Independence Team from staff vacancies and supplies and services savings.

Since quarter 3 the Hospital Discharge Team have made a saving of £0.01M, the Urgent Response Service £0.03M and the Community Independence Team £0.01M because of vacant post savings. A further reduction of costs on supplies and Services of £0.02M has occurred in the Community Independence Team. The savings target shortfall has reduced by £0.03M as the budget for re-provision of services for clients who would have previously been referred to Brownhill House has underspent. These reductions have slightly been offset by increased staffing costs for Housing Adaptations of £0.01M.

ASC 5 – Integrated Commissioning Unit System Redesign £0.45M favourable, (£0.25M favourable movement)

The substance misuse contract has underspent by £0.12M due to reduced rehabilitation charges from the contracted supplier and the budget also received additional income from the Police and Crime Commissioner of £0.08M.

There have been further contract savings of £0.20M which will offset unachieved savings elsewhere within the Portfolio as well as staffing savings of £0.05M.

Since quarter 3 there has been an additional £0.04M contract savings and £0.01M staffing reductions as well as the substance misuse contract under spend of £0.20M.

ASC 6 – Integrated Commissioning Unit Provider Relationships £0.08M favourable (£0.04M adverse movement)

Savings have been identified in the Joint Equipment Store budget, set aside for re-provision of clients who would have previously been referred to Brownhill House. The anticipated saving of £0.08M will offset the saving shortfall within rehab and reablement. Additional savings of £0.06M have occurred due to vacant posts. The savings target for contract savings has underperformed in this area by £0.07M but this can be offset by contract savings elsewhere in the Integrated Commissioning Unit.

The favourable position has decreased by £0.04M since quarter 3 due to contract savings not being achieved by £0.06M, offset by staffing savings of £0.02M.

ASC 7 – Adult Services Management (£0.14M favourable, £0.23M favourable movement)

The Learning and Development budget has underspent by £0.10M. It is anticipated that the budget will be utilised in 2017/18 with the introduction of the new Adult Social Care training programme. There were further savings on supplies and services of £0.06M, which have been reduced by the saving shortfall of £0.01M due to the late closure of Herbert Collins House and additional staffing costs of £0.01M.

Since quarter three the favourable position has increased by £0.23M because of Learning and Development savings of £0.10M, supplies and services reductions of £0.04M and staff costs of £0.08M being in part to a transfer of the acting Head of Service's costs into the Chief Officer's central code.

UNACHIEVED SAVINGS 2016/17

Description	Unachieved Savings 2016/17 £M	Explanation of ongoing impact and mitigating actions.
Review existing contracts for efficiencies	0.07	Saving target carried forward into 2017/18. The full year impact of the savings already achieved will mean this is fully achieved in 17/18
Rehab and reablement saving	0.06	This shortfall is due to the late closure of

		Brownhill House, the full saving will be achieved in 17/18.
Complex Housing saving	(0.19)	Additional saving to offset other shortfalls.
Reduced admissions to residential and nursing homes	0.30	The target has been reduced in 2017/18 as alternative savings have been identified as Complex Housing Savings. It is anticipated the balance of this saving will be achieved.in 2017/18
Improvement of processes leading to faster financial assessments bringing clients into charging earlier	0.05	This saving is unachievable and has been removed from the budget in 17/18.
Introduce charge for self funders, and deferred payments	0.06	This saving is unachievable and has been removed from the budget in 17/18.
Reconfiguring residential care homes and extra care (inc market shaping)	0.14	The balance of the saving target has been reduced to £0.09M in 17/18 and it is anticipated that it will be achieved
Cost Effective Care & efficient routes to market	0.46	There was a delay in implementation. The saving target has been reduced to £0.22M in the new year. and it is anticipated that this will be achieved in 2017/18, as more placements are negotiated through the Care Placement Team
Impact on LD Package Spend	0.36	There was a delay in implementing the joint working. This was largely due to integration of the teams being more difficult than anticipated, and as there were 3 organisations involved an outside facilitator was brought in. This issues were heightened by changes to managerial personnel during the culture change process. It is anticipated the saving will be achieved in 17/18.
	1.30	

HEALTH & SUSTAINABLE LIVING PORTFOLIO

KEY ISSUES – OUTTURN 2016/17

The Portfolio has under spent by **£0.49M** at year-end, which represents a percentage variance against budget of **10.0%**. The Portfolio outturn variance has moved **favourably** by **£0.34M** from the position reported at Quarter 3.

	Outturn Variance £M	Movement from Quarter 3 £M
Final Portfolio Outturn	0.49 F	0.34 F
Carry Forward Requests	0.00	-
Unachieved Savings 2016/17	0.00	-

A summary of the movements in the Portfolio outturn variance, compared to Quarter 3, are shown in the table below:

Division / Service Activity	Outturn Variance £M	Forecast Variance Quarter 3 £M	Movement £M	Ref.
Public Health	0.28 F	0.04 F	0.24 F	HSL 1
Sustainability	0.11 F	0.04 F	0.07 F	HSL 2
Housing	0.10 F	0.07 F	0.03 F	HSL 3
Total	0.49 F	0.15 F	0.34 F	

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

HSL 1 – Public Health £0.28M favourable (£0.24M favourable movement)

Public Health has underspent by £0.28M within this Portfolio. This ring fenced grant funding has been used to pay for Housing Related Support expenditure within the Housing and Adult Care Portfolio.

HSL 2 – Sustainability £0.11M favourable (£0.07M favourable movement)

The final calculation of CRC allowances used in 2016/17 revealed that we had over-bought by £0.09M although all these allowances are purchased at a lower rate and have been carried forward for use in 2017/18. This is a favourable movement of £0.07M from quarter 3.

Additionally, the income received from the in-house managed Laser Energy has exceeded our prudent forecast by £0.03M.

HSL 3 – Housing £0.10M favourable (£0.03M favourable movement)

Housing Renewal has an underspend of £0.07M, which is principally due to savings on a vacant post of £0.04M as well as a favourable variance of £0.03M relating to Capita fees and other expenses.

Additionally there is an under spend due to vacant posts within Private Sector Housing of £0.03M.

LEADER'S PORTFOLIO

KEY ISSUES – OUTTURN 2016/17

The Portfolio has under spent by **£2.24M** at year-end, which represents a percentage variance against budget of **17.4%**. The Portfolio outturn variance has moved **favourably** by **£0.10M** from the position reported at Quarter 3.

	Forecast Variance £M	Movement from Quarter 3 £M
Final Portfolio Outturn	2.24 F	0.10 F
Carry Forward Requests	-	-
Unachieved Savings 2016/17	0.35	-

A summary of the movements in the Portfolio outturn variance, compared to Quarter 3, are shown in the table below:

Division / Service Activity	Outturn Variance £M	Forecast Variance Quarter 3 £M	Movement £M	Ref.
Property	1.61 F	1.54 F	0.07 F	LPOR 1
Legal Services & Customer Relations	0.09 F	0.07 F	0.02 F	LPOR 2
Property Portfolio Management	0.14 F	0.13 F	0.01 F	LPOR 3
Corporate Communications	0.12 F	0.18 F	0.06 A	LPOR 4
Democratic Representation & Management	0.08 F	0.06 F	0.02 F	LPOR 5
Land Charges	0.14 F	0.07 F	0.07 F	LPOR 6
HR Services	0.19 A	0.13 A	0.06 A	LPOR 7
Strategic Management of the Council	0.02 A	0.15 F	0.17 A	LPOR 8
Licensing	0.07 F	0.00 F	0.07 F	LPOR 9
City Development	0.06 F	0.05 F	0.01 F	LPOR 10
Other	0.15 F	0.02 F	0.13 F	
Total	2.24 F	2.14 F	0.10 F	

The SIGNIFICANT issues for the Portfolio are:

LPOR 1 –Property £1.61M favourable (£0.07M favourable movement)

A favourable variance of £0.22M has arisen against the reactive repairs / fee budgets, a favourable change of £0.16m compared with Quarter 3. The position on reactive repairs is difficult to predict in-year given the unknown demand for essential works during the winter months.

In addition an overall favourable variance of £0.78M has arisen against the planned maintenance programme due to the challenging level of resources within the Capita Property Service during its transition to the Council and the need to prioritise the available resources across all Council work programmes. There is a planned schedule of works detailing how this slippage will be undertaken and it is expected this will be achieved in this year's budget once phase 3 restructure has been undertaken and completed in September 2017. This represents a favourable increase of £0.79M compared to quarter 3. Performance against the budgeted programme will be reviewed within the Capita contract to 31st December 2016 when the service transferred back to the Council to determine mitigating factors and any performance issues.

A favourable variance has arisen within Civic centre and Wyndham Court and comprises a £0.17M underspend on supplies and services, together with £0.28M on utility costs, a favourable movement of £0.15M compared with quarter 3. A detailed review of the supplies and services budgets was undertaken during the year to identify and undertake essential spend only. Utility costs were also reviewed in detail, looking at both current and historical data, together with the potential impact of increased occupation of the Civic Centre.

A favourable variance of £0.16M has also arisen from salary underspends, within both Admin Buildings and the newly transferred Property service, an adverse movement of £0.05M compared with quarter 3. This will be reviewed in detail as part of the restructure of the wider Property service to take place during 2017/18.

LPOR 2 – Legal Services & Customer Relations £0.09M favourable (£0.02M favourable movement)

A favourable variance of £0.09M relates to the receipt of additional in-year section 106 revenue income, a favourable variance of £0.02M compared with quarter 3. This income is variable by nature and therefore difficult to precisely predict during the year.

LPOR 3 – Property Portfolio Management £0.14M favourable (£0.01M favourable movement)

The net adverse outturn position has arisen due to the following key variances:

- Unachieved saving: Property Rationalisation and Disposal £0.30M. This relates to the disposal of service properties, none of which were achieved during the year.
- Unachieved saving: Public Sector PLC £0.05M. The increase in income was not achieved during the year. Whilst the Public sector PLC identified and worked to dispose of assets during the year no actual sales were completed during the period with sales being completed during the early part of 2017/18 and an additional 2 options in place for 2017/18.

- Shortfall in investment Property income £0.15M received from existing investment properties, have shown, an adverse movement of £0.23M compare with quarter 3. The in-year monitoring of income proved challenging given the lack of available resources within Capita to provide regular and detailed information.

These have been partly offset by a favourable variance of £0.74M primarily from an under spend on Capita Valuation fees and disposal costs / review of bad debt provision, a favourable movement of £0.34M compared with quarter 3. Again this is due in part to resourcing within Capita but also reflects the changing type of property and investment activity undertaken by the service.

LPOR 4 – Corporate Communications £0.12M favourable (£0.06M adverse movement)

The favourable variance relates in part to a £0.07M underspend against the centralised advertising and publicity budget and represents the early achievement of budget proposals for 2017/18 and ongoing, an adverse movement of £0.06M compared with quarter 3.

In addition an in-year underspend of £0.05M has arisen on salaries as a result of vacancies, a favourable movement of £0.02M compared with Quarter 3.

LPOR 5 – Democratic Representation & Management £0.08M favourable (£0.02M favourable movement)

The favourable variance reflects the approved restructure within this service area, the ongoing saving for which has been reflected in the budget proposals for 2017/18 and ongoing, a favourable movement of £0.02M compared with quarter 3.

LPOR 6 – Land Charges £0.14M favourable (£0.07M favourable movement)

The favourable variance has arisen from additional in-year income, a favourable movement of £0.07M compared with quarter 3. The value and volume of Land Charges income received is directly affected by conditions in the housing market and wider economy and is therefore difficult to predict, particularly post Brexit.

LPOR 7 – HR Services £0.19M adverse (£0.06M adverse movement)

A new adverse variance of £0.08m has arisen due to a shortfall within the Temporary Employment Agency service (internal temps). At quarter 3 the service was in transition from Capita to Hays and the financial position was unavailable at that time. The charging arrangements will be reviewed for 2017/18 to assess the anticipated volumes in arriving at the level of rates to maintain a break-even position on the service.

The quarter 3 forecast included a pressure on recruitment costs arising from the new Hays contract. However these have now been included as part of Strategic Management below, creating a favourable movement of £0.13M within HR Services compared with quarter 3.

In addition an adverse variance of £0.11M has arisen due to additional staffing costs / use of temporary resources within the service during the period of transition for the HR Advisors from Capita to SCC and also reflects additional resources required to support the overall restructure / transformation programme; this represents an adverse movement of £0.11M compared with quarter 3.

LPOR 8 – Strategic Management of the Council £0.02M adverse (£0.17M adverse movement)

A favourable variance of £0.13M has arisen due to salary under spends from vacancies within the new structure following the Phase 1 implementation, an adverse movement of 0.02M compared with quarter 3.

This has been offset by a new adverse variance of £0.15M due to additional recruitment costs incurred under the new Hays contract. The future approach to recruitment and the associated costs have been addressed as part of the 2017/18 budget and ongoing.

LPOR 9 – Licensing £0.07M favourable (£0.07M favourable movement)

The new favourable variance of £0.07M has arisen following the introduction of the Licensing contract with Eastleigh Borough Council. This is a one-off in-year benefit as the Council received income from EBC but was able to initially support the new contract within existing staffing resources. From 2017/18 and ongoing the new contract / income will be supported by a revised staffing structure.

LPOR 10 – City Development £0.06M favourable (£0.01M favourable movement)

Due to the restructure of the Capital Assets team, vacancies that have occurred during the year have not been filled, resulting in an underspend of £0.06M on staff employment and travel costs, a favourable increase of £0.01M compared with quarter 3.

UNACHIEVED SAVINGS 2016/17

Saving Reference	Description	Unachieved Savings 2016/17 £M	Explanation of ongoing impact and mitigating actions.
LEAD 15	Property Rationalisation & Disposals	0.30	Linked to disposal of service properties, none of which achieved to date but are forecast to be achieved in 2017/18. This will be linked to ongoing redevelopment and disposal decisions.
LEAD 16	Public Sector PLC	0.05	Increase in income not achieved. Further potential schemes are now under consideration and this saving will be achieved.
Total		0.35	

TRANSFORMATION PORTFOLIO

KEY ISSUES – OUTTURN 2016/17

The Portfolio has unachieved savings of **£3.31M** at year-end. The Portfolio outturn variance has moved **adversely** by **£0.68M** from the position reported at Quarter 3.

	Forecast Variance £M	Movement from Quarter 3 £M
Final Portfolio Outturn	3.31 A	0.68 A
Carry Forward Requests	-	-
Unachieved Savings 2016/17	3.31	-

A summary of the movements in the Portfolio outturn variance, compared to Quarter 3, are shown in the table below:

Division / Service Activity	Outturn Variance £M	Forecast Variance Quarter 3 £M	Movement £M	Ref.
Phase 1 & 2 Restructure	2.39 A	1.85 A	0.54 A	TRANS 1
Phase 3 Digital & Business Ops	0.37 A	0.23 A	0.14 A	TRANS 2
SCR – Schools	0.55 A	0.55 A	0.00	TRANS 3
Total	3.31 A	2.65 A	0.68 A	

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

Trans 1 – Phase 2 Restructure £2.39M adverse (£0.54 adverse movement).

Following the review of the Organisational Design, the reduction of posts in Phase 2 of the management restructure was lower than anticipated. Additionally, whilst the Phase 1 restructure will achieve the full saving in future years, one off additional costs were incurred in 2016/17 whilst a permanent recruitment exercise was undertaken.

Trans 2 – Phase 3 Digital & Business Ops £0.37M adverse (£0.14 adverse movement).

A number of changes have been made to the original project scope and timetable following consultation and implementation costs have been identified.

Trans 3 – SCR - Schools £0.55M adverse (nil movement).

In-year savings target short of target built into budget.

No identifiable additional income has arisen as a result of this exercise. A review of the Service Level Agreement process with schools will be required in 2017/18, alongside a service review and a commercialisation exercise. This position will be updated following this process

UNACHIEVED SAVINGS 2016/17

Saving Reference	Description	Unachieved Savings 2016/17 £M	Explanation of ongoing impact and mitigating actions.
TRANS 2	Service Excellence	0.35	Saving reduced as part of approved budget 2017/18.
TRANS 2	Activity Analysis	0.02	Saving reduced as part of approved budget 2017/18.
TRANS 2	Schools Service Cost Recovery	0.55	To be reviewed in 2017/18 as part of Schools Service Level Agreement process.
TRANS 3	Phase 2 Operating Model	2.39	Saving reduced as part of approved budget 2017/18.
Total		3.31	

Useable Reserves at 31st March 2017

Name of Reserve	Balance 31st March 2017 £M
MTFS Reserve	26.73
Taxation Reserve	3.70
OD Reserve	12.31
Waste Grant Reserve	0.80
City Deal Reserve	2.27
Accomodation Reserve	1.81
Revenue Grant Reserve	0.80
Capital Funding Risk Reserve	3.22
LD Housing Reserve	1.21
PFI Sinking Fund	4.25
Insurance General Reserve	2.75
On Street Parking Surplus	3.78
Transformation Fund	3.12
Other	1.81
Total General Fund Reserves	68.55
School Balances	5.01
Total Useable Reserves	73.56

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Agenda Item 14

Appendix 4

COLLECTION FUND OUTTURN 2016/17

Original Estimate		Revised Estimate	Actual	Variance Adverse / (Favourable)
2016/17 £M	Council Tax	2016/17 £M	2016/17 £M	2016/17 £M
	<u>Income</u>			
(97.3)	Income due from Council Tax Payers	(97.2)	(98.4)	(1.2)
(0.2)	Transfers to General Fund - Hardship Fund	(0.2)	(0.2)	0.0
(97.5)		(97.4)	(98.6)	(1.2)
	<u>Expenditure</u>			
81.0	Southampton City Council Precept	81.0	81.0	0.0
9.7	Hampshire Police Authority Precept	9.7	9.7	0.0
3.8	Fire & Rescue Services Precept	3.8	3.8	0.0
1.0	Distribution of previous year's surplus	1.0	1.0	0.0
3.0	Provision for Bad Debts	2.0	1.4	(0.6)
98.5		97.5	96.9	(0.6)
1.0	Deficit / (Surplus) for the Year	0.1	(1.7)	(1.8)
(1.0)	Deficit / (Surplus) Brought Forward	(2.1)	(2.1)	0.0
0.0	Deficit / (Surplus) Carried Forward	(2.0)	(3.8)	(1.8)
	NDR			
	<u>Income</u>			
(106.0)	Income from NDR Payers	(104.6)	(105.7)	(1.1)
	<u>Apportionment of Previous Years Surplus</u>			
3.0	SCC	3.0	3.0	0.0
3.1	DCLG	3.1	3.1	0.0
0.1	Hampshire Fire & Rescue Authority	0.1	0.1	0.0
(99.8)		(98.4)	(99.5)	(1.1)
	<u>Expenditure</u>			
0.0	Payment to DCLG Transitional Arrangements	0.4	(0.2)	(0.6)
48.4	Payments to DCLG	48.4	48.4	0.0
47.5	SCC - NDR Dist to General Fund	47.5	47.5	0.0
1.0	Hampshire Fire & Rescue NDR Distrib.	1.0	1.0	0.0
0.3	Allowance to General Fund for NDR Collection	0.3	0.3	0.0
1.1	Provision for Bad Debts	2.3	2.4	0.1
7.6	Appeals Provision 15/16	4.5	4.8	0.3
0.0	Appeals Provision Prior Years	(3.0)	(3.1)	(0.1)
105.9		101.4	101.1	(0.3)
6.1	NDR Deficit / (Surplus) for the Year	3.0	1.6	(1.4)
(6.1)	NDR - Deficit / (Surplus) Brought Forward	(7.8)	(7.8)	0.0
(0.0)	NDR Deficit / (Surplus) Carried Forward	(4.8)	(6.2)	(1.4)
	(0.0) Total Deficit Deficit / (Surplus) Carried Forward	(6.8)	(10.0)	(3.2)

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HOUSING REVENUE ACCOUNT OUTTURN 2016/17

	Latest Agreed Budget 2016/17 £M	Actual Outturn 2016/17 £M	Variance £M
<u>SUMMARY</u>			
<u>EXPENDITURE</u>			
Responsive Repairs	8.34	11.43	3.09
Housing Investment	4.99	4.27	(0.73)
Total Repairs	13.34	15.70	2.36
Rents Payable	0.10	0.11	0.01
Debt Management	0.07	0.05	(0.02)
Supervision & Management	20.89	20.62	(0.27)
Interest Repayments	6.65	5.14	(1.51)
Principal Repayments	5.42	5.59	0.17
Depreciation	19.89	18.89	(1.00)
Direct Revenue Financing of Capital	8.77	9.12	0.35
TOTAL EXPENDITURE	75.14	75.23	0.09
<u>INCOME</u>			
Dwelling Rents	72.52	72.50	0.02
Other Rents	1.19	1.16	0.02
Total Rental Income	73.71	73.66	0.05
Service Charge Income	1.80	1.60	0.19
Leaseholder Service Charges	0.61	0.94	(0.33)
Interest Received	0.03	0.03	0.00
TOTAL INCOME	76.15	76.23	(0.08)
SURPLUS/(DEFICIT) FOR YEAR	1.01	1.00	0.01
<u>BALANCES</u>			
Working Balance B/Fwd	2.00	2.00	0.00
Surplus/(deficit) for year	1.01	1.00	0.01
WORKING BALANCE C/FWD	3.01	3.00	0.01

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KEY ISSUES – OUTTURN 2016/17

Appendix 6

The Portfolio has over spent by **£0.01M** at year-end, which represents a percentage variance against budget of **0.01%**. However, a surplus of £1.00M has been achieved, which was required to partly offset the budgeted loss of income from rents in 2017/18. The Portfolio outturn variance has moved **adversely** by **£0.08M** from the position reported at Quarter 3.

	Outturn Variance £M	<i>Movement from Quarter 3 £M</i>
Final Portfolio Outturn	0.01 A	<i>0.08 A</i>
Carry Forward Requests	0.00	<i>0.00</i>
Unachieved Savings 2016/17	3.05	<i>1.19 A</i>

A summary of the movements in the Portfolio outturn variance, compared to Quarter 3, are shown in the table below:

Division / Service Activity	Outturn Variance £M	<i>Forecast Variance Quarter 3 £M</i>	<i>Movement £M</i>	Ref.
Supervision & Management	0.26 F	<i>0.36 F</i>	<i>0.10 A</i>	HRA 1
Interest & Capital Repayments	1.34 F	<i>1.30 F</i>	<i>0.04 F</i>	HRA 2
Housing Investment	0.73 F	<i>0.21 A</i>	<i>0.94 F</i>	HRA 3
Repairs	3.09 A	<i>1.49 A</i>	<i>1.60 A</i>	HRA 4
Tenant Service Charges	0.19 A	<i>0.20 A</i>	<i>0.01 F</i>	HRA 5
Leaseholder Service Charges	0.33 F	<i>0.31 F</i>	<i>0.02 F</i>	HRA 6
Depreciation	1.00 F	<i>0.00</i>	<i>1.00 F</i>	HRA 7
Direct Revenue Financing	0.35 A	<i>0.00</i>	<i>0.35 A</i>	HRA 8
Other	0.04 A	<i>0.00</i>	<i>0.04 A</i>	
Total	0.01 A	<i>0.07 F</i>	<i>0.08 A</i>	

The SIGNIFICANT issues for the Portfolio are:

HRA 1 – Supervision and Management £0.26M favourable (£0.10M adverse movement)

The continuing downward trend in current tenant arrears has led to a reduction of £0.28M in the required yearly contribution to the bad debt provision. This is an adverse movement of £0.02M compared to quarter 3.

There has been a review of the charging of overheads to our capital programme with our external auditors and as part of this exercise £0.61M of overhead costs have been removed from the capital spend and have become revenue costs. This is a late adjustment to the accounts and is an adverse movement of £0.61M compared to quarter 3. This has been offset by a reduction in the Direct Revenue Funding to the capital programme.

As highlighted in the HRA action plan during the year, budgets previously held for discretionary funding of ad-hoc projects have been removed in order to fund the IWorld upgrade (below), and to contribute to the required year-end surplus. This has realised a saving of £0.40M and has moved favourably since quarter 3 by £0.13M.

The previously reported additional Digital Transformation Housing Management software upgrade of £0.20M will now mostly be incurred in 2017-18 resulting in a favourable movement in 2016/17. The deferred costs will be a pressure in 2017-18.

Within the Support Housing team, savings of £0.07M have been made on staffing due to holding vacant posts and reduced overtime in the year. Additionally, the procurement of a new laundry contract has saved £0.02M. These are favourable movements from quarter 3 of £0.09M.

The previously reported employee related pressures of 0.12M have been offset by vacancies across the teams and this is a favourable movement from quarter 3 of £0.12M.

Due to the higher levels of right to buy sales in 2016-17, the fixed allowable administration expenses per sale have increased income in year by £0.10M.

The transfer of the Concierge Service to our external contractor during the year has delivered staff and supplies and service savings of £0.03M. These savings are limited to 2016-17 as have been replaced with a contract recharge to which the budget has been aligned.

HRA 2 – Interest and Capital Repayments £1.34M favourable (£0.04M favourable movement)

A re-evaluation of the capital programme has resulted in a reduction in the borrowing requirement. This short term movement in the borrowing requirement has therefore reduced the financing cost charged to revenue for 2016-17 and a further £0.04M favourable movement since our prudent quarter 3 forecast.

HRA 3 – Housing Investment £0.73M favourable (£0.94M favourable movement)

The capital boiler replacement programme as well as a mild winter has meant that there has been fewer breakdowns this year including lower maintenance costs. This has realised a favourable variance at year end of £0.35M.

The new staffing structure for the Housing Operations team was not completed until June 2016 as noted below. This has impacted on the start date of the electrical testing in 2016/17 resulting in a reduction in completed works of £0.13M now the final costs have been consolidated. This will not impact the 2017-18 budget.

Asbestos works during the year are ad-hoc costs due to when Asbestos is found in our dwellings and other buildings. Consequently spend fluctuates each year and in 2016/17 there is a favourable variance due to less works of £0.04M.

The installation of new lifts in blocks across the city have resulted in less maintenance and call outs in 2016/17 leading to a favourable variance of £0.06M.

The move of structural surveys now being completed at the Council rather than our external partner has resulted in less charges this year of £0.06M. The move is still in progress so budgets for the new year will need to be reviewed as part of this development.

The Health & Safety Housing Investment budget is created for smaller ad-hoc jobs around the city that are not part of other planned maintenance programmes. Less jobs have arisen this year and we have realised a favourable variance of £0.05M.

Following the movement of the Concierge team to our external contractor, the CCTV camera ad-hoc budget has not been used in full this year leading to a £0.03M saving as almost all of the maintenance costs are now the responsibility of our contractor.

HRA 4 – Repairs £3.09M adverse (£1.60M adverse movement)

Not all expected efficiencies have been realised this year leading to an overspend of £2.12M. In addition, a review of overheads charged to capital has increased costs by a further £0.97M.

Good progress has been made in restructuring the Housing Operations team across the four elements of trade staff and management restructuring, void efficiencies and reductions in fleet usage. However, the reduced staffing structure was not fully implemented until June 2016 leading to an over spend. The staff savings for 2017/18 are expected to be achieved in full.

In addition, the new materials contract implementation has been delayed until August 2017. However, the majority of materials savings for 2017/18 are still expected to be achieved. Part of the movement in the adverse variance reflects the change of the materials contract implementation date.

This overspend should be seen in the context of a reduction in budget of £2.75M across the Housing Operations and Repairs service since 2015/16. Although management have been working towards reducing this adverse variance through the year, compensating in year savings have been found to bring the overall HRA into balance.

There has been a review of the charging of overheads to the HRA capital programme with our external auditors and as part of this exercise £0.97M of overhead costs have been removed from the capital spend and have become revenue costs. This is a late adjustment to the accounts and is an adverse movement of £0.97M compared to quarter 3. That has been offset by a reduction in the revenue funding of the capital programme?

HRA 5 – Tenant Service Charges (£0.19M adverse, £0.01M favourable movement)

A budget proposal to introduce a revised charging model for Community Alarm customers was not implemented due to Housing Benefit restrictions and future unknown changes in Supporting People income. This is not expected to impact 2017-18 budgets as income forecasts and budgets have been aligned.

HRA 6 – Leaseholder Service Charges £0.33M favourable (£0.02M favourable movement)

The increased spend on repairs and maintenance has included a larger than planned spend on revenue major works to leaseholder properties. The income recoverable from leaseholders for this work has therefore also increased.

HRA 7 – Depreciation £1.00M favourable (£1.00M favourable movement)

A re-assessment of the replacement frequency of some components (kitchens, bathrooms, central heating systems), combined with a higher than anticipated reduction in housing stock due to Right to Buy sales, has led to a reduction in the annual depreciation charge

The £1.00M favourable movement from quarter 3 is due to this being a yearly exercise, going forward this will be reviewed on a quarterly basis

This reduced depreciation charge is used to fund the capital programme and the reduction is mitigated by a corresponding increase in Direct Revenue Financing (DRF) as detailed in HRA 8 below.

HRA 8 – Direct Revenue Financing £0.35M adverse (£0.35M adverse movement)

The net underspend has resulted in more revenue financing being available to finance the capital programme resulting in a reduced borrowing requirement.

This £0.35M adverse variance compared to quarter 3 is due to these revenue movements being a year end adjustment in the HRA accounts.

UNACHIEVED SAVINGS 2016/17

Saving Reference	Description	Unachieved Savings 2016/17 £M	Explanation of ongoing impact and mitigating actions.
HOU10	Review of customer contact through the Housing Management Assistants	0.02	Post has been budgeted for in 2017/18 estimates.
HOU20	Increase in charge to private careline customers	0.01	Now fully implemented.
HOU21	Introduction of new charging model for Community Alarm customers	0.20	Maintenance and responding charge not included in 2017/18 estimates.
HOU25	Removal of cash collection facility	0.05	Not included in 2017/18 estimates.
HOU31	Deletion of Policy & Projects Manager post	0.02	This post is to remain and savings are to be found in the Housing Policy Team to mitigate this.
HOU6,7,8 & 9	Housing Operations restructure	2.12	Materials contract and electronic ordering and invoicing to start with effect from 1 August 2017.
Total		2.42	

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DECISION-MAKER:	COUNCIL		
SUBJECT:	GENERAL FUND AND HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME OUTTURN 2016/17		
DATE OF DECISION:	19 July 2017		
REPORT OF:	CABINET MEMBER FOR FINANCE		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Sue Cuerden	Tel: 023 8083 4153
	E-mail:	sue.cuerden@southampton.gov.uk	
Director	Name:	Mel Creighton	Tel: 023 8083 4897
	E-mail:	mel.creighton@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY	
NOT APPLICABLE	
BRIEF SUMMARY	
<p>The purpose of this report is to outline the General Fund and Housing Revenue Account (HRA) capital outturn position for 2016/17 and seek approval for the proposed financing of the expenditure. This report also highlights the major variances against the approved estimates and sets out the revised estimates for 2017/18 which take account of slippage and re-phasing. There was an overall underspend on the General Fund and HRA capital programme of £33.0M (21.5%), £32.3M relating to slippage and £0.7M of underspends.</p>	
RECOMMENDATIONS:	
(i)	Notes the actual capital spending in 2016/17 as shown in paragraphs 3 to 5 and notes the major variances detailed in Appendix 1 and Appendix 2.
(ii)	Notes the revised estimates for 2017/18, adjusted for slippage and re-phasing and additions contained within this report, as shown in Appendix 3.
(iii)	Approves the proposed capital financing in 2016/17 as shown in paragraph 6.
(iv)	Notes that the capital programme remains fully funded up to 2020/21 based on the latest forecast of available resources although the forecast can be subject to change; most notably with regard to the value and timing of anticipated capital receipts and the use of prudent assumptions of future Government Grants to be received.
(v)	Notes the reduction of £0.16M in 2017/18 to the Housing & Sustainability programme. As detailed in paragraph 22.
(vi)	Notes the reduction of £0.09M in 2017/18 to the Environment & Transport - City Services programme. As detailed in paragraph 23.

	(vii)	Approve the addition and spend of £0.16M in 2017/18 to the Leaders programme; to be funded from Council resources. As detailed in paragraph 24 and 25.
	(viii)	Approve the addition and spend of £1.63M, £1.44M in 2017/18 and £0.19M in 2018/19 to the Transport programme; to be funded from capital grants. As detailed in paragraph 26 and 27.
	(ix)	Notes the addition of £0.16M to the programme since the last reported position in February 17, under delegated powers. As detailed in paragraph 30 and Appendix 4.
	(x)	Approve the revised General Fund Capital Programme, which totals £208.99M (as detailed in paragraph 29) and the associated use of resources (as detailed in paragraph 31).
	(xi)	Approve the revised HRA Capital Programme, which totals £233.17M (as detailed in paragraph 35) and the associated use of resources (as detailed in paragraph 34).

REASONS FOR REPORT RECOMMENDATIONS

- | | |
|----|---|
| 1. | The reporting of the outturn position for 2016/17 forms part of the approval of the statutory accounts. |
|----|---|

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- | | |
|----|--|
| 2. | None as the outturn and financing for 2016/17 have been prepared in accordance with statutory accounting principles. |
|----|--|

DETAIL (Including consultation carried out)

CAPITAL OUTTURN 2016/17

- | | |
|----|---|
| 3. | The total General Fund capital expenditure in 2016/17 was £69.43M compared to an estimate of £94.99M, giving a variance of £25.56M or 26.91% of the programme. The variance is comprised £25.52M of slippage and £0.04M of underspends. |
| 4. | The total HRA capital expenditure in 2016/17 was £51.20M compared to an estimate of £58.69M, giving a variance of £7.49M or 12.76% of the programme. The variance is comprised £6.79M of slippage and £0.70M of underspends. |
| 5. | The performance of individual capital programmes in 2016/17 is summarised in table 1 below. |

Table 1 – Summary of the General Fund & HRA Capital Outturn 2016/17

Portfolio	Latest Programme	Actual	Variance
------------------	-------------------------	---------------	-----------------

	£M	£M	£M	%
E&T - City Services	1.38	1.15	(0.23)	16.67
Communities, Culture & Leisure	1.08	0.92	(0.16)	14.81
Education & Childrens Social Care	12.13	8.81	(3.32)	27.37
Finance	0.36	0.17	(0.19)	52.78
Health & Adult Social Care	0.63	0.18	(0.45)	71.42
Housing & Sustainability	3.77	1.76	(2.01)	53.32
Leaders	56.05	42.09	(13.96)	24.91
Transformation	3.71	2.40	(1.31)	35.31
Transport	15.88	11.95	(3.93)	24.75
Total GF Capital Programme	94.99	69.43	(25.56)	26.91
HRA	58.69	51.20	(7.49)	12.76
Total Programme	153.68	120.63	(33.05)	21.50
Funded by:				
Council Resources	100.74	77.46	(23.28)	23.10
Capital Grants	27.10	20.74	(6.36)	23.47
Capital Contributions	5.88	3.54	(2.34)	39.80
Capital Receipts	10.31	9.22	(1.09)	10.57
Revenue Funding	9.65	9.67	0.02	0.21
Total Funding	153.68	120.63	(33.05)	21.50

6.	<p>Table 2 below shows the split of financing of the General Fund and HRA capital programmes. Council is asked to approve this financing.</p> <p><u>Table 2 – Capital Financing 2016/17</u></p> <table border="1" data-bbox="427 331 1316 817"> <thead> <tr> <th></th> <th style="text-align: center;">General Fund £M</th> <th style="text-align: center;">HRA £M</th> </tr> </thead> <tbody> <tr> <td>Total Financing Required</td> <td style="text-align: right;">69.43</td> <td style="text-align: right;">51.20</td> </tr> <tr> <td>Financed By: -</td> <td></td> <td></td> </tr> <tr> <td>Council Resources</td> <td style="text-align: right;">43.73</td> <td style="text-align: right;">33.73</td> </tr> <tr> <td>Capital Grants</td> <td style="text-align: right;">19.39</td> <td style="text-align: right;">1.35</td> </tr> <tr> <td>Capital Contributions</td> <td style="text-align: right;">3.11</td> <td style="text-align: right;">0.43</td> </tr> <tr> <td>Capital Receipts</td> <td style="text-align: right;">2.65</td> <td style="text-align: right;">6.57</td> </tr> <tr> <td>Revenue Funding</td> <td style="text-align: right;">0.55</td> <td style="text-align: right;">9.12</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">69.43</td> <td style="text-align: right;">51.20</td> </tr> </tbody> </table>		General Fund £M	HRA £M	Total Financing Required	69.43	51.20	Financed By: -			Council Resources	43.73	33.73	Capital Grants	19.39	1.35	Capital Contributions	3.11	0.43	Capital Receipts	2.65	6.57	Revenue Funding	0.55	9.12	Total	69.43	51.20												
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7.	<p>Table 3 below summarises the capital expenditure for the General Fund by Outcome.</p>																																							
	<p><u>Table 3 – General Fund Capital 2016/17 Outturn By Outcome</u></p> <table border="1" data-bbox="331 1048 1385 1646"> <thead> <tr> <th rowspan="2">Outcome</th> <th style="text-align: center;">Latest Programme</th> <th style="text-align: center;">Actual</th> <th colspan="2" style="text-align: center;">Variance</th> </tr> <tr> <th style="text-align: center;">£M</th> <th style="text-align: center;">£M</th> <th style="text-align: center;">£M</th> <th style="text-align: center;">%</th> </tr> </thead> <tbody> <tr> <td>Southampton is a modern, attractive city where people are proud to live and work</td> <td style="text-align: right;">26.15</td> <td style="text-align: right;">19.65</td> <td style="text-align: right;">(6.50)</td> <td style="text-align: right;">24.86</td> </tr> <tr> <td>Children in Southampton have a good start in life</td> <td style="text-align: right;">13.01</td> <td style="text-align: right;">9.58</td> <td style="text-align: right;">(3.43)</td> <td style="text-align: right;">26.38</td> </tr> <tr> <td>People in Southampton live safe, healthy independent lives</td> <td style="text-align: right;">3.23</td> <td style="text-align: right;">1.69</td> <td style="text-align: right;">(1.54)</td> <td style="text-align: right;">47.67</td> </tr> <tr> <td>Southampton is a city with strong, sustainable economic growth</td> <td style="text-align: right;">47.73</td> <td style="text-align: right;">35.17</td> <td style="text-align: right;">(12.56)</td> <td style="text-align: right;">26.31</td> </tr> <tr> <td>A modern sustainable council</td> <td style="text-align: right;">4.87</td> <td style="text-align: right;">3.34</td> <td style="text-align: right;">(1.53)</td> <td style="text-align: right;">31.42</td> </tr> <tr> <td>TOTAL</td> <td style="text-align: right;">94.99</td> <td style="text-align: right;">69.43</td> <td style="text-align: right;">(25.56)</td> <td style="text-align: right;">26.91</td> </tr> </tbody> </table>	Outcome	Latest Programme	Actual	Variance		£M	£M	£M	%	Southampton is a modern, attractive city where people are proud to live and work	26.15	19.65	(6.50)	24.86	Children in Southampton have a good start in life	13.01	9.58	(3.43)	26.38	People in Southampton live safe, healthy independent lives	3.23	1.69	(1.54)	47.67	Southampton is a city with strong, sustainable economic growth	47.73	35.17	(12.56)	26.31	A modern sustainable council	4.87	3.34	(1.53)	31.42	TOTAL	94.99	69.43	(25.56)	26.91
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8.	<p>A summary of capital expenditure for the HRA is shown in the Table 4 below. The expenditure detailed has made significant improvements to the condition of the Council's housing stock, which includes essential major repairs, various environmental / neighbourhood improvements and the provision of new kitchens and bathrooms.</p>																																							

<u>Table 4 – HRA Capital Outturn By Section</u>				
Section	Latest Programme	Actual	Variance	
	£M	£M	£M	%
Safe Wind and Weather Tight	20.52	16.52	(4.00)	(19.50)
Modern Facilities	10.29	10.34	0.05	0.40
Well Maintained Communal Facilities	4.65	2.96	(1.69)	(36.30)
Warm & Energy Efficient	12.48	11.94	(0.54)	(4.30)
Estate Regeneration & New Build	10.50	9.19	(1.31)	(12.50)
Other	0.25	0.25	0.00	0.00
TOTAL	58.69	51.20	(7.49)	(12.76)
OUTTURN VARIANCE ANALYSIS				
9.	Reasons for major variances on individual schemes are given for each Portfolio in Appendix 1.			
10.	Appendix 2 shows the 2016/17 latest approved estimate compared to the actual spend.			
11.	Slippage accounted for £33.66M of the variance offset by re-phasing of £1.35M on some schemes to bring expenditure forward, the remaining £0.74M being true under spends. Table 5 below shows the breakdown by portfolio and Appendix 2 provides a more detailed breakdown of the variance by scheme.			
<u>Table 5 – 2016/17 Variance By Portfolio</u>				
Portfolio	Slippage/ (Rephasing)	(Under)/ OverSpend	Variance	
	£M	£M	£M	
E&T - City Services	(0.22)	(0.01)	(0.23)	
Communities, Culture & Leisure	(0.18)	0.02	(0.16)	
Education & Childrens Social Care	(3.75)	0.43	(3.32)	
Finance	(0.19)	0.00	(0.19)	
Health & Adult Social Care	(0.45)	0.00	(0.45)	
Housing & Sustainability	(1.46)	(0.55)	(2.01)	
Leaders	(13.96)	(0.00)	(13.96)	
Transformation	(1.31)	0.00	(1.31)	
Transport	(4.00)	0.07	(3.93)	
GF Total	(25.52)	(0.04)	(25.56)	
HRA Total	(6.79)	(0.70)	(7.49)	
Programme Total	(32.31)	(0.74)	(33.05)	

12.	The revised estimates for 2017/18, adjusted for slippage and re-phasing and changes to programme are shown in Appendix 3.																																										
13.	Any over spends on individual schemes are financed from identified additional funding or from savings elsewhere in the programme. Portfolios are required to balance their capital programmes within the resources available to them and this may result in reduced outputs where an over spend results in reductions being made elsewhere in the programme.																																										
14.	The impact of scheme variances for 2016/17 on future years' capital expenditure will be reported to Council Capital Board and will feed into future capital programme updates aligned to Council Priorities and Outcomes.																																										
PRUDENTIAL INDICATORS																																											
15.	The Prudential Code requires the Prudential Indicator for Actual Capital Expenditure to be reported against the estimates previously reported. The estimates shown below are those reported to Council as part of the February 2017 Annual Treasury Management Strategy and Prudential Limits report.																																										
<p><u>Table 6 – Figures for Prudential Indicators</u></p> <table border="1"> <thead> <tr> <th></th> <th>Actual</th> <th colspan="5">Estimates</th> </tr> <tr> <th></th> <th>2016/17</th> <th>2016/17</th> <th>2017/18</th> <th>2018/19</th> <th>2019/20</th> <th>2020/21</th> </tr> <tr> <th></th> <th>£M</th> <th>£M</th> <th>£M</th> <th>£M</th> <th>£M</th> <th>£M</th> </tr> </thead> <tbody> <tr> <td>General Fund</td> <td>69.43</td> <td>94.83</td> <td>78.11</td> <td>23.96</td> <td>5.64</td> <td>2.92</td> </tr> <tr> <td>HRA</td> <td>51.20</td> <td>58.44</td> <td>59.01</td> <td>42.27</td> <td>32.85</td> <td>41.05</td> </tr> <tr> <td>TOTAL</td> <td>120.63</td> <td>153.27</td> <td>137.12</td> <td>66.23</td> <td>38.49</td> <td>43.97</td> </tr> </tbody> </table>			Actual	Estimates						2016/17	2016/17	2017/18	2018/19	2019/20	2020/21		£M	£M	£M	£M	£M	£M	General Fund	69.43	94.83	78.11	23.96	5.64	2.92	HRA	51.20	58.44	59.01	42.27	32.85	41.05	TOTAL	120.63	153.27	137.12	66.23	38.49	43.97
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16.	The reason for the difference between the estimate for 2016/17 in Table 5 above and the estimate shown elsewhere in this report is due to a number of small changes to the programme being approved between the Treasury Management Strategy report being written and approved in February and the end of the financial year in March, these are detailed in paragraph 31 and Appendix 4.																																										
<p><u>Table 7 – Updated Figures for Prudential Indicators</u></p> <table border="1"> <thead> <tr> <th></th> <th>Actual</th> <th colspan="5">Estimates</th> </tr> <tr> <th></th> <th>2016/17</th> <th>2016/17</th> <th>2017/18</th> <th>2018/19</th> <th>2019/20</th> <th>2020/21</th> </tr> <tr> <th></th> <th>£M</th> <th>£M</th> <th>£M</th> <th>£M</th> <th>£M</th> <th>£M</th> </tr> </thead> <tbody> <tr> <td>General Fund</td> <td>69.43</td> <td>94.83</td> <td>105.28</td> <td>24.15</td> <td>5.64</td> <td>2.92</td> </tr> <tr> <td>HRA</td> <td>51.20</td> <td>58.44</td> <td>65.99</td> <td>42.08</td> <td>32.85</td> <td>41.05</td> </tr> <tr> <td>TOTAL</td> <td>120.63</td> <td>153.27</td> <td>171.27</td> <td>66.23</td> <td>38.49</td> <td>43.97</td> </tr> </tbody> </table>			Actual	Estimates						2016/17	2016/17	2017/18	2018/19	2019/20	2020/21		£M	£M	£M	£M	£M	£M	General Fund	69.43	94.83	105.28	24.15	5.64	2.92	HRA	51.20	58.44	65.99	42.08	32.85	41.05	TOTAL	120.63	153.27	171.27	66.23	38.49	43.97
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General Fund	69.43	94.83	105.28	24.15	5.64	2.92																																					
HRA	51.20	58.44	65.99	42.08	32.85	41.05																																					
TOTAL	120.63	153.27	171.27	66.23	38.49	43.97																																					
17.	This indicator for 2017/18 to 2020/21 has been updated in Table 7 above, to reflect the changes made within this report. The Treasury Management Outturn 2016/17 report, elsewhere on the Council Agenda, contains details																																										

	of the other Prudential Indicators.																												
	CAPITAL PROGRAMME FUNDING																												
18.	The current Capital Strategy was approved by Council in February 2017. This includes the process for implementing and approving changes to the current capital programme and for allocating funding to new schemes linked to the Council's key strategic priorities and outcomes.																												
19.	Funding for the capital programme has previously been heavily reliant on capital receipts from the sale of Council properties. These receipts have always had a degree of uncertainty regarding their amount and timing, but the economic climate has increased the Council's risk in this area.																												
20.	Table 8 below shows the previous and current capital receipt assumptions, together with the actual receipts received in year for the General Fund. It should be noted that both the previous and latest forecast positions have been adjusted to remove receipts for properties not yet on the market.																												
	<p><u>Table 8 – General Fund Capital Receipts Estimates</u></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> <th>2020/21 £M</th> <th>Total £M</th> </tr> </thead> <tbody> <tr> <td>Actual 2016/17/Latest Forecast</td> <td>13.48</td> <td>4.16</td> <td>0.78</td> <td>0.00</td> <td>0.00</td> <td>18.42</td> </tr> <tr> <td>Previous Forecast</td> <td>13.92</td> <td>3.53</td> <td>0.78</td> <td>0.00</td> <td>0.00</td> <td>18.23</td> </tr> <tr> <td>Variance</td> <td>0.44</td> <td>(0.63)</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>(0.19)</td> </tr> </tbody> </table>		2016/17 £M	2017/18 £M	2018/19 £M	2019/20 £M	2020/21 £M	Total £M	Actual 2016/17/Latest Forecast	13.48	4.16	0.78	0.00	0.00	18.42	Previous Forecast	13.92	3.53	0.78	0.00	0.00	18.23	Variance	0.44	(0.63)	0.00	0.00	0.00	(0.19)
	2016/17 £M	2017/18 £M	2018/19 £M	2019/20 £M	2020/21 £M	Total £M																							
Actual 2016/17/Latest Forecast	13.48	4.16	0.78	0.00	0.00	18.42																							
Previous Forecast	13.92	3.53	0.78	0.00	0.00	18.23																							
Variance	0.44	(0.63)	0.00	0.00	0.00	(0.19)																							
21.	The variance in 2016/17 is due to small number of disposals which have slipped into 2017/18 due to protracted negotiations. The additional increase in 2017/18 is a result of higher anticipated sale price.																												
	PROPOSED PROGRAMME CHANGES FOR APPROVAL																												
	<u>Housing & Sustainability Programme</u>																												
22.	Approval is sought to transfer £0.16M from the Housing & Sustainability programme to the revenue budget to fund the setting up of an Energy Services Company, as this revenue project satisfies the grant conditions.																												
	<u>E&T - City Services Programme</u>																												
23.	The City Pride - Improvements to Queens Park (new display lighting) project will proceed in 2017/18 as planned to achieve the desired outcomes, within a reduced budget as S.106 which was added to the programme is now no longer available. Approval is therefore sought for the reduction of £0.09M to the E&T - City Services capital programme.																												
	<u>Leaders Programme</u>																												
24.	Approval is sought for the addition of £0.03M to the Leaders programme and approval to spend this sum, funded by Council resources to purchase deferred shares in Solent Credit Union (SCU). SCU is the only credit union in Southampton and is committed to providing financial services those who are financially disadvantaged living within the Southampton post code area.																												

25.	In order to facilitate the Marlands Innovation Hub, approval is sought for the addition of £0.13M to the existing project within the Leaders programme and for approval to spend this sum, funded from Council resources.																												
	<u>Transport Programme</u>																												
26.	To deliver a package of early measures along the Western Approach – cycle infrastructure, real time traffic management, travel information hub and Green Infrastructure a capital grant has been secured through the Joint Air Quality Unit (JAQU). Approval is sought for the addition of £1.00M to the Transport programme, phased £0.81M in 2017/18 and £0.19M in 2018/19. Approval to spend is also requested, to be funded by capital grants.																												
27.	In order to provide a streamlined efficient service, improvements are required to 9 Council owned refuse collection vehicles (RCV's). Approval is sought for the addition of £0.63M, to the Transport programme and approval to spend, be funded by Council resources. This will enable the replacement of the Heil TwinTrak bodies, whilst retaining the Mercedes Econic Chassis; the body replacements will include the installation of 360 degree CCTV cameras.																												
	OVERALL CAPITAL PROGRAMME																												
28.	The table below shows a comparison of the latest forecast planned General Fund capital programme for the period 2016/17 to 2020/21, including any amendments noted elsewhere within this report, compared to the previously reported programme.																												
	<p><u>Table 9 – General Fund Programme Comparison</u></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> <th>2020/21 £M</th> <th>Total £M</th> </tr> </thead> <tbody> <tr> <td>Latest Programme</td> <td>69.43</td> <td>105.28</td> <td>24.15</td> <td>5.64</td> <td>2.92</td> <td>207.42</td> </tr> <tr> <td>Previous Programme</td> <td>94.83</td> <td>78.11</td> <td>23.96</td> <td>5.64</td> <td>2.92</td> <td>205.46</td> </tr> <tr> <td>Variance</td> <td>(25.40)</td> <td>27.17</td> <td>0.19</td> <td>0.00</td> <td>0.00</td> <td>1.96</td> </tr> </tbody> </table>		2016/17 £M	2017/18 £M	2018/19 £M	2019/20 £M	2020/21 £M	Total £M	Latest Programme	69.43	105.28	24.15	5.64	2.92	207.42	Previous Programme	94.83	78.11	23.96	5.64	2.92	205.46	Variance	(25.40)	27.17	0.19	0.00	0.00	1.96
	2016/17 £M	2017/18 £M	2018/19 £M	2019/20 £M	2020/21 £M	Total £M																							
Latest Programme	69.43	105.28	24.15	5.64	2.92	207.42																							
Previous Programme	94.83	78.11	23.96	5.64	2.92	205.46																							
Variance	(25.40)	27.17	0.19	0.00	0.00	1.96																							
29.	The above table shows that the General Fund Capital Programme has increased by £1.96M to £207.42M.																												
30.	There have been a number of Delegated Decision Notices (DDN) since the previous programme, totalling £0.16M in 2016/17 to increase the programme to £94.99M. These additions are detailed in Appendix 4.																												
31.	Table 10 shows the use of resources to finance the General Fund Capital Programme up to and including 2020/21.																												

	<u>Table 10 – Use of Resources</u>						
		2016/17	2017/18	2018/19	2019/20	2020/21	Total
		£M	£M	£M	£M	£M	£M
	Council Resources	46.38	64.08	14.93	3.25	0.50	129.14
	Contributions	3.11	6.73	0.83	0.00	0.00	10.67
	Capital Grants	19.39	29.99	6.96	2.12	2.12	60.58
	DRF (Portfolios)	0.55	4.48	1.43	0.27	0.30	7.03
		69.43	105.28	24.15	5.64	2.92	207.42
32.	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 2016/17 these grants have been passported to these areas. The grants are predominately in relation to the schools programme and allocation of the Schools Basic Needs and Conditions Grants.						
33.	Table 10 demonstrates that the most significant amount for funding is provided by Council Resources, which at present, will be mainly through borrowing. Borrowing costs are in the main met within a central provision.						
	HRA						
34.	Table 11 below shows a comparison of the latest forecast planned HRA capital programme for the period 2016/17 to 2020/21, including any amendments noted elsewhere within this report, compared to the previously reported programme.						
	<u>Table 11 – HRA Programme Comparison</u>						
		2016/17	2017/18	2018/19	2019/20	2020/21	Total
		£M	£M	£M	£M	£M	£M
	Latest Programme	51.20	65.99	42.08	32.85	41.05	233.17
	Previous Programme	58.44	59.01	42.26	32.85	41.05	233.61
	Variance	(7.24)	6.98	(0.18)	0.00	0.00	(0.44)
35.	The above table shows that the HRA Capital Programme has decreased by £0.44M to £233.17M.						
36.	Table 12 shows the use of resources to finance the HRA Capital Programme up to and including 2020/21.						
	<u>Table 12 – Use of Resources</u>						
		2016/17	2017/18	2018/19	2019/20	2020/21	Total
		£M	£M	£M	£M	£M	£M
	Council Resources	21.40	37.19	11.56	11.82	11.41	93.38
	Contributions	0.43	0.00	1.30	0.00	0.00	1.73
	Capital Grants	1.35	0.00	0.00	0.00	0.00	1.35
	DRF	9.12	9.53	9.77	1.25	9.44	39.12
	MRA	18.89	19.26	19.45	19.78	20.20	97.58
		51.20	65.99	42.08	32.85	41.05	233.17

RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
37.	This report principally deals with capital and the implications are set out in the main body of the report. 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.
<u>Property/Other</u>	
38.	There are no specific property implications arising from this report other than the schemes already referred to within the main body of the report.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
39.	Financial reporting is consistent with the Chief Financial Officer's duty to ensure good financial administration within the Council. The Capital Outturn Report is prepared in accordance with the Local Government Acts 1972 – 2003.
<u>Other Legal Implications:</u>	
40.	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.
RISK MANAGEMENT IMPLICATIONS	
41.	None.
POLICY FRAMEWORK IMPLICATIONS	
42.	The outturn for 2016/17 forms part of the overall statutory accounts.
CONSULTATION	
43.	Service Directors, Service Leads and Project Managers have been consulted in preparing the reasons for variations contained in Appendix 1. The General Fund and HRA capital programme outturn summarises additions to the capital programme and slippage and rephasing since the last approved programme reported in February 2017. Each addition has been subject to the relevant consultation process which reflects the role played by Council Capital Board. The content of this report has been subject to consultation with Finance Officers for each service.

KEY DECISION?	Yes/No
WARDS/COMMUNITIES AFFECTED:	NONE
<u>SUPPORTING DOCUMENTATION</u>	

Appendices		
1.	Capital Outturn 2016/17 – Details of Significant Variances	
2.	Scheme Budget Variances 2016/17	
3.	Revised Estimates 2017/18	
4.	Variations to 2016/17 Since February 17 Update	
Documents In Members' Rooms		
1.		
2.		
Equality Impact Assessment		
Do the implications/subject of the report require an Equality and Safety Impact Assessments (ESIA) to be carried out.		Yes/No
Privacy Impact Assessment		
Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.		Yes/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.		
2.		

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E&T - CITY SERVICES PORTFOLIO

KEY ISSUES – CAPITAL OUTTURN 2016/17

The total spend for the year is **£1.15M**. This can be compared with the budgeted figure for 2016/17 of **£1.38M** resulting in a variance of **£0.23M**, which represents a percentage variance against budget of **16.7%**.

The programme is shown in the following summarised table:

	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£M	£M	£M	£M	£M	£M
Programme at last report	1.37	1.65	0.00	2.65	0.00	5.67
Approvals since last report	0.01	0.00	0.00	0.00	0.00	0.01
Other changes for approval	0.00	(0.09)	0.00	0.00	0.00	(0.09)
Programme Total	1.38	1.56	0.00	2.65	0.00	5.59
(Slippage)/Rephasing	(0.22)	0.22	0.00	0.00	0.00	0.00
(Under)/Overspends	(0.01)	0.00	0.00	0.00	0.00	(0.01)
Total Spend	1.15	1.78	0.00	2.65	0.00	5.58

PROGRAMME CHANGES

APPROVALS SINCE LAST REPORT

CS1 – Houndwell Park Play Area (addition of £0.01M in 2016/17)

In February 2017 the Service Director approved an additional £0.01M of S106 developer contributions to install and update play facilities at Houndwell Park. The expenditure was originally phased in 2016/17 but has now slipped to 2017/18.

OTHER CHANGES FOR APPROVAL

CS2 – Improvement to Queens Park (reduction of £0.09M in 2017/18)

The City Pride - Improvements to Queens Park (new display lighting) scheme, included funding of £0.09M from s.106 developer contributions. However, the use of these funds has been duplicated. The reduced project can still be delivered within the revised budget of £0.11M. There are no ongoing revenue implications resulting from this proposed decision.

SLIPPAGE/REPHASING

CS3 – Alternate Weekly Collection (AWC) (re-phasing of £0.04M from 2017/18 to 2016/17)

Expenditure was brought forward as the supplier was able to deliver the goods sooner than expected.

CS4 – Central Depot (slippage of £0.04M from 2016/17 to 2017/18)

The slippage into 2017/18 relates to a retention payment on this scheme. Final settlement will be made when all defects have been fixed.

CS5 – Improvement to Queens Park (slippage of £0.09M from 2016/17 to 2017/18)

The City Pride - Improvements to Queens Park (new display lighting) scheme, has slippage due to the supplier requiring a 12 weeks lead in time to fulfil the order.

CS6 – Southampton Common (slippage of £0.03M from 2016/17 to 2017/18)

The tarmac work at the Southampton Common had a delayed start due to adverse weather conditions. The work completed in April 2017.

CS7 – Hum Hole (slippage of £0.04M from 2016/17 to 2017/18)

The existing surfacing frameworks for laying tarmac have run out and a procurement exercise needs to be undertaken for this project, which caused a slippage of £0.04M.

CS8 – Play Area Improvement (slippage of £0.06M from 2016/17 to 2017/18)

Some work was not completed in 2016/17 due to the lead in time required by the supplier. The main play area at Deep Dene was delivered, but the provision of a “play trail”, by the in house tree surgery team, needed to wait until after the bird nesting season. The remaining works were not approved until late in the year and will be carried out in 2017/18.

COMMUNITIES, CULTURE & LEISURE PORTFOLIO

KEY ISSUES – CAPITAL OUTTURN 2016/17

The total spend for the year is **£0.92M**. This can be compared with the budgeted figure for 2016/17 of **£1.08M** resulting in a variance of **£0.16M**, which represents a percentage variance against budget of **14.8%**.

The programme is shown in the following summarised table:

	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£M	£M	£M	£M	£M	£M
Programme at last report	1.08	0.71	1.10	0.00	0.00	2.89
Approvals since last report	0.00	0.00	0.00	0.00	0.00	0.00
Programme Total	1.08	0.71	1.10	0.00	0.00	2.89
(Slippage)/Rephasing	(0.18)	0.18	0.00	0.00	0.00	0.00
(Under)/Over spends	0.02	0.00	0.00	0.00	0.00	0.02
Total Spend	0.92	0.89	1.10	0.00	0.00	2.91

PROGRAMME CHANGES

UNDER/OVERSPEND

CCL 1 – Guildhall Refurbishment (overspend of £0.04M)

There is an over spend of £0.04M on this scheme due to additional unavoidable works being required . These only became apparent during the later stages of the original scheme.

SLIPPAGE/REPHASING

CCL 2 – Guildhall Square Electricity Supply Enhancement (slippage of £0.04M from 2016/17 to 2017/18)

There is slippage of £0.04M due to the tendering process for this scheme taking longer than expected. The contractor has now been selected and a confirmed start date is awaited.

CCL 3 – Woolston Library (slippage of £0.06M from 2016/17 to 2017/18)

There is slippage due to the retention payment withheld on this scheme. Final settlement will be made when all defects have been fixed.

CCL 4 – Oaklands Swimming Pool Feasibility (slippage of £0.04M from 2016/17 to 2017/18)

There is slippage of £0.04M as there is a retention payment withheld on this scheme. Final settlement will be made when all defects have been fixed. The Capital assets team has now issued the Marking Good of Defects Certificate. The Council remains responsible for the maintenance of the roof until November 2017.

CCL 5 - Westgate & Tudor Water Ingress (slippage of £0.02M from 2016/17 to 2017/18)

There is slippage of £0.02M on this project, which had a delayed start. The works require specific materials that are suitable for a listed building, as well as being weather dependent. The next possibility for the project start date would be autumn 2017.

CCL 6 - Art in Public Places – Millbrook and Weston (slippage of £0.02M from 2016/17 to 2017/18)

The project has not yet started as additional resources need to be identified to supplement the specific S106 funding.

EDUCATION & CHILDRENS SOCIAL CARE PORTFOLIO
KEY ISSUES – CAPITAL OUTTURN 2016/17

The total spend for the year is **£8.81M**. This can be compared with the budgeted figure for 2016/17 of **£12.13M** resulting in a variance of **£3.32M**, which represents a percentage variance against budget of **27.4%**.

The programme is shown in the following summarised table:

Table 1	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£M	£M	£M	£M	£M	£M
Programme at last report	12.13	19.09	10.67	0.00	0.00	41.89
Approval since last report	0.00	0.04	0.00	0.00	0.00	0.04
Programme Total	12.13	19.13	10.67	0.00	0.00	41.93
Slippage/Rephasing	(3.75)	3.75	0.00	0.00	0.00	0.00
(Under)/Overspends	0.43	0.00	0.00	0.00	0.00	0.43
Total Spend	8.81	22.88	10.67	0.00	0.00	42.36

PROGRAMME CHANGES

APPROVALS SINCE LAST REPORT

ECSC1 – Radstock Road Loft Conversion (Addition of £0.04M in 2017/18)

£0.04M has been approved for the loft conversion of a foster carer under delegated authority. This will be funded by Council resources.

UNDER / OVER SPEND

ECSC2 – Schools Devolved Capital (£0.49M Overspend in 2016/17)

This project is a combination of all school expenditure utilising their devolved capital grant. As spend is managed by each individual school an indicative budget is set. At year end the total spend was £0.49M greater than estimated. This overspend is fully funded by devolved capital grants.

ECSC3 – Secondary Schools Estate Capital (£0.04M Underspend in 2016/17)

This project for Secondary School repairs and maintenance has now been completed and the remaining funding is no longer required.

ECSC4 – Primary Review P2 & P3 (£0.01M Underspend in 2016/17)

There are small underspends against projects for Kanes Hill Primary school and Great Oaks school. The projects are now completed and remaining funding is not required.

SLIPPAGE/REPHASING

ECSC5 Springwell School Main Expansion (Slippage of £0.95M from 2016/17 to 2017/18)

There were delays in delivering phase one due to variations made to the work programme following concerns raised by the school about work during term time. Completion is likely to be June 17.

ECSC6 – Bitterne Manor Primary Expansion – (Slippage of £0.01M from 2016/17 to 2017/18)

The final retention payment is due in May 2017.

ECSC7 – Thornhill Expansion (Slippage of £0.03M from 2016/17 to 2017/18)

Thornhill are responsible for contracting works to create spaces for breakout classes. The Project Manager is awaiting confirmation from the school that expenditure has been incurred before reimbursement is made.

ECSC8 – Springhill Primary Academy School One Modular Building (Slippage of £0.01M from 2016/17 to 2017/18)

An agreement has been reached between Education and the School to purchase a temporary classroom whilst the bulge class passes through the school. The purchase was delayed, while alternative options were explored; it was concluded that purchasing gave the best value for money.

ECSC9 – St Monica (Bulge class) (Slippage of £0.03M from 2016/17 to 2017/18)

Slippage is required due to retention to be held until December 2017.

ECSC10 – PSBP Valentines and St Denys – (Slippage of £0.40M from 2016/17 to 2017/18)

Slippage has occurred due to the delays in finalising the scheme. This will form part of a larger scheme at Valentine Primary to extend the EFA PSBP project which is due to start in 2017/18.

ECSC11 – Portswood Primary Expansion (Slippage of £0.25M from 2016/17 to 2017/18)

There were delays starting on site, with work commencing in January 2017 and due to complete in 2017/18.

ECSC12 – Expansion of St Johns Primary & Nursery (Slippage of £0.02M from 2016/17 to 2017/18)

The contract final account has not been completed as forecast, due to resource availability. Final inspections of the work are required before the contract retention payment can be released.

ECSC13 – PR2 Tanners Brook Junior School - Slippage of £0.06M from 2016/17 to 2017/18)

Slippage is required for the retention to be paid in 2017/18.

ECSC14 – PR2 – Fairisle Junior School (Slippage of £0.38M from 2016/17 to 2017/18)

Slippage is as a result of extended negotiations of contract terms with the contractor forcing a delay in construction work on site. The project is due to start in May 2017 with completion programmed for December 2017.

ECSC15 – PR2 – Sholing Junior School (Slippage of £0.1M from 2016/17 to 2017/18)

Slippage of £0.1M is due to final payments being processed 2017/18 as a result of delay.

ECSC16 – PR2 – Shirley Warren Primary (Slippage of £0.08M from 2016/17 to 2017/18)

Slippage is due to final issues being resolved and retention payment to be paid in 2017/18.

ECSC17 – PR2 – Valentine Junior School (Rephase of £0.04M from 2017/18 to 2016/17)

Work and costs were incurred earlier than planned due progress by the EFA. The remaining 2017/18 budget is for retention and contribution to EFA Westwood block rebuild in later years.

ECSC18 – Chamberlayne Capital Maintenance (Slippage of £0.03M from 2016/17 to 2017/18)

Slippage is due to retention due to be paid in 2017/18.

ECSC19 – Solar PV Resources Project (Slippage of £0.1M from 2016/17 to 2017/18)

Slippage is required due to dispute regarding defective work that is not yet resolved.

ECSC20 – Primary Review Contingency (Slippage of £0.03M from 2016/17 to 2017/18)

Slippage is required as expenditure for furniture and equipment for Fairisle School extension delayed.

ECSC21 – Schools Access Initiative (Slippage of £0.05M from 2016/17 to 2017/18)

This budget meets the demand for suitable alterations and access improvements to school buildings to facilitate mobility needs of a pupil that has been offered a place at school. The demand on this budget has been lower this year than normal forecast profile. Any slippage will be required for 2017 onwards.

ECSC22 – Health & Safety (H&S) Programme (Slippage of £0.2M from 2016/17 to 2017/18)

This project is for essential Fire Risk Assessments (FRA) works to meet legal requirements and H&S standards. The production of the FRA's, upon which a significant

part of this programme is based, is the responsibility of each individual school. The frequency of requests to support any construction work identified in the action list within an FRA has diminished over the year as the elements that are the schools responsibility have been more rigidly applied. To achieve the correct balance of responsibility a strategy is being developed to ensure the budget focuses on the significant capital works rather than the relatively minor reactive work that appears to have often been the case over previous years. This is anticipated to lead to an increase in expenditure in the following year.

ECSC23 – Asbestos (Slippage of £0.04M from 2016/17 to 2017/18)

This project is essential to SCC statutory legal requirements to manage asbestos in schools and is demand led. The response to asbestos related risks that arise within capital programme is dependent on type and number of projects being delivered. This is a reactive area. There has been a lower incidence of such work hence the slippage.

ECSC24 – Repairs & Maintenance Programme 14-15 (Slippage of £0.34M from 2016/17 to 2017/18)

Slippage is required due to delays in the programme delivery. The lack of resources available to Capita in the period prior to service transfer impacted on the ability to progress the necessary procurement of works.

ECSC25 – Academies (Slippage of £0.25M from 2016/17 to 2017/18)

Delays in project work for Mayfield (£0.03M) and Lordshill (£0.22M)

Slippage is due to the contractor being slow to respond to repairs of defects hence delaying the release of retention payment. The high value of the initial contracts for construction results in the high value of retention that can only be released when certified under the contract terms.

ECSC26 – Bitterne Park Autism Resource Base (ARB) (Slippage of £0.15M from 2016/17 to 2017/18)

The intended use of the budget to alter accommodation at Bitterne Park School could not proceed. There has been a delay as an alternative is considered to achieve the same service outcome. Two options are being investigated including the expansion of accommodation at Great Oaks School.

ECSC27 – Building for Excellence (Slippage of £0.15M from 2016/17 to 2017/18)

Slippage is due to delays in decision on overall strategy for Secondary School expansion. This has delayed progress on the schemes which still needs final approval as part of the secondary schools expansion project.

ECSC28 – Bitterne Park Secondary Building Programme (Slippage of £0.1M from 2016/17 to 2017/18)

This is part of design and build contract run by EFA. Slippage is due to the need to reschedule works during summer months and school holidays, therefore drainage and highways work to be completed in 2017/18.

ECSC29 – Early Years Expansion Programme (Slippage of £0.06M from 2016/17 to 2017/18)

Slippage is due to ongoing delays from DFE in notifying 30 hour allocation changes which was not received until November 2016. There was further short delay due to TUPE transfer of property colleagues from capita to SCC. A large number of programmed projects expected to commence in Easter holidays so slippage to 2017/18. Programme is still expected to be delivered by end of March 2018 as planned with successful outcomes and response to statutory sufficiency duties.

FINANCE PORTFOLIO

KEY ISSUES – CAPITAL OUTTURN 2016/17

The total spend for the year is **£0.17M**. This can be compared with the budgeted figure for 2016/17 of **£0.36M** resulting in a variance of **£0.19M**, which represents a percentage variance against budget of **52.8%**.

The programme is shown in the following summarised table:

	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£M	£M	£M	£M	£M	£M
Programme at last report	0.36	0.91	0.03	0.27	0.30	1.87
Approvals since last report	0.00	0.00	0.00	0.00	0.00	0.00
New Additions for Approval	0.00	0.00	0.00	0.00	0.00	0.00
Other Changes for Approval	0.00	0.00	0.00	0.00	0.00	0.00
Programme Total	0.36	0.91	0.03	0.27	0.30	1.87
(Slippage)/Rephasing	(0.19)	0.19	0.00	0.00	0.00	0.00
(Under)/Over spends	0.00	0.00	0.00	0.00	0.00	0.00
Total Spend	0.17	1.10	0.03	0.27	0.30	1.87

PROGRAMME CHANGES

SLIPPAGE/REPHASING

FIN 1 - Desktop Refresh Programme (slippage of £0.17M from 2016/17 to 2017/18)

The Desktop Refresh Programme was on hold during 2016/17 due to transformation activity. The impact of this along with the return and reuse of desktop kit due to the roll out of the mobile working programme has resulted in an in year under spend. As the refresh programme operates on a 5 year rolling basis this budget has been slipped into 2017/18 to facilitate the future years refresh requirement.

HEALTH & ADULTS SOCIAL CARE PORTFOLIO

KEY ISSUES – CAPITAL OUTTURN 2016/17

The total spend for the year is **£0.18M**. This can be compared with the budgeted figure for 2016/17 of **£0.63M** resulting in a variance of **£0.45M**, which represents a percentage variance against budget of **71.4%**.

The programme is shown in the following summarised table:

	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£M	£M	£M	£M	£M	£M
Programme at last report	0.63	0.51	0.50	0.50	0.50	2.64
Approvals since last report	0.00	0.00	0.00	0.00	0.00	0.00
Programme Total	0.63	0.51	0.50	0.50	0.50	2.64
(Slippage)/Rephasing	(0.45)	0.45	0.00	0.00	0.00	0.00
(Under)/Overspends	0.00	0.00	0.00	0.00	0.00	0.00
Total Spend	0.18	0.96	0.50	0.50	0.50	2.64

PROGRAMME CHANGES

SLIPPAGE / REPHASING

HASC 1 – Integrated Working (Slippage of £0.28M from 2016/17 to 2017/18)

This project has not yet started as a result of delays in overall digital transformation solutions and therefore the full budget has been slipped into 2017/18.

HASC 2 - S106 - Centenary Quay (Slippage of £0.11M from 2016/17 to 2017/18)

This project relates to Centenary Quay S106 Funding for Health Practice Facility Improvements in the Woolston Area. Works to update NHS properties is controlled externally by individual practices and costs are reimbursed once projects are completed. The works are to continue into 2017/18.

HASC 3 - S106 - Residential Homes Fabric Furnishing CQC (Slippage of £0.01M from 2016/17 to 2017/18)

As a Care Quality Commission (CQC) regulated service this budget is required for unplanned expenditure. It is needed for any reactive works required to ensure Southampton City Council remain compliant and fulfil our statutory requirements.

HASC 4 - Replacement of Appliances and Equipment (Slippage of £0.04M from 2016/17 to 2017/18)

This is a re-active budget with funding readily available to avoid disruption in service delivery. As a CQC regulated service, services must remain operational, so this budget is required to update essential equipment.

HOUSING & SUSTAINABILITY PORTFOLIO

KEY ISSUES – CAPITAL OUTTURN 2016/17

The total spend for the year is **£1.76M**. This can be compared with the budgeted figure for 2016/17 of **£3.77M** resulting in a variance of **£2.01M**, which represents a percentage variance against budget of **53.3%**.

The programme is shown in the following summarised table:

	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£M	£M	£M	£M	£M	£M
Programme at last report	3.77	3.00	0.70	0.00	0.00	7.47
Approvals since last report	0.00	0.00	0.00	0.00	0.00	0.00
New Additions for Approval	0.00	0.00	0.00	0.00	0.00	0.00
Other Changes for Approval	0.00	0.00	0.00	0.00	0.00	0.00
Programme Total	3.77	3.00	0.70	0.00	0.00	7.47
(Slippage)/Rephasing	(1.46)	1.46	0.00	0.00	0.00	0.00
(Under)/Over spends	(0.55)	0.00	0.00	0.00	0.00	(0.55)
Total Spend	1.76	4.46	0.70	0.00	0.00	6.92

PROGRAMME CHANGES

UNDER/OVER SPEND

H&S 1 Green Deal Communities Engagement (Under spend of £0.38M)

This scheme was used to provide grants to private residents to upgrade their heating systems. During the year Eastleigh Borough Council changed their contract procedures, which meant that instead of giving a grant to SCC and then SCC paying for works to be completed, they would procure and pay the contractors directly. Therefore the anticipated funding for this scheme will not be received as SCC will no longer be incurring any costs or receive funding, and this underspend will therefore not be available for other capital schemes.

H&S 2 Disabled Facilities Grant approved in 2014/15 (Under spend of £0.10M)

Work relating to Disabled Facilities Grants approved in 2014/15 has now been completed and there is an under spend of £98,000. The unused Right to Buy funding will be available to fund future years.

H&S 3 Handyperson Service (Under spend of £0.07M)

A new contract has been agreed so only £0.04M per annum will now be funded from capital leaving an under spend in 2016-17 of £0.07M from capital receipts.

SLIPPAGE/REPHASING

H&S 4 Support for Estate Regeneration (Slippage of £0.93M from 2016/17 to 2017/18)

The specific section 106 funding must be used for affordable housing, of which there has been no allowable spend in 2016/17. This scheme will form part of the overall strategy of the Capital Assets team to increase the housing stock in 2017-18.

H&S 5 Disabled Facilities Grants approved in 2016/17 (Slippage of £0.24M from 2016/17 to 2017/18)

Although grants are approved within the first year of funding, the timescale for each individual case varies and the completion of work can take up to 3 years. As payment is not made until after work is completed, the Disabled Facilities Grant can take up to three years to be spent.

H&S 6 Priory Road Property Level Protection Scheme (Slippage of £0.16M from 2016/17 to 2017/18)

There has been a delay in the completion of all Property Level Surveys due to exploration of alternative method to reduce flood risk to Priory Avenue. In order to implement property level protection to all properties at the same time, a second round of surveys was required before procurement for a contractor could start.

LEADERS PORTFOLIO

KEY ISSUES – CAPITAL OUTTURN 2016/17

The total spend for the year is **£42.09M**. This can be compared with the budgeted figure for 2016/17 of **£56.05M** resulting in a variance of **£13.96M**, which represents a percentage variance against budget of **24.9%**.

The programme is shown in the following summarised table:

	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£M	£M	£M	£M	£M	£M
Programme at last report	56.05	28.72	0.10	0.00	0.00	84.87
Approvals since last report	0.00	0.00	0.00	0.00	0.00	0.00
New Additions for Approval	0.00	0.15	0.00	0.00	0.00	0.15
Other Changes for Approval	0.00	0.00	0.00	0.00	0.00	0.00
Programme Total	56.05	28.87	0.10	0.00	0.00	85.02
(Slippage)/Rephasing	(13.96)	13.96	0.00	0.00	0.00	0.00
(Under)/Over spends	0.00	0.00	0.00	0.00	0.00	0.00
Total Spend	42.09	42.83	0.10	0.00	0.00	85.02

PROGRAMME CHANGES

NEW ADDITIONS FOR APPROVAL

LD 1 – Solent Credit Union Deferred Shares (Addition of £0.03M to 2017/18)

Approval is sought for the addition of £0.03M in 2017/18 to purchase deferred shares in Solent Credit Union (SCU). SCU is the only credit union in Southampton and is committed to providing financial services those who are financially disadvantaged living within the Southampton post code area.

LD 2 – Business Incubator (Addition of £0.13M to 2017/18)

Approval is sought for the addition of £0.13M in 2017/18 to the existing scheme to facilitate the Marlands Innovation Hub, to be funded by Council resources.

SLIPPAGE/REPHASING

LD 3 – Property Investment Fund (Slippage of £10.31M from 2016/17 to 2017/18)

Due to increased demand within the market and lack of suitable properties available, there has not been the level of purchases anticipated. The market will be monitored in 2017/18 and should properties become available that meets Southampton City Councils requirements, investment will continue. This has not created an issue on the revenue budget has measures were taken early to investment in treasury management property instruments to diversify the portfolio.

LD 4 – Southampton New Arts Centre (Studio 144) (Slippage of £3.20M from 2016/17 to 2017/18)

The completion of the North and South Building has been delayed due to substantial flooding of the South Building, this has caused the contractor and the fit out contractor to be on site at the same time. The revised completion date is now late Summer/Autumn 2017.

LD 5 – Southampton New Arts Centre – Developer Payments (Slippage of £0.10M from 2016/17 to 2017/18)

Payment to the developer should be made 12 months from the Sectional Completion date. Due to the fit out delays, this payment will now be made in 2017/18.

LD 6 – Royal Pier (Slippage of £0.10M from 2016/17 to 2017/18)

The development proposals for this site are complex and are taking longer to resolve than originally anticipated, which has resulted in slippage from 2016/17 to 2017/18.

TRANSFORMATION PORTFOLIO

KEY ISSUES – CAPITAL OUTTURN 2016/17

The total spend for the year is **£2.40M**. This can be compared with the budgeted figure for 2016/17 of **£3.71M** resulting in a variance of **£1.31M**, which represents a percentage variance against budget of **35.3%**.

The programme is shown in the following summarised table:

	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£M	£M	£M	£M	£M	£M
Programme at last report	3.71	3.00	0.00	0.00	0.00	6.71
Approvals since last report	0.00	0.00	0.00	0.00	0.00	0.00
New Additions for Approval	0.00	0.00	0.00	0.00	0.00	0.00
Other Changes for Approval	0.00	0.00	0.00	0.00	0.00	0.00
Programme Total	3.71	3.00	0.00	0.00	0.00	6.71
(Slippage)/Rephasing	(1.31)	1.31	0.00	0.00	0.00	0.00
(Under)/Over spends	0.00	0.00	0.00	0.00	0.00	0.00
Total Spend	2.40	4.31	0.00	0.00	0.00	6.71

PROGRAMME CHANGES

SLIPPAGE/REPHASING

TRNF1 Digital Transformation Programme (slippage of £1.31M from 2016/17 to 2017/18)

The digital transformation programme has been reprofiled and an element of spend initially expected in 2016/17 will now be spent in 2017/18. Slippage is £56,000 on Phase 1 and £1,254,000 on Phase 2.

TRANSPORT PORTFOLIO

KEY ISSUES – CAPITAL OUTTURN 2016/17

The total spend for the year is **£11.95M**. This can be compared with the budgeted figure for 2016/17 of **£15.88M** resulting in a variance of **£3.93M**, which represents a percentage variance against budget of **24.7%**.

The programme is shown in the following summarised table:

	2016/17 £M	2017/18 £M	2018/19 £M	2019/20 £M	2020/21 £M	Total £M
Programme at last report	15.73	20.54	10.86	2.22	2.12	51.48
Approvals since last report	0.15	0.23	0.00	0.00	0.00	0.39
New Additions for Approval	0.00	1.44	0.19	0.00	0.00	1.63
Other Changes for Approval	0.00	0.00	0.00	0.00	0.00	0.00
Programme Total	15.88	22.21	11.05	2.22	2.12	53.50
(Slippage)/Rephasing	(4.00)	4.00	0.00	0.00	0.00	0.00
(Under)/Over spends	0.07	0.00	0.00	0.00	0.00	0.07
Total Spend	11.95	26.21	11.05	2.22	2.12	53.57

PROGRAMME CHANGES

APPROVALS SINCE LAST REPORT

E&T 1 – Congestion Reduction (Addition £0.01M in 2016/17)

Under delegated powers £0.01M has been added to 2016/17 on the CCTV Cameras project within the Congestion Reduction scheme funded by section 106 contributions. This will help to deliver a designed CCTV scheme to enhance public safety monitoring via CCTV along this part of St Mary's Road which does not presently exist.

E&T 2 – Sustainable Travel (Addition £0.03M in 2016/17)

Under delegated powers £0.03M has been added to 2016/17 on the School Travel Plan Measures project within the Sustainable Travel scheme funded by section 106 contributions. This will help to deliver safety improvements in the near vicinity of the site and travel plan measures identified with the local school

E&T 3 – Highways Improvements (Addition £0.02M in 2016/17, £0.14M in 2017/18)

Under delegated powers £0.02M and £0.14M has been added to 2016/17 and 2017/18 respectively on the Highway Improvements project within the Highway Improvements scheme - funded by site specific section 106 contributions. This will help to deliver the design and construction of 14 infrastructure improvements as specified in the Section 106 agreements, with advanced design work for the schemes during 2016/17 and construction works implementation during 2017/18

E&T 4 – Public Transport (Addition £0.01M in 2016/17)

Under delegated powers £0.01M has been added to 2016/17 on the Bus Corridor Minor Works project within the Public Transport scheme - funded by site specific section 106 contributions. This will help to deliver the purchase and installation of a real time information unit at the bus stop nearest the development.

E&T 5 – Other Highways (Addition £0.08M in 2016/17)

Under delegated powers £0.08M has been added to 2016/17 on the Pothole Action Fund project within the Other Highways scheme - funded by the DfT's Pothole Government Grant.

This will help to deliver types of repair towards road deterioration, with specific requirements, as an extension to the 2016/17 capital roads programme.

E&T 6 – Congestion Reduction (Addition £0.09M in 2017/18)

Under delegated powers £0.09M has been added to 2017/18 on the C-ITS Bluetooth project within the Congestion Reduction scheme - funded by DfT's Deployment of Co-operative Intelligent Transport Systems Government Grant. This will help to deliver Bluetooth units to monitor traffic movements along the main road corridors in Southampton in 2017/18. The data gathered from this will enable SCC to understand traffic conditions in real time and better plan for unexpected events, provide reliable real time travel information to drivers in their cars and work with partners such as the Port and West Quay to provide travel information to their customers.

E&T 7 – Congestion Reduction (Addition £0.01M in 2017/18)

Under delegated powers £0.01M has been added to 2017/18 on the CCTV Cameras project within the Congestion Reduction scheme - funded by miscellaneous section 106 contributions. This will help to deliver the installation of a new CCTV safety camera in Portswood High Street.

NEW ADDITIONS FOR APPROVALS

E&T 8 – CAZ Early Measures – Western Approach (Addition £0.81M in 2017/18 and £0.19M in 2018/19)

To deliver a package of early measures along the Western Approach – cycle infrastructure, real time traffic management, travel information hub and Green Infrastructure a capital grant has been secured through the Joint Air Quality Unit (JAQU). Approval is sought to add £1.00M to the programme, to be funded by the capital grant.

E&T 9 – Twintrak RCV Replacement (Addition £0.63M in 2017/18)

In order to provide a streamlined efficient service, improvements are required to 9 Council owned RCV's. Approval is sought for the addition of £0.63M, to be funded by Council resources, to enable the replacement of the Heil TwinTrak bodies, whilst retaining the Mercedes Econic Chassis. The body replacement will include the installation of 360 degree CCTV cameras.

SLIPPAGE/REPHASING

E&T 8 – B2P Bridge Scheme (Slippage of £0.07M from 2016/17 to 2017/18)

There is slippage of £0.03M on the B2P Northam River Bridge project due to outstanding retention which is payable in early 2017/18. The contract is complete although there is defective joint installation that requires remedy before the retention can be released. Also, there is slippage of £0.04M on the B2P Vicarage Bridge project due to outstanding retention which is payable in early 2017/18. The works are now complete.

E&T 9 – Bridge Maintenance (Slippage of £0.33M from 2016/17 to 2017/18)

There is slippage of £0.13M on the Other Bridge Works project due to outstanding works which are now programmed in for the 2017/18 year. Also, there is slippage of £0.20M on the Northam River Bridge Containment project due to the works not having yet been tendered.

E&T 10 – Other Highways (Slippage of £0.13M from 2016/17 to 2017/18)

There is slippage of £0.05M on the Essential Highways Minor Works project due to construction works not being complete, to due resource availability. There were also several smaller schemes within this project that were not ordered until later on in the year, with construction not starting until February. Also, there is slippage of £0.04M on the Scrim Lead project due to delays in commencing construction works following the Highways Partner updating the Council's SCRIM policy, in addition to them subsequently prioritising, surveying and designing the sites.

E&T 11 – Roads Programme (Slippage of £2.11M from 2016/17 to 2017/18)

There is slippage of £0.82M on Principal Roads, £0.47M on Classified Roads and £0.82M on Unclassified Roads projects.

These schemes are part of the 'share mechanism' with the Highways Partner. Within the scheme there are 5 projects being delivered. Greater efficiency by the Council's Partner, coupled with improved risk mitigation measures, have resulted in the delivery of these projects well within the available budget.

E&T 12 – Highways Improvements (Slippage of £0.16M from 2016/17 to 2017/18)

There is slippage of £0.16M on Highways Improvements developer contribution funded projects. This is due to the ongoing detailed design for site specific agreements and negotiating with the Council's Partner on better construction costs delaying the completion of 2016/17 works until early 2017/18. This has caused a subsequent delay in the order for the advanced design of 2017/18 construction works until late 2016/17, so that consequently most of the design as well as the construction will now take place in 2017/18.

E&T 13 – Highways Maintenance (Slippage of £0.16M from 2016/17 to 2017/18)

There is slippage of £0.16M on Highways Maintenance projects. This is a contingency sum which may be required to pay the Council's Highways Contract Partner for works delivered as part of the 'share mechanism' in 2016/17.

E&T 14 – Cycling Improvements (Slippage of £0.09M from 2016/17 to 2017/18)

There is slippage of £0.05M on the Northern Cycle Route project due to delays in consultation and the pricing review of construction works. These are now ordered and programmed to commence around May 2017. Also there is slippage of £0.03M on the Cycle Network Improvements project due to delays in completing the design. This is now designed and the Highways Partner is ready to commence construction.

E&T 15 – Sustainable Travel (Slippage of £0.07M from 2016/17 to 2017/18)

Cycle parking works have been delayed due to access to the sites which has not been permitted. These issues are still being resolved. Also there is slippage of £0.04M on the School Travel Plan Measures project due to outstanding charges for completed works at

Bevois Town and Wordsworth Schools, and the South East Rd crossing improvements. A sum of £0.02M for the schools travel plan work, is included in the slippage.

E&T 16 – Accessibility (Slippage of £0.08M from 2016/17 to 2017/18)

There is slippage of £0.08M on the Estate Regeneration project. Work at Townhill Park is due recommence in the new financial year.

E&T 17 – Platform for Prosperity (Slippage of £0.12M from 2016/17 to 2017/18)

There is slippage of £0.12M on the Platform for Prosperity project due to the need to allow for Part 1 Claims associated with the project, which could be made within 6 years of the scheme completion. Construction work on the project as a whole was completed in 2015/16.

E&T 18 – Purchase of Vehicles (Slippage of £0.34M from 2016/17 to 2017/18)

There is slippage of £0.34M on the Purchase of Vehicles project due 13 less vehicles being purchased than originally estimated for, due to vehicles remaining roadworthy longer than anticipated. There is an ongoing vehicle replacement purchase programme in 2017/18, which will include these additional vehicles.

UNDER/OVER SPEND

E&T 19 – Public Transport (Overspend of £0.06M)

There is an overspend of £0.06M on the Bus Lane & Traffic Enforcement project due to the set up costs for the Bus Lane Enforcement part of the project being greater than originally anticipated. This will be funded from the surplus on the Bus Lane Enforcement non-General Fund revenue account, in line with the DfT guidance for Bus Lane Enforcement.

E&T 20 – Congestion Reduction (Overspend of £0.01M)

There is an overspend of £0.01M on the CCTV Cameras project due to additional work on the St Marys Road CCTV project being needed. This was over and above the original design requirements. This will be funded by an additional miscellaneous section 106 developer contribution that had been held back and not added to the programme.

HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME

KEY ISSUES – CAPITAL OUTTURN 2016/17

The total spend for the year is **£51.20M**. This can be compared with the budgeted figure for 2016/17 of **£58.69M** resulting in a variance of **£7.49M**, which represents a percentage variance against budget of 12.8%.

The programme is shown in the following summarised table:

	2016/17 £M	2017/18 £M	2018/19 £M	2019/20 £M	2020/21 £M	Total £M
Programme at last report	58.44	59.01	42.27	32.85	41.05	233.62
Approvals since last report	0.25	0.00	0.00	0.00	0.00	0.00
New Additions for Approval	0.00	0.00	0.00	0.00	0.00	0.00
Other Changes for Approval	0.00	0.00	0.00	0.00	0.00	0.00
Programme Total	58.69	59.01	42.27	32.85	41.05	233.62
(Slippage)/Rephasing	(6.79)	6.98	(0.19)	0.00	0.00	0.00
(Under)/Over spends	(0.70)					(0.70)
Total Spend	51.20	65.99	42.08	32.85	41.05	232.92

PROGRAMME CHANGES-

APPROVALS SINCE LAST REPORT

HRA1 Station Boulevard Sub-Station (Addition of £0.25M in 2016/17)

The Head of Capital Assets, under delegated authority approved the addition and spend of £0.25M in 2016/17 to purchase sub-stations. The project facilitated the disposal of Council owned sub-stations and resulted in a net capital receipt of £0.43M to the HRA.

UNDER/OVER SPENDS

Estate Regeneration and New Build

HRA2 Exford Parade and Laxton Court (Under spend of £0.13M)

These regeneration schemes have now completed with the resulting under spend available to offset other over spends in the HRA Capital Programme.

HRA3 Erskine Court Rebuild (Under spend of £0.30M)

This scheme to deliver "Housing with Care" properties has now completed with a resulting under spend available to offset other over spends in the HRA Capital Programme. Additionally a retention of £0.17M has been slipped into 2017/18, as per HRA14 below.

Safe Wind and Weather Tight

HRA4 Supported Housing 2 Storey Walkway Repairs (Over spend of £2.09M)

The over spend is due to this scheme being extended beyond its original brief and additional works being carried out. It should also be noted that the original contractor appointed to carry out this citywide project entered administration partway through the programme. As a result, relief contractors had to be appointed to ensure works continued while tendering took place to find a permanent replacement. Additional expenditure

included more work to staircases and rear balconies than originally planned and the installation of new front doors and frames.

This scheme additionally includes costs of £0.5M for wall structure related work undertaken as part of these works. A corresponding saving has been made in the Wall Structure scheme as per note HRA4 below. The remaining over spend will be met from other savings in the HRA capital programme.

HRA5 Wall Structures (Under spend of £0.54M)

Part of the work on this scheme was completed under the Supported Housing 2 Storey Walkway Repairs scheme as per note HRA3 above. This under spend partially offsets the over spend on that scheme.

HRA6 Copse Road Refurbishment (Under spend of £0.18M)

The scope of this scheme was scaled down to only complete minimum works needed for a wind and weathertight structure that met health and safety risk requirements. This under spend is available to offset other over spends in the HRA Capital programme.

HRA7 Renew Porch and Canopies (Under spend of £0.20M)

This is a provision for remedial works being required in 2016/17 on porches and canopies following works carried out on the ECO programme. Due to contractor issues, works planned to take place in 2016/17 did not occur and this provision is therefore no longer required and is available to offset other over spends in the HRA Capital programme.

HRA8 Castle House Walkway (Under spend of £0.10M)

Due to a renegotiated price with the contractor, this completed scheme has finished with savings of £0.1M. This under spend is available to offset other overspends in the HRA Capital programme.

HRA9 Renew Lifts and Lift Shafts (Under spend of £0.18M)

These savings were due to renegotiated prices being agreed with the contractors. This under spend is available to offset other overspends in the HRA Capital programme.

HRA10 Programme Management Fees (Under spend of £0.60M)

Following a review of recharges project management overheads were not charged the Capital Programme, as originally budgeted in error. This underspend in the capital scheme is reflected as increased costs in the HRA and has been dealt with within the Revenue report elsewhere on the agenda

Well Maintained Communal Facilities

HRA11 Redbridge & Millbrook Towers Downpipe replacements (Under spend of £0.61M)

Following a value engineering exercise, savings were identified in the works required to replace the down pipe rain water systems. This included the undertaking of pipework maintenance rather than a replacement option. This under spend is available to offset other overspends in the HRA Capital programme.

SLIPPAGE/REPHASING

Estate Regeneration and New Build

HRA12 Townhill Park Regeneration (slippage of £0.26M from 2016/17 to 2017/18)

The Government has introduced a number of proposals which have impacted on this scheme and as a consequence additional time has been required to update the Delivery Model for these proposals creating slippage on this scheme.

HRA13 Estate Regeneration City Wide Framework (slippage of £0.20M from 2016/17 to 2017/18)

This scheme was created to investigate other regeneration opportunities within Southampton as part of a city wide framework. This has now been deferred until 2017/18 whilst progress on existing regeneration projects is assessed and criteria for future regeneration opportunities is established.

HRA14 Estate Regeneration Woodside / Wimpson (slippage of £0.15M from 2016/17 to 2017/18)

A revised operating plan from the contractor deferred some works into 2017/18 which has resulted in this small amount of slippage.

HRA15 Erskine Court Rebuild (slippage of £0.17M from 2016/17 to 2017/18)

This rebuild has now completed and the slippage is in respect of a retention due to the contractor which will be paid in 2017/18 after final account sign off. This is in addition to the £0.3M savings achieved as described in HRA2 above.

Safe Wind and Weather Tight

HRA16 HRA Business Case Resources (slippage of £0.15M from 2016/17 to 2017/18)

The slippage relates to the final aspects of the roll out programme setting up mobile devices and the "on-line" form system for those staff working at external locations and this programme will complete in 2017/18.

HRA17 Roofing Lots 1 and 2 (slippage of £0.54M from 2016/17 to 2017/18)

The slippage is due to work being put on hold awaiting the outcome of a review to determine cost estimates and extent of roof works required for Millbrook, Redbridge, Canberra Towers, Shirley Towers, Sturminster House and Albion Towers for roofing and external wall insulation. These works are now scheduled to start in 2017/18.

HRA18 Electrical Systems (slippage of £0.27M from 2016/17 to 2017/18)

The slippage has arisen due to obtaining access to resident's properties to carry out these works. These works have now been rescheduled to be completed in 2017/18 where further attempts will be made for access to these properties.

HRA19 Roofing (slippage of £2.73M from 2016/17 to 2017/18)

Roof Finish Flat (£2.23M) & Shop Walkways Roofing (£0.50M)

Slippage on these schemes has arisen due to the works being put on hold awaiting the outcome of a wider roofing review to determine costs and scope of requirements. Works are expected to start in 2017/18 following the outcome of the review.

HRA20 Structural Works (slippage of £0.14M from 2016/17 to 2017/18)

A revised tender has been created for structural work associated with balconies resulting in slippage of £0.11M. The new tender is now scheduled to be implemented in May 2017 for completion in 2017/18.

HRA21 Golden Grove Balconies (slippage of £0.17M from 2016/17 to 2017/18)

This work planned for Golden Grove balconies was to follow on once work at Ridding Close balconies were completed. Because of delays at Ridding Close, this has had a knock on effect of delaying these works at Golden Grove.

HRA22 Manston Court External Lift (slippage of £0.28M from 2016/17 to 2017/18)

Delays on this scheme arose from having to re-route Virgin Cables and electric mains wiring around the building foundations which had not been anticipated causing some slippage to the project.

Modern Facilities

HRA23 Disabled Adaptations (slippage of £0.11M from 2016/17 to 2017/18)

The slippage results from a slightly reduced number and associated cost of referrals received for the provision of disabled adaptations in this largely demand led scheme.

HRA24 Wet Heating Systems (slippage of £0.34M from 2016/17 to 2017/18)

The slippage has arisen due to obtaining access to residents properties to carry out these works. These works have now been rescheduled to be completed in 2017/18 where further attempts will be made for access to these properties.

HRA25 Decent Home Voids (slippage of £0.24M from 2016/17 to 2017/18)

A part of these works carried out by the contractor were charged to the Housing Refurbishment scheme as they are closely linked as per HRA25 below. This scheme is planned to be merged in 2017/18 to create an overall Housing Refurbishment programme.

HRA26 Housing Refurbishment (Re-Phasing of £0.76M: £0.58M from 2017/18 and £0.18M from 2018/19 to 2016/17).

The re-phasing is due to work commencing ahead of schedule and also partly due to additional costs being charged to this scheme from work on the Decent Homes Voids scheme as per HRA24 above which is closely linked and will be merged with this scheme in 2017/18.

Well Maintained Communal Facilities

HRA27 Thornhill Park Phase 2 MacArthur / Vanguard (slippage of £0.24M from 2016/17 to 2017/18)

The slippage is due to weather related delays for the soft landscaping work and the preparation of areas to be turfed. This scheme is also holding some retention monies which will be payable in 2017/18.

HRA28 Communal Areas Works (slippage of £0.14M from 2016/17 to 2017/18)

Work has already been carried out to improve the fire safety in communal areas at Rotterdam Towers with more durable internal panels. As a precaution, investigations are being made to similar blocks to see if further panels would benefit from being replaced and money has been made available (but is not yet fully spent) to carry out this work as necessary.

HRA29 Supported Housing Area Programme (slippage of £0.51M from 2016/17 to 2017/18)

The contractor has had issues obtaining the necessary architectural services required for this scheme. This has created a 4 month delay which is now scheduled to commence in 2017/18.

Warm and Energy Efficient

HRA30 ECO-City Energy Scheme (slippage of £0.41M from 2016/17 to 2017/18)

The slippage on this scheme is a result of the contractor withdrawing from this project and works required to complete this project are now delayed until 2017/18.

HRA31 External Wall Insulation-Kingsland Estate (slippage of £0.13M from 2016/17 to 2017/18)

There is a legal dispute between 2 sub-contractors over the fitting of windows and the wall insulation at International Way. This slipped budget is to cover any remedial works that SCC may have to pay following arbitration.

SCHEME BUDGET VARIANCES 2016/17

E&T - CITY SERVICES

Scheme No.	Description	Budget 2016/17 £M	Actual 2016/17 £M	Variance 2016/17 £M
C2921	Weekly Collection Support Scheme	0.015	0.005	(0.010)
C2922	AWC Implementation Works	0.000	0.037	0.037
NS002	Portswood Rec Improvements	0.006	0.006	0.000
NS003	Green Flag Improvements	0.026	0.018	(0.008)
NS004	Deep Dene Improvements	0.010	0.007	(0.003)
NS011	Southampton Common Access Project	0.050	0.023	(0.027)
NS027	Minor Parks Development Works	0.123	0.079	(0.044)
NS029	St James Park HLF Project	0.003	0.001	(0.002)
NS030	Mobile Working for P&C Frontline	0.002	0.000	(0.002)
NS031	Parks Safety Improvements	0.002	0.001	(0.001)
NS035	Play Area Improvements	0.187	0.141	(0.046)
NS037	Central Depot	0.807	0.765	(0.042)
NS038	City Pride	0.091	0.006	(0.085)
NS039	Park Walk Entrance to East Park	0.060	0.061	0.001
		1.382	1.151	(0.231)

COMMUNITIES, CULTURE & LEISURE

Scheme No.	Description	Budget 2016/17 £M	Actual 2016/17 £M	Variance 2016/17 £M
L0GHR	Guildhall Refurbishment	0.000	0.037	0.037
LC101	Tudor House Museum	0.000	0.000	0.000
LC201	Arts and Heritage	0.249	0.185	(0.064)
LC401	Pitch Improvements	0.037	0.036	(0.001)
LC601	Other Projects LC601	0.105	0.033	(0.072)
LC602	Other Projects LC602	0.693	0.628	(0.065)
		1.084	0.918	(0.166)

EDUCATION & CHILDREN'S SOCIAL CARE

Scheme No.	Description	Budget 2016/17 £M	Actual 2016/17 £M	Variance 2016/17 £M
E0ACA	Academies	0.298	0.050	(0.248)
E0CSL	C S & L General Other	0.000	0.488	0.488
E0EYP	Early Years Expansion Programme	0.146	0.088	(0.058)
E0ICT	ICT	0.028	0.022	(0.006)
E0PR2	Primary Review Phase 2	6.755	5.188	(1.567)
E0PR3	School Expansion Programme - Phase 3	2.033	1.278	(0.755)
E0PRW	Primary Review	0.023	0.019	(0.004)
E0SAF	Safeguarding	0.003	0.000	(0.003)
E0SCM	School Capital Maintenance	2.364	1.662	(0.702)
E0SSM	Secondary School Capital Maintenance	0.082	0.013	(0.069)
E0SE1	Secondary Expansion phase 1	0.397	0.000	(0.397)
		12.129	8.808	(3.321)

FINANCE

Scheme No.	Description	Budget 2016/17 £M	Actual 2016/17 £M	Variance 2016/17 £M
M9710	Office Accommodation	0.078	0.024	(0.054)
P5100	IT Desktop	0.277	0.149	(0.128)
P5120	Works to Enable Accommodation Strategy	0.003	(0.000)	(0.003)
		0.358	0.173	(0.185)

HEALTH & ADULT SOCIAL CARE

Scheme No.	Description	Budget 2016/17 £M	Actual 2016/17 £M	Variance 2016/17 £M
R1100	S106 - Centenary Quay	0.221	0.110	(0.110)
R9330	National Care Standards and H&S Work	0.070	0.054	(0.016)
R9340	Replacement of Appliances and Equipment	0.036	0.000	(0.036)
R9700	Common Assessment Framework	0.015	0.011	(0.004)
R9720	Residential Homes fabric furnishing CQC	0.012	0.000	(0.012)
R9777	Integrated Working	0.276	0.000	(0.276)
		0.630	0.175	(0.455)

HOUSING & SUSTAINABILITY

Scheme No.	Description	Budget 2016/17 £M	Actual 2016/17 £M	Variance 2016/17 £M
C2420	Flood Risk Management	0.180	0.017	(0.163)
C2520	Salix Energy Efficiency Measures	0.092	0.002	(0.090)
GF001	Support to RSL's	1.170	0.250	(0.920)
GF100	Home Improvement Loans	0.563	0.113	(0.450)
GF800	Insulation	0.047	0.045	(0.002)
GF900	Disabled Facilities Grant	1.722	1.334	(0.388)
		3.774	1.761	(2.013)

LEADER'S

Scheme No.	Description	Budget 2016/17 £M	Actual 2016/17 £M	Variance 2016/17 £M
M0CQR	Cultural Quarter	11.678	8.343	(3.335)
M0HOC	Heart of the City	4.193	4.037	(0.156)
M0HQP	Hollyrood and Queens Park	0.010	0.000	(0.010)
M0IRF	Itchen Riverfront	0.065	0.019	(0.046)
M0PIF	Property Investment Fund	40.000	29.686	(10.314)
M0RPW	Royal Pier Waterfront	0.100	0.001	(0.099)
M0SQR	Station Quarter Parent	0.000	0.000	0.000
		56.046	42.085	(13.961)

TRANSFORMATION

Scheme No.	Description	Budget 2016/17 £M	Actual 2016/17 £M	Variance 2016/17 £M
T1000	Digital Investment Phase 1	0.405	0.349	(0.056)
T2000	Digital Investment Phase 2	3.300	2.046	(1.254)
		3.705	2.395	(1.310)

TRANSPORT

Scheme No.	Description	Budget 2016/17 £M	Actual 2016/17 £M	Variance 2016/17 £M
C2100	Purchase of vehicles	2.292	1.951	(0.341)
C2300	Digital Radio Service 2013	0.003	0.000	(0.003)
C2400	Planning	0.003	0.000	(0.003)
C2410	Invest To Save - Building Control	0.048	0.000	(0.048)
C2690	Relocation of Town Depot	0.007	0.000	(0.007)
C2730	Itchen Bridge Toll Automation	0.018	0.004	(0.014)
C7131	Cycling Improvements	0.802	0.710	(0.092)
C7141	Public Transport	0.427	0.440	0.013
C7151	Improved Safety	0.171	0.103	(0.068)
C7161	Sustainable Travel	0.328	0.255	(0.073)
C7171	Accessibility	0.365	0.291	(0.074)
C7181	Congestion Reduction	0.358	0.298	(0.060)
C7191	Other Highways	0.583	0.693	0.110
C7720	City Centre Improvements Millbrook	0.072	0.072	0.000
C7730	City Centre Improvements Redbridge	0.015	0.006	(0.009)
C7740	City Centre Improvements Northam	0.000	0.000	0.000
C7770	B2P Bridge Scheme	0.315	0.246	(0.069)
C7911	Bridges Maintenance	0.827	0.500	(0.327)
C7921	Principal Roads	3.417	2.295	(1.122)
C7923	SLEP Millbrook Roudabout	0.056	0.043	(0.013)
C8000	Classified Roads	1.877	1.426	(0.451)
C8100	Unclassified Roads	2.896	2.154	(0.742)
C8300	Street Lighting	0.065	0.004	(0.061)
C8800	Street Furniture	0.010	0.000	(0.010)
C8900	City Centre Improvements	0.070	0.043	(0.027)
C8911	Platform for Prosperity	0.126	0.008	(0.118)
C8933	North of Station	0.205	0.206	0.001
C9120	Highways Improvements Developers	0.275	0.112	(0.163)
C9200	Highways Maintenance Risk Fund	0.178	0.016	(0.162)
C9471	MSCP 10 Yr Maint. Programme	0.073	0.072	(0.001)
		15.882	11.948	(3.934)
GENERAL FUND PROGRAMME TOTAL		94.990	69.414	(25.576)

HOUSING REVENUE ACCOUNT

Scheme No.	Description	Budget 2016/17 £M	Actual 2016/17 £M	Variance 2016/17 £M
<u>Estate Regeneration and New Build</u>				
H00ER	Estate Regeneration	7.633	6.943	(0.690)
H00NB	New Build	2.870	2.250	(0.620)
<u>Modern Facilities</u>				
H00AD	Adaptions for Disabled People	0.994	1.165	0.171
H00AP	Area Programmes	9.006	9.138	0.132
H00SS	Sheltered Studio Conversions	0.029	0.006	(0.023)
H00VD	Decent Homes - Voids	0.264	0.029	(0.235)
H00WT	Water Tank & Pump Replacement	0.000	0.000	0.000
<u>Safe Wind & Weather Tight</u>				
H00DW	Door & window Upgrade	0.073	0.063	(0.010)
H00EW	Electrical Works	0.000	0.000	0.000
H00GS	Garage Site Upgrade	0.005	0.000	(0.005)
H00OT	Other	7.029	4.943	(2.086)
H00RR	Roof Replacement	6.120	3.077	(3.043)
H00SW	Structural Works	7.291	8.433	1.142
<u>Warm & Energy Efficient</u>				
H00ES	Energy Savings Programme	12.344	11.938	(0.406)
H00SC	Sheltered Communal Improvements	0.133	0.000	(0.133)
<u>Well Maintained Communal Facilities</u>				
H00CE	Central	0.001	0.000	(0.001)
H00EA	East	0.914	0.676	(0.238)
H00ME	Central	0.230	0.212	(0.018)
H00PV	Other Programme	2.362	1.386	(0.976)
H00SC	Sheltered Communal Improvements	0.952	0.570	(0.382)
H00WE	West	0.186	0.115	(0.071)
<u>Other</u>				
H00OT	Other	0.250	0.250	0.000
HRA PROGRAMME TOTAL		58.686	51.196	(7.490)
PROGRAMME TOTAL		153.676	120.609	(33.066)

E&T - CITY SERVICES

Scheme No.	Description	Original Budget 2017/18 £M	Slippage from 2016/17 £M	Re-phasing to 2016/17 £M	Changes to Programme £M	Revised Budget 2017/18 £M
C2921	Weekly Collection Support Scheme	0.000	0.010	0.000	0.000	0.010
E3001	Houndwell Park Play Area	0.000	0.007	0.000	0.000	0.007
E3011	Deep Dene Play Area	0.000	0.009	0.000	0.000	0.009
E3013	The Common Play Area	0.542	0.011	0.000	0.000	0.553
J333A	Central Depot - Feasibility	0.000	0.000	0.000	0.000	0.000
J333B	Central Depot Development	0.030	0.041	0.000	0.000	0.071
J426L	Southampton Common	0.064	0.027	0.000	0.000	0.091
J4310	Deep Dene Improvements	0.000	0.003	0.000	0.000	0.003
J4370	Park Code for Green Space	0.000	0.000	0.000	0.000	0.000
J4410	Mayflower Park Basket Ball Court Renovation	0.000	0.000	0.000	0.000	0.000
J4430	Weston Shore Improvements Phase 2	0.000	0.000	0.000	0.000	0.000
J4440	Sports Centre Water Supply Upgrade	0.014	0.000	0.000	0.000	0.014
J4450	Riverside Park Pitch & Putt Irrigation System Upgrade	0.050	0.000	0.000	0.000	0.050
J4460	Cedar Lodge Open Space	0.000	0.000	0.000	0.000	0.000
J4480	Green Park	0.002	0.000	0.000	0.000	0.002
J4490	Hum Hole	0.008	0.040	0.000	(0.008)	0.040
J4500	Lordsdale Greenway	0.005	0.000	0.000	0.000	0.005
J4510	Mansbridge Open Space	0.000	0.000	0.000	0.000	0.000
J4520	Riverside Park	0.033	0.001	0.000	0.000	0.034
J4540	Sullivan Recreation Ground	0.002	0.000	0.000	0.000	0.002
J4560	Westwood Greenway	0.003	0.000	0.000	0.000	0.003
J4570	Mayfield Park Improvements	0.024	0.000	(0.001)	0.000	0.023
J8100	Mobile Working for P & C Frontline	0.005	0.002	0.000	0.000	0.007
J814B	St James Park - Implementation	0.000	0.002	0.000	0.000	0.002
J8240	Parks Safety Improvements Yrs 2009-11	0.000	0.000	0.000	0.000	0.000
J4610	City Pride - Improvements to Queens Park	0.114	0.089	0.000	(0.091)	0.112
J8290	Realignment of Park Walk Entrance to East Park	0.030	0.000	(0.001)	0.000	0.029
E3027	Adey Close Play Area	0.000	0.005	0.000	0.000	0.005
E3029	Cedar Lodge Play Area	0.000	0.013	0.000	0.000	0.013
J4550	Veracity Recreation Ground	0.000	0.000	0.000	0.000	0.000
J4630	Shoreburs Greenway Footpath Improvement Project	0.004	0.000	0.000	0.000	0.004
E3033	Masefield Green Play Area	0.009	0.000	0.000	0.000	0.009
E3035	Newtown Adventure Playground	0.020	0.000	0.000	0.000	0.020
E3037	St James Park Play Area	0.037	0.000	0.000	0.000	0.037
E3038	Sullivan Recreation Ground Play Area	0.008	0.000	0.000	0.000	0.008
E3030	Green Lane Copse/Watts Close Play Area	0.002	0.002	0.000	0.000	0.004
E3031	Lamberhurst Close / Ropley Close Play Area	0.010	0.000	0.000	0.000	0.010
E3034	Mayfield Park Play Area	0.250	0.000	0.000	0.000	0.250
J4632	Portwood Entrance Improvements	0.050	0.000	(0.001)	0.000	0.049
E3036	Octavia Road Play Area	0.020	0.000	0.000	0.000	0.020
E3017	Lawn Road Play Area	0.000	0.000	0.000	0.000	0.000
J427C	Lordsdale Greenway (Stream Realignment)	0.060	0.000	0.000	0.000	0.060
C2922	Alternate Weekly Collection (AWC)	0.260	0.000	(0.037)	0.000	0.223
		1.656	0.262	(0.040)	(0.099)	1.779

COMMUNITIES, CULTURE & LEISURE

Scheme No.	Description	Original Budget 2017/18 £M	Slippage from 2016/17 £M	Re-phasing to 2016/17 £M	Changes to Programme £M	Revised Budget 2017/18 £M
L1000	Oaklands Swimming Pool Feasibility	0.000	0.036	0.000	0.000	0.036
L1010	Bargate Monument Repairs	0.004	0.000	0.000	0.000	0.004
L1020	Guildhall Square Electricity Supply Enhancement	0.000	0.036	0.000	0.000	0.036
L1440	Tudor House Museum Phase 1	0.005	0.000	0.000	0.000	0.005
L6790	Sections 106 Playing Field Improvement	0.070	0.001	0.000	0.000	0.071
L6791	Lordshill Playing Field Drainage	0.000	0.000	0.000	0.000	0.000
L810U	Art in Public Places – Millbrook and Weston	0.000	0.017	0.000	0.000	0.017
L8260	Tudor House Museum Phase 2 Implementation	0.030	0.000	0.000	0.000	0.030
L8370	Woolston Library	0.020	0.065	0.000	0.000	0.085
L1011	Westgate & Tudor Water Ingress	0.000	0.024	0.000	0.000	0.024
L1013	Gamma Data System	0.000	0.006	0.000	0.000	0.006
L6792	Outdoor Sports Centre Improvements	0.485	0.000	0.000	0.000	0.485
L1014	Art Gallery Improvements	0.100	0.000	0.000	0.000	0.100
		0.714	0.185	0.000	0.000	0.899

EDUCATION & CHILDREN'S SOCIAL CARE

Scheme No.	Description	Original Budget 2017/18 £M	Slippage from 2016/17 £M	Re-phasing to 2016/17 £M	Changes to Programme £M	Revised Budget 2017/18 £M
E5005	Primary Review P2 - Shirley Warren Primary	0.000	0.075	0.000	0.000	0.075
E5011	Primary Review P2 - Fairisle Infant & Nursery	0.000	0.007	0.000	0.000	0.007
E5017	Primary Review P2 - Valentine Junior School	0.389	0.000	(0.044)	0.000	0.345
E5018	Primary Review P2 - Sholing Junior	0.031	0.102	0.000	0.000	0.133
E5019	Primary Review P2 - Tanners Brook Junior	0.000	0.060	0.000	0.000	0.060
E5020	Primary Review P2 - Fairisle Junior	0.802	0.384	0.000	0.000	1.186
E5022	Primary Review Contingency	0.000	0.027	0.000	0.000	0.027
E5027	Expansion of St Johns Primary & Nursery	0.000	0.023	0.000	0.000	0.023
E5030	Portswood Primary Expansion	0.060	0.254	0.000	0.000	0.314
E5031	Bitterne Manor Primary Expansion	0.000	0.012	0.000	0.000	0.012
E5035	Great Oaks Special School Expansion	0.000	0.000	0.000	0.000	0.000
E5037	Springwell School - Main Expansion 15/16	7.147	0.955	0.000	0.000	8.102
E5039	Remedial works at Sholing - spring well intake 2015	0.000	0.007	0.000	0.000	0.007
E5041	Springhill Primary Academy School modular building	0.000	0.010	0.000	0.000	0.010
E5042	St Patricks Expansion	0.000	0.000	0.000	0.000	0.000
E5044	St Monica (bulge class)	0.060	0.033	0.000	0.000	0.093
E5046	Thornhill Expansion	0.000	0.030	0.000	0.000	0.030
E5047	PSBP Valentine and St Denys	0.150	0.403	0.000	0.000	0.553
E7200	Secondary School Estates Capital	0.000	0.000	0.000	0.000	0.000
E7203	Health and Safety Capital	0.113	0.087	0.000	0.000	0.200
E7204	School Capital Maintenance	0.000	0.000	0.000	0.000	0.000
E7205	Solar PV Resources Project	0.000	0.102	0.000	0.000	0.102
E7206	Renewable Heat Incentive	0.000	0.005	0.000	0.000	0.005
E7209	Chamberlayne Capital Maintenance	0.000	0.031	0.000	0.000	0.031
E7214	Upper Shirley High	0.000	0.000	0.000	0.000	0.000
E7217	R&M Planned Programme 14-15	0.334	0.343	0.000	0.000	0.677
E7218	R&M Planned Programme 16-17	6.200	0.000	0.000	0.000	6.200
E7220	Early Years Expansion Programme	0.330	0.058	0.000	0.000	0.388
E7221	Early Years Expansion	1.050	0.000	0.000	0.000	1.050
E8134	Middlecroft Lane Loft Extension	0.000	0.000	0.000	0.000	0.000
E8136	Radstock Road-Loft Conversion	0.000	0.000	0.000	0.037	0.037
E8160	ICT Harnessing Technology Grant	0.000	0.006	0.000	0.000	0.006
E8185	Civil Service Sports Ground	0.075	0.000	0.000	0.000	0.075
E9022	Schools Access Initiative	0.000	0.005	0.000	0.000	0.005
E9061	Mayfield Academy	0.000	0.029	0.000	0.000	0.029
E9062	Lordshill Academy	0.000	0.219	0.000	0.000	0.219
E9093	Increased Places at St Mary's Primary - Phase 2	0.000	0.004	0.000	0.000	0.004
E9117	Asbestos Removal	0.000	0.012	0.000	0.000	0.012
E9121	Bitterne Park Secondary Building programme	0.100	0.097	0.000	0.000	0.197
E9122	Bitterne Park Autism Resource Base	0.000	0.150	0.000	0.000	0.150
E9130	Building for Excellence	0.850	0.150	0.000	0.000	1.000
E9131	Health & Safety Programme	0.200	0.023	0.000	0.000	0.223
E9133	Schools Access Initiative	0.250	0.050	0.000	0.000	0.300
E9140	Asbestos	0.450	0.045	0.000	0.000	0.495
NEW	Schools Programme	0.500	0.000	0.000	0.000	0.500
		19.091	3.798	(0.044)	0.037	22.882

FINANCE

Scheme No.	Description	Original Budget 2017/18 £M	Slippage from 2016/17 £M	Re-phasing to 2016/17 £M	Changes to Programme £M	Revised Budget 2017/18 £M
M9710	Accommodation Strategy Action Programme (ASAP)	0.200	0.054	0.000	0.000	0.254
P5100	Desktop Refresh Programme	0.381	0.172	0.000	0.000	0.553
P5120	Works to Enable Accommodation Strategy	0.257	0.003	0.000	0.000	0.260
P5140	Customer Portal	0.073	0.000	(0.045)	0.000	0.028
		0.911	0.229	(0.045)	0.000	1.095

HEALTH & ADULT SOCIAL CARE

Scheme No.	Description	Original Budget 2017/18 £M	Slippage from 2016/17 £M	Re-phasing to 2016/17 £M	Changes to Programme £M	Revised Budget 2017/18 £M
R9330	National Care Standards and H&S Work	0.010	0.016	0.000	0.000	0.026
R9340	Replacement of Appliances and Equipment	0.000	0.036	0.000	0.000	0.036
R9700	Common Assessment Framework	0.000	0.004	0.000	0.000	0.004

R9720	Residential Homes fabric furnishing CQC	0.000	0.012	0.000	0.000	0.012
R1100	Health Practice Facility Improvements Woolston	0.000	0.111	0.000	0.000	0.111
R9777	Integrated Working	0.000	0.276	0.000	0.000	0.276
R9600	Telecare Equipment	0.500	0.000	0.000	0.000	0.500
		0.510	0.455	0.000	0.000	0.965

HOUSING & SUSTAINABILITY

Scheme No.	Description	Original Budget 2017/18 £M	Slippage from 2016/17 £M	Re-phasing to 2016/17 £M	Changes to Programme £M	Revised Budget 2017/18 £M
C257F	Civic Centre IT server room	0.000	0.078	0.000	0.000	0.078
C257G	Lighting Upgrades Salix Works	0.000	0.008	0.000	0.000	0.008
C257I	Insulation Salix Works	0.000	0.004	0.000	0.000	0.004
G4310	Green Projects	0.378	0.000	0.000	(0.158)	0.220
G4490	Insulation and Fuel Poverty Initiatives	0.000	0.002	0.000	0.000	0.002
G4690	Disabled Facilities Grants Approved in 2015/16	0.000	0.029	0.000	0.000	0.029
G4720	HIL/DFG Repayments	0.455	0.000	0.000	0.000	0.455
G6430	Support for Estate Regeneration	0.000	0.932	0.000	0.000	0.932
G6580	Estate Parking Improvements	0.236	0.002	0.000	0.000	0.238
C2440	Priory Road Property Level Protection Scheme	0.023	0.163	0.000	0.000	0.186
G4730	Disabled Facilities Grants Approved in 2016/17	1.700	0.242	0.000	0.000	1.942
G4740	Disabled Facilities Grants Support Costs 2016/17	0.210	0.000	0.000	0.000	0.210
		3.002	1.460	0.000	(0.158)	4.304

LEADER'S

Scheme No.	Description	Original Budget 2017/18 £M	Slippage from 2016/17 £M	Re-phasing to 2016/17 £M	Changes to Programme £M	Revised Budget 2017/18 £M
C620Y	QE2 Mile - Bargate Square	0.900	0.060	0.000	0.000	0.960
L8200	Southampton New Arts Centre (SNAC)	0.178	3.209	0.000	1.600	4.987
L8201	Southampton New Arts Centre - Developer Payments	0.000	0.103	0.000	0.000	0.103
M2000	Solent Credit Union Shares	0.000	0.000	0.000	0.025	0.025
M5000	Hampshire Community Bank	1.000	0.000	0.000	0.000	1.000
M6000	Bitterne Public Services Hub	0.300	0.000	0.000	0.000	0.300
M7000	Council Power Company	0.050	0.000	0.000	0.000	0.050
M8000	Station Quarter Southside	0.352	0.000	0.000	0.000	0.352
M9000	Property Investment Fund	23.750	10.314	0.000	0.000	34.064
M9100	Business Incubator	1.250	0.000	0.000	0.127	1.377
M9370	Town Depot	0.041	0.046	0.000	0.000	0.087
M9390	Royal Pier	0.206	0.100	0.000	0.000	0.306
M9400	Mayflower Park Spitfire Memorial	0.013	0.000	(0.001)	0.000	0.012
M9420	West Quay Phase 3 WWQ	0.428	0.027	0.000	0.000	0.455
M9425	Watermark WestQuay	0.000	0.000	0.000	0.000	0.000
M942B	West Quay Phase 3 Site B	0.000	0.065	0.000	0.000	0.065
M9430	Northern Above Bar Fees - T&G Marketing Fees	0.000	0.023	0.000	0.000	0.023
M9480	Fruit & Veg (Disposal)	0.000	0.010	0.000	0.000	0.010
M9500	Northern Above Bar - Guildhall Square	0.197	0.000	0.000	0.000	0.197
M9830	Feasibility - Major Site Devlpmnt	0.059	0.000	0.000	0.000	0.059
		28.724	13.957	(0.001)	1.752	44.432

TRANSFORMATION

Scheme No.	Description	Original Budget 2017/18 £M	Slippage from 2016/17 £M	Re-phasing to 2016/17 £M	Changes to Programme £M	Revised Budget 2017/18 £M
T1000	Digital Investment Phase 1	0.000	0.056	0.000	0.000	0.056
T1001	Digital Investment Phase 2	0.000	1.254	0.000	0.000	1.254
T1002	Digital Investment Phase 3	3.000	0.000	0.000	0.000	3.000
		3.000	1.310	0.000	0.000	4.310

TRANSPORT

Scheme No.	Description	Original Budget 2017/18 £M	Slippage from 2016/17 £M	Re-phasing to 2016/17 £M	Changes to Programme £M	Revised Budget 2017/18 £M
C2100	Purchase of Vehicles	0.090	0.341	0.000	0.630	1.061
C230A	Digital Radio Service	0.000	0.000	0.000	0.000	0.000
C240E	Itchen Masterplan	0.000	0.003	0.000	0.000	0.003
C2410	Mobile Working	0.000	0.048	0.000	0.000	0.048
C269M	Dock Gate 20 - Contingency	0.000	0.000	0.000	0.000	0.000
C273C	Itchen Bridge Toll Automation Delivery Supervision	0.000	0.014	0.000	0.000	0.014
C550H	Improved Safety 2016/17 - Engineering	0.000	0.027	0.000	0.000	0.027
C550G	Improved Safety 2015/16 - Engineering	0.149	0.021	0.000	0.000	0.170
C7112	Road Safety Partnership	0.022	0.020	0.000	0.000	0.042
C7131	Cycling	0.786	0.000	0.000	0.300	1.086
C713S	Cycle Network Improvements	0.000	0.032	0.000	0.000	0.032
C7141	Public Transport	0.240	0.000	0.000	0.000	0.240
C714F	Traveline (PTI 2005)	0.000	0.000	0.000	0.000	0.000
C7151	Improved Safety	0.222	0.000	0.000	0.000	0.222
C715Q	Improved Safety - Minor Works	0.000	0.000	0.000	0.000	0.000
C7161	Travel to School	0.184	0.000	0.000	0.063	0.247
C716M	Workplace Travel Plan Measures	0.000	0.032	0.000	0.000	0.032
C716N	School Travel Plan Measures	0.000	0.041	0.000	0.000	0.041
C7171	Accessibility	0.250	0.000	0.000	0.000	0.250
C717C	District Schemes Programme	0.005	0.000	0.000	0.000	0.005
C717N	Estate Regeneration - Transport Policy Contribution	0.000	0.076	0.000	0.000	0.076
C717R	Kingsbridge Lne Public Realm Enhancements	0.000	0.000	0.000	0.000	0.000
C717S	Station Boulevard	0.100	0.002	0.000	0.000	0.102
C717T	Local Transport Improvement Fund	0.608	0.000	(0.010)	0.000	0.598
C717U	Albert Road North Study	0.000	0.007	0.000	0.000	0.007
C717V	Legible Cities Phase 6	0.000	0.000	0.000	0.000	0.000
C7181	ITS	0.803	0.000	0.000	0.115	0.918
C718D	CCTV Cameras	0.000	0.000	0.000	0.008	0.008
C718F	LTP Monitoring	0.000	0.000	0.000	0.005	0.005
C718G	Micro Simulation	0.000	0.000	0.000	0.000	0.000
C718H	Network Capacity Improvements	0.200	0.024	0.000	0.000	0.224
C718Q	Cleaner Bus Transport Fund	0.045	0.000	0.000	0.000	0.045
C718S	Redbridge Roundabout Junction Improvements	0.135	0.009	0.000	0.000	0.144
C718T	Urban Freight Strategy - Delivery Service Plans	0.055	0.000	0.000	0.000	0.055
C718U	Upper Shirley High Street	0.023	0.019	0.000	0.000	0.042
C718V	Hospital Access Improvements	0.080	0.000	0.000	0.000	0.080
C718W	Thomas Lewis Way/Stoneham Lane	0.035	0.003	0.000	0.000	0.038
C718X	Electric Vehicle Action Plan	1.142	0.000	0.000	0.000	1.142
C718Y	C-ITS Bluetooth	0.000	0.000	0.000	0.110	0.110
C718Z	Motor Cycle Parking	0.022	0.000	0.000	0.000	0.022
C719B	Essential Highways Minor Works	0.000	0.050	0.000	0.000	0.050
C719D	Pothole Action Fund	0.137	0.004	0.000	0.000	0.141
C719E	Cycleway Maintenance	0.500	0.000	0.000	0.000	0.500
C723B	Major Cycle Route Signage	0.022	0.001	0.000	0.010	0.033
C723E	Second Avenue Millbrook Cycle Scheme	0.039	0.000	0.000	0.000	0.039
C723H	Western Cycle Route Phases 2&3	0.000	0.000	0.000	0.200	0.200
C723J	Eastern strategic cycle route development	0.159	0.000	0.000	0.000	0.159
C723K	Northern strategic cycle route development	0.230	0.046	0.000	0.000	0.276
C723L	Cycle parking at key locations	0.000	0.012	0.000	0.000	0.012
C723M	Bitterne Precinct Access Scheme	0.075	0.002	0.000	0.000	0.077
C723N	Bitterne Park Triangle	0.074	0.000	0.000	0.000	0.074
C724B	Bus Lane & Traffic Enforcement	0.000	0.000	0.000	0.000	0.000
C724D	Bus Corridor Minor Works	0.442	0.029	0.000	0.000	0.471
C772A	Millbrook Roundabout Highway Capacity Improvements	0.428	0.000	0.000	0.000	0.428
C773A	Redbridge Roundabout New Scheme 16/17	0.150	0.000	0.000	0.000	0.150
C774A	Northam Rail Bridge Replacement and corridor improvements	0.050	0.000	0.000	0.000	0.050
C777C	B2P Northam River Bridge	0.000	0.034	0.000	0.000	0.034
C777E	b2P - Vicarage Bridge	0.000	0.035	0.000	0.000	0.035
C791H	Other Bridge Works	1.000	0.127	0.000	0.000	1.127
C791Q	Wilton Avenue Culvert Repair	0.000	0.000	0.000	0.000	0.000
C791U	Northam River Bridge Containment	0.000	0.200	0.000	0.000	0.200
C7921	Principal Roads	1.000	0.056	0.000	0.000	1.056
C8000	Classified Roads	1.500	0.012	0.000	0.000	1.512
C806X	Scrim lead projects (Various)	0.000	0.040	0.000	0.000	0.040
C808M	Bitterne Road West (Athelstan Road to Rampart Road)	0.000	0.087	0.000	0.000	0.087
C808N	Bitterne Road West (Outside 509 to outside 693)	0.000	0.090	0.000	0.000	0.090
C808P	West Quay Road (Mayflower Roundabout to Southern Road)	0.000	0.515	0.000	0.000	0.515
C809A	Millbrook Roundabout Detailed Design	3.745	0.013	0.000	0.000	3.758
C8100	Unclassified Roads	4.363	0.000	0.000	(0.500)	3.863
C816C	Footways - Various Treatments	0.500	0.000	0.000	0.500	1.000
C818R	Rother Dale Investigation	0.000	0.012	0.000	0.000	0.012
C818S	Footways Improvements - Kathleen Road	0.000	0.012	0.000	0.000	0.012
C818T	Footways Improvements - Dale Valley Gardens	0.000	0.000	0.000	0.000	0.000

C818U	Footways Improvements - Firgrove Road	0.000	0.000	0.000	0.000	0.000
C818V	Footways Improvements - Greywell Avenue	0.000	0.000	0.000	0.000	0.000
C818W	Footways Improvements - Ingleton Road	0.000	0.000	0.000	0.000	0.000
C818X	Footways Improvements - Turnstone Gardens	0.000	0.000	0.000	0.000	0.000
C818Y	Pepys Avenue	0.000	0.000	0.000	0.000	0.000
C818Z	Bitterne Precinct Public Realm Works	0.000	0.414	0.000	0.000	0.414
C820A	Highways Drainage Investigations	0.114	0.024	0.000	0.000	0.138
C822J	Decent Neighbourhoods	0.000	0.000	0.000	0.000	0.000
C825B	Burgess Road (Approach to Bassett Ave / The Avenue)	0.000	0.072	0.000	0.000	0.072
C826P	Portswood Road (Grosvenor Road to outside Waggoners Arms PH)	0.000	0.018	0.000	0.000	0.018
C826Q	Bath Road (Bursledon Road to Bitterne Road East)	0.000	0.019	0.000	0.000	0.019
C826R	Middle Road (South east Road to Station Road)	0.000	0.000	0.000	0.000	0.000
C826S	Stoneham lane (Bassett Green Road to Channel farm Road)	0.000	0.026	0.000	0.000	0.026
C826T	Butts Road (Shooters Hill Close to outside Butts Crescent)	0.000	0.272	0.000	0.000	0.272
C826U	Mousehole lane (Witts Hill to West End Road roundabout)	0.000	0.007	0.000	0.000	0.007
C826V	Botley Road (Portsmouth Road to Bursledon Road)	0.000	0.022	0.000	0.000	0.022
C826W	Cobden Avenue (Midanbury lane to outside 50 Cobden Avenue)	0.000	0.009	0.000	0.000	0.009
C826X	Athelstan Road (Cross Road to outside 5 Athelstan Road)	0.000	0.025	0.000	0.000	0.025
C826Y	Woodmill Lane (Oliver Road to approach to Thomas Lewis Way)	0.000	0.064	0.000	0.000	0.064
C828G	West Marlands Road Slab Repairs	0.000	0.012	0.000	0.000	0.012
C828H	Footway Improvement Programme 2015/16	0.000	0.000	0.000	0.000	0.000
C829A	Glenfield Crescent	0.000	0.000	0.000	0.000	0.000
C829B	Bramdean Road (part)	0.000	0.000	0.000	0.000	0.000
C829C	Summit way	0.000	0.000	0.000	0.000	0.000
C829D	Lydgate Road	0.000	0.000	0.000	0.000	0.000
C829E	Cunningham Crescent	0.000	0.000	0.000	0.000	0.000
C829F	Heathfield Road	0.000	0.000	0.000	0.000	0.000
C829J	Milbury Crescent	0.000	0.000	0.000	0.000	0.000
C829L	Brookwood Road	0.000	0.000	0.000	0.000	0.000
C829M	Braeside Crescent	0.000	0.000	0.000	0.000	0.000
C829N	Drayton Close	0.000	0.000	0.000	0.000	0.000
C829P	Durlston Road	0.000	0.000	0.000	0.000	0.000
C829Q	Fullerton Close (part)	0.000	0.010	0.000	0.000	0.010
C829R	Longstock Close	0.000	0.000	0.000	0.000	0.000
C829S	Culver Close	0.000	0.026	0.000	0.000	0.026
C829T	Janson Road	0.000	0.120	0.000	0.000	0.120
C829U	Studland Close	0.000	0.033	0.000	0.000	0.033
C829V	Trent Close	0.000	0.027	0.000	0.000	0.027
C829W	Wakefield Road	0.000	0.148	0.000	0.000	0.148
C829X	Brookvale Road	0.000	0.020	0.000	0.000	0.020
C8300	St Lighting	0.000	0.061	0.000	0.000	0.061
C881B	St Nameplates	0.000	0.000	0.000	0.000	0.000
C881F	Road Restraint Systems	0.150	0.014	0.000	0.000	0.164
C8900	City Centre Improvements	0.234	0.000	0.000	0.000	0.234
C890G	Platform Road – Town Quay Design	0.000	0.000	0.000	0.000	0.000
C890J	Bernard Street, Queensway & Bargate Public Realm	0.000	0.027	0.000	0.000	0.027
C890L	Platform Road Construction	0.000	0.000	0.000	0.000	0.000
C8911	Platform for Prosperity	0.000	0.117	0.000	0.000	0.117
C893B	North of Station - Phase 2	0.323	0.000	0.000	0.000	0.323
C9120	Highways Improvements (Developer)	0.000	0.163	0.000	0.136	0.299
C920A	Highways Maintenance Risk Fund	0.000	0.144	0.000	0.000	0.144
C920B	Highways Maintenance Compensation Event Fund	0.000	0.018	0.000	0.000	0.018
C947J	Emergency Repairs to MSCPs	0.061	0.001	0.000	0.000	0.062
C947K	Grosvenor MSCP	0.050	0.000	0.000	0.000	0.050
NEW	Millbrook Road West Green Wall	0.000	0.000	0.000	0.100	0.100
		20.542	4.009	(0.010)	1.677	26.218
TOTAL GENERAL FUND PROGRAMME		78.150	25.665	(0.140)	3.209	106.884

HOUSING REVENUE ACCOUNT

Scheme No.	Description	Original Budget 2017/18 £M	Slippage from 2016/17 £M	Re-phasing to 2016/17 £M	Changes to Programme £M	Revised Budget 2017/18 £M
H6370	Exford Parade	0.007	0.000	0.000	0.000	0.007

H6490	Estate Regeneration City Wide Framework	0.000	0.200	0.000	0.000	0.200
H6570	Townhill Park Regeneration	2.093	0.259	0.000	0.000	2.352
H6700	Erskine Court Rebuild	0.000	0.168	0.000	0.000	0.168
H6720	Estate Regeneration Woodside / Wimpson	8.697	0.151	0.000	0.000	8.848
		10.797	0.778	0.000	0.000	11.575

Safe Wind & Weather Tight

H012A	Roofing Lot 1 West	1.745	0.133	0.000	0.000	1.878
H012B	Roofing Lot 2 East	1.745	0.402	0.000	0.000	2.147
H0255	HRA Business Case Resources	0.000	0.146	0.000	0.000	0.146
H1113	Structural Works.	7.607	0.137	0.000	0.000	7.744
H1116	Windows	1.044	0.010	0.000	0.000	1.054
H1120	Electrical System	0.250	0.265	0.000	0.000	0.515
H1121	Roof Finish-Pitched/Structure/Gutter/Downpipes	0.900	0.000	(0.249)	0.000	0.651
H1122	Wall Structure & Finish	1.000	0.000	0.000	0.000	1.000
H1123	Chimney	0.134	0.000	0.000	0.000	0.134

H112B	Roof Finish Flat - Future Years	0.000	2.228	0.000	0.000	2.228
H113A	Lift Refurbishment – Canberra Towers	0.323	0.000	(0.018)	0.000	0.305
H114A	Programme Management Fees	0.665	0.000	0.000	0.000	0.665
H1150	External Doors - Houses	0.570	0.000	0.000	0.000	0.570
H1152	Lift Refurbishment - Graylings, Canute, St James	0.040	0.011	0.000	0.000	0.051
H1153	Lift Refurbishment - Holyrood and Albion Towers#	0.424	0.017	0.000	0.000	0.441
H1154	Lift Refurbishment - Shirley Towers	0.424	0.000	0.000	0.000	0.424
H1174	Golden Grove Balconies	0.000	0.168	0.000	0.000	0.168
H125A	Garage Maintenance - Approved	0.000	0.005	0.000	0.000	0.005
H1261	Refurbish Balconies	0.289	0.000	(0.024)	0.000	0.265
H1272	Renew Porch/Canopy	0.212	0.000	0.000	0.000	0.212
H1290	HFRS Fire Safety / Sprinkler Project	1.315	0.000	(0.058)	0.000	1.257
H144A	Manston Court - External Lift	0.000	0.280	0.000	0.000	0.280
H1740	Renew Warden Alarm	0.310	0.000	(0.002)	0.000	0.308
H1751	Renew Communal Windows	0.137	0.058	0.000	0.000	0.195
H1805	DPM Renewals	0.000	0.045	0.000	0.000	0.045
H1806	Shop Walkways (Roofing)	0.000	0.500	0.000	0.000	0.500
H187A	Dry Riser Replacement	0.054	0.000	0.000	0.000	0.054
H4593	Tenant Alteration Budget	0.100	0.089	0.000	0.000	0.189
		19.288	4.494	(0.351)	0.000	23.431

Modern Facilities

H0281	HHSRS - Approved	0.200	0.000	0.000	0.000	0.200
H0550	Disabled Adaptations	1.300	0.112	0.000	0.000	1.412
H1127	Wet Heating Systems	2.443	0.336	0.000	0.000	2.779
H1128	Electrical Heating Systems	0.400	0.052	0.000	0.000	0.452
H118A	Housing Refurbishment – West – Drew Smith	0.380	0.000	(0.257)	0.000	0.123
H119A	Housing Refurbishment East – Mitie Property Services	0.380	0.000	(0.324)	0.000	0.056
H139A	Water Quality Remedial Works	0.050	0.053	0.000	0.000	0.103
H3461	Supported Kitchen - Current	0.000	0.189	0.000	0.000	0.189
H3483	Decent Homes Voids.	0.000	0.235	0.000	0.000	0.235
		5.153	0.977	(0.581)	0.000	5.549

Well Maintained Communal Facilities

H033A	DN: Future Decent Neighbourhood Schemes	1.116	0.000	0.000	0.084	1.200
H0340	DN Thornhill	1.200	0.000	0.000	(0.084)	1.116
H1110	Communal Areas Works	0.178	0.143	0.000	0.000	0.321
H1115	Door Entry System Replacement Programme	0.414	0.000	(0.015)	0.000	0.399
H1133	Roads/Paths/Hard Standing	0.693	0.000	(0.013)	0.000	0.680
H1138	Utility Supplies (Communal – Electric, Gas and Water)	0.035	0.087	0.000	0.000	0.122
H1720	Communal Heating Systems	0.035	0.000	0.000	0.000	0.035
H1730	Communal Shed / Store areas	0.200	0.060	0.000	0.000	0.260
H1820	Replace Roller Shutter Doors	0.045	0.000	(0.006)	0.000	0.039
H1821	Communal doors.	0.019	0.000	(0.011)	0.000	0.008
H186A	Renew Communal Kitchens-Approved	0.000	0.056	0.000	0.000	0.056
H188A	Central Ventilation Fan Replacement	0.033	0.000	0.000	0.000	0.033
H189A	Water Pump Replacement	0.040	0.000	0.000	0.000	0.040
H481A	SHAP (Supported Housing Area Programme)	0.693	0.512	0.000	0.000	1.205
H6266	THP Phase 2 MacArthur/Vanguard	0.018	0.238	0.000	0.000	0.256
H6310	DN: Millbrook Towers Improvements	0.000	0.009	0.000	0.000	0.009
H6314	DN: Millbrook Block Improvements	0.000	0.002	0.000	0.000	0.002
H6315	DN: Shirley	0.058	0.000	0.000	0.000	0.058
H6319	DN: Estate Improvement Programme (EIP)	0.207	0.000	0.000	0.000	0.207
H6333	DN: Rozel Court	0.000	0.009	0.000	0.000	0.009
H6334	DN: Cuckmere Lane	0.600	0.072	0.000	0.000	0.672
		5.584	1.188	(0.045)	0.000	6.727

Warm & Energy Efficient

H1134	Insulation Works - City Wide	0.150	0.000	(0.006)	0.000	0.144
H1135	External Wall Insulation - Kingsland Estate	0.000	0.133	0.000	0.000	0.133
H1302	Renewable Energy Source	0.000	0.020	0.000	0.000	0.020
H1355	ECO: Thornhill District Energy Scheme	12.134	0.410	0.000	0.000	12.544
H135A	ECO - Staffing Costs	0.410	0.000	(0.042)	0.000	0.368
H135B	ECO - Capita Costs	0.080	0.000	0.000	0.000	0.080
H135C	ECO - Planning & Legal Costs	0.080	0.000	0.000	0.000	0.080
H135D	ECO - Works / Holding	5.335	0.000	0.000	0.000	5.335
		18.189	0.563	(0.048)	0.000	18.704

TOTAL HRA PROGRAMME

		59.011	8.000	(1.025)	0.000	65.986
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TOTAL PROGRAMME

		137.161	33.665	(1.165)	3.209	172.870
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** £0.18M was rephased from 2018/19 to 2016/17

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VARIATIONS to 2016/17 SINCE FEBRUARY 2017 CAPITAL UPDATE

Portfolio	Scheme	£M	Delegated Approval	Funding Source	Appendix 2 Ref.
<u>Additions to the Programme</u>					
E&T - City Services	AWC Implementation	0.01	**	Contributions (S106)	CS1
Transport	Congestion Reduction	0.01	**	Contributions (S106)	E&T1
	Sustainable Travel	0.03	**	Contributions (S106)	E&T2
	Highways Improvements	0.02	**	Contributions (S106)	E&T3
	Public Transport	0.01	**	Contributions (S106)	E&T4
	Other Highways	0.08	**	Government Grant	E&T5
	GENERAL FUND TOTAL	0.16			
	Station Boulevard Substations	0.25	**	Capital Receipts	HRA1
	GRAND TOTAL	0.41			

** - Approved under Delegated Powers

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DECISION-MAKER:	GOVERNANCE COMMITTEE COUNCIL		
SUBJECT:	REVIEW OF PRUDENTIAL LIMITS AND TREASURY MANAGEMENT OUTTURN 2016/17		
DATE OF DECISION:	12 JUNE 2017 19 JULY 2017		
REPORT OF:	SECTION 151 OFFICER (S151)		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Sue Cuerden	Tel: 023 8083 4153
	E-mail:	sue.cuerden@southampton.gov.uk	
Director	Name:	Mel Creighton	Tel: 023 8083 4897
	E-mail:	Mel.Creighton@southampton.gov.uk	
STATEMENT OF CONFIDENTIALITY			
NOT APPLICABLE			

BRIEF SUMMARY

The purpose of this report is to inform the Governance Committee and Council of the Treasury Management activities and performance for 2016/17 against the approved Prudential Indicators for External Debt and Treasury Management.

This report specifically highlights that:

- i. Borrowing activities have been undertaken within the borrowing limits approved by Council on 15 February 2017.
- ii. Current Investment strategy is to continue to diversify into more secure and/or higher yielding asset classes and move away from the increasing risk and low returns gained from short term unsecured bank investments. Returns during 2016/17 were £1.4M at an average rate of 1.94%.
- iii. The Council's strategy was to minimise borrowing to below its Capital Financing Requirement (CFR), the difference representing balances, reserves, provisions and working capital. This approach lowers interest costs, reduces credit risk and relieves pressure on the Council's counterparty list. Throughout the year, capital expenditure levels, market conditions and interest rate levels were monitored to minimise borrowing costs over the medium to longer term and to maintain stability.
- iv. The differential between debt costs and investment earnings continued to be acute, resulting in the use of internal resources in lieu of borrowing often being the most cost effective means of financing capital expenditure. As a result the average rate for repayment of debt, (the Consolidated Loans & Investment Account Rate – CLIA), at 3.33%, is lower than that budgeted and slightly lower than last year (3.34%). This includes £30M of short term debt which was taken during the year. No new long term loans were taken during the year due to slippage in the capital programme and higher than expected balances. The predicted forecast for longer term debt is a steady increase in the longer term and so new long term borrowing is likely to be taken out above this rate, leading to an anticipated increase in the CLIA rate.

- v. In achieving interest rate savings the Council is exposed to interest rate risk by taking out variable debt. This was and continues to be very financially favourable in current markets but does mean that close monitoring of the markets is required to ensure that the Council can act quickly should the situation begin to change.
- vi. Net loan debt increased during 2016/17 from £243M to £278M as detailed in paragraph 14.
- vii. The Council can confirm that it has complied with the Prudential Indicators approved by Full Council on 15 February 2017.
- viii. Due to the early production of this report, forecast capital expenditure and financing is not yet finalised, any material changes to these figures and the subsequent impact on indicators will be reported as part of the capital update being submitted to council, alongside this report, on 19 July 2017.

RECOMMENDATIONS:

GOVERNANCE COMMITTEE

Governance committee recommended that Council:

- i) Notes the Treasury Management (TM) activities for 2016/17 and the outturn on the Prudential Indicators
- ii) Notes that the continued proactive approach to TM has led to reductions in borrowing costs and safeguarded investment income during the year.
- iii) Continues to delegate authority to the S151 Officer to make any future changes which benefit the authority and to report back at the next Treasury update.
- iv) Note that due to the timing of this report, changes may still be required following the finalisation of capital and revenue budgets and therefore any significant changes to this report will be highlighted in the final version that is presented to Full Council.

COUNCIL

It recommended that Council:

- i) Notes the Treasury Management (TM) activities for 2016/17 and the outturn on the Prudential Indicators
- ii) Notes that the continued proactive approach to TM has led to reductions in borrowing costs and safeguarded investment income during the year.
- iii) Continues to delegate authority to the S151 Officer to make any future changes which benefit the authority and to report back at the next Treasury update.
- iv) Note that due to the early timing of the report to Governance committee, changes have been made to this report following the finalisation of capital and revenue budgets. There have been no changes to the outturn figures but the forecast figures have been updated to reflect the capital report being submitted.

REASONS FOR REPORT RECOMMENDATIONS

1. The reporting of the outturn position for 2016/17 forms part of the approval of the statutory accounts. The Treasury Management (TM) Strategy and Prudential Indicators are approved by Council in February each year in accordance with legislation and the Chartered Institute of Public Finance & Accountancy (CIPFA) Code of Practice.
2. The Treasury Management Code requires public sector authorities to determine an annual TM Strategy and now, as a minimum, formally report on their treasury activities and arrangements to full Council mid-year and after the year-end. These reports enable those tasked with implementing policies and undertaking transactions to demonstrate they have properly fulfilled their responsibilities, and enable those with ultimate responsibility/governance of the TM function to scrutinise and assess its effectiveness and compliance with policies and objectives.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3. No alternative options are relevant to this report

DETAIL (Including consultation carried out)

CONSULTATION

4. Not applicable

BACKGROUND

5. The Local Government Act 2003 introduced a system for borrowing based largely on self-regulation by local authorities themselves. The basic principle of the new system is that local authorities will be free to borrow as long as their capital spending plans are affordable, prudent and sustainable.
6. The Chartered Institute of Public Finance and Accountancy's Treasury Management Code (CIPFA's TM Code) requires that authorities report on the performance of the treasury management function at least twice a year (mid-year and at year end).
7. The Authority's TM Strategy for 2016/17 was approved by full Authority on 10 February 2016 which can be accessed as Item 76 on the Council Meetings Agenda found via the following web link:

[Prudential Limits and Treasury Management Strategy 2016/17 to 2018/19](#)

These were subsequently revised as part of the Council's Treasury Management Strategy Statement for 2017 on 15 February 2017, item 73.

[Prudential Limits and Treasury Management Strategy 2017/18 to 2020/21](#)

8. Overall responsibility for treasury management remains with the Council. No TM activity is without risk; the effective identification and management of risk are integral to the Council's treasury management objectives. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. This report covers treasury activity and the associated monitoring and control of risk.

9. This report:
- is prepared in accordance with the revised CIPFA Treasury Management Code and the revised Prudential Code;
 - presents details of capital financing, borrowing, debt rescheduling and investment transactions;
 - reports on the risk implications of treasury decisions and transactions;
 - gives details of the outturn position on treasury management transactions in 2016/17; and
 - confirms compliance with treasury limits and Prudential Indicators.
10. Appendix 1 summarises the economic outlook and events in the context of which the Council operated its treasury function during 2016/17.

BORROWING REQUIREMENT AND DEBT MANAGEMENT

11. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR). The CFR, together with balances and useable reserves, are the core drivers of TM Activity and the year-on-year change is summarised in table 1 below. The borrowing CFR has increased as new capital expenditure was higher than the financing applied to it. Net borrowing has decreased despite this increase due to a rise in both working capital and usable reserves. As detailed in paragraphs 21 to 24 below, the Authority's current strategy is to maintain borrowing and investments below their underlying levels in order to reduce risk and keep interest costs low.

Table 1 – Balance Sheet Summary

	31/03/2016 Actual £M	2016/17 Movement £M	31/03/2017 Actual £M
General Fund CFR	280.80	41.76	322.56
Housing CFR	155.00	8.25	163.25
Total Opening CFR	435.80	50.01	485.81
Less Other Long Term Liabilities*	(80.00)	2.82	(77.18)
Borrowing CFR	355.80	52.83	408.63
Less Usable Reserves	(111.42)	(16.10)	(127.52)
Less Working Capital	(6.47)	(58.28)	(64.75)
Net Borrowing	237.91	(21.55)	216.36

* finance leases, PFI liabilities and Transferred debt that form part of the authority's total debt

12. The Authority is able to borrow funds in excess of the current level of its CFR up to the projected level in 2019/20. The Authority is likely to only borrow in advance of need if it felt the benefits of borrowing at interest rates now compared to where they are expected to be in the future, outweighs the current cost and risks associated with investing the proceeds until the borrowing is actually required.
13. The forecast movement in coming years is one of the Prudential Indicators (PIs). The movement in actual external debt and usable reserves combine to identify the Authority's borrowing requirement and potential investment strategy in the current and future years. This is shown in the tables below together with activity in the year.

14. **Table 2: Borrowing and Investment Position**

	31-Mar-16 Actual	31-Mar-16 Average Rate	31st March 2017	Average Rate	31-Mar-18 Forecast	31-Mar-18 Forecast Average Rate
	£M	%	£M	%	£M	%
External Borrowing:						
Fixed Rate – PWLB Maturity	139	3.90	139	3.90	232	3.56
Fixed Rate – PWLB EIP	58	3.38	46	3.38	35	3.38
Variable Rate – PWLB	35	0.70	35	0.60	35	0.51
Fixed Rate – LOBO	9	4.87	9	4.86	9	4.85
Long Term Borrowing	241	3.35	229	3.33	311	3.16
Short Term Borrowing						
Fixed Rate – Market	8	0.53	31	0.40	41	0.50
Other Long Term Liabilities						
PFI Schemes	65	9.46	62	9.51	60	9.51
Deferred Debt Charges (HCC)	15	3.14	15	3.08	15	3.16
Total Gross External Debt	329	5.70	337	4.36	427	3.90
Investments:						
Managed In-House						
Bank & Building Societies (unsecured)	(10)	0.83	(9)	0.62	(8)	0.46
Covered Bonds (secured)	(21)	1.00	(12)	1.10	(8)	1.39
Multi - National Bonds (not subject to bail in)	(4)	5.30	(4)	5.30	(3)	5.30
Corporate and Other Bonds (not subject to bail in)	(14)	2.03	(3)	0.87	0	0.00
Money Market Funds	(30)	0.50	(14)	0.29	(10)	0.20
Managed Externally						
Pooled Funds (CCLA)	(7)	5.03	(17)	4.77	(27)	4.5
Total Investments	(86)	2.14	(59)	2.74	(56)	2.75
Net Debt	243		278		371	

Table 3: Movement in Borrowing during the year

	Balance on 01/04/2016	Debt Maturing or Repaid	New Borrowing	Balance as at 31/3/2017	Increase/ (Decrease) in Borrowing	Average Life / Average Rate %	
	£M	£M	£M	£M	£M	Life	%
Short Term Borrowing	8	(8)	31	31	23	6 Months	0.40
Long Term Borrowing	241	(12)	0	229	(12)	22 Years	3.33
Total Borrowing	249	(20)	31	260	11		

Please note that these figures do not reflect the accounting convention of moving loans maturing in the year from long term to short term.

16. When the strategy was last updated in February 2017, the CFR was estimated at £508.1M, the Council's actual CFR at the end of the year was £485.8M, as detailed in section 2 of Appendix 2. This decrease was mainly due to slippage in the capital programme.
17. The Authority's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective.
18. In undertaking of these objectives, no new long term borrowing was undertaken and short borrowing was kept to a minimum during the year, while existing loans were allowed to mature without replacement. This strategy enabled the Authority to reduce net borrowing costs (despite foregone investment income) and reduce

overall treasury risk.

The “cost of carry” analysis did not indicate any value in borrowing in advance for future years’ planned expenditure and therefore none was taken.

19. The PWLB remains the Council’s preferred source of long term borrowing given the transparency and control that its facilities continue to provide. However due to the continued depressed markets and the ‘cost of carry’ associated with long term debt, the Council deferred long term borrowing and has continued to use internal resources to finance the capital programme. This will be kept under review during 2017/18 with the need to resource an increasing capital programme.

Loans at Variable Rates

20. Included within the debt portfolio is £35M of PWLB variable rate loans which during 2016/17 averaged a rate of 0.60% this helps to mitigate the impact of changes in variable rates on the Authority’s overall treasury portfolio (the Authority’s investments are deemed to be variable rate investments due to their short-term nature). This strategic exposure to variable interest rates will be regularly reviewed and, if appropriate, reduced by switching into fixed rate loans.

Internal Borrowing

21. Given the significant cuts to local government funding putting pressure on Council finances, the strategy followed was to minimise debt interest payments without compromising the longer-term stability of the portfolio.
22. As at the 31 March 2017 the Council used £149M 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 term and the Council will need to borrow to cover this amount as balances fall. Following the latest update of the Capital Programme, approved by Council in February 2017 and adjusted for slippage from 2016/17, the Council is expected to borrow up to £161.7M between 2017/18 and 2020/21. Of this £124.5M relates to new capital spend (£69.9M GF and £54.6M HRA) and the remainder to the refinancing of existing debt and externalising internal debt to cover the expected fall in balances and also the possible need to lock back into longer term debt prior to interest rises.
23. However as short-term interest rates have remained low, and are likely to remain at least over the forthcoming two years, lower than long-term rates, the Authority determined it was more cost effective in the short-term to use internal resources instead.
24. The benefits of internal borrowing were monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise providing that balances can support it. Our advisors assist the Authority with this ‘cost of carry’ and breakeven analysis.

Lender’s Option Borrower’s Option Loans (LOBOs)

25. The Authority holds £9M of LOBO loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. All of these LOBOS had options during the year, none of which were

exercised by the lender, but if they were it is likely that they would be replaced by a PWLB loan.

Debt Rescheduling

26. The premium charge for early repayment of PWLB debt remained relatively expensive for the loans in the Authority’s portfolio and therefore unattractive for debt rescheduling activity. No rescheduling activity was undertaken as a consequence.

INVESTMENT ACTIVITY

27. Both the CIPFA and DCLG’s Investment Guidance requires the authority to invest prudently and have regard to the security and liquidity of investments before seeking the optimum yield.
28. The Authority has held significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During 2016/17 the Authority’s investment balances have ranged between £58M and £108.5M. Movement in year is summarised in the table below:

Table 4: Investment activity during the year

	Balance on 01/04/2016	Investments Repaid	New Investments	Balance as at 31/3/2017	Increase/ (Decrease) in Investment for Year	Average Life / Average Rate %	
	£M	£M	£M	£M	£M	Life	%
Notice Account	(5)			(5)	0	180 days	0.90
Covered Bonds (secured)	(21)	9		(12)	9	1.27 years	1.10
Multi - National Bonds (not subject to bail)	(4)			(4)	0	5.47 years	5.30
Corporate and Other Bonds (not subject)	(17)	21	(7)	(3)	14	68 days	0.87
Money Market Funds and Call Account	(32)	431	(417)	(18)	14	1 day	0.29
Pooled Funds (CCLA)	(7)	0	(10)	(17)	(10)	Unspecified	4.77
Total Investments	(86)	461	(434)	(59)	27		1.46

29. Security of capital has remained the Authority’s main investment objective. This has been maintained by following the Authority’s counterparty policy as set out in its TM Strategy Statement for 2016/17. The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio, which is supplied by our advisors. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment.

	Target	Actual
Portfolio average credit rating	A-	AA-

30. Counterparty credit quality was assessed and monitored with reference to credit ratings (the Authority’s minimum long-term counterparty rating is A-) across rating agencies Fitch, S&P and Moody’s); for financial institutions analysis of funding structure and susceptibility to bail-in, credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. The authority also used secured investments products that provide collateral in the event that the counterparty cannot meet its

obligations for repayment.

31. The table below summarises the Council's investment portfolio at 31 March 2017 by credit rating and confirms that all investments were made in line with the Council's approved credit rating criteria:

Table 5: Credit ratings of Investments held at 31st March 2017

32.

Credit Rating	Long Term		Short Term	
	2016	2017	2016	2017
	£000	£000	£000	£000
AAA	12,556	8,308	11,128	4,636
AA+	3,358	3,125	3,660	138
AA				61
AA-			2,212	8,278
A+			2,702	5,645
A			16,303	9,015
A-				3,175
Shares in unlisted companies	20	20		
Unrated pooled funds	7,597	16,646	29,169	140
Total Investments	23,531	28,099	65,174	31,088

Credit Developments and Credit Risk Management

33. Various indicators of credit risk reacted negatively to the result of the referendum on the UK's membership of the European Union. UK bank credit default swaps saw a modest rise but bank share prices fell sharply, on average by 20%, with UK-focused banks experiencing the largest falls. Non-UK bank share prices were not immune, although the fall in their share prices was less pronounced.
34. Fitch and Standard & Poor's downgraded the UK's sovereign rating to AA. Fitch, S&P and Moody's have a negative outlook on the UK. Moody's has a negative outlook on those banks and building societies that it perceives to be exposed to a more challenging operating environment arising from the 'leave' outcome.
35. None of the banks on the Authority's lending list failed the stress tests conducted by the European Banking Authority in July and by the Bank of England in November, the latter being designed with more challenging stress scenarios, although Royal Bank of Scotland was one of the weaker banks in both tests.

The tests were based on banks' financials as at 31st December 2015, 11 months out of date for most. As part of its creditworthiness research and advice, the Authority's treasury advisor Arlingclose regularly undertakes analysis of relevant ratios - "total loss absorbing capacity" (TLAC) or "minimum requirement for eligible liabilities" (MREL) - to determine whether there would be a bail-in of senior investors, such as local authority unsecured investments, in a stressed scenario.

36. Or advisors produce quarterly benchmarking which shows the breakdown of our

investments and how we compare to their other clients and other English Unitary Authority's, this shows that on average we have a higher credit rating and have less exposure to Bail- in which reflects our change in strategy since 2015. Details can be seen in Appendix 3. It also shows that on average the return on our internal investments at 1.02% is higher than the average of 0.67%.

Liquidity Management

37. In keeping with the DCLG's Guidance on Investments, the Council maintained a sufficient level of liquidity through the use of Money Market Funds and call accounts. There is no perceived risk that the Council will be unable to raise finance to meet its commitments. The Council also has to manage the risk that it will be exposed to replenishing a significant proportion of its borrowing at a time of unfavourable interest rates. The Council would only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities. The maturity analysis of the Council's fixed rate debt at 31 March 2017 can be seen in section 6 of Appendix 2.

Externally Managed Funds

38. The Council has invested £17M in property funds which offer the potential for enhanced returns over the longer term, but will 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.
39. During 2016/17 this investment returned an average yield of 4.46% against the initial investment, but made a notional "loss" at year end of £0.4M being valued at £16.6M, this is due to a precautionary downward revaluation of 4% following Brexit, in line with other property funds, and a change in the way the asset is now valued at year end, using the bid price as opposed to NAV (Net Asset Value).
40. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives is regularly reviewed. In light of their strong performance and the Authority's latest cash flow forecasts and income generation target, investment in these funds has been increased for the 2017/18 financial year.

COMPLIANCE WITH PRUDENTIAL INDICATORS

41. The Council can confirm that it has complied with its Prudential Indicators for 2016/17, approved by Full Council on 10 February 2016 which can be accessed as Item 76 on the Council Meetings Agenda found via the following web link:
[Prudential Limits and Treasury Management Strategy 2016/17 to 2018/19](#)

These were subsequently revised as part of the Council's Treasury Management Strategy Statement for 2017 on 15 February 2017, item 73.

[Prudential Limits and Treasury Management Strategy 2017/18 to 2020/21](#)

42. In compliance with the requirements of the CIPFA Code of Practice this report provides members with a summary report of TM activity during 2016/17. None of the Prudential Indicators has been breached and a prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield. The table below summarises the Key Indicators other indicators can be found in Appendix 2.

43. **Table 6: Key Prudential Indicators**

Indicator	Limit	Actual at 31 March 2017
Authorised Limit for external debt £M	£863M	£337M
Operational Limit for external debt £M	£700M	£337M
Maximum external borrowing in year		£265M
Limit of fixed interest debt %	100%	83%
Limit of variable interest debt %	50%	17%
Limit for Non-specified investments £M	£115M	£35M

OTHER ITEMS

Future Developments and Amendment to Prudential Indicators

44. The approved 2016/17 general fund revenue estimates assumed an additional net £1M of revenue income to be generated from the creation of the Property Investment Fund (PIF). An investment business plan has been drawn up and identifies the potential types of investment that may be undertaken. One of these options is the potential to undertake further investment in property funds. It is expected that this activity can be accommodated within the current borrowing limits and prudential indicators agreed as part of the approved TM Strategy. However, these limits and indicators will be reviewed in line with any investment activity of this type. It is recommended that the S151 officer continues to have delegated authority to approve any changes required to the limits and indicators that will aid good treasury management. Any amendments will be reported as part of the quarterly financial and performance monitoring and in the TM Strategy Review.

Investment Training

45. The needs of the Authority's treasury management staff for training in investment management are assessed as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change. During 2016/17 staff attended training courses, seminars and conferences provided by our advisors (Arlingclose) and CIPFA.

RESOURCE IMPLICATIONS

Capital / Revenue

46. This report is a requirement of the TM Strategy, which was approved at Council on 10 February 2016 and further revised on 15 February 2017.

47. 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 of financing the Authority's loan debt amounted to £8.5M in 2016/17. This is lower than budgeted mainly due to variable interest rates being lower than those estimated and the deferment of any new long term borrowing.

48. In addition interest earned on temporary balances invested externally is credited to the Income and Expenditure account. In 2016/17 £1.4M was earned which was higher than budgeted mainly due to continuing investment in bonds and LAPF as detailed in paragraphs 26 - 37 above.
49. Overall this has given a saving against the TM Budget of £2.3M.
50. The expenses of managing the Authority's loan debt consist of brokerage and internal administration charges. These are pooled and borne by the HRA and General Fund proportionately to the related loan debt. Debt management expenses amounted to £0.13M in 2016/17 compared to an estimate of £0.18M. This decrease was mainly due a reduction in brokerage costs due to fewer treasury deals being undertaken and deferring PWLB borrowing resulting in a saving on commission paid in year.

Property/Other

51. None

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

52. Local Authority borrowing is regulated by Part 1, of the Local Government Act 2003, which introduced the new Prudential Capital Finance System. From 1 April 2004, investments are dealt with, not in secondary legislation, but through guidance. Similarly, there is guidance on prudent investment practice, issued by the Secretary of State under Section 15(1)(a) of the 2003 Act. A local authority has the power to invest for "any purpose relevant to its functions under any enactment or for the purposes of the prudent management of its financial affairs". The reference to the "prudent management of its financial affairs" is included to cover investments, which are not directly linked to identifiable statutory functions but are simply made in the course of treasury management. This also allows the temporary investment of funds borrowed for the purpose of expenditure in the reasonably near future; however, the speculative procedure of borrowing purely in order to invest and make a return remains unlawful.

Other Legal Implications:

53. None

RISK MANAGEMENT IMPLICATIONS

54. Not Applicable

POLICY FRAMEWORK IMPLICATIONS

55. This report has been prepared in accordance with the CIPFA Code of Practice on TM.

KEY DECISION? No

WARDS/COMMUNITIES AFFECTED:

SUPPORTING DOCUMENTATION

Appendices

1.	2016/17 Economic Background
2.	Compliance with Prudential Indicators During 2016/17
3.	Southampton Benchmarking 31 st March 2017
4.	Glossary of Treasury Terms

Documents In Members' Rooms

1.	None
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Equality Impact Assessment

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.	No
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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.	Prudential Limits and Treasury Management Strategy 2016/17 to 2018/19	
2.	Prudential Limits and Treasury Management Strategy 2017/18 to 2020/21	

ECONOMIC BACKGROUND

Economic background for 2016/17: Politically, 2016/17 saw the UK voted to leave the European Union and Donald Trump was elected the 45th President of the USA. Uncertainty over the outcome of the US presidential election, the UK's future relationship with the EU and the slowdown witnessed in the Chinese economy in early 2016 all resulted in significant market volatility during the year. Article 50 of the Lisbon Treaty, which sets in motion the 2-year exit period from the EU, was triggered on 29th March 2017.

UK inflation had been subdued in the first half of 2016 as a consequence of weak global price pressures, past movements in sterling and restrained domestic price growth. However the sharp fall in the Sterling exchange rate following the referendum had an impact on import prices which, together with rising energy prices, resulted in CPI rising from 0.3% year/year in April 2016 to 2.3% year/year in March 2017. In addition to the political fallout, the referendum's outcome also prompted a decline in household, business and investor sentiment. The repercussions on economic growth were judged by the Bank of England to be sufficiently severe to prompt its Monetary Policy Committee (MPC) to cut the Bank Rate to 0.25% in August and embark on further gilt and corporate bond purchases as well as provide cheap funding for banks via the Term Funding Scheme to maintain the supply of credit to the economy.

Despite growth forecasts being downgraded, economic activity was fairly buoyant and GDP grew 0.6%, 0.5% and 0.7% in the second, third and fourth calendar quarters of 2016. The labour market also proved resilient, with the ILO unemployment rate dropping to 4.7% in February, its lowest level in 11 years. Following a strengthening labour market, in moves that were largely anticipated, the US Federal Reserve increased rates at its meetings in December 2016 and March 2017, taking the target range for official interest rates to between 0.75% and 1.00%.

Financial markets 2016/17: Following the referendum result, gilt yields fell sharply across the maturity spectrum on the view that Bank Rate would remain extremely low for the foreseeable future. After September there was a reversal in longer-dated gilt yields which moved higher, largely due to the MPC revising its earlier forecast that Bank Rate would be dropping to near 0% by the end of 2016. The yield on the 10-year gilt rose from 0.75% at the end of September to 1.24% at the end of December, almost back at pre-referendum levels of 1.37% on 23rd June. 20- and 50-year gilt yields also rose in Q3 2017 to 1.76% and 1.70% respectively, however in Q4 yields remained flat at around 1.62% and 1.58% respectively. After recovering from an initial sharp drop in Q2, equity markets rallied, although displaying some volatility at the beginning of November following the US presidential election result. The FTSE-100 and FTSE All Share indices closed at 7342 and 3996 respectively on 31st March, both up 18% over the year. Commercial property values fell around 5% after the referendum, but had mostly recovered by the end of March.

Money market rates for overnight and one week periods remained low since Bank Rate was cut in August. 1- and 3-month LIBID rates averaged 0.36% and 0.47% respectively during 2016-17. Rates for 6- and 12-months increased between August and November, only to gradually fall back to August levels in March, they averaged 0.6% and 0.79% respectively during 2016-17.

Outlook for 2017/18

Globally, the outlook is mixed and risks remain weighted to the downside. It is likely that the UK is heading for a soft patch or recession, but the likely depth of this should be more limited than the last as the global backdrop is not as desperate as at the end of the last decade. It is anticipated however that the Bank Rate will remain at 0.25%.

Gilt yields have fallen as expected but the prediction is for yields to remain broadly stable during 2017, so no material rise in the PWLB rate is expected. This is set against the following Underlying assumptions:

- The outlook for the UK economy appears more uncertain following an inconclusive election result; that leaves the government re-thinking its Brexit strategy even as negotiations start. Even if the government takes a more conciliatory stance for a 'softer' Brexit, there is no guarantee the rest of the EU will agree to it.
- The growth outlook for the global economy also appears more mixed; US growth will only be satisfactory, while China's growth rate will continue to weaken. The Eurozone appears to be a relative bright spot at the moment.
- The outlook for the UK economy is challenging. As expected, economic growth is slowing as higher inflation and lower confidence weigh on activity UK Q1 GDP growth was just 0.2%. While there are signs of a recovery for Q2, the likelihood of a return to substantially higher growth rates is low.
- Household consumption growth, the recent driver of UK GDP growth, has softened; with employment plateauing and real wages contracting, a recovery back to strong 2016 rates in the short to medium term is improbable.
- The depreciation in sterling may assist the economy to rebalance away from spending. The usual negative contribution from net trade to GDP growth this likely to diminish, largely due to weaker domestic demand. Export volumes will increase, helped by a stronger Eurozone economic expansion.
- Given the pressure on household spending and business investment, the rise in inflation is unlikely to prompt monetary tightening by the Bank of England, with policymakers looking through import-led CPI spikes to the negative effects of Brexit on economic activity and, ultimately, inflation.
- Bank of England policymakers have, however, highlighted that excessive levels of inflation will not be tolerated for sustained periods, particularly if this feeds through into wage growth. Indeed, in a surprising outcome, three MPC members recently voted for a rate hike.
- The global environment remains uncertain, with repercussions for financial market volatility and long-term interest rates. The Federal Reserve is tightening US monetary policy, geo-political tension is elevated (Syria and North Korea), and the rally in risky assets is fading somewhat as markets re-assess the Trump administration's ability to deliver on its electoral policies.

COMPLIANCE WITH PRUDENTIAL INDICATORS DURING 2016/17

The Local Government Act 2003 requires the Authority to have regard to the Chartered Institute of Public Finance and Accountancy's Prudential Code for Capital Finance in Local Authorities (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Authority has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

The Council complied with all of its Prudential Indicators. Details of the performance against key indicators are shown below:

1. Capital Expenditure

This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits, and, in particular, to consider the impact on Council Tax and in the case of the HRA, housing rent levels. Council approved the Capital Programme for 2016/17 to 2020/21 in February 2017. Planned capital expenditure and financing is summarised below, together with actual for 2016/17. The forecast has been amended to reflect the Capital update being submitted to council on 19 July 2017.

Capital Expenditure and Financing	Actual 2016/17 £M	Forecast 2017/18 £M	Forecast 2018/19 £M	Forecast 2019/20 £M	Forecast 2020/21 £M
General Fund	69.43	105.28	24.15	5.64	2.92
HRA	51.20	65.99	42.08	32.85	41.05
Total Expenditure	120.63	171.27	66.23	38.49	43.97
Capital receipts	9.22	14.01	8.44	2.33	1.38
Capital Grants	20.75	29.99	6.96	2.12	2.12
Contributions	3.54	6.73	2.13	0.00	0.00
Major Repairs Allowance	18.89	19.26	19.45	19.78	20.20
Other Council Resources	9.68	14.01	11.21	1.52	9.73
Total Financing	62.08	84.00	48.19	25.75	33.43
Council Resources - borrowing	58.55	87.27	18.04	12.74	10.54
Total Funding	58.55	87.27	18.04	12.74	10.54
Total Financing & Funding	120.63	171.27	66.23	38.49	43.97

2. Gross Debt and the Capital Financing Requirement

This is a key indicator of prudence. In order to ensure that over the medium term debt will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for the current and next two financial years. If in any of these years there is a reduction in the CFR, this reduction is ignored in estimating the cumulative increase in the CFR which is used for comparison with gross external debt. The S151 Officer reports that the Authority had no difficulty in meeting this requirement in 2015/16, nor are there any difficulties envisaged for future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

There is a significant difference between the gross external borrowing requirement and the net external borrowing requirement represented by the Council's level of balances, reserves, provisions and working capital. The Council's current strategy is only to borrow to the level of its net borrowing requirement. The reasons for this are to reduce credit risk, take pressure off the Council's lending list and also to avoid the cost of carry existing in the current interest rate

environment. The tables below detail our expected debt position and the year-on-year change to the CFR, updated to reflect the latest capital programme:

Gross Debt	31/03/2017 Actual £M	31/03/2018 Estimate £M	31/03/2019 Estimate £M	31/03/2020 Estimate £M	31/03/2021 Estimate £M
Borrowing (Long Term)	66.05	121.24	132.88	135.95	136.04
Borrowing (Short Term)	30.35	40.35	40.35	40.35	40.35
Finance leases and Private Finance Initiatives	62.26	60.42	58.32	55.31	52.14
Transferred Debt	14.92	14.55	14.19	13.83	13.46
Total General Fund Debt	173.58	236.56	245.74	245.44	242.00
HRA	163.25	189.46	189.51	181.06	181.55
Total Debt	336.83	426.00	435.30	426.50	423.60

	31/03/2017 Actual £M	31/03/2018 Forecast £M	31/03/2019 Forecast £M	31/03/2020 Forecast £M	31/03/2021 Forecast £M
Balance Brought forward	280.75	322.56	375.80	380.24	374.21
New Borrowing	43.72	55.45	12.06	3.25	0.50
MRP	(5.00)	(5.32)	(5.83)	(5.91)	(5.50)
Appropriations (to) from HRA	0.98	0.00	0.00	0.00	0.00
Movement in Other Liabilities	(2.89)	(2.21)	(2.47)	(3.37)	(3.54)
MRP Holiday	5.00	5.32	0.69	0.00	0.00
Total General Fund Debt	322.56	375.80	380.24	374.21	365.67
HRA (see table 16 for breakdown)	163.25	189.46	189.51	181.06	181.55
Total CFR	485.81	565.26	569.75	555.28	547.23

3. Authorised Limit and Operational Boundary for External Debt

The Operational Boundary for External Debt is based on the Authority's estimate of most likely, i.e. prudent, but not worst case scenario for external debt. It links directly to the Authority's estimates of capital expenditure, the capital financing requirement and cash flow requirements and is a key management tool for in-year monitoring. Other long-term liabilities comprise finance lease, Private Finance Initiative and other liabilities that are not borrowing but form part of the Authority's debt.

The Authorised Limit for External Debt is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the Authority can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

The S151 Officer confirms that there were no breaches to the Authorised Limit and the Operational Boundary during 2016/17; borrowing at its peak was £265.4M plus other deferred liabilities of £80M.

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

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

	Limits for 2016/17 (%)	Maximum during

		2016/17 (%)
Upper Limit for Fixed Rate Exposure	100	83
Compliance with Limits:	Yes	Yes
Upper Limit for Variable Rate Exposure	50	17
Compliance with Limits:	Yes	Yes

5. Total Principal Sums Invested for Periods Longer Than 364 days

This indicator allows the Council to manage the risk inherent in investments longer than 364 days and the limit is set at £80M. In 2016/17 the actual principal sum invested for periods longer than 364 days peaked at £32M, (compared to £27M in 2015/16). This reflects the continued investment into the longer term secured bond market.

6. Maturity Structure of Fixed Rate Borrowing

This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period.

	Lower Limit	Upper Limit	Actual Fixed Debt as at 31/3/2017	Average Fixed Rate as at 31/3/2017	% of Fixed	Compliance with set Limits?
Fixed Rate Debt	%	%	£M	%		
Under 12 months	0	45	39.36	3.08	18	Yes
12 months and within 24 months	0	45	0.00	0.00	0	Yes
24 months and within 5 years	0	50	46.45	3.23	21	Yes
5 years and within 10 years	0	75	0.00	0.00	0	Yes
20 years and within 30 years	0	75	15.00	4.65	7	Yes
30 years and within 40 years	0	75	77.90	3.83	35	Yes
40 years and within 50 years	0	75	45.95	3.54	20	Yes
			224.66	3.57	100	

Please note: the TM Code Guidance Notes (Page 15) states: "The maturity of borrowing should be determined by reference to the earliest date on which the lender can require payment. If the lender has the right to increase the interest rate payable without limit, such as in a LOBO loan, this should be treated as a right to require payment". For this indicator, the next option dates on the Council LOBO loans will therefore determine the maturity date of the loans.

7. Ratio of Financing Costs to Net Revenue Stream

This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet borrowing costs. The ratio is based on the forecast of net revenue expenditure in the medium term financial model. The upper limit for this ratio is currently set at 10% and will remain so for the General Fund to allow for known borrowing decision in the next two years and to allow for additional borrowing affecting major schemes. The table below shows the likely position based on the proposed capital programme (including cost of long term liabilities).

This indicator is not so relevant for the HRA, especially since the introduction of self-financing, as financing costs have been built into their 30 year business plan, including the voluntary payment of MRP, which is the main contributor for the increase in 2019/20 and 2020/21. No problem is seen with the affordability but if problems were to arise then the HRA would have the option not to make principle repayments in the early years.

Ratio of Financing Costs to Net Revenue Stream	2016/17 Actual %	2017/18 Forecast %	2018/19 Forecast %	2019/20 Forecast %	2020/21 Forecast %
General Fund	8.56*	7.79*	8.74*	8.85	6.84
HRA	14.12	14.33	15.14	30.90	19.94
Total	11.17	10.32	11.31	16.10	11.03

*The figure quoted as the actual for 2016/17 General Fund includes MRP due for the year but not actually charged to revenue due to previous overprovision.

8. Adoption of the CIPFA Treasury Management Code

This indicator demonstrates that the authority adopted the principles of best practice.

The Authority adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services Code* on 19 February 2003 and all its subsequent updates. (latest 2011 edition)

9. HRA Limit on Indebtedness

Local authorities are required to report the level of the HRA CFR compared to the level of debt which is imposed (or subsequently amended) by the DCLG at the time of implementation of self-financing. Forecast figures have been update to reflect capital programme being submitted to Council on 19th July 2017.

HRA Limit on Indebtedness	2016/17 Actual £M	2017/18 Forecast £M	2018/19 Forecast £M	2019/20 Forecast £M	2020/21 Forecast £M
Brought Forward	155.00	163.25	189.46	189.51	181.06
Maturing Debt	(5.60)	(5.59)	(5.93)	(17.94)	(9.55)
New borrowing	14.83	31.80	5.98	9.49	10.04
Appropriations (to) from HRA	(0.98)	0.00	0.00	0.00	0.00
Carried forward	163.25	189.46	189.51	181.06	181.55
HRA Debt Cap (as prescribed by CLG)	199.60	199.60	199.60	199.60	200.60
Headroom	36.35	10.14	10.09	18.54	19.05

10. Summary

As indicated in this report none of the Prudential Indicators have been breached.



Investment Benchmarking

31 March 2017

Southampton
20 English Unitaries Average
136 LAs Average

Internal Investments	£41.5m	£50.3m	£55.4m
External Funds	£16.6m	£9.0m	£8.2m
TOTAL INVESTMENTS	£58.2m	£59.2m	£63.6m

Security			
Average Credit Score	3.67	4.77	4.30
Average Credit Rating	AA-	A+	AA-
Average Credit Score (time-weighted)	1.38	4.25	3.97
Average Credit Rating (time-weighted)	AAA	AA-	AA-
Number of Counterparties / Funds	19	13	15
Proportion Exposed to Bail-in	55%	65%	60%

Liquidity			
Proportion Available within 7 days	31%	46%	44%
Proportion Available within 100 days	36%	68%	66%
Average Days to Maturity	331	119	47

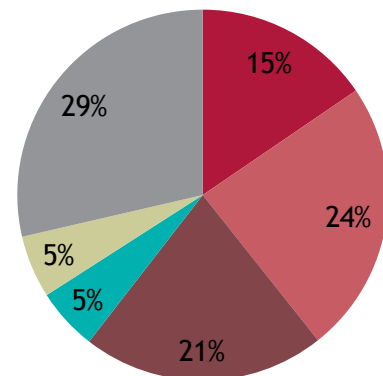
Market Risks			
Average Days to Next Rate Reset	241	128	68
External Fund Volatility	2.4%	1.5%	2.6%

Yield			
Internal Investment Return	1.02%	0.67%	0.61%
External Funds - Income Return	4.59%	3.89%	3.38%
External Funds - Capital Gains/Losses	-4.77%	-0.81%	0.27%
External Funds - Total Return	-0.18%	3.08%	3.64%
Total Investments - Income Return	2.04%	1.08%	0.99%

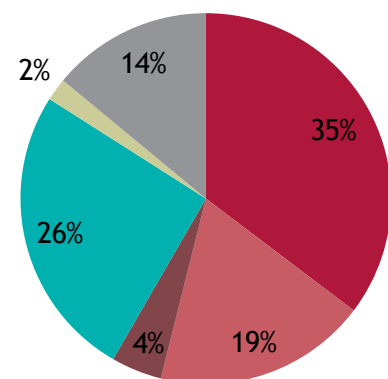
Notes

- Unless otherwise stated, all measures relate to internally managed investments only, i.e. excluding external pooled funds.
- Averages within a portfolio are weighted by size of investment, but averages across authorities are not weighted.
- Credit scores are calculated as AAA = 1, AA+ = 2, etc.
- Volatility is the standard deviation of weekly total returns, annualised.

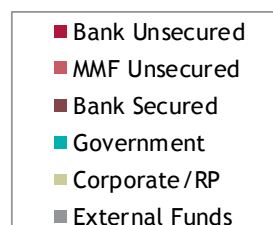
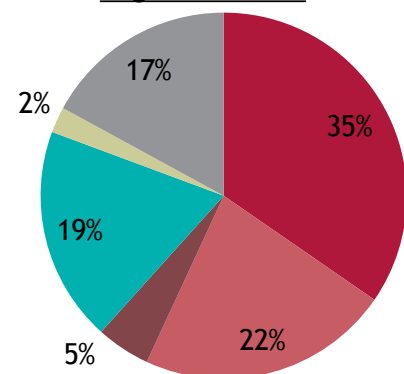
Southampton



All Arlingclose Clients



English Unitaries



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GLOSSARY OF TREASURY TERMS

Amortised Cost Accounting:

Values the asset at its purchase price, and then subtracts the premium/adds back the discount linearly over the life of the asset. The asset will be valued at par at its maturity.

Authorised Limit (Also known as the Affordable Limit):

A statutory limit that sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) for the Council. It is measured on a daily basis against all external borrowing items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities).

Balances and Reserves:

Accumulated sums that are maintained either earmarked for specific future costs or commitments or generally held to meet unforeseen or emergency expenditure.

Bail - in Risk:

Following the financial crisis of 2008 when governments in various jurisdictions injected billions of dollars into banks as part of bail-out packages, it was recognised that bondholders, who largely remained untouched through this period, should share the burden in future by making them forfeit part of their investment to "bail in" a bank before taxpayers are called upon.

A bail-in takes place before a bankruptcy and under current proposals, regulators would have the power to impose losses on bondholders while leaving untouched other creditors of similar stature, such as derivatives counterparties. A corollary to this is that bondholders will require more interest if they are to risk losing money to a bail-in.

Bank Rate:

The official interest rate set by the Bank of England's Monetary Policy Committee and what is generally termed at the "base rate". This rate is also referred to as the 'repo rate'.

Basis Point:

A unit of measure used in finance to describe the percentage change in the value or rate of a financial instrument. One basis point is equivalent to 0.01% (1/100th of a percent). In most cases, it refers to changes in **interest rates** and **bond yields**. For example, if interest rates rise by 25 basis points, it means that rates have risen by 0.25% percentage points. If rates were at 2.50%, and rose by 0.25%, or 25 basis points, the new interest rate would be 2.75%. In the bond market, a basis point is used to refer to the yield that a bond pays to the investor. For example, if a bond yield moves from 5.45% to 5.65%, it is said to have risen by 20 basis points. The usage of the basis point measure is primarily used in respect to yields and interest rates, but it may also be used to refer to the percentage change in the value of an asset such as a stock.

Bond:

A certificate of debt issued by a company, government, or other institution. The bond holder receives interest at a rate stated at the time of issue of the bond. The repayment date is also set at the onset but can be traded during its life, but this will affect the price of a bond which may vary during its life.

<p>Capital Expenditure:</p> <p>Expenditure on the acquisition, creation or enhancement of capital assets.</p>
<p>Capital Financing Requirement (CFR):</p> <p>The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need.</p>
<p>Certainty Rate:</p> <p>The government has reduced by 20 basis points (0.20%) the interest rates on loans via the Public Works Loan Board (PWLB) to principal local authorities who provide information as specified on their plans for long-term borrowing and associated capital spending.</p>
<p>CD's:</p> <p>Certificates of Deposits with banks and building societies</p>
<p>Capital Receipts:</p> <p>Money obtained on the sale of a capital asset.</p>
<p>Comprehensive Spending Review (CSR):</p> <p>Comprehensive Spending Review is a governmental process in the United Kingdom carried out by HM Treasury to set firm expenditure limits and, through public service agreements, define the key improvements that the public can expect from these resources. Spending Reviews typically focus upon one or several aspects of public spending while the CSR focuses upon each government department's spending requirements from a zero base (i.e. without reference to past plans or, initially, current expenditure).</p>
<p>Constant Net Asset Value (CNAV)</p> <p>These are Money Market Funds which maintain a stable price of £1 per share when investors redeem or purchase shares which mean that that any investment will not fluctuate in value.</p>
<p>Corporate Bonds:</p> <p>Corporate bonds are bonds issued by companies. The term is often used to cover all bonds other than those issued by governments in their own currencies and includes issues by companies, supranational organisations and government agencies.</p>
<p>Cost of Carry:</p> <p>The "cost of carry" is the difference between what is paid to borrow compared to the interest which could be earned. For example, if one takes out borrowing at 5% and invests the money at 1.5%, there is a cost of carry of 3.5%.</p>
<p>Counterparty List:</p> <p>List of approved financial institutions with which the Council can place investments with.</p>
<p>Covered Bond:</p> <p>Covered bonds are debt securities backed by cash flows from mortgages or public sector loans. They are similar in many ways to asset-backed securities created in securitisation, but covered bond assets remain on the issuer's consolidated balance sheet (usually with an appropriate capital charge). The covered bonds continue as obligations of the issuer (often</p>

a bank); in essence, the investor has recourse against the issuer and the collateral, sometimes known as "dual recourse."

CPI :

Consumer Price Index – the UK’s main measure of inflation.

Credit Rating:

Formal opinion by a registered rating agency of a counterparty’s future ability to meet its financial liabilities; these are opinions only and not guarantees.

Department for Communities and Local Government (DCLG) :

The DCLG is the UK Government department for Communities and Local Government in England. It was established in May 2006 and is the successor to the Office of the Deputy Prime Minister, established in 2001.

Debt Management Office (DMO):

The DMO is an Executive Agency of Her Majesty's Treasury and provides direct access for local authorities into a government deposit facility known as the **DMADF**. All deposits are guaranteed by HM Government and therefore have the equivalent of a sovereign triple-A credit rating.

Diversification /diversified exposure:

The spreading of investments among different types of assets or between markets in order to reduce risk.

European Investment Bank (EIB):

The European Investment Bank is the European Union's non-profit long-term lending institution established in 1958 under the Treaty of Rome. It is a "policy driven bank" whose shareholders are the member states of the EU. The EIB uses its financing operations to support projects that bring about European integration and social cohesion.

Federal Reserve:

The US central bank. (Often referred to as “the Fed”).

Floating rate notes (FRNs) :

Floating rate notes (FRNs) are debt securities with payments that are reset periodically against a benchmark rate, such as the three-month Treasury bill or the three-month London inter-bank offer rate (LIBOR). FRNs can be used to balance risks incurred through other interest rate instruments in an investment portfolio.

FTSE 100 Index:

The FTSE 100 Index is a share index of the 100 companies listed on the London Stock Exchange with the highest market capitalisation. It is one of the most widely used stock indices and is seen as a gauge of business prosperity for business regulated by UK company law. The index is maintained by the FTSE Group, a subsidiary of the London Stock Exchange Group.

General Fund:

This includes most of the day-to-day spending and income.

Gilts:

Gilts are bonds issued by the UK Government. They take their name from 'gilt-edged': being issued by the UK government, they are deemed to be very secure as the investor expects to receive the full face value of the bond to be repaid on maturity.

Gross Domestic Product (GDP):

Gross Domestic Product measures the value of goods and services produced with in a country. GDP is the most comprehensive overall measure of economic output and provides key insight as to the driving forces of the economy.

The G7:

The G7, is a group consisting of the finance ministers of seven industrialised nations: namely the US, UK, France, Germany, Italy, Canada and Japan. They are seven of the eight (China excluded) wealthiest nations on Earth, not by GDP but by global net wealth. The G7 represents more than the 66% of net global wealth (\$223 trillion), according to Credit Suisse Global Wealth Report September 2012.

IFRS:

International Financial Reporting Standards.

International Labour Organisation (ILO):

The ILO Unemployment Rate refers to the percentage of economically active people who are unemployed by ILO standard and replaced the Claimant Unemployment Rate as the international standard for unemployment measurement in the UK.. Under the ILO approach, those who are considered as unemployed are either out of work but are actively looking for a job or out of work and are waiting to start a new job in the next two weeks. ILO Unemployment Rate is measured by a monthly survey, which is called the Labour Force Survey in United Kingdom. Approximately 40,000 individuals are interviewed each month, and the unemployment figure reported is the average data for the previous three months.

LIBID:

The London Interbank Bid Rate (LIBID) is the rate bid by banks on Eurocurrency deposits (i.e. the rate at which a bank is willing to borrow from other banks). It is "the opposite" of the LIBOR (an offered, hence "ask" rate, the rate at which a bank will lend). Whilst the British Bankers' Association set LIBOR rates, there is no correspondent official LIBID fixing.

LIBOR:

The London Interbank Offered Rate (LIBOR) is the rate of interest that banks charge to lend money to each other. The British Bankers' Association (BBA) work with a small group of large banks to set the LIBOR rate each day. The wholesale markets allow banks who need money to be more fluid in the marketplace to borrow from those with surplus amounts. The banks with surplus amounts of money are keen to lend so that they can generate interest which it would not otherwise receive.

LOBO:

Stands for Lender Option Borrower Option. The underlying loan facility is typically very long-term - for example 40 to 60 years - and the interest rate is fixed. However, in the LOBO facility the lender has the option to call on the facilities at pre-determined future dates. On these call dates, the lender can propose or impose a new fixed rate for the remaining term of the facility and the borrower has the 'option' to either accept the new imposed fixed rate or repay the loan facility. The upshot of this is that on the option exercise date, the lender could propose an extreme fixed rate, say 20 per cent, which would

effectively force the repayment of the underlying facility. The borrower's so called 'option' is only the inalienable right to accept or refuse a new deal such as a fixed rate of 20 per cent.

Maturity:

The date when an investment or borrowing is repaid.

Maturity Structure / Profile:

A table or graph showing the amount (or percentage) of debt or investments maturing over a time period. The amount or percent maturing could be shown on a year-by-year or quarter-by quarter or month-by-month basis.

Minimum Revenue Provision (MRP):

An annual provision that the Council is statutorily required to set aside and charge to the Revenue Account for the repayment of debt associated with expenditure incurred on capital assets.

Money Market Funds (MMF):

An open-end mutual fund which invests only in money markets. These funds invest in short term debt obligations such as short-dated government debt, certificates of deposit and commercial paper. The main goal is the preservation of principal, accompanied by modest dividends. The fund's net asset value remains constant (eg £1 per unit) but the interest rate does fluctuate. These are liquid investments, and therefore, are often used by financial institutions to store money that is not currently invested. Risk is extremely low due to the high rating of the MMFs; many have achieved AAA credit status from the rating agencies:

- **Constant net asset value (CNAV)** refers to funds which use amortised cost accounting to value all of their assets. They aim to maintain a net asset value (NAV), or value of a share of the fund, at €1/£1/\$1 and calculate their price to two decimal places known as "penny rounding". Most CNAV funds distribute income to investors on a regular basis (distributing share classes), though some may choose to accumulate the income, or add it on to the NAV (accumulating share classes). The NAV of accumulating CNAV funds will vary by the income received.
- **Variable net asset value (VNAV)** refers to funds which use mark-to-market accounting to value some of their assets. The NAV of these funds will vary by a slight amount, due to the changing value of the assets and, in the case of an accumulating fund, by the amount of income received.

This means that a fund with an unchanging NAV is, by definition, CNAV, but a fund with a NAV that varies may be accumulating CNAV or distributing or accumulating VNAV.

Multilateral Development Banks:

See Supranational Bonds below.

Municipal Bonds Agency

An independent body owned by the local government sector that seeks to raise money on the capital markets at regular intervals to on-lend to participating local authorities.

Non Specified Investment:

Investments which fall outside the CLG Guidance for **Specified investments** (below).

Operational Boundary:

This linked directly to the Council's estimates of the CFR and estimates of other day to day cash flow requirements. This indicator is based on the same estimates as the Authorised

Limit reflecting the most likely prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

Premiums and Discounts:

In the context of local authority borrowing,

- (a) the premium is the penalty arising when a loan is redeemed prior to its maturity date and
- (b) the discount is the gain arising when a loan is redeemed prior to its maturity date.

If on a £1 million loan, it is calculated that a £150,000 premium is payable on premature redemption, then the amount paid by the borrower to redeem the loan is £1,150,000 plus accrued interest. If on a £1 million loan, it is calculated* that a £50,000 discount receivable on premature redemption, then the amount paid by the borrower to redeem the loan is £950,000 plus accrued interest. PWLB premium/discount rates are calculated according to the length of time to maturity, current market rates (plus a margin), and the existing loan rate which then produces a premium/discount dependent on whether the discount rate is lower/higher than the coupon rate.

**The calculation of the total amount payable to redeem a loan borrowed from the Public Works Loans Board (PWLB) is the present value of the remaining payments of principal and interest due in respect of the loan being repaid prematurely, calculated on normal actuarial principles. More details are contained in the PWLB's lending arrangements circular.*

Property:

Investment property is property (land or a building or part of a building or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both.

Prudential Code:

Developed by CIPFA and introduced on 01/4/2004 as a professional code of practice to support local authority capital investment planning within a clear, affordable, prudent and sustainable framework and in accordance with good professional practice.

Prudential Indicators:

Indicators determined by the local authority to define its capital expenditure and asset management framework. They are designed to support and record local decision making in a manner that is publicly accountable; they are not intended to be comparative performance indicators

Public Works Loans Board (PWLB):

This is a statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury. The PWLB's function is to lend money from the National Loans Fund to local authorities and other prescribed bodies, and to collect the repayments.

Quantitative Easing (QE):

In relation to the UK, it is the process used by the Bank of England to directly increase the quantity of money in the economy. It *“does not involve printing more banknotes. Instead, the Bank buys assets from private sector institutions – that could be insurance companies, pension funds, banks or non-financial firms – and credits the seller’s bank account. So the seller has more money in their bank account, while their bank holds a corresponding claim against the Bank of England (known as reserves). The end result is more money out in the wider economy”*. Source: Bank of England.

Repo Rate:

The interest rate at which the central bank in a country repurchases government securities (such as Treasury securities) from commercial banks. The central bank raises the repo rate when it wishes to reduce the money supply in the short term, while it lowers the rate when it wishes to increase the money supply and stimulate growth.

Revenue Expenditure:

Expenditure to meet the continuing cost of delivery of services including salaries and wages, the purchase of materials and capital financing charges.

RPI:

Retail Prices Index is a monthly index demonstrating the movement in the cost of living as it tracks the prices of goods and services including mortgage interest and rent. Pensions and index-linked gilts are uprated using the RPI index.

(Short) Term Deposits:

Deposits of cash with terms attached relating to maturity and rate of return (Interest).

Specified Investments:

Term used in the CLG Guidance and Welsh Assembly Guidance for Local Authority Investments. Investments that offer high security and high liquidity, in sterling and for no more than one year. UK government, local authorities and bodies that have a high credit rating.

Supported Borrowing:

Borrowing for which the costs are supported by the government or third party.

Supranational Bonds:

Instruments issued by supranational organisations created by governments through international treaties (often called **multilateral development banks**). The bonds carry a AAA rating in their own right. Examples of supranational organisations are the European Investment Bank, the International Bank for Reconstruction and Development.

Treasury (T) -Bills:

Treasury Bills are short term Government debt instruments and, just like temporary loans used by local authorities, are a means to manage cash flow. Treasury Bills (T-Bills) are issued by the Debt Management Office and are an eligible sovereign instrument, meaning that they have a AAA-rating.

Temporary Borrowing:

Borrowing to cover peaks and troughs of cash flow, not to fund capital spending.

Treasury Management Code:

CIPFA's Code of Practice for Treasury Management in the Public Services, initially brought in 2003, subsequently updated in 2009 and 2011.

Treasury Management Practices (TMP):

Treasury Management Practices set out the manner in which the Council will seek to achieve its policies and objectives and prescribe how it will manage and control these

activities.

Unsupported Borrowing:

Borrowing which is self-financed by the local authority. This is also sometimes referred to as Prudential Borrowing.

Variable Net Asset Value (VNAV):

Redemptions and investments in Money Market Funds (MMF's) are on the basis of the fund's Net Asset Value (NAV) per share. The NAV of any money market fund is the market value of the fund's assets minus its liabilities and is stated on a per share basis. The net value of the assets held by an MMF can fluctuate, and the market value of a share may not always be exactly the amount that has been invested.

Yield:

The measure of the return on an investment instrument.

DECISION-MAKER:	CABINET COUNCIL		
SUBJECT:	SHARED COMMISSIONING BETWEEN SOUTHAMPTON CITY COUNCIL AND SOUTHAMPTON CITY CLINICAL COMMISSIONING GROUP		
DATE OF DECISION:	18 JULY 2017 19 JULY 2017		
REPORT OF:	THE LEADER OF THE COUNCIL		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Sarita Riley, Service Lead, Legal Services Stephanie Ramsey, Director Quality and Integration	Tel: 023 80833218 023 80296941
	E-mail:	Sarita.Riley@southampton.gov.uk Stephanie.Ramsey@southampton.gov.uk	
Director	Name:	Dawn Baxendale, Chief Executive John Richards, Chief Executive	Tel: 023 80834428 023 80296923
	E-mail:	Dawn.Baxendale@southampton.gov.uk John.Richards@nhs.net	

STATEMENT OF CONFIDENTIALITY

None.

BRIEF SUMMARY

This report recommends further integration between health and social care in the city through the establishment of a Joint Commissioning Board to make joint decisions on behalf of the Council and CCG on certain agreed functions related to health and care. This will be in line with best practice and give Southampton a leading edge as there is an emerging consensus, both nationally and locally, about the opportunity to improve outcomes through a unified approach to health and care planning and funding (commissioning).

To contribute towards this it is proposed to build on the existing integrated commissioning arrangements by establishing a new Joint Commissioning Board which would have delegated powers from Council/Cabinet and the CCG General Assembly/ Governing Body to make joint decisions on behalf of the Council and CCG on certain functions related to health and care. It is proposed that the scope of the integrated commissioning arrangements will broadly mirror those areas of health and care commissioning covered by the Better Care Fund S75 plus other existing partnership agreements/shared funding arrangements.

RECOMMENDATIONS:**CABINET:**

- | | |
|------|--|
| (i) | To approve the establishment of a Joint Commissioning Board between the Council and Southampton City Clinical Commissioning Group to undertake Executive functions within the Boards proposed Terms of Reference. |
| (ii) | To delegate authority to undertake joint commissioning functions that are executive functions within agreed budgets to individual members of the Board (Officers and Members as appropriate) acting at Board meetings within the procedures set out in the terms of reference. |

COUNCIL:

- | | |
|-------|--|
| (i) | To approve the establishment of a Joint Commissioning Board between the Council and Southampton City Clinical Commissioning Group to undertake non-executive functions within the Boards proposed Terms of Reference. |
| (ii) | To delegate authority to undertake joint commissioning functions that are non-executive functions within agreed budgets to individual members of the Board (Officers and Members as appropriate) acting at Board meetings within the procedures set out in the terms of reference. |
| (iii) | To authorise the Service Director: Legal and Governance following consultation with the Leader, Group Leaders, the Chief Strategy Officer and the Director: Quality and Integration to make all necessary changes to the Council's Constitution to give effect to the establishment of the Board and decision making arrangements, including but not limited to changes to the Executive Scheme of Delegation, Officer Scheme of Delegation, Member and Officer Codes of Conduct, Partnership Protocols, Financial and Contract Procedure Rules, decision making protocols and standards and the creation of an Inter Authority Agreement, information sharing and information governance protocols, conflict resolution procedures and protocols as well as terms of reference for any new Board established. |

REASONS FOR REPORT RECOMMENDATIONS

- | | |
|----|---|
| 1. | There is an opportunity to strengthen existing joint commissioning arrangements to achieve the level and pace of service change and integration needed to meet current and future challenges. This will enable both organisations to provide the seamless health and care which residents need and to meet quality and sustainability challenges. The current governance structures require changes for both organisations to be able to implement the necessary changes jointly and at pace. |
| 2. | National direction, such as Integration and Better Care Fund Policy Framework 2017, requires integration between health and care services. Success measures for such are being developed nationally and the Care Quality Commission has the remit to carry out targeted reviews. |
| 3. | Nationally there is an expectation that full integration of health and social care will be implemented by 2020. Southampton is ideally placed to increase the pace and depth of integrated commissioning, with its asset of co-terminosity between health and local government; its track record of delivering benefits through integration, its existing integrated commissioning functions and good working relationships. A shared |

	<p>ambition for change has been agreed between SCC Cabinet and the Clinical Commissioning Group (CCG) Governing Body:</p> <p><i>'Commissioning together for health and wellbeing will allow us to push further and faster towards our aim of completely transforming the delivery of health and care in Southampton so that it is better integrated, delivered as locally as possible, person centred and with an emphasis on prevention and intervening early to prevent escalation'.</i></p>
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ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

4.	<p>Eight options were rigorously tested against a range of (weighted) financial and non-financial assessment criteria. They included:</p> <ul style="list-style-type: none"> • Resident and patient outcomes: increasing resident and patient benefits through maximising new commissioning possibilities • System efficiency and sustainability :financial benefit through making savings for both organisations; effective decision making; ease of deliverability • Accountability: democratic accountability; strategic alignment of priorities for both organisations; legal and regulatory compliance.
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5.	<p>The options considered and rejected during this first stage were to:</p> <ul style="list-style-type: none"> • do nothing • continue with or reverse current arrangements • joint commissioning by a Combined Authority. <p>These were rejected on the basis of an agreed scoring criteria which comprised ranking the weighted benefit criteria; through this process it was ascertained that these options did not deliver the same benefits as other options.</p>
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6.	<p>Four shortlisted options were analysed further to assess their benefits in terms of :</p> <ul style="list-style-type: none"> • Strategy (i.e. which option has the greatest potential to drive service innovation, provider integration and ultimately maximise benefits for citizens and patients) • Governance (i.e. which option has the structures, powers and duties to maximise integration, whilst minimising complexity and the possibility of legal challenge) • Financial (i.e. balance of pooled and aligned budgets for each option).
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7.	<p>As a result of further assessment an additional three options were rejected at this stage:</p> <ul style="list-style-type: none"> • Joint commissioning hosted by either the CCG or Council • Commissioning overseen by the Health and Wellbeing Board (H&WB). This was rejected as the Health and Wellbeing Board is a sub-committee of Council, not the Executive and as such cannot legally exercise Executive powers. The H&WB has statutory functions wider than the scope of shared commissioning as well as statutory membership which would impact on the balance of the proposed new board as the members have particular voting rights in law. The current H&WB advisory / scrutiny role could also be lost from the system. • Establishing a Regulation 10 committee as allowed within a Section 75 agreement (an agreement made under section 75 of National Health Services Act 2006 between a local authority and an NHS body in England). This was rejected as it would limit decision making to pooled budget items only and not areas where budgets are aligned rather than formally pooled.
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DETAIL (Including consultation carried out)

8.	<p>The proposal is to establish a Joint Commissioning Board to be accountable for</p>
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	<p>effective collaboration, assurance, oversight and good governance across the integrated commissioning arrangements for health and care between Southampton City Council and Southampton City CCG. This would demonstrate a commitment to genuine joint working and provide a body constituted with executive powers jointly accountable to Cabinet/Council and the CCG Governing Body/General Assembly. This change will enable greater transparency as meetings will be held in public and reduce complexity in decision making,</p>
9.	<p>The Board will approve and monitor the development and implementation of a publicly available, annual Integrated Commissioning Plan; ensure objectives and targets are met, outcomes achieved for residents and patients and that commissioning arrangements align with the partners' financial and business planning cycles.</p>
10.	<p>This Board would replace the Commissioning Partnership Board which oversees the work of integrated commissioning. The Commissioning Partnership Board make recommendations for key decisions to the Council's Cabinet and CCG Governing Body. It has no delegated decision making power and its role is to ensure effective collaboration, alignment and assurance across the integrated commissioning arrangements between Southampton City Council and Southampton City CCG. The Board also ensures that priorities identified by the Health and Wellbeing Board are met. The proposal in this report is to further strengthen integrated commissioning by delegating some decision making to the members of a Joint Commissioning Board, once strategic direction has been set by Council and CCG Governing Body. This will include the delegation of some of the responsibilities for Better Care currently within the remit of the Health and Wellbeing Board.</p>
	<p>Scope</p>
11.	<p>The proposed scope of the integrated commissioning arrangements will be limited to agreed elements of health and care commissioning. A large majority will be areas already included in the well-established Better Care Fund Section 75 agreement between the council and the CCG. It will also include other existing partnership agreements and shared funding arrangements. This includes services such as integrated rehabilitation, reablement and discharge services, support services for carers, care technology, joint equipment service, mental health and integrated services for children with complex health needs. A detailed breakdown is attached at Appendix 1. At the start, it is proposed that the Joint Commissioning Board will be responsible for an initial budget of at least £105M. The services included within this budget will form part of the budget process for both organisations and still be required to contribute to the efficiency and savings programmes. The remit of this Board will be to recommend savings to contribute to these programmes. The Joint Commissioning Board will be responsible for delivering agreed savings, many of which will be inter related across social care and health, such as with integrated rehabilitation and reablement.</p>
12.	<p>There will also be services in scope for consideration by the Board where the commissioning responsibility/ decision making remains solely with the City Council or the CCG but the use of funding is aligned to deliver a jointly agreed strategy. This could include Respite and short breaks or transformation of Children and Adolescent Mental Health Services (CAMHS). In addition there will be other areas to consider together that help both organisations achieve agreed outcomes, such as bids for funding.</p>
13.	<p>It would be the responsibility of the Board to:</p> <ul style="list-style-type: none"> • assess and manage any liabilities or risks reported in relation to each of the Better Care pooled fund schemes

	<ul style="list-style-type: none"> • monitor financial contributions of the Council and the CCG and make recommendations regarding future financial contributions • receive and sign off all Better Care Fund performance reports for approval and submission to NHS England • provide the Council/Cabinet and CCG Governing Body with an annual review of the S75 Better Care Partnership Agreement arrangements.
	Governance
14.	The council's representation on the Joint Commissioning Board will be made through executive appointments of 3 Cabinet Members, similar to the membership of the Health and Wellbeing Board. The CCG will similarly nominate 3 members from the CCG Governing Body. The proposal is that there will be delegated decision making to individual members of the Board with appropriate safeguards limiting the exercise of their delegations to circumstances in which consensus can be achieved at the Board meetings. The Council's Cabinet and the CCG Governing Body may grant delegated authority (with any appropriate caveats) to those of its members or officers participating in the Board to make decisions on their behalf, whilst retaining overall responsibility for the decision made by those members or officers. It would therefore be the individual member or officer who had the delegated authority to make a decision rather than the Joint Commissioning Board itself (unless under S75 lead commissioning arrangements).
15.	As the Board will, through its member's delegated decisions, be exercising Executive functions, the following requirements would apply: <ul style="list-style-type: none"> • set published meeting dates, to provide advance information on the Council's Forward Plan (28 days before any decision)) and CCG's governance arrangements • written reports containing specified information that must be published a set period in advance (5 working days before meeting date) • hold meetings in public (proposed to commence from April 2018) • restrictions on taking confidential decisions unless a period of notice (28 days) has been given • requirements around recording and publishing decisions • 'standstill period' following decisions during which 'Call In' can be exercised by the council's Overview and Scrutiny arrangements.
16.	The council's legal advice is that this is a tried and tested method of governance that is legally the most robust to achieve. It also requires less change constitutionally and will be easier to manage administratively.
17.	Under this proposal Executive Members or Officers attending the Board would require delegated powers to enable them to make decisions following consultation with the collective Board. This could be achieved by amending the Executive Procedure Rules and Officer Scheme of delegation in the Council's constitution together with consequential amendments to Financial Procedure Rules and Access to Information Procedure Rules. Such changes would need to go through the constitutional change process and be approved by Full Council.
18.	The draft Terms of Reference is attached at Appendix 1 and includes the scope. The Board would require a consensus between the two organisations prior to any delegated decisions being taken. Consensus will be demonstrated by a show of hands. It is important that given the nature of the decisions, securing the support of both partners will be critical to the success of this Board. In those circumstances where consensus cannot be reached, it is proposed that the matter would be deferred for further consideration by the parties to be reconsidered after discussions between the Chair

	and respective partner lead. Functions outside the decision making scope of the Board, but related to health and social care will be discussed for information only at the Board, with the considerations and any recommendations of the Board formally minuted. Items will then be referred to the relevant decision maker (e.g. CCG Governing Body, Council).
	Benefits
19.	Shared commissioning enables achievement of a shared vision e.g. a shared focus on prevention and early intervention and community solutions to promote independence & a shared commitment to realise it. This is alongside the ability to share risks and benefits associated with implementation of the shared vision, enabling us to do the “right thing” without unfairly disadvantaging or advantaging one organisation and to commission against a single agreed set of common outcomes and priorities – making best use of resources. The opportunity to share data on needs and good practice evidence leads to more intelligent commissioning and to develop more innovative solutions to meet people’s needs in the round (as opposed to commissioning in silos for people’s “health” versus “social” needs) which leads to improved outcomes for people. Bringing together health, public health and social care resources and stripping out duplication had already led to savings and efficiencies. A stronger governance process will facilitate the commissioning of a more joined up health and care system,
20.	<p>Integrated commissioning has already achieved savings across both organisations covering a range of services which include in 2016/17, Adult Social Care - £2.4M, Public Health - £1M and the CCG - £3M. Integrated commissioning arrangements have been highlighted as a particular strength in recent inspections, e.g. SEND and delivered improved outcomes and made positive benefits such as:</p> <ul style="list-style-type: none"> • redesign of an integrated Rehabilitation and Reablement Service which has reduced admissions to residential and nursing homes (16% lower than the plan in 2016/17) • collaborative work with the home care market promoting an increase in over 1,500 hours per week • focus on quality in care home provision limiting the need for lengthy cautions or suspensions from placement; • 50% increase in carers identified, engaged and in receipt of services • complete redesign of all age mental health services undertaken – Mental Health matters – and additional investment identified for CAMHS and adult mental health services • six new supported living schemes have been created providing 28 new tenancies for people with learning disabilities
21.	<p>Ten benefit criteria of integrating commissioning were identified to be used as part of the options analysis including:</p> <ul style="list-style-type: none"> • Using integrated commissioning to drive provider integration and service innovation. It is through these innovations that integrated commissioning has the greatest potential to benefit citizens and patients. • Improving the efficiency of commissioned services. This includes both streamlining process and reducing duplication and variation. This is particularly relevant for services / providers working across both commissioning organisations. • Increasing the effectiveness of commissioning – across the whole of the commissioning cycle. Combining the knowledge, expertise and (importantly) authority and leaderships of both organisations (clinical and democratic) has the potential to significantly increase the effectiveness of commissioning across the city.

22.	<p>Financial benefits from integrated commissioning will be delivered in a number of ways including:</p> <ul style="list-style-type: none"> • Economies of scale and benefits accruing from integrated services • Enhanced market and local economic development arising from more opportunities to invest at scale in health and care private, social enterprise and voluntary and community provision. • Agreed efficiency savings arise from better understanding of activity, unit costs and reduced variation.
Consultation and engagement	
23.	<p>A Steering Group with representatives from the council's Cabinet and lead officers and executive officers from the CCG Governing body reviewed the outcomes from the options appraisal as well as feedback from one to one interview discussions with Members, clinicians and stakeholders. Feedback which has been reflected in the final proposal in this report, included:</p> <ul style="list-style-type: none"> • do not want to move backwards and undo progress made by integrated commissioning (ICU) • agreed further integration is the correct direction of travel, to deliver better outcomes for citizens and financial stability • current governance structures constrain the pace and quality of decisions. • enabling cultural differences between the organisations to be narrowed through mutual trust whilst retaining control within each organisation. • define 'red lines' – the areas of control that would need to remain for the council and the CCG. • need to define clear metrics for further integration – the measures of success and the degree to which each option can achieve these and selection by Parliament for Southampton to be one of a handful of councils to test this.

RESOURCE IMPLICATIONS

Capital/Revenue

24. The current 2017/18 value of the Better Care Section 75 pooled budget resources is:

Scheme	CCG £'000	SCC £'000	Total £'000
Carers	1,240	134	1,374
Clusters	47,026	2,212	49,238
Rehab & Reablement	10,543	4,551	15,094
Capital		1,882	1,882
Joint Equipment Store	798	803	1,601
Telecare		250	250
Direct Payments		500	500
Long Term Care		2,750	2,750
Integrated Care Teams	9,894	16,414	26,308
Prevention & Early Intervention		6,199	6,199
Total	69,501	35,695	105,196
CCG Savings (QIPP) schemes impacted by Integrated Commissioning:			
Working Age Adults Non-Elective Admissions	548		
Older people falls and Ambulatory Care Sensitive admiss	61		
Rehab/Supported discharge	702		
Case Management	1,013		
	2,324		

Property/Other

25. Not applicable

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

26. Children and Families Act 2014 – emphasises that a local authority in England and its partner commissioning bodies must make arrangements (“joint commissioning arrangements”) about the education, health and care provision to be secured

27. Care Act 2014 establishes requirement for integration of care and health by 2020

NHS Five Year Forward View 2014 which outlines the future direction for the NHS which requires new partnerships in how care is delivered breaking down barriers between health and social care with more integrated approaches and with patients having far greater control over their own care

Other Legal Implications:

28. Changes will be required to the Executive Scheme of Delegation, Officer Scheme of Delegation, Member and Officer Codes of Conduct, Partnership Protocols, Financial and contract procedure Rules, Decision making protocols and standards and the creation of an Inter Authority Agreement, information sharing and information governance protocols, conflict resolution procedures and protocols as well as terms of reference for any new Board established. Changes will only be made following consultation with the Leader and Group Leaders. Changes to Financial Procedure

	Rules will at this time be limited to authorising an increase in individual Cabinet Member authority to spend up to £2M and only when all 3 Cabinet Members on the Board are in agreement.
POLICY FRAMEWORK IMPLICATIONS	
29.	The scope of integrated commissioning fully supports the achievement of priorities in the Council Strategy, and in particular, children and young people in Southampton get a good start in life, people in Southampton to live safe, healthy, independent lives. These are also the basis of the Southampton Better Care plan. They also form the core of the CCG operating plan and Southampton City Local Delivery System Plan 2017-19 where key priorities include: <ul style="list-style-type: none"> • Prevention and Earlier intervention – deliver a radical upgrade in prevention, early intervention and self-care • Better Care Southampton • Mental health – improve the quality, capacity and access to mental health services • Children and maternity – improve local services for children, young people and women.
30.	Integration and Better Care Fund Policy Framework 2017 – local areas have to set out in Better Care Fund returns for 2017-19 how they expect to progress to further integration by 2020. Policy Framework has been developed by the Department of Health (DH), Department for Communities and Local Government (DCLG), Local Government Association (LGA), Association of Directors of Adult Social Services (ADASS), and NHS England.
31.	The proposals above help the city to realise the Local Government Association’s eight principles for effective health and care commissioning.

KEY DECISION?	Yes
WARDS/COMMUNITIES AFFECTED:	All
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Draft terms of Reference including the scope
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?	No
Privacy Impact Assessment	
Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.	Yes/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.		
2.		

DRAFT Terms of Reference for the Joint Commissioning Board

1. Introduction

1.1. Southampton City Council and Southampton City Clinical Commissioning Group have developed a shared ambition for change *'Integrated Health and Wellbeing Commissioning allows the city to push further and faster towards our aim of completely transforming the delivery of care in Southampton, so that it is better integrated, delivered as locally as possible, person centred and with an emphasis on prevention and intervening early to prevent escalation'*. For the purpose of these Terms of Reference, Health and Wellbeing is defined as Health and Care services outlined in the scope Annex A.

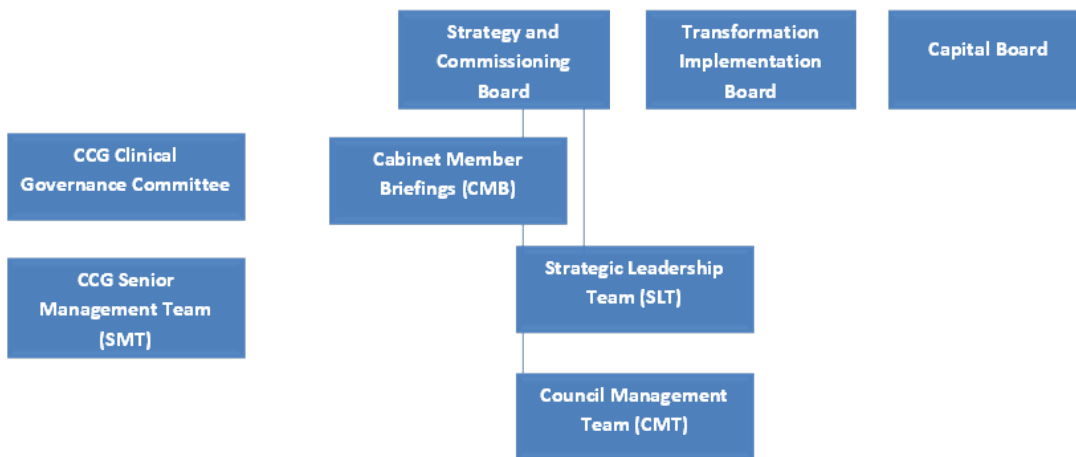
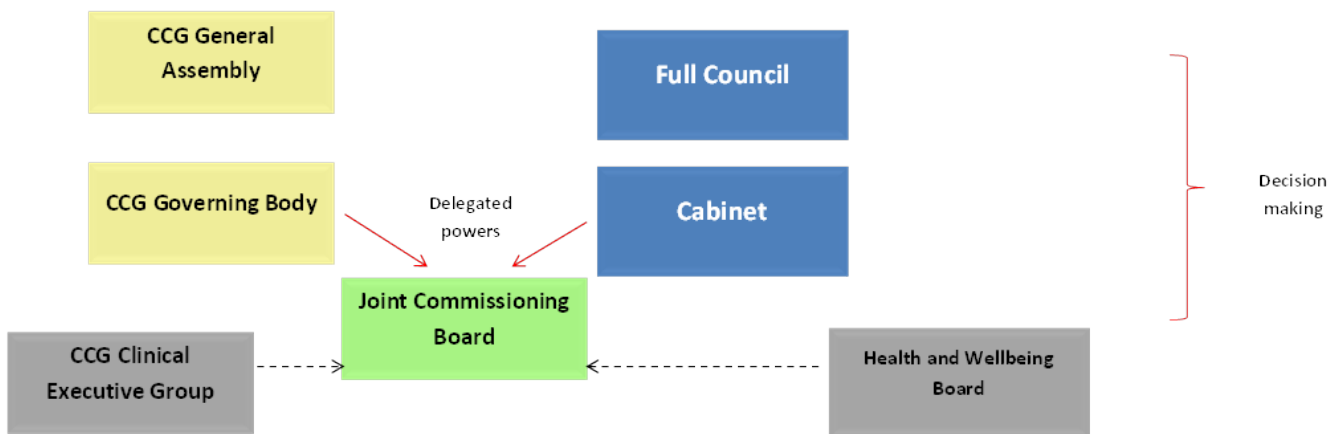
If we are to realise this vision and meet the challenges we face then we will need to

- Act as one for the city by
 - developing and delivery a single view of the city's needs and how we can ensure they are best met
 - aligning and allocating our collective resources to achieve prioritised outcomes
 - working for the whole population
- Support people to become more independent and do things for themselves by changing the relationship between citizens and services
- Be innovative and have an appetite for risk to make the change
- Make the most of new opportunities and powers
- Build on our existing good work
- Ensure that the system is financially sustainable and flexible enough to meet current and future challenges.

1.2. There are a number of benefits from integrated commissioning that have been grouped under three broad headings

1. **Using integrated commissioning to drive provider integration and service innovation.** It is through these innovations that integrated commissioning has the greatest potential to benefit citizens and patients.
2. **Improving the efficiency of commissioned services.** This includes both streamlining process and reducing duplication and variation. This is particularly relevant for services/providers working across both commissioning organisations.
3. **Increasing the effectiveness of commissioning – across the whole of the commissioning cycle.** Combining the knowledge, expertise and importantly authority and leaderships of both organisation (clinical and democratic) has the potential to significantly increase the effectiveness of commissioning across the City.

1.3. The Council and CCG have therefore established a Joint Commissioning Board to commission health and social care in the City of Southampton. It will encourage collaborative planning, ensure achievement of strategic objectives and provide assurance to the governing bodies of the partners of the integrated commissioning fund on the progress and outcomes of the work of the integrated commissioning function. The Joint Commissioning Board hereafter will be referred to as the Board



- 1.4. The Board will act as the single health and wellbeing commissioning body for the City of Southampton and a single point for decision makers. The Board will convene and exercise their functions following consensus / consultation with each other on those functions as defined in Annex A. This includes those areas of health and social care commissioning covered by the Better Care Fund Section 75.
- 1.5. The CCG Governing Body and SCC Cabinet may grant delegated authority (with any appropriate caveats) to those of its members or officers participating in the Board to make decisions on their behalf, whilst retaining overall responsibility for the decision made by those members or officers. It is therefore the individual member or officer who has the delegated authority to make a decision rather than the Joint Commissioning Board itself.
- 1.6. It is proposed that the scope of the integrated commissioning arrangements overseen by the new Board will be broadly as described below.
- 1.7. The Board will have oversight of all schemes established under the Better Care Section 75 and other remaining Partnership Agreements which in some cases may have their own specific Partnership Board, under the NHS Health Act 2006 flexibilities, and Local Government Act 1972 (s.113). This will include shadow monitoring of schemes under development and scrutinising their suitability for future inclusion in the BCF Partnership Agreement or other Partnership Agreements. A list of the schemes

included and planned for the Better Care Section 75 Partnership Agreement can be found at Appendix A.

- 1.8. The Board has been established to ensure effective collaboration, assurance, oversight and good governance across the integrated commissioning arrangements between Southampton City Council and Southampton City CCG.
- 1.9. As such, the Board will develop and oversee the programme of work to be delivered by the Integrated Commissioning Unit and review and define the integrated commissioning governance arrangements between the two bodies.
- 1.10. The Board will monitor the performance of the integrated commissioning function and ensure that it delivers the statutory and regulatory obligation of the partners of the Better Care Fund.
- 1.11. Evidence based commissioning will be key to achieving our vision and the Board will be informed and driven by needs assessment, market analysis, user experiences, consultation and engagement.

2. Scope

- 2.1. The scope of the Board will cover joint NHS and City Council services commissioned by the Integrated Commissioning Unit. The scope is outlined in Annex A.
- 2.2. The Board may, where appropriate, develop a wider range of services subject to final approval of the CCG Governing Body and Council
- 2.3. Subject to the agreement of the CCG Governing Body and the Council, the Board membership may be amended to include any other partner who jointly commissions with the City Council or Southampton City Clinical Commissioning Group and other agency representatives may be co-opted as necessary.

3. Role and Objectives

- 3.1. To agree shared commissioning priorities for the Council and CCG based on where a partnership approach will improve outcomes and promote greater efficiencies.
- 3.2. To approve and monitor the development and implementation of the Integrated Commissioning Plan to ensure it meets agreed priorities, objectives, savings and performance targets and aligns commissioning arrangements with partners' financial and business planning cycles.
- 3.3. To ensure that all commissioning decisions are made in line with the principles set out in the Integrated Commissioning Strategy.
- 3.4. To monitor the financial plans and financial performance of the integrated commissioning function, including forecasts for the year.
- 3.5. To ensure compliance with any specific reporting requirements associated with the formal pooled fund described in the Section 75 agreement.
- 3.6. To ensure compliance with rules and restrictions associated with any other blocks of funding, including specific grant funding.

- 3.7. To ensure management response to risks identified and the assurances against them regarding the integrated commissioning function.
- 3.8. To agree, subject to the financial decision making limits of the council and the CCG, all financial planning commitments across areas of integrated commissioning responsibility for pooled or non-pooled budgetary provision.
- 3.9. To receive and consider reports on service development, budget monitoring, audit and inspection reports in relation to those services which are the subject of formal partnership arrangements.
- 3.10. To set priorities for and review the performance of the Integrated Commissioning Unit on behalf of Southampton City Council and Southampton City CCG.
- 3.11. To seek assurance on the quality and safety of commissioned services in relation to key performance indicators and standards. Where performance is outside of expected threshold to receive exception reports.
- 3.12. To provide system leadership and direction to the staff of the integrated commissioning function.
- 3.13. To promote quality and identify how the health and wellbeing strategic intentions and priorities of partners will be supported and enabled through integrated commissioning.
- 3.14. To maintain oversight of the s.113 arrangements between the two organisations.

4. Better Care Section 75 Partnership Agreement

- 4.1 With specific reference to the Better Care Section 75 Partnership Agreement, the Joint Commissioning Board:
- 4.2 Shall oversee and review the schemes established under the Better Care S75 Partnership Agreement, ensuring adherence to the relevant legislation and protocols in the development of Partnership Agreements have been followed.
- 4.3 Shall receive, review and approve Business Cases for new pooled fund schemes to be established under the Better Care Section 75 Partnership Agreement (with reference to the respective Schemes of Delegation).
- 4.4 Shall receive and review quarterly reports on each Better Care pooled fund scheme on the exercise of the partnership arrangements. These reports shall include details of:
 - Annual forward financial plans setting out the projected annual spend
 - Review of the operation of each scheme covering:
 - evaluation of performance against agreed performance measures targets and priorities and future targets and priorities;
 - quality of service delivery and how the arrangements benefit and meet the needs of client groups;
 - any service changes proposed;
 - any shared learning and opportunities for joint training;
 - assurance that monitoring and evaluation processes take account of statutory guidance and policy directives pertaining to quality standards, best value and audit arrangements of the Council and the CCG.

- 4.5 Shall ensure the Services provided under each scheme are meeting the needs of the service users and their carers.
- 4.6 Shall ensure that commissioning decisions are the result of the wide ranging consultation and discussion with the key people involved in all aspects of the function of delivering joined up health and social care.
- 4.7 Shall encourage and ensure that service providers work collaboratively with service users, other providers and commissioners and that it is promoted through positive design of payment packages and risk and benefit share arrangements into commissioning contracts.
- 4.8 Shall ensure that commissioners listen to service users and providers and respond supportively to ideas to make services more effective for the user and more responsive to needs.
- 4.9 Shall assess and manage any liabilities or risks reported in relation to each of the Better Care pooled fund schemes and act upon these at the earliest opportunity and monitor their impact throughout the delivery of the services. This shall include consideration of proposed changes to the services and funding and how these may impact on each organisation.
- 4.10 Shall monitor financial contributions of the Council and the CCG and make recommendations regarding future financial contributions.
- 4.11 Shall provide the Council and CCG with an annual review report and forward plan of the S75 Better Care Partnership Agreement arrangements, incorporating financial and activity performance, risks, benefits and evidence of improvements for service users.

5. Risk Sharing principles

- 5.1. The pooled budget arrangements will be managed in such a way as to avoid destabilising either organisation.
- 5.2. Each organisation will retain responsibility for dealing with any deficit it has at the start of the pooled budget arrangement.
- 5.3. Each organisation will strive to achieve a balanced budget within the pooled budget.
- 5.4. The statutory requirements of each organisation must be maintained.
- 5.5. The pooled budget will contain a mechanism for dealing with significant changes to the funding or statutory responsibilities of either organisation that effect the areas on scope of the pooled budget arrangement.
- 5.6. The mechanism should be transparent and as simple as possible.
- 5.7. Both organisations will develop an appropriate Inter Authority Agreement (IAA) to include a financial management agreement which will feed into the corporate governance arrangements of each partner organisation and provide robust management information.
- 5.8. Both organisations will agree a mechanism for the early identification of potential in year under or over spends and for remedial actions to be put into place.

6. Governance and Reporting

- 6.1. The Board will be accountable to the Council's Cabinet and / or Council as appropriate and the CCG Governing Body. It will work in partnership with the Health and Wellbeing Board and the CCG Clinical Executive Group.
- 6.2. The Board will need to demonstrate contribution to the Health and Wellbeing Strategy outcomes
- 6.3. The Board will need to be informed by the JSNA, needs assessments, market analysis and feedback from consultation and engagement with residents and patients.
- 6.4. The Board will meet monthly and be minuted. Where items require decision by a Member or Officer of the Council the requirements of the Local Government Act 2000 in relation to publication of Forward Plans, Agendas, reports and Decision Notices will be fully complied with.
- 6.5. At least one meeting each quarter will be dedicated to reviewing the performance of the Better Care S75 Partnership Agreement, undertaking those responsibilities as set out in above.
- 6.6. The Board shall be entitled to call a meeting, at any time, outside of the agreed meetings schedule, for any purpose, subject to compliance with any statutory requirements in relation to decision making under the Local Government Acts and CCG Constitution.
- 6.7. All minutes and papers from the Board will be reported to the CCG Governing Body and made available to Council's Cabinet.
- 6.8. Agendas will be jointly agreed in line with the Forward Plan and will need to be circulated at least 5 working days in advance of the meeting. All new agenda items are subject to agreement of the Chair or Vice Chair. Where a decision of the Council (Member or Officer) is required at a Board meeting then the requirements of the Local Government Act 2000 and Access to Information regulations must be adhered to (publication of notice of key decisions 28 days in advance, publication of reports 5 clear working days in advance, formal decision Notice signed by decision maker and Proper Officer (Democratic Services must attend for this purpose for these items). Decisions that are 'key decisions' within the meaning of the Local Government Act 2000 are subject to the Council's 'call-in' procedures and cannot be implemented until the time for call-in has expired or the matter has been dealt with in accordance with Overview & Scrutiny Procedure Rules.
- 6.9. The agendas, minutes, decision notices and briefing papers of the meetings of this Board are subject to the provisions of the Freedom of Information Act 2000, the Environmental Information Regulations and the Data Protection Act 1998. If the Chair concludes that specific issues are exempt from publication and should not be made available under the terms of the Freedom of Information Act, a Part 2 meeting of the Board shall be convened to consider them.
- 6.10. Part 2 meetings have to be notified 28 days in advance of the meeting and reasons for excluding the public included on the report / agenda item or the decision cannot be taken. There are limited urgency provisions but these require prior consent from the chair of the Health Overview and Scrutiny Panel.

- 6.11. Meetings of the Board shall be advertised in advance on the calendar of meetings of the CCG Governing Body and Council and shall, unless notice of consideration of an excluded item has been given, shall be open to the public to attend from April 2018.
- 6.12. The Chair will invite questions or statements by members of the public on matters pertaining to that agenda at the beginning of the meeting.
- 6.13. Administrative support for the Board will be a shared responsibility although agenda publication etc. will be undertaken by the Council.
- 6.14. The Health and Wellbeing Board will delegate responsibility for Better Care to the Board and the Board will be accountable to the Health and Wellbeing Board for this element.

7. Membership

- 7.1. The council's representation on the Joint Commissioning Board will be 3 Cabinet Members made through executive appointments, similar to the membership of the Health and Wellbeing Board. The CCG will similarly nominate 3 members from the CCG Governing Body. Both partner organisations will agree a scheme for the appointment of substitute members or nominated deputies at the inaugural meeting of the Board.
- 7.2. **Other attendees**
 - Key senior managers from the Council and the CCG as required.
 - The relevant commissioning lead for each of the pooled budgets under the S75 Better Care Partnership Agreement will attend as appropriate the quarterly meetings to present the performance report for the S75 Partnership Agreement.
- 7.3. The Chair will be a politician from the council or a member from the CCG Governing Body who will rotate on an agreed basis. The Vice Chair of the Board will be from the alternate partner organisation.

8. Quorum, Decision Making and Voting

- 8.1. The Board will require consensus prior to any delegated decisions being taken; consensus will be demonstrated by a show of hands. It is important that given the nature of the decisions, securing the support of both partners will be critical to the success of this Board. The Board will be quorate if there are at least 4 members in attendance with a minimum of 2 from each.
- 8.2. In those circumstances where consensus cannot be reached, the matter will be deferred for further consideration by the parties and will be reconsidered after discussions between the Chair and respective partner lead.
- 8.3. Schemes of Delegation to City Council Members and Council Officers shall be amended to reflect that decisions should not be taken under delegation and should stand either deferred to a future meeting or referred back to the parent body where a consensus of those present do not support the decision proposed. The Chair of the Board shall consult those present before deferring the decision or directing that it be referred back to each partner organisation.
- 8.4. Legally, it is not possible to have a mechanism that requires individual decision makers to exercise their decision making function in accordance with the will of a majority or quorum of a Board. Any individual decision maker must consider any decision on its

merits as a whole in accordance with established decision making principles. The process for seeking the support of the Board prior to exercising any delegation meets a requirement in the Scheme of Delegation to limit the power to exercise that delegation to situations only where the support of the Board is demonstrated.

- 8.5. Functions outside the decision making scope of the Board, but related to health and social care will be discussed for information only at the Board, with the considerations and any recommendations of the Board formally minuted. Items will then be referred to the relevant decision maker (e.g. CCG Governing Body, Council).

9. Dispute Resolution

- 9.1. If disputes relating to the Better Care Section 75 Partnership Agreement arise then the Dispute Resolution process within that will be followed. Otherwise any matter of dispute will be referred for further discussion by the Leader of the Council and Chair on behalf of the CCG before referring back to the Board for further consideration. It is recognised that as the desire is to reach agreement on any matter by consensus that if this is not reached that matter may not move forward. There will be no formal and binding external arbitration procedure.

10. Scrutiny

- 10.1 Decisions of members of the Joint Commissioning Board will be subject to formal scrutiny normally undertaken by the Health Overview and Scrutiny Panel, on behalf of the Council and Call in. Health scrutiny is a fundamental way by which democratically elected councillors are able to voice the views of their constituents, and hold NHS bodies and health service providers to account. In Southampton the Health Overview and Scrutiny Panel undertakes the scrutiny of health and adult social care. The Panel meets every 2 months. However, there may be some major decisions may be considered by the council's Overview and Scrutiny Management Committee.

11. Conflict of Interests

- 11.1. The Board will be bound by the Standing Orders/Standing Financial instructions and Codes of Conduct of both parent bodies. Declaration of interests will need to be declared annually and at each meeting of the Board in line with the agenda. Depending on the topic under discussion and the nature of the conflict of interest appropriate action will be taken and recorded in the minutes

12. Variation

- 12.1. The parent bodies may agree from time to time to modify, extend or restrict the remit of the Board.
- 12.2. The Terms of Reference will be reviewed in March 2018 or sooner at the request of the Chair or Vice Chair.

30 June 2017 V4

Integrated Commissioning – Potential scope

1. For the first year, it is proposed that the scope of the integrated commissioning arrangements overseen by the new Board will be broadly mirror those areas of health and social care commissioning covered by the Better Care Fund Section 75.
2. As is currently the case, the assumption is that some of the services in scope will be jointly funded and jointly commissioned under a S75 or S256/76 arrangement (primarily through the Better Care Fund S75 Agreement).
3. However there will also be services in scope for which the commissioning responsibility/ decision making remains solely with the CCG or City Council but the funding is aligned to deliver a jointly agreed strategy.
4. Beyond this, there could be areas of shared commissioning where the Council and CCG will want to discuss and share information about relevant commissioning intentions, budget and spend. The Board could also consider bids that are of joint interest. These 3 categories are described below:
 - Jointly commissioned/funded services
 - Single agency commissioning aligned under a jointly agreed strategy
 - Other areas relevant for the achievement of the outcomes

Jointly commissioned/funded services

5. These will be services currently in scope for the 2017/19 Better Care Fund S75 agreement. In addition, the scope will include other existing partnership agreements/shared funding arrangements:
 - Integrated Services within the established 6 Better Care Clusters: Community health services for adults (Community Nursing, Continence, Podiatry, Community Wellbeing Services, Community specialist services for people with long term conditions, case management, Palliative Care, community navigation, Community Adult Mental Health Services and IAPT (Improving access to psychological therapies) , Adult Long Term Social Care Teams)
 - Support Services for Carers
 - Integrated rehabilitation, reablement and discharge services (including the Hospital Discharge Team, Discharge to Assess, residential reablement and extra care, Falls Assessments)
 - Care Technology
 - Prevention and Early Intervention services – Behaviour Change, Older Person’s Offer, Information, Advice and Guidance
 - Integrated Learning Disabilities provision (placements)
 - Direct Payments Support services
 - Transformation of Long Term Care provision (Adult Social Care additional/improved BCF funding to support transformation of Extra Care and conversion of a Residential Unit to Nursing Care as well as stabilising the Domiciliary Care and Care Home market)
 - Joint Equipment Service, Wheelchair Service, Orthotics and Disabled Facilities Grant
 - Integrated services for children with complex health needs (specifically Building Resilience Service and SEND integrated health and social care team).

Single agency commissioning aligned under a jointly agreed strategy

6. This would mean that commissioning responsibility/ decision making remains solely with the CCG or City Council but the funding is aligned to deliver a jointly agreed strategy. This could include:
- Long Term Care provision (including domiciliary care, nursing and residential CHC and social care packages) – aligned to Better Care strategy
 - 0-19 prevention and Early Help, CAMHS, Community midwifery – aligned to 0-19 prevention and early help strategy/CAMHS Transformation
 - Sexual health (integrated level 3 service, voluntary and primary care prevention services, termination of pregnancies, vasectomies) – aligned to Sexual Health and Reproductive Strategy
 - Substance Misuse Services – aligned to Substance Misuse Strategy
 - Respite and Short Breaks – aligned to Replacement Care Strategy, services for children, e.g. Edge of care, Family Drugs and Alcohol Court, Looked After Children, Safeguarding – aligned to children’s strategy
 - Community development (definition to be agreed)

Benefits

7. The scope will increase the ability of both organisations to:
- Realise a shared vision – e.g. a shared focus on prevention and early intervention and community solutions to promote independence & a shared commitment to realise it
 - Share risks and benefits associated with implementation of the shared vision, enabling us to do the “right thing” without unfairly disadvantaging or advantaging one organisation
 - Commission against a single agreed set of common outcomes and priorities – making best use of resources
 - Share needs data and good practice evidence – leading to more intelligent commissioning
 - Develop more innovative solutions to meet people’s needs in the round (as opposed to commissioning in silos for people’s “health” versus “social” needs – leading to improved outcomes for people
 - Bring together health, public health and social care resources and strip out duplication – leading to savings and efficiencies
 - Commission a more joined up health and care system, developing together whole pathways from prevention to care - fewer gaps
 - Enable providers to develop more innovative integrated pathways and organisational models – leading to less fragmentation
 - Shape and develop primary medical care as part of the integrated health and social care system
 - Better understand and manage demand through greater influence over assessment and review processes

DECISION-MAKER:	CABINET COUNCIL		
	HIGHWAYS CONTRACT RENEGOTIATION		
DATE OF DECISION:	18 July 2017 19 July 2017		
REPORT OF:	CABINET MEMBER FOR ENVIRONMENT AND TRANSPORT		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Paul Paskins	Tel: 023 8083 4353
	E-mail:	paul.paskins@southampton.gov.uk	
Director	Name:	Rob Harwood	Tel: 023 8083 3436
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STATEMENT OF CONFIDENTIALITY	
<p>Appendix 1 of this report is not for publication by virtue of categories 3 (financial and business affairs), and 7A (obligation of Confidentiality) of paragraph 10.4 of the Council's Access to Information Procedure Rules, as contained in the Council's Constitution.</p> <p>It is not in the public interest to disclose this information as the appendix contains confidential and commercially sensitive information supplied by the Service Provider. It would prejudice the Council's ability to operate in a commercial environment and obtain best value in contract negotiations and would prejudice the Council's commercial relationships with third parties if they believed the Council would not honour obligations of confidentiality.</p>	
BRIEF SUMMARY	
<p>This paper sets out the terms relating to the renegotiation of the Council's Highways Service Partnership (HSP) contract and associated terms in respect of the Citywatch contract. The Service Provider for both contracts is Balfour Beatty Living Places Ltd (BBLP).</p> <p>This paper also seeks authorisation to make the HSP and Citywatch contracts co-terminus and for General Fund expenditure, consisting of contract costs, over the extended years of these contracts.</p>	
RECOMMENDATIONS:	
CABINET recommends to Council:	
	<p>(i) To delegate authority to the Service Director, Business Operations and Digital, following consultation with the Service Director, Legal and Governance and the Service Director, Finance and Commercialisation, to amend the HSP Contract by extending its term until 23:59 hours on 30 September 2025 and make associated amendments to reduce the Council's General Fund costs associated with this contract in each of the remaining years of the contract from</p>

		2017-18 onwards.
	(ii)	To delegate authority to the Service Director, Business Operations and Digital, following consultation with the Service Director, Legal and Governance and the Service Director, Finance and Commercialisation, to extend the term of the Citywatch (also known as 'ROMTV') contract until 23:59 hours on 30 September 2025 and make associated amendments to reduce the Council's General Fund costs associated with this contract in 2017-18.
	(iii)	To note the increase in financial commitment to the Authority covering the period 2020/21 to October 2025 to meet the additional contract costs over the extended years of the HSP and Citywatch contracts which total an estimated £13.3M (uplifted by indexation).
	(iv)	To note that the renegotiated terms for the HSP and ROMTV contracts will achieve estimated General Fund savings - compared to current spending and costs. These are detailed in confidential Appendix 1.

COUNCIL

	(i)	To delegate authority to the Service Director, Business Operations and Digital, following consultation with the Service Director, Legal and Governance and the Service Director, Finance and Commercialisation, to amend the HSP Contract by extending its term until 23:59 hours on 30 September 2025 and make associated amendments to reduce the Council's General Fund costs associated with this contract in each of the remaining years of the contract from 2017-18 onwards.
	(ii)	To delegate authority to the Service Director, Business Operations and Digital, following consultation with the Service Director, Legal and Governance and the Service Director, Finance and Commercialisation, to extend the term of the Citywatch (also known as 'ROMTV') contract until 23:59 hours on 30 September 2025 and make associated amendments to reduce the Council's General Fund costs associated with this contract in 2017-18.
	(iii)	To note the increase in financial commitment to the Authority covering the period 2020/21 to October 2025 to meet the additional contract costs over the extended years of the HSP and Citywatch contracts which total an estimated £13.3M (uplifted by indexation).
	(iv)	To note that the renegotiated terms for the HSP and ROMTV contracts will achieve estimated General Fund savings - compared to current spending and costs. These are detailed in confidential Appendix 1.

REASONS FOR REPORT RECOMMENDATIONS

1.	The revised contractual arrangements would ensure that the Council retains appropriate service levels and risk allocation whilst achieving General Revenue Fund savings.
2.	Extending the contracts would avoid the need to re-procure the HSP and ROMTV contracts in 2020 and 2022 respectively, the associated re-procurement costs and the prospect of the costs associated with one or both

	contracts rising against current expenditure levels.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
3.	<p>Alternative options rejected include:-</p> <ul style="list-style-type: none"> • Making no changes to the two contracts and leaving costs and terms unchanged. • Termination of one or both of the contracts. The Council would be responsible for financial damages to BBLP and would suffer reputational damage. • Re-procuring the contracts at the expiry of their core term. The Council would need to fund costs associated with re-procurement and would achieve contract prices at the prevailing market rate. • In-sourcing the services relating to one or both contracts at the expiry of their core terms. Services would be delivered at in-house costs.
DETAIL (Including consultation carried out)	
4.	<p>The Council has two contracts with BBLP:-</p> <p>(i) The 'Highways Service Partnership' (HSP) which commenced in October 2010. The core term expires in October 2020 and the contract allows extensions of up to five years to be granted, based on performance against a set of Key Strategic Indicators (KSIs).</p> <p>Legal opinion has indicated that, whilst the contract provides that extensions are assessed on performance against these targets, the Council could take a risk-based decision to grant the extension years to BBLP Irrespective of this KSI performance framework by waiving the Council's rights to apply it, providing it is in the Council's interests to do so.</p> <p>(ii) 'Citywatch' (also known as 'ROMTV') which commenced in October 2012. The core term expires in 2022 and the contract allows for up to five years of extensions, solely at The Council's discretion and not based on specific performance criteria.</p> <p>The original procurements and Cabinet reports relating to these contracts envisaged, and allowed for, the five year extension periods.</p>
5.	The Council has General Fund savings targets (reference BOD5) for the major contracts. These targets are £654k in 2017-18 and £854k (recurring) in 2018-19 to 2020-21 inclusive
6.	The confidential Appendix 1 to this paper sets out the commercial terms and benefits associated with this proposal.
7.	The annual effect of the revenue savings associated with this proposal are anticipated to be £774,000 in 2017-18; the exact in-year benefit would be dependent on the timing of the implementation of the proposals and the outcome of the final associated negotiations.
8.	The total General Fund saving over the remaining term of the contracts is estimated to be against current spend levels. It should be noted that the General Fund costs associated with both contracts are increased in accordance with indexation formulas on an annual basis.

9.	Changes to both the HSP and Citywatch contracts would be required to implement these changes. It is recommended that Cabinet delegates the Service Director, Business Operations and Digital, following consultation with the Service Director, Legal and Governance and the Service Director, Finance and Commercialisation to implement the changes to the HSP and Citywatch contracts outlined in this paper. It is anticipated that the changes could take effect on or before 1 September 2017.
10.	The core contract terms relating to both the HSP and ROMTV contracts would be unchanged.

RESOURCE IMPLICATIONS

Capital/Revenue

11.	It is anticipated that the total effect of the changes over the remaining terms of the contracts would generate an overall General Fund revenue saving as detailed in confidential Appendix 1. It is not possible to guarantee this level of saving as it is partially dependent on the commercial terms contained in confidential Appendix 1.
12.	There will be an increase in financial commitment to the Authority covering the period 2020/21 to October 2025 to meet the additional contract costs over the extended years of the HSP and Citywatch contracts which total an estimated £13.3M (uplifted by indexation).
13.	The Council would retain the discretion to vary highways capital expenditure and set the level of budget.

Property/Other

14.	BBLP would continue to occupy the parts of City Depot designated to them through leasing arrangements.
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LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

15.	Highways maintenance and associated and ancillary functions are authorised by a variety of Statutory powers including the Highways Act 1980 as amended and the Traffic Management Act 2004, together with secondary legislation (Regulations, Directions and Orders). The power to enter into contracts for the delivery of a Council function is contained in s1 of the Local Government (Contracts) Act 1997 and s.111 Local Government Act 1972 (power to do anything calculated to facilitate, ancillary to or conducive to the discharge of a primary function). Regard must be had to the Part 1 (Best Value) provisions of the Local Government Act 1999, the National Procurement Strategy and EU Procurement Rules as enacted in the Public Contracts Regulations 2015.
16.	<p>Part II (Contracting Out) of the Deregulation and Contracting Out Act 1994 is the primary legislation which allows a Minister to make an Order enabling certain statutory functions to be carried out by persons on behalf of the local authority. The Contracting Out (Highway Functions) Order 2009, sets out those functions of the Highways Act 1980 and NRSWA 1991 which can be contracted out. The functions under the 2009 Order include (among many others):</p> <ul style="list-style-type: none"> ○ Section 41(1) - duty to maintain highway maintainable at public expense ○ Section 62 – general powers of improvement

	Section 150 – duty to remove snow, soil etc. from the highway
Other Legal Implications:	
17.	Legal opinion has indicated that, whilst the contract provides that extensions are assessed on performance to these targets, the Council could take a risk-based decision to grant the extension years to BBLP Irrespective of this KSI performance framework by waiving the Council's rights to apply it, providing it is in the Council's interests to do so. The Citywatch contract terms allow the contract to be extended at the Council's discretion.
RISK MANAGEMENT IMPLICATIONS	
18.	Risks will continue to be managed through existing mechanisms and contractual obligations.
POLICY FRAMEWORK IMPLICATIONS	
19.	These proposals are consistent with the policy framework including the Local Transport Plan. The Council would continue to maintain control over setting policy.

KEY DECISION?	Yes
WARDS/COMMUNITIES AFFECTED:	All
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Commercial Terms: Evaluation and benefits summary (Confidential)

Documents In Members' Rooms

N/A	
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	
Other Background documents available for inspection at: N/A	
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
N/A	

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Document is Confidential

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