

COUNCIL MEETING

Wednesday, 17th July, 2019
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

Director of Legal and Governance
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WARD	COUNCILLOR	WARD	COUNCILLOR
Bargate	Bogle Noon Dr Paffey	Millbrook	Galton Taggart Galton
Bassett	Hannides B Harris L Harris	Peartree	Bell Houghton Keogh
Bevois	Barnes-Andrews Kataria Rayment	Portswood	Cooper Mitchell Savage
Bitterne	Murphy Prior Streets	Redbridge	McEwing Whitbread Spicer
Bitterne Park	Fuller Harwood White	Shirley	Chaloner Coombs Kaur
Coxford	Professor Margetts Renyard T Thomas	Sholing	J Baillie Guthrie Vaughan
Freemantle	Leggett Shields Windle	Swaythling	Bunday Fielker Mintoff
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 2018/19)	
2019	2020
17 July	26 February (Budget)
18 September	18 March
20 November	20 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.

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

Tuesday, 9 July 2019

TO: ALL MEMBERS OF THE SOUTHAMPTON CITY COUNCIL

You are hereby summoned to attend a meeting of the COUNCIL to be held on WEDNESDAY, 17TH JULY, 2019 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 - 12)

To authorise the signing of the minutes of the Annual General Council Meeting and the Extraordinary Council Meeting held on 15th May, 2019, 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 APPOINTMENTS TO COMMITTEES, SUB-COMMITTEES AND OTHER BODIES

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

6 EXECUTIVE BUSINESS REPORT (Pages 13 - 20)

Report of the Leader of the Council, attached.

7 MOTIONS

(a) Councillor Fitzhenry

This Council calls on the Executive to immediately move to a “managed policy” approach for the use of door mats by our residents and tenants, in our Council owned blocks.

Whilst fire safety should always be the top priority, we ask the Executive to adopt a more flexible approach that ensures our tenants are safe but also allows them to have pride in their homes and surrounding walk ways.

8 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.

9 COUNCIL ANNUAL REVIEW 2018/19 (Pages 21 - 36)

Report of the Leader of the Council outlining progress against the Council Strategy during 2018/19.

10 GENERAL FUND AND HOUSING REVENUE ACCOUNT REVENUE OUTTURN 2018/19 (Pages 37 - 74)

Report of Cabinet Member for Resources detailing the general fund and housing revenue account outturn 2018/2019

11 GENERAL FUND AND HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME OUTTURN 2018/19 (Pages 75 - 106)

To consider the report of the Cabinet Member for Resources. The purpose of this report is to outline the General Fund and Housing Revenue Account capital outturn position for 2018/19 and seek approval for the proposed financing of the expenditure.

12 REPROCUREMENT OF JOINT EQUIPMENT STORE (JES) □ (Pages 107 - 142)

To consider the report of the Cabinet Member for Adult Care seeking approval for the re-procurement of the service that provides community equipment to enable people to remain as independent as possible. This re-procurement is undertaken in partnership with Southampton City CCG, Portsmouth City Council and Portsmouth CCG.

13 PROCUREMENT OF COMMERCIAL WASTE DISPOSAL CONTRACT □ (Pages 143 - 148)

To consider the report of the Cabinet Member for Place and Transport seeking approval for the procurement of the Commercial Waste Disposal Contract.

14 EXCLUSION OF THE PRESS AND PUBLIC - EXEMPT PAPERS INCLUDED IN THE FOLLOWING ITEM (IF NEEDED)

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 exempt appendices 2 and 3 to the following Item.

The appendices are considered to be exempt from general publication based on Categories 3 and 4 of paragraph 10.4 of the Council's Access to Information Procedure Rules. It is not in the public interest to disclose this because doing so would prejudice the business or financial affairs of any particular person (including the authority holding that information).

15 THE FORMER OAKLANDS SCHOOL SITE □ (Pages 149 - 170)

To consider the report of the Cabinet Member for Homes and Culture seeking approval to progress the redevelopment of the former Oakland's School site for the provision of new homes.

16 EXCLUSION OF THE PRESS AND PUBLIC - EXEMPT 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 exempt report to the following Item.

The report considered to be exempt from general publication based on Categories 1, 2 and 3 of paragraph 10.4 of the Council's Access to Information Procedure Rules. It is not the public interest to disclose this information as the report contains confidential and personal information relating to specific individuals.

**17 LOCALISM ACT 2011 - APPOINTMENT OF DESIGNATED INDEPENDENT PERSON (DIP) IN RELATION TO THE MEMBERS' CODE OF CONDUCT
(Pages 171 - 178)**

To consider the report of the Director of Legal & Governance regarding the appointment of a Designated Independent Person.

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



Richard Ivory
Director of Legal and Governance

Minutes of Council Meetings:

- 15 May, 2019 – Extraordinary Council Meeting
- 15 May, 2019 - Annual General Meeting

SOUTHAMPTON CITY COUNCIL

MINUTES OF THE COUNCIL MEETING HELD ON
15 MAY 2019

Present:

The Mayor, Councillor Barnes-Andrews
The Sheriff, Councillor P Baillie
Councillors J Baillie, Bell, Mrs Blatchford, Bogle, Chaloner, Coombs, Fielker, Fitzhenry, Fuller, Galton, Guthrie, Hammond, Hannides, B Harris, L Harris, Harwood, Houghton, Kataria, Kaur, Keogh, Laurent, Leggett, McEwing, Mintoff, Mitchell, Murphy, Noon, Dr Paffey, Payne, Rayment, Renyard, Savage, Shields, Streets, Taggart, T Thomas, Whitbread and White

1. CITY OF SOUTHAMPTON AWARD

THE MAYOR (COUNCILLOR BARNES-ANDREWS) IN THE CHAIR

RESOLVED: upon the motion of the Mayor (Councillor Barnes-Andrews) and seconded by the Sherriff (Councillor P Baillie), that the City of Southampton Award be presented to Jan Peirson and Ram "Kelly" Kalyan.

2. ELECTION OF A MAYOR FOR THE ENSUING YEAR

RESOLVED: upon the motion of Councillor J Baillie and seconded by Councillor Hammond, that Councillor Baillie be elected to the Office of 797th Mayor of Southampton and Chair of the Council for the ensuing year.

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

3. MAYOR'S CHARITIES

THE MAYOR (COUNCILLOR P BAILLIE) IN THE CHAIR

The Mayor announced that he would be supporting as his charities, Leukaemia Busters, Communicare and Young Life International.

4. ELECTION OF A SHERIFF FOR THE ENSUING YEAR

RESOLVED: upon the motion of Councillor Rayment and seconded by Councillor Hannides that Councillor Susan Blatchford be appointed the 582nd Sheriff of the City of Southampton and Vice-Chair of the Council for the ensuing year.

The Sheriff (Councillor Susan Blatchford) then made and subscribed to the Declaration of Acceptance of Office.

5. VOTE OF THANKS TO RETIRING MAYOR

RESOLVED upon the motion of Councillor Kataria and seconded by Cllr Fitzhenry that the Council places on record its appreciation for the distinguished manner in which Councillor Barnes-Andrews had discharged the duties of the Mayor of the City during the period of his term of office.

6. SOUTHAMPTON BUSINESS SUCCESS AWARDS 2019

RESOLVED: that the Southampton Business Success Award be presented to Meachers Global Logistics and Utonomy.

7. FORMER COUNCILLORS

RESOLVED: that former Councillors Andrew Pope, Brian Parnell, Don Thomas, Graham Wilkinson, John Jordan, Keith Morell and Matthew Claisse be thanked for their service to the City during their period in office.

**AT THE RECONVENED MEETING OF THE SOUTHAMPTON CITY COUNCIL HELD
IN THE COUNCIL CHAMBER, CIVIC CENTRE ON 15th MAY, 2019**

8. MINUTES

RESOLVED: that the minutes of the Council meeting held on 20th March 2019 be approved and signed as a correct record.

9. ANNOUNCEMENTS FROM THE MAYOR AND LEADER

(i) Welcome to New Members

The Mayor thanked all Members for their support in electing him as Mayor and welcomed to the meeting all those councillors who were attending their first meeting together with those who had successfully defended their seats.

(ii) Designated Independent Person

The Mayor announced that David Basson, the Designated Independent Person for the City Council was standing down. He had been the Designated Independent Person since the introduction of the new Localism Act in 2012. On behalf of the Council the Mayor thanked him for his contribution in supporting the new Member's standards regime and the Monitoring Officer. The position was currently being advertised and a new Designated Independent Person would be appointed at July Council.

(iii) Filming

The Mayor announced that the meeting was open to being filmed and that those filming were reminded that the right to film was limited to the duration of the meeting and recording must cease when the meeting was closed. Filming or recording was not permitted if the effect would be to interrupt or disturb the proceedings or if it was intrusive of a specific individual or individuals. If in the Mayor's opinion this was occurring then it would not be permitted and he would ask you to stop. Similarly, some

members of the public attending may object to being filmed, photographed or recorded. The Mayor would make those attending aware and would request those filming to respect their wishes and would expect that they were complied with.

(iv) Meeting Protocol

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 arguments.

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 could be amended.

(v) Social Media

For the benefit of new 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 there was a £25 fine for mobile phones ringing and this would go to the Mayor's charity.

(vi) Training

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

10. ELECTION OF THE LEADER

The nomination of Councillor Hammond was moved and seconded.

UPON BEING PUT TO THE VOTE IT WAS:

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

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

Deputy Leader and Place and Transport – Councillor Rayment

Aspiration, Children and Lifelong Learning – Councillor Dr Paffey

Healthier and Safer City – Councillor Shields

Resources - Councillor Barnes-Andrews

Homes and Culture – Councillor Kaur

Green City and Environment - Councillor Leggett

Adult Care – Councillor Fielker

The Leader then informed Members that there would be minor amendments to the content of each of the Portfolios which would be shared following the meeting.

11. ANNUAL REVIEW OF THE CONSTITUTION

Councillor Keogh, Chair of Governance Committee moved the report of the Director: Legal and Governance detailing the annual review of the Council's Constitution and Councillor Hammond seconded.

RESOLVED:

- (i) That the minor changes to the Constitution and associated arrangements as detailed in the report be approved;
- (ii) That the Director of 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; and
- (iii) That the City Council's Constitution, as amended, including the Officer Scheme of Delegation for the Municipal Year 2019-20 be approved.

12. 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	29	60.42%
Conservative	18	37.5%
Independent	1	2.08%

Committees	Labour	Conservative	Number of Seats to Groups
Overview and Scrutiny Management(9)	Cllr Whitbread Cllr Bunday Cllr Cooper Cllr Windle	Cllr Fitzhenry Cllr S Galton Cllr Harwood Cllr Bell Cllr Fuller	

	4	5	9
Planning and Rights of Way (7)	Cllr Coombs Cllr Savage Cllr Mitchell Cllr Windle 4	Cllr L Harris Cllr G Galton Cllr S Vaughan 3	7
Chief Officer Employment Panel (3)	Cllr Hammond Cllr Rayment 2	Cllr Fitzhenry 1	3
Licensing Committee (10) (Min 10 – max 13)	Cllr Mrs Blatchford Cllr McEwing Cllr Kataria Cllr Noon Cllr Renyard Cllr Spicer 6	Cllr Streets Cllr B. Harris Cllr G Galton Cllr E Prior 4	10
Governance Committee (7)	Cllr Kataria Cllr Keogh Cllr Margetts Cllr Spicer 4	Cllr Harwood Cllr White Cllr G Galton 3	7
Sub-Committees	Labour	Conservative	Number of Seats to Groups
Health Overview and Scrutiny Panel (7)	Cllr Bogle Cllr Noon Cllr Margetts Cllr Payne 4	Cllr Houghton Cllr White Cllr Bell 3	7
Scrutiny Panel (7)	TBC 4	TBC 3	7
Children's and Families Scrutiny Panel (7)	Cllr Chaloner Cllr Mintoff Cllr Mitchell Cllr Taggart 4	Cllr J Baillie Cllr Guthrie Cllr Laurent 3	7
Licensing General Sub-Committee (5) (Membership must	Cllr Blatchford Cllr McEwing Cllr Renyard	Cllr B Harris Other member to be drawn	

come from membership of Licensing Committee)	3	from Licensing Cttee 2	5
Standards Sub-Committee (3)	2	1	3
Standards Appeal Sub-Committee (3)	2	1	3
TOTAL	39	29	68
Committee/Sub-Committee	Labour	Conservative	Number of Seats to Groups
Licensing and Gambling Sub-Committee (3) (Any 3 Members drawn from the Licensing Committee membership on rotation basis)			3

Other bodies	Labour	Conservative	Number of Seats to Groups
Hampshire Fire and Rescue Authority (1)	Cllr Mintoff 1	0	1
South East Employers (3 + 3 Deputies)	Cllr Fielker Cllr Whitbread (Deputy) 1+1 Deputy	Cllr Fitzhenry (Deputy) 1+1 Deputy	3 + 3
Local Democracy and Accountability Network for Councillors (2)	0	1	2

Partnership for Urban South Hampshire – Overview and Scrutiny Committee (1)	0	Cllr Fitzhenry 1	1
Hampshire Police and Crime Panel (1) <i>(Overall proportionality is calculated across the County. This may require a change in appointment)</i>	1	Cllr Shields 0	1
Health and Well-Being Board	<p>Council determines the number of places allocated to Elected Members on the Board. 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) • 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 S Galton
Planning and Rights of Way Panel	Cllr Savage
Chief Officer Employment Panel	Cllr Hammond
Licensing Committee	Cllr Mrs Blatchford
Governance Committee	Cllr Keogh
Health Overview and Scrutiny Panel	Cllr Bogle
Scrutiny Panel	Appoint as and when needed
Licensing General Sub-Committee	Cllr Mrs Blatchford
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 Taggart

13. CALENDAR OF MEETINGS

The Council approved the following dates for meetings of the Council in the 2019/20 Municipal Year:

17th July 2019
18th September 2019
20th November 2019
26th February 2020 (Budget)
18th March 2020
20th May 2020 (AGM)

14. DEPUTATIONS, PETITIONS AND PUBLIC QUESTIONS

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

15. EXECUTIVE BUSINESS REPORT

The report of the Leader of the Council was submitted setting out the details of the business undertaken by the Executive.

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

It was noted that there were no questions submitted in accordance with Council Procedure Rule 11.1

16. MOTIONS

(a) City of Culture

Councillor Kaur moved and Councillor Hannides seconded.

“Council notes the positive economic and social impact made to cities that have successfully bid for City of Culture; this ranges from an inward investment of £2 billion to over 90% engagement from residents in the city of Hull. Council understands and values the impact that arts, culture and heritage can have on the economic and social strength of a city, and the difference a City of Culture bid can make to people’s lives. Together Southampton will aim to use the development of the bid as part of the journey to help Southampton reach its full potential, while engaging people from all ages, backgrounds, abilities, races and religions.

Council wishes to build on our, and other stakeholders, investment in arts and culture-led regeneration to use culture to shape and deliver sustainable economic, social, environmental, health and wellbeing outcomes for not only our current communities but also future generations of residents, visitors, artists, innovators and businesses in the

decades to come. As part of our civic duty, we jointly commit to co-create with our diverse, talented communities and wider stakeholders a partnership bid from Southampton to become UK City of Culture.

Council calls upon all elected members, stakeholders, partners, and members of our diverse communities to support the creation of Southampton's City of Culture bid for 2025, so we can use this opportunity to work together to generate the creation of a better city for the future."

UPON BEING PUT TO THE VOTE THE MOTION WAS DECLARED CARRIED.

RESOLVED: that the Motion be approved.

17. 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.

18. SOUTHAMPTON CITY COUNCIL ELECTIONS 2019

The report of the Returning Officer detailing the results of the Southampton City Council Elections on 2 May 2019 was noted.

19. OVERVIEW AND SCRUTINY: ANNUAL REPORT 2018/19

The report of the Chair of the Overview and Scrutiny Management Committee detailing the Overview and Scrutiny Management Committee Annual Report 2018/19 in accordance with the Council's Constitution was noted.

20. OVERVIEW AND SCRUTINY: SUMMARY OF CALL-IN ACTIVITY

The report of the Director of Legal and Governance providing an update to Council on the use of Call-In by the Overview and Scrutiny Management Committee over the previous 6 months was noted

DECISION-MAKER:	COUNCIL		
SUBJECT:	EXECUTIVE BUSINESS REPORT		
DATE OF DECISION:	17 July 2019		
REPORT OF:	LEADER OF THE COUNCIL		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Scott Myers Policy Research Officer	Tel: 023 8083 4881
	E-mail:	scott.myers@southampton.gov.uk	
Director	Name:	Mike Harris Deputy Chief Executive	Tel: 023 8091 2882
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STATEMENT OF CONFIDENTIALITY	
None	
BRIEF SUMMARY	
This report outlines the Executive Business conducted since the last Executive Business Report to Full Council on 15 th May 2019	
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)	
STRONG AND SUSTAINABLE ECONOMIC GROWTH	
3.	I was excited to be part of the twinning event between Miami, Florida and Southampton on 14 June 2019 with the Mayor of Miami-Dade County Carlos Gimenez and Manny Gonzalez, Chief of Economic Development and International Trade for Miami-Dade county, Juan Kuryla, Port Director and Alex Ferro, Mayor Gimenez' Chief of Staff. As part of our city's vision to nurture global partnerships and to be known internationally for its immense pioneering role in human discovery, and as a green and smart city as well as a city of culture, this ceremony helped to recognise and celebrate the similarities between the two international maritime cities.
4.	I was also delighted to speak at the opening event for Network Eagle Labs on 26 th June, Southampton's first collaborative co-working space in the Marlands shopping centre. Southampton City Council has made a £1.5m capital investment in the creation of Network, to provide a unique co-working space in which to grow start-ups or scale-up businesses.

5.	It was fantastic to hear that Inland Homes' Meridian Waterside was awarded Best New Development in the South at the 2019 First Time Buyer Readers' Awards in May 2019. As one of Southampton City Council's VIP projects and the regeneration of the former Meridian Television site, the development integrates spectacular riverside views and nearby city amenities.
6.	I was proud to see that the Tech Nation Report 2019 lists Southampton as being in the top 20 UK cities for scale-up tech investment from 2015-2018. Our city has always been a global pioneer in innovation and discovery, so it's no surprise that Southampton is considered one of the best places for the tech industry and investment. The report details the dynamics of the UK's tech ecosystem and explores the wider international landscape and Southampton also performs strongly in the global and regional specialisation of emerging tech activities.
7.	Following on from celebrating Southampton's position in the Tech Nation Report 2019, it was great to see leading Southampton lawyers, entrepreneurs, academics and decision makers forming a brand new coalition called Tech Solent, to connect, promote and develop the tech community in Southampton and the wider Solent region on 14 June 2019 at Solent University. 120 members of Southampton's tech community came together to discuss the Internet of Things, high-speed infrastructure investment, supporting tech start-ventures in the city and the future of the region as a technology hub.
8.	It was exciting to see the launch of VisitSouthampton.co.uk, the new website launched by GO! Southampton with support from Southampton City Council. The website's primary aim is to give tourists, local people, cruise ship passengers and other visitors with information about the exciting events that Southampton has to offer, as well as when and where they are taking place. The website also aims to inspire local people and their communities to explore the city more.
9.	I am excited to announce that Toob, a full fibre broadband provider have stated that Southampton will be the first city to benefit from their full fibre network rollout, delivering download speeds 20 x faster than the UK average, and upload speeds 145 x faster than the UK average. Toob will be investing £50 million in Southampton to build a brand-new full fibre network to deliver gigabit broadband speeds to more than 100,000 premises by the end of 2021.
10.	I was also pleased to see the return of Seawork to Mayflower Park in Southampton, Europe's biggest commercial marine and workboat exhibition. The event was held on 9 to 11 June and had 8000 visitors, with 85 per cent of those have the status of senior decision maker or influencer in the organisation they work in.
	CHILDREN AND YOUNG PEOPLE GET A GOOD START IN LIFE
11.	It was fantastic to see people celebrating the commitment, passion and dedication of our foster carers, whilst highlighting the need for more foster carers in and around Southampton during Fostercare Fortnight in May. This year the campaign focused on why foster carers decide to foster and what they gain from it.
12.	It was great to see the launch of Southampton City Libraries Summer Reading Challenge in June 2019, calling for children to sign up to read six

	books this summer. The theme for the 2019 Summer Reading Challenge is Space Chase, inspired by the 50 th anniversary of the first moon landing.
13.	It was fantastic to hear that Southampton City Council has launched an active summer campaign encouraging children to engage in more physical activity. Between the 20 May and 17 June, colourful Change4Life advertisements around the city have been displayed encouraging families to 'Move More' and be active. As well as the advertisements, we have been promoting this message to schools in Southampton and Early Years Centres, as well as promoting the message on social media.
14.	In June, Southampton City Council's Public Health team worked with the Children and Families Directorate to produce a short, professional film that encourages early year centre managers and childminders in Southampton to sign up for the Health Early Years Award. It is expected that the video will debut at an October's ceremony for Early Years providers.
15.	I was pleased to hear that Southampton City Council has partnered with Portsmouth City Council and the University of Portsmouth School of Dentistry to customise a short video for children promoting proper tooth brushing and oral health. The video was launched in June 2019 and has been shared widely on social media sites, highlighting the importance of oral hygiene.
16.	Congratulations to St John's Primary & Nursery School who have received the much coveted Gold Modeshift STARS Award for its exceptional efforts in promoting walking, cycling and scooting on the school run in June 2019. The Gold award is the highest accolade awarded by Modeshift STARS (Sustainable Travel Accreditation and Recognition Scheme), which is a national scheme acknowledging schools that have excelled in encouraging active travel on the school run.
17.	It was fantastic to see our Year 6 Looked After Children attending a brilliant event with Solent University to learn about university life. The children were given the opportunity to design their own universities and were treated to a tour of campus facilities to inspire them to pursue a university education in the future. The event was held in collaboration between Southampton Virtual School and College and the Southern University Network, who offer bespoke aspirational visits specifically designed for all our Looked After Children.
	PEOPLE IN SOUTHAMPTON LIVE SAFE, HEALTHY, INDEPENDENT LIVES
18.	I was extremely proud to launch the Green City Charter on Clean Air Day 20 June. Southampton is leading the way by introducing ambitious measures to create a cleaner, greener, healthier and more sustainable city. Through the Charter, Southampton will be a better place for present and future generations that is prepared for the challenges presented by climate change. The council will achieve this by ensuring we are ambitious, leading by example and by setting challenging goals.
19.	Making a stand against domestic violence is important, and I'm pleased that seventeen members of the council's Housing Service are taking part in specialist training to become Domestic Abuse Champions so they can act as leads for domestic abuse cases. This involves advising and supporting colleagues on the management of cases, and ensuring victims among Southampton's 16,000 council homes have access to local resources and specialist domestic abuse support.

20.	It was great to see the launch of a city-wide health campaign aiming to eliminate hepatitis C on 12 June. University Hospital Southampton NHS Foundation Trust, Solent NHS Trust and the University of Southampton are working with Southampton City Council to set up testing points at pharmacies throughout the city to help identify people with hepatitis C.
21.	I enjoyed hearing about Southampton Oaklands Team & Recreational Sports (OTARS), part of Southampton City Council Day Services, putting on their 8 th annual Golf Day with the support of ex Southampton Football Club Manager Lawrie McMenemy, to raise funds to support local athletes with learning disabilities to participate in sport. In total, the event raised £4,035.
22.	It was great to see staff engaged in Mental Health Awareness Week between 15 and 21 May 2019. This year's Mental Health Awareness week was primarily focussed on letting staff know about the wellbeing opportunities they can access through work, encouraging conversations about wellbeing among staff, and showing people the five steps they can take towards better wellbeing, such as giving to charity, taking a walk or getting active in some way.
23.	It was fantastic to see a great example of social value arising from a commissioned contract by Southampton City Council with Home Group Housing. As well as delivering on the commissioned contract, Home Group have set up three knitting groups around the city, attracting a wide variety of people, including people with mental health issues, learning disabilities and physical disabilities. A particular success of the group has been the knitting of Bobby Buddy Bears to the police, who gave them out to children they have been working with.
24.	It was humbling to see Southampton City Council and the local NHS pledging to work in partnership to continue to identify and support carers in Southampton in June 2019. The pledge will give carers the opportunity to have an assessment of their needs and access appropriate information, advice and support and it makes clear that we will listen to carers so that we can help to improve services available to them in Southampton.
25.	I am excited to announce that our new Community Solutions Service has been procured and will start on 1 October 2019. The service is jointly funded by Southampton City Council and the Clinical Commissioning Group and will be led by Southampton Voluntary Services in partnership with five other organisations. The partnership will provide community development infrastructure support and community navigation, these together aim to increase the breadth and depth of community based activity available and being accessed by the people of Southampton.
26.	It was very positive to see the success of Wellbeing@Work, a Business Breakfast held at The White Building in Southampton on 25 June 2019, where Officers from Southampton City Council took a lead on supporting local businesses to invest in staff health and wellbeing. The purpose of the Wellbeing@Work is to support businesses in realising the benefits of investing in the health and wellbeing of their staff, which reduces sickness absence, increased productivity and retaining talent.

	SOUTHAMPTON IS AN ATTRACTIVE AND MODERN CITY WHERE PEOPLE ARE PROUD TO LIVE AND WORK
28.	I was proud to see Southampton celebrate Armed Forces Day on 30 June 2019. This year's event featured a military parade and vehicle cavalcade, live music, a special appearance from former SAS soldier, Phil Campion, live displays including a dog display team and a huge array of military vehicles.
29.	Furthermore, I was pleased to unveil one of four benches at Southampton Old Cemetery in June 2019 that have been placed around Southampton to commemorate the contribution that armed forces personnel made to World War 1. The other benches are located at the South Stoneham Garden of Remembrance at Stoneham Cemetery, Hollybrook Cemetery and on Lances Hill.
30.	This year marks the 15th year of British Citizenship ceremonies in Southampton. To date, over 8,000 new citizens have been welcomed by the Mayor of Southampton and Southampton Registration Services. Most of the ceremonies have been held in the beautiful Mayor's Parlour, and I would like to offer congratulations to everyone who is taking part in this year's ceremonies.
31.	We were pleased to welcome the Indian High Commissioner, Her Excellency Mrs Ruchi Ghanashyam, to the city as part of a celebratory event at the University of Southampton to commemorate the 150th anniversary of the birth of Mahatma Gandhi. As part of the celebrations, the High Commissioner planted a memorial tree, joined by the Sheriff of Southampton, Councillor Susan Blatchford.
32.	It was good to see that Balfour Beatty Living Places, Southampton City Council's Highways Partner has completed work on the installation of a pedestrian zone for the Guildhall Square Cultural Quarter. West Marlands Road will no longer be a through route and access will only be granted to authorised vehicles with legitimate reason to enter, making the Cultural Quarter safer, quieter and appealing for all users.
33.	It was so exciting to see the buzz in Southampton as the city was an official host city of the ICC Men's Cricket World Cup, held 30 May to 14 July 2019. Five games were played at the Hampshire Bowl as part of the prestigious internal tournament, and the fanzone at Westquay, on the Esplanade from 14 June to 16 June 2019 featured a big screen for thousands of people to follow the action live from comfy seating in front of Southampton's iconic medieval walls. It was estimated that being a host city provided up to £18.3m worth of economic benefits for Southampton and our local businesses.
34.	I was pleased to hear that two new water bottle filling stations on Southampton Common have been installed so that members of the public can refill their re-usable water bottles with fresh drinking water, reducing the impact of single use plastic bottles on the environment. They were installed behind the kiosk in the new play area in the Common and one outside the Hawthorns café.
35.	It was fantastic to hear that eight new electric vehicle charging points have gone live in four of Southampton City Council's car parks in Woolston. Two charging points have been installed at each of the following car parks and are available to any car park customer.

	<ul style="list-style-type: none"> • Woodley Road Car Park • Victoria Road Car Park • Oakbank Road Car Park • The Colonnade Car Park
36.	<p>I am pleased to see that Southampton has continued to offer a wide range of interesting, family friendly events to both residents and visitors. Many events were led, facilitated or supported by the council's events team and as well as the ones already referred to above, these have included:</p> <ul style="list-style-type: none"> • 15-19 May – Community Fair at Mayfield Park – A family friendly event hosting rides, community stalls, hot food and a bouncy castle • 18 May – Get Creative Festival – Southampton libraries took part in a national Get Creative festival of craft activities. • 20-24 May – Walk to School Week – My Journey Southampton supported an event encouraging parents and children around Southampton to unite for one week of walking to school. • 25 May – Southampton Dementia Festival 2019 – An event for all the family showcasing opportunities for people living with dementia, and their carers, to help them continue to live well in Southampton. • 15 June – Southampton Festival of Eid – the Muslim Council of Southampton hosted an event in Hoglands Park, with attractions including music and entertainment, funfair rides, clothes stalls, face painting, street food stalls, bouncy castle and children's activities. • 18 June – The Civic University: transforming lives through collaboration – A free two-hour event held at The Spark by Southampton City Council and Solent University supporting the vision of Southampton as a 'City of opportunity where everyone thrives'. • 23 June – Race for Life 5k/10K: Thousands of people united together for one purpose – to run or walk and raise valuable funds for life-saving research. • 25-29 June – Skate Southampton: Gallery 1 of the John Hansard Gallery hosted a packed programme full of interactive displays, exhibitions, workshops, talks,, screenings and demonstrations to celebrate the art of skateboarding. • 21 July – HSBC UK Let's Ride Southampton: British Cycling's traffic-free cycling festival includes a series of fun activities and challenges for the whole family to enjoy.
	A MODERN, SUSTAINABLE COUNCIL
37.	<p>I was delighted to hear that the success of the Solent Jobs Programme was celebrated at a stakeholder conference on 17 May. The Solent Jobs Programme is a joint programme involving Southampton City Council, Portsmouth City Council and the Wheatsheaf Trust to support people with long term and complex barriers into work. The event highlighted some of the impressive achievements that participants in the Solent Jobs Programme have accomplished over the last two years.</p>
38.	<p>It was also good to see the Solent Apprenticeship Hub, led by Southampton City Council, hosting their first annual conference #NotAnotherBusinessTax, on 13 June at the Village Hotel, Portsmouth. The event provided the perfect environment for apprenticeship levy-paying employers to learn from leading HR, business performance and training experts as well as engaging with support services to aid their growth prospects.</p>

38.	I would like to thank Southampton City Council's Trading Standards and Legal Services teams for their crucial lead role in ensuring 177 victims of fraud were fully compensated and eight defendants were found guilty of money laundering and fraud offences following a five month trial. The council put evidence before the court of 177 victims, who had paid sums of up to £18,000 for plumbing and drainage work both in the City and throughout the South of England.
39.	I was incredibly pleased to hear that according to TheJobCrowd, Southampton City Council is the leading apprentice employer in the Charity, Education and Public Sector Industry. The council was also ranked 44 th in the top 50 apprenticeship employers, which marks a significant improvement in our work with apprentices over recent years.
40.	I would like to congratulate and thank the Elections Team on behalf of all Members who did a fantastic job in arranging the two recent elections over a three week period, with an incredibly short lead in time for the EU election itself. I would like to pay specific thanks to Mike Hickman, Marijke Elst, Natasha Cole, Rosie Ball, Lillian Werrett and Scott Healey for all of their efforts.
41.	It was also fantastic to hear that the Land Charges/LLPG team has been awarded the highest Gold Standard Excellence Award for the Local Land and Property Gazetter for the fifth year running. Each year awards are handed out to local authorities that consistently achieve high levels of data accuracy, and it is a credit to all teams involved for maintaining such a high standard.
42.	Southampton Crematorium, which is run by Southampton City Council, donated £8,000 to Southampton and District Diabetes Group. This money has been raised from their Institute of Cemetery and Crematorium Management (ICCM) recycling metals scheme. This brings the total the crematorium has donated to local charities in the last two years to an astonishing £30,000.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
43.	None
<u>Property/Other</u>	
44.	None
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
45.	As defined in the report appropriate to each section.
<u>Other Legal Implications:</u>	
46.	None
RISK MANAGEMENT IMPLICATIONS	
47.	None
POLICY FRAMEWORK IMPLICATIONS	
48.	None

KEY DECISION?	No
WARDS/COMMUNITIES AFFECTED:	None
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	None
Documents In Members' Rooms	
1.	None
Equality Impact Assessment	
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	No
Data Protection Impact Assessment	
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.	No
Other Background Documents	
Other Background documents available for inspection at:	
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	None

Agenda Item 9

DECISION-MAKER:	COUNCIL		
SUBJECT:	Council Annual Review		
DATE OF DECISION:	17 th July 2019		
REPORT OF:	The Leader of the Council		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Felicity Ridgway Service Lead: Policy, Partnerships and Strategic Planning	Tel: 023 80
	E-mail:	felicity.ridgway@southampton.gov.uk	
Director	Name:	Sandy Hopkins Chief Executive	Tel: 023 80
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STATEMENT OF CONFIDENTIALITY
N/A

BRIEF SUMMARY

Southampton City Council is committed to making a difference to the lives of city residents by improving their outcomes. The Council Strategy sets out our vision: **A city of opportunity where everyone thrives**, and describes our priority outcomes:

- Strong, 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 and modern city where people are proud to live and work
- Modern, sustainable council

This report reviews our achievements and progress against these outcomes as well as setting out the proposed future strategic framework of five key programmes of work to support the delivery of the council outcomes:

- Communities & Culture
- Green City
- Place Shaping
- Wellbeing
- Successful, sustainable business

These programmes will, alongside the delivery Executive's Commitments form the strategic focus for the organisation in the medium term (2019-2025).

This report should be considered alongside the Financial Outturn Report also presented to Full Council July 2019.

RECOMMENDATIONS:		
	(i)	To note the council's achievements 2018/19.
	(ii)	To note the business priorities for the council 2019/20.

	(iii)	To agree the five strategic programmes as a format for further business planning to deliver the council's outcomes.
	(iv)	To agree the Executive's commitments for the council.
REASONS FOR REPORT RECOMMENDATIONS		
1.	The annual review report supports the quarterly publication of Council Strategy Performance data, and supports the organisation to reflect on achievements and progress against the Council Strategy.	
2.	It is important for Council to understand and agree the strategic direction via the five programme themes and the Executive's Commitments.	
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED		
3.	None.	
DETAIL (Including consultation carried out)		
4.	In 2018/19, there were a number of significant achievements against the outcomes. A detailed summary of latest statistical figures and key achievements is included in Appendix 1 . Performance against the Council Strategy measures is published quarterly: https://www.southampton.gov.uk/council-democracy/council-data/council-performance/	
5.	<p>Strong, sustainable economic growth</p> <ul style="list-style-type: none"> • Southampton has been ranked as the third fastest growing city for economic success and wellbeing in the PwC Good Growth for Cities 2018 report. • In March 2019, the council launched its new vision for the future of transport in the city, entitled Connected Southampton 2040. • Southampton was one of the ten cities that were shortlisted by the government to receive a share of the Transforming Cities Fund. In the first round of funding the council secured £5.7M to continue delivering the Southampton Cycle Network. 	
6.	<p>Children and young people get a good start in life</p> <ul style="list-style-type: none"> • In 2018 Southampton City Council was accepted into the British Youth Council, strengthening our dedication to empowering the young people of Southampton. • In 2018, young people in Southampton took part in the UK Youth Parliament national consultation, where over 1.1 million voted nationally to end Ending Knife Crime the issue they care most about. Young people in Southampton contributed 13,511 ballots, which was the 6th highest turnout (69.7%) from a local authority area in the UK. • In 2018, an Ofsted review of Southampton City Council's Care Leavers service recognised the positive improvements made to the service, highlighting the stable senior leader team and positive improvements to the service for care leavers, backed by a strong financial commitment. 	
7.	<p>People in Southampton live safe, healthy and independent lives</p> <ul style="list-style-type: none"> • Southampton City Council launched a not for profit energy brand, CitizEn Energy in 2018, providing affordable energy to customers and reinvesting profits back into energy saving schemes in Southampton, with over 1,000 households on its supply. 	

	<ul style="list-style-type: none"> • In 2018, Southampton City Council's Urgent Response Service was awarded an 'Outstanding' rating by the CQC, which provides Rehabilitation and Re-ablement services for adults in Southampton. • Fire safety improvements in Southampton tower blocks were shortlisted for a 'Best customer impact' award from the National Housing Maintenance Forum in January 2019.
8.	<p>Southampton is an attractive and modern city where people are proud to live and work:</p> <ul style="list-style-type: none"> • £2.7 million of funding has been secured by Southampton City Council through the government's Clean Bus Technology Fund to retrofit buses and reduce harmful emissions in the city. • St James' Park in Shirley and Riverside Park in Bitterne Park have been awarded a Green Flag award in recognition of their high environmental standards and well maintained visitor facilities. • Over 31,000 people visited the Leonardo da Vinci: A Life in Drawing exhibition, held at Southampton Art Gallery between 1st February and 6th May 2019.
9.	<p>Modern, sustainable council</p> <ul style="list-style-type: none"> • In 2018, the council achieved a Silver Award from the Ministry of Defence Employer Recognition scheme for support offered to staff members who are members of the Armed Forces. • Southampton City Council launched its first ever Social Worker Apprenticeship Scheme called 'Grow Our Own', providing career development opportunities for social work staff and helping to retain social work staff already employed by the council. The first tranche of apprentices are due to start in September 2019.
10.	<p>Our priorities for 2019/20 are set out in the service level business plans, developed as part of the outcomes based business planning and budgeting process, which set the 2019/20 budget for the council. These included:</p>
11.	<p>Strong, sustainable economic growth:</p> <ul style="list-style-type: none"> • Supporting skills development, training, employment and volunteering. • Bringing forward strategic pipeline of developments to meet the city's ambitions. • Delivering residential, commercial, retail, hospitality and leisure offers. • Supporting inward investment and business growth.
12.	<p>Children and young people get a good start in life:</p> <ul style="list-style-type: none"> • Delivering a high quality Early Help service, that delivers improved outcomes for children, young people and their families, and reduces demand for higher cost support services. • Delivering more cost effective and efficient Looked After Children ('LAC') provision, improving outcomes for children and young people in our care, and reducing the numbers of looked after children and associated costs. • Delivering an effective and efficient Front Door Service, that ensures that children, young people and their families get the right help at the right time. • Delivering efficient services for Education (High Needs and Schools), including school improvement, attendance and SEND provision. • Delivering a high quality Early Years Provision. • Providing effective Asset Management of our schools.

13.	<p>People in Southampton live safe, healthy, independent lives:</p> <ul style="list-style-type: none"> • Prioritising community development to increase independence (Adult Social Care), encourage neighbourhood based support and build community resilience. • Improving adult social care and develop a strength based culture in adult social care. • Integration with health, prevention and early intervention. • Improving tenant experiences led by the Housing Improvement Board. • Deliver effective Extra Care Housing. • Completing the citywide sprinkler programme. • Continuing to deliver adaptations to homes to support people with disabilities.
14.	<p>Southampton is an attractive and modern city where people are proud to live and work:</p> <ul style="list-style-type: none"> • Ensure clean and tidy streets. • Attractive green spaces and play facilities that are supported by 'friends' groups and volunteers and used to support family friendly events. • Residents being able to recycle a wide range of materials • Services that support the control of vermin, litter, side waste and bins left on pavements. • Management of wildlife and protected species and tree planting to enhance the city. • Developing and delivering cultural, heritage and visitor services.
15.	<p>Modern, sustainable council:</p> <ul style="list-style-type: none"> • Increasing self-service and automation within services. • Proactive development of interns and apprenticeships programme in the council including LAC, care leavers, graduates, training for existing staff • Managing attendance at work and reduce sickness absence. • Working with partners to reskill and redeploy staff to meet changing service needs. • Developing and delivering a programme to attract care leavers, apprentices, interns and graduates.
	<p>Our focus in the year ahead</p>
16.	<p>The council commissioned a Corporate Peer Challenge in September 2017 led by the Local Government Association (LGA), and a report was presented to Full Council with the findings and recommendations of this review in July 2018.</p>
17.	<p>Amongst other recommendations the Peer Review highlighted that we should:</p> <ul style="list-style-type: none"> • Continue to move from a short term internal focus to a longer term ambition as leaders of place; and, • Develop a single set of political, organisational and vision based priorities that are unique to Southampton.
18.	<p>We are therefore developing five key programmes of work. These will ensure we can focus our resources and efforts more effectively, and ultimately deliver our priority outcomes. These are:</p>
19.	<p>Communities & Culture:</p>

- Embracing the diversity of cultures within Southampton, and enhancing our historical and cultural offering as a cornerstone for the future of the city.
- Green City:
- Nurturing green spaces, embracing access to the water and providing a sustainable clean, healthy and safe environment in which to visit, live and work.
- Place Shaping:
- Using data, insight and vision to design the future needs of the city (residents, businesses and visitors). Delivering a city for future generations that may not yet have been born.
- Wellbeing:
- Start well, live well, age well. Working well with other public service providers to ensure our customers get timely, appropriate support.
- Successful, sustainable business:
- Meeting the changing needs of our customers using data and insight to make the right decisions.
 - Building sustainable, agile and flexible services, with people who have the capacity, capability and confidence to adapt to and drive changing environments.

20. These five themes will be used as a format for future business planning, in order to deliver against the council outcomes.



21. The five themes will be supported by the delivery of 25 priority projects by 2025 (25 by 25). This will allow the council to focus on the delivery of key priority over the medium term. Work is ongoing to ensure business planning and Budget setting are fully integrated, in order to align all resources to the delivery of council priorities. This work will also ensure the organisation is delivering for the wider

	needs of the city and aligned with public, private and voluntary sector partners with an interest in public services.
	Executive Commitments
22.	As well as supporting the delivery of the council strategy through the five programme themes, we are committing to deliver the administration's promises to: <ol style="list-style-type: none"> 1. Boost the local economy by directing the Council's spending towards local companies and encouraging local employers to pay the real Living Wage. 2. Combat Climate Change by fulfilling the Green City Charter. 3. Deliver more quality affordable Council Homes that Southampton families need. 4. Reduce crime rates in the city by investing in preventative work and lobbying for more police on our streets. 5. Develop ambitious transport plans to transform the links across the city and wider region. 6. Create a Health and Social Care system that works for the people of Southampton by developing services that meet the needs of elderly and vulnerable residents. 7. Tackle child hunger by providing free fruit and yoghurts to all children up to age 11. 8. Support Young people to reach their potential by investing £80 million in our schools. 9. Achieve recognition of Southampton as a City of Culture. 10. Regenerate Bitterne by providing new leisure, health and housing facilities.
23.	Progress against the previous Executive's Commitments (2018/19) is summarised in Appendix 2 .
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
24.	This paper reflects the approved council budget as set in February 2019. There are no additional resource requirements arising directly from the recommendations in this paper. Any new resources required to deliver the Executives Commitments or priority programmes will be considered within the council's Business Planning and Budget setting process for 2020/21 and beyond.
<u>Property/Other</u>	
25.	None
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
26.	The statutory powers for producing the Council Strategy can be found in the Local Government & Housing Act 1989, Local Government Acts 1972, 1999 and 2000 and s1 Localism Act 2011.
<u>Other Legal Implications:</u>	
27.	None
RISK MANAGEMENT IMPLICATIONS	
28.	Strategic risks are managed through an existing framework of the Corporate

	Risk Register, Contract Procedure Rules, Financial Procedure Rules, the Council's Constitution and Public Procurement Law. There are no specific risks identified with the recommendations in this paper.
29.	New risks may arise from new projects or investment to deliver the Executive Commitments and priority programmes. These risks will be identified and managed as part of the decision making process.
POLICY FRAMEWORK IMPLICATIONS	
30.	The Executive Commitments and priority programmes will support the delivery of the Council Strategy 2016-2020 and the Council's Policy Framework.

KEY DECISION?	No
WARDS/COMMUNITIES AFFECTED:	None
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Southampton City Council Annual Review
2.	Your council's commitments to you: Executive Commitments 2018/19

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
Data Protection Impact Assessment	
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) 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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Southampton City Council Annual Review 2018/19

Key facts and figures

- The population of Southampton is currently 256,459 and by 2025 it is expected to grow by 6.5% to 273,020.
- Approximately 55,561 children and young people (aged 0-18) live in Southampton and this number is expected to rise by 6.9% by 2025.
- The population aged 65+ (35,276) is predicted to rise by 16% by 2025.
- 22.3% of the city's population are non-White British, including 14% who are residents from Black or Minority Ethnic backgrounds.
- Southampton has residents from over 55 different countries, speaking 153 different languages.
- The city has two universities and around 43,000 higher education students across the city's universities and colleges.
- There are around 106,000 households in the city, with 53% owner occupiers, 23% living in social rent homes and 25% living in privately rented homes.
- Southampton sees 7 million day visitors, and 1.6 million cruise visitors every year.

What do our residents say?

- 1,190 people took part in the City Survey 2018, and of these:
 - 78% said they are satisfied with their local area as a place to live.
 - 50% said they are satisfied with the way Southampton City Council runs things
 - 43% said they think that Southampton City Council provides value for money
 - 71% said they feel that their local area is a place where people from different backgrounds get on well together
 - 73% of residents agreed that they feel a sense of belonging in their local area
 - 36% of residents said that they have done some volunteering over the last year

Our Strategy

The Council Strategy 2016-20 sets out our vision: **A city of opportunity where everyone thrives.** It describes our priority outcomes:



Strong and sustainable economic growth



Children and young people get a good start in life



People in Southampton live safe, healthy, independent lives



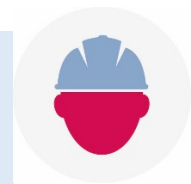
Southampton is an attractive and modern city, where people are proud to live and work

AND

to ensure the council can deliver against these in an affordable way, we aim to be a **'modern sustainable council'**



Strong sustainable economic growth



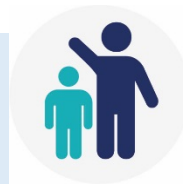
Key facts and figures

- Southampton's economy was worth £6.6BN in 2017, which is a 6.8% increase from 2016 (latest figures).
- Southampton has over 6,000 businesses and 1,828,000 sq m of business floor space.
- Around 110,000 workers are employed in Southampton, with 78% of the working age population economically active.
- Around 6,400 people are unemployed in Southampton, 4.6% of the economically active population.
- Business density in Southampton is lower than the national average at 389 businesses per 10,000 population compared to 663 per 10,000 population nationally.
- GVA per head in Southampton is £25,980 (2017, latest figures), which is 5th among comparators but below the England average (£27,949).
- The commuter/resident wage gap means that people who live and work in the city earn £43 per week less than those who commute into the city for work.
- The claimant count in Southampton is higher than average at 2.9% (5,080 people) compared with 1.7% in the South East and 2.6% in England.

Achievements in 2018/19

- Southampton has been ranked as the third fastest growing city for economic success and wellbeing in the PwC Good Growth for Cities 2018 report.
- The city has risen to 9th place in the Irwin Mitchell UK Power House Consumer Economy 2018/19 report, out of 44 cities.
- In March 2019, the council launched its new vision for the future of transport in the city, entitled Connected Southampton 2040.
- Southampton was one of the ten cities that were shortlisted by the government to receive a share of the Transforming Cities Fund. In the first round of funding the council secured £5.7M to continue delivering the Southampton Cycle Network.
- A joint bid between Southampton City Council and Hampshire County Council has secured £5.7m in the first round of funding announcements from the Department for Transport's 'Transforming Cities' Fund.
- The council was selected to lead a Hampshire-wide partnership after securing nearly £2 million of funding to deliver a new 'Apprenticeship Hub' in the Solent region.
- Solent Jobs Programme has supported more than 1,000 long-term unemployed local people find work since being set up at the end of 2016.
- Six newly built council houses were officially handed over to the council in February 2019, as part of the council's plan to transform Townhill Park and revitalise the local community.
- The council approved a new HMO Additional Licensing scheme covering Bevois, Bargate, Portswood and Swaythling ward which came into force in October 2018.

Children and young people get a good start in life



Key facts and figures

- Children and young people under the age of 19 years make up 21.7% of the population of Southampton.
- 37% of school children in Southampton are non-White British and there are 147 different languages spoken in our schools.
- There are 76 schools in the city. 75% of primary schools and 82% of secondary schools are rated good or outstanding by Ofsted.
- 94% of day nurseries, 92% of preschools childminders in Southampton are rated Good or Outstanding by Ofsted.
- 97% of parents received one of their top school place 3 choices at Year R in 2018/19.
- In 2018 Southampton pupils achieved an Attainment 8 score of 43.3 in 2018 compared to a National average of 46.6.
- The council currently has around 500 Looked After Children (LAC) in its care.
- The council supports 5,362 children with special educational needs or disabilities.
- Nearly a quarter (23.4%) of the children in the city live in relative poverty compared to an England average of 20.1%.
- In 2017/18, 61% of High Risk Domestic Abuse (HRDA) cases involved children and young people (current figures).
- 21.9% children in Year 6 (aged 10-11) are classified as obese compared to a England average of 20.1%.

Achievements in 2018/19

- In 2018 the council was accepted into the British Youth Council, strengthening our dedication to empowering the young people of Southampton.
- In 2018, young people in Southampton took part in the UK Youth Parliament national consultation. Young people in Southampton contributed 13,511 ballots, which was the 6th highest turnout (69.7%) from a local authority area in the UK.
- In 2018, an Ofsted review of Southampton City Council's Care Leavers service highlighted the stable senior leader team and positive improvements to the service for care leavers, backed by a strong financial commitment.
- Proposals have been submitted by the council to develop a new secondary school on the site of St Mark's Primary School and Civil Service Playing Fields in Freemantle, providing an additional 900 secondary school places in the central region of the city.
- The proportion of students in Southampton in 2018 receiving a grade between 9-5 in English and Maths GCSE was 3% higher than last year's results (2017), at 37%. The figure rises to 58% for pupils who achieved a grade between 9-4 for English and Maths, which is in line with last year's results.
- The council introduced a Council Tax discount and exemption scheme for young people leaving care.
- In January 2019, the council became a change partner in the national What Works Centre for Children's Social Care: Children's Social Workers in Schools project, and was awarded over £450,000 up to March 2020 to locate social workers in schools to work more closely with children and their families.

People in Southampton live safe, healthy independent lives



Key facts and figures

- The council supports around 3,000 adults with care needs.
- The population of people aged 65+ in Southampton is rising faster than the general population. However, although people are living longer, it is often with long term conditions and an extended period of poor health/disability.
- Life expectancy is 6.6 years lower for men and 3.1 years lower for women in the most deprived areas of Southampton than in the least deprived areas.
- 16,124 homes are currently let on council tenancies (around 15% of all homes in the city), and over 8,300 households are on the council's Housing Register.
- In March 2018 Southampton recorded 23 rough sleepers, up from 17 in the previous year. This reflects a rate of 0.28 rough sleepers per 1,000 households, up from 0.22 in 2016.
- Recorded crime rates in the city increased by 2.3% in 2017/18, compared to a 12.8% increase recorded nationally.
- In the 2018 Community Safety Survey, 90% of residents said that they felt safe during the day, falling to 57% after dark. The percentage feeling safe during the day is similar to the 2016 results, but the percentage feeling safe after dark has decreased from 63% in 2016.

Achievements in 2018/19

- Work is progressing on Potters Court, the city's largest Housing with Care development in Maybush providing 99 affordable homes, 84 of which are 'Housing with Care' apartments. The scheme was shortlisted in the Inside Housing Development Awards for 'Best Development for Older People'.
- The council launched a not for profit energy brand, CitizEn Energy in 2018, providing affordable energy to customers and reinvesting profits back into energy saving schemes in Southampton, and now has over 1,500 households on its supply.
- In 2018 there was a reduction of over 4,000 lost bed days at University Hospital Southampton compared to the previous year, due in part to the Complex Care and Hospital Discharge Team, the Integrated Commissioning Unit and improved Better Care Fund investment.
- In 2018, Southampton City Council's Urgent Response Service was awarded an 'Outstanding' rating by the CQC, which provides Rehabilitation and Reablement services for adults in Southampton.
- The integrated council and Solent NHS Community Independence Service has reduced waiting times for people with a visual or hearing impairment down to two weeks from between nine months to a year.
- The council supported and promoted the 'Love Don't Hate' campaign against hate crime, as well as hate crime reporting schemes.
- The council adopted a charter against Modern Slavery in December 2018.
- Fire safety improvements in Southampton tower blocks were shortlisted for a 'Best customer impact' award from the National Housing Maintenance Forum in January 2019.

Southampton is an attractive, modern city where people are proud to live and work



- The council manages and maintains:
 - Over 416 miles of highways, 49 parks and 1,140 hectares of open space.
 - 3 museums and a number of other monuments and heritage sites across the city.
 - 5 cemeteries and a crematorium, and a registration service for births, deaths and marriages.
- The council recycles, composts and reuses nearly 27,000 tonnes of waste every year.
- In 2018/19 we dealt with 11,400 fly tipping incidents at a cost of £364,482 including disposal.
- Southampton Art Gallery holds an internationally important collection of over 5,300 works of art and the Sea City museum attracts 80,000 visitors per year.
- Around 500,000 people attend events in the city every year.
- In the 2018 City Survey:
 - 61% of residents were satisfied with bin collections
 - 77% of residents were satisfied with green spaces in the city
 - Only 20% were satisfied with road and pavement repairs in the city

Achievements in 2018/19

- The council agreed a Green City Charter in March 2019 in order to tackle air pollution and become a clean, green and healthy city.
- £2.7 million of funding has been secured by Southampton City Council through the government's Clean Bus Technology Fund to retrofit buses and reduce harmful emissions in the city.
- £1.8 million of funding has been secured from DEFRA to support various schemes in Southampton that improve local air quality, such as supporting taxi drivers switch to electric vehicles.
- In 2018, we introduced a 'Find and Fix' Team by Balfour Beatty Living Places, working systematically across the whole Southampton road network with the sole brief of repairing carriageway potholes.
- The city hosted its first ever Armed Forces Day event on 1 July 2018.
- Over 10,000 people attended 'Southampton Pride' in August 2018.
- St James' Park in Shirley and Riverside Park in Bitterne Park have been awarded a Green Flag award in recognition of their high environmental standards and well maintained visitor facilities.
- Over 2,300 visitors to the 'We March On' exhibition held at Sea City Museum from March 2018 to October 2018.
- Over 31,000 people visited the Leonardo da Vinci: A Life in Drawing exhibition, held at Southampton Art Gallery between 1st February and 6th May 2019.
- NST City celebrated its first birthday of the new city centre theatre in Guildhall Square by holding a giant community birthday party of activities on 16 February 2019.

A modern, sustainable council








- Southampton City Council employs 3,068 staff (excluding schools).
- We currently have 91 apprentices across council staff and schools.
- Our website is our key information repository for customers with over 7,000 pages. In 2018 our website received 4.47M page views.
- At present we have 177 forms on the website enabling customers to interact with us more efficiently. In 2018 we received 80,500 completed web forms.
- Customer services received 426,166 telephone calls in 2018, a reduction from 499,594 in 2017 and 644,335 in 2016.
- We have 180,000 followers across our 50 different social media accounts, which include Facebook, Twitter, LinkedIn, Instagram and YouTube.
- We receive around 250 customer service related enquiries per month through social media platforms.
- Our webchat service went live in February 2018. Since then (Feb '18 to May '19) we have received nearly 7,400 webchats. Webchat is now available on over 60 council web pages. In May 2019, 86% of chats were resolved and 82% of customers rated our advisors as either 'great' or 'good'.
- We had nearly 65,000 face to face customer contacts at Gateway during 2018.
- Our Stay Connected e-alerts cover a range of topics and have over 100,000 customers signed-up.

Achievements in 2018/19

- In 2018, the council achieved a Silver Award from the Ministry of Defence Employer Recognition scheme for support offered to staff members who are members of the Armed Forces.
- According to the 2018 Staff Survey:
 - 64% of staff are proud to work for the council, up from 62% in 2017.
 - 62% of staff would recommend the council as an employer, up from 48% in 2017.
 - 87% are prepared to go above and beyond what is expected to help the council succeed, up from 82% in 2017.
 - 73% are satisfied working for the council, up from 48% in 2017.
 - However, the survey showed there is still room for improvement, with some people feeling they don't have the right systems and equipment to do their jobs and some that they don't have access to relevant training and career development opportunities.
- Southampton was selected as a pilot area for the government's 'EU Settlement Scheme' allowing EU citizens and their families in Southampton apply for the EU Settlement Scheme ahead of the official start date on 30 March 2019.
- Southampton City Council launched its first ever Social Worker Apprenticeship Scheme called 'Grow Our Own', providing career development opportunities for social work staff and helping to retain social work staff already employed by the council. The first tranche of apprentices are due to start in September 2019.

Your council's commitments to you: Executive Commitments 2018/19

 <p>Strong, sustainable economic growth</p>	Build at least 1000 council owned homes to rent in the next five years	56 new homes have already been constructed and are in occupation, with 103 additional homes scheduled to start building in 2019
	Establish our own house-building factory	In progress
	Explore opportunities for ensuring subsidised bus pass provision for women denied by Government	Reviewed and not progressed
	Bring forward plans to regenerate large sections of our city centre creating 4,000 homes and exciting leisure and job opportunities	In progress
	Build a state-of-the-art Leisure and Health hub at Bitterne precinct	In progress
	Renew the HMO licence scheme in the central wards and bring long-term empty homes back into use	Completed
 <p>Children and young people get a good start in life</p>	Help Care Leavers' start into independent living by exempting them from paying Council Tax	Council tax exemption for Care Leavers delivered
	Continue to invest in council play parks starting with Mansel Park, Riverside Park and Veracity Ground	Ongoing
 <p>People in Southampton live safe, healthy independent lives</p>	Complete the citywide programme of fitting sprinklers to all council high-rise blocks	On target to complete by end of August 2019 - sprinklers installed and operational in fifteen tower blocks, work underway or planned in the remaining four
	Launch our own council owned energy company (CitizEn) and reinvest profits into alleviating fuel poverty	CitizEn launched in September 2018.
	Tackle air pollution with a range of measures	Clean Air plan accepted by government and currently being implemented. Green City Charter launched.
	Increase investment in advice services for those most impacted by the Government's benefit changes	Ongoing
	Sign up to UNISON's Ethical Care and Residential Care Charters	Completed
	Ensure that Southampton remains a welcoming city to our many diverse communities and support the zero-tolerance approach to hate	Completed and ongoing. The council has supported and promoted the 'Love Don't Hate' community wide partnership campaign to stamp out hate crime in Southampton, as well as hate crime reporting schemes.

 <p>Southampton is an attractive, modern city where people are proud to live and work</p>	Invest in an improved pothole repair service	Complete - Find and Fix team in place
	Increase spending on roads and pavement resurfacing	Delivered increased spending
	Invest and extra £400,000 in street cleaning	Delivered increased investment
	Press neighbouring councils to expand the County's waste recycling facilities to allow a wider range of materials to be recycled	Ongoing
	Invest in Christmas lights in Shirley, Portswood, and Woolston	Delivered increased investment
 <p>A modern, sustainable council</p>	Increase the number of local apprenticeship opportunities directly in the council and with organisations where we have contracts	The council has won a contract to deliver the £2m+ apprenticeship hub for the Solent area, to increase awareness and uptake of apprenticeships

DECISION-MAKER:	COUNCIL		
SUBJECT:	GENERAL FUND AND HOUSING REVENUE ACCOUNT REVENUE OUTTURN 2018/19		
DATE OF DECISION:	17 JULY 2019		
REPORT OF:	CABINET MEMBER FOR RESOURCES		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Steve Harrison Jo Knight	Tel: 023 8083 4153 023 8083 2585
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Director	Name:	John Harrison	Tel: 023 8083 4897
	E-mail:	John.Harrison@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY
None
BRIEF SUMMARY
<p>The purpose of this report is to summarise the overall General Fund and Housing Revenue Account (HRA) revenue outturn position for 2018/19. The financial statements are still under external audit scrutiny, which means this report is provisional, although no material changes are anticipated.</p> <p>The surplus on the General Fund increased by £4.14M from the reported quarter 3 position of £0.58M. This gave a total £4.72M surplus, which was transferred to reserves to give an overall balanced position for the year on the General Fund.</p> <p>The overall position on the HRA was a balanced position. This is in line with the budget approved by Council in February 2018.</p> <p>The level of General Fund balance at 31 March 2019 was £10.07M, which is in line with the Medium Term Financial Strategy as agreed at 20 February 2019 Council meeting. Earmarked reserves totalled £88.67M at the end of 2018/19, of which £2.86M related to schools. This is £26.34M higher than the estimated position at quarter 3. More detail is provided in paragraphs 21 to 23. Reserves are increasingly important given the uncertainty with central government funding, the challenging financial environment of demand pressures on budgets and continuing savings targets and volatility with local business rate receipts funding.</p> <p>At the year end, the Collection Fund has a surplus of £6.84M. Part of this surplus is already factored in to budget plans, and part of it is due to other authorities (including</p>

Police and Fire). However, there is an additional gain for Southampton City Council of £1.47M, compared with existing budget planning assumptions for the authority. This gain will be taken into account when reviewing and setting the budget for 2020/21.

Participation in the 100% business rate retention pilot (alongside Portsmouth and the Isle of Wight councils) during 2018/19 has provided a benefit of an extra £3.52M funding via business rates, though £3.28M of this gain has already been included in budget plans for 2019/20 and 2020/21.

RECOMMENDATIONS:

It is recommended that Council:

i)	Notes the final General Fund outturn for 2018/19 detailed in paragraphs 5 and 6 is a balanced position following the transfer to earmarked reserves.
ii)	Notes the performance of individual Portfolios in managing their budgets as set out in table 1 of this report and notes the significant variances highlighted in Appendix 1.
iii)	Notes that the level of General Fund balances at 31 March 2019 was £10.07M and the level of earmarked reserves was £88.67M (at paragraphs 21 to 23 and Appendix 2).
iv)	Agrees the budget carry-forward requests totalling £2.92M as detailed in paragraph 7 and Appendix 3.
v)	Notes the accounts for the Collection Fund in 2018/19 as detailed in paragraphs 8 to 14 and in Appendix 4.
vi)	To note the HRA revenue outturn for the financial year 2018/19, as set out in paragraphs 18 to 20 and in Appendix 5 and 6.
vii)	To note the performance of the Property Investment Fund (PIF) as detailed in paragraphs 25 to 27 and Appendix 7.
viii)	Notes that the benefit derived from participation in the business rate pilot scheme (as part of the Solent Region pilot alongside the Isle of Wight and Portsmouth) during 2018/19 was £3.52M as detailed in paragraph 24.

REASONS FOR REPORT RECOMMENDATIONS

- | | |
|----|--|
| 1. | The reporting of the outturn for 2018/19 forms part of the approval of the statutory accounts. |
|----|--|

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- | | |
|----|--|
| 2. | Reporting of outturn is undertaken in line with Local Government Accounting Practice. This is the only appropriate option. |
|----|--|

DETAIL (Including consultation carried out)

GENERAL FUND BUDGET

3. The original budget was approved by Council in February 2018 with the revised budget noted by Council in February 2019. Each portfolio within the General Fund is responsible for monitoring net controllable spend against the budget throughout the financial year.
4. The focus for this report is on indicating the change since the previous report as noted by Cabinet at its meeting on 19 February (at quarter 3).
- OVERALL GENERAL FUND REVENUE POSITION**
5. The surplus on the General Fund increased by £4.14M from the reported quarter 3 position of £0.58M. This £4.72M surplus was transferred to reserves to give an overall balanced position for the year on the General Fund. The table below reports on the movements to the position reported at quarter 3.

Table 1: Outturn

General Fund Revenue Account: Outturn Position 2018/19	Quarter 3 forecast (amended for budget changes)	Portfolio Outturn 2018/19	Net Movement from Quarter 3 Outturn 2018/19	
	£M	£M	£M	
Portfolios				
Adults	71.41	71.00	(0.41)	F
Aspiration, Schools & Lifelong Learning	5.08	7.51	2.43	A
Childrens & Families	38.56	38.07	(0.49)	F
Community Wellbeing	(4.90)	(5.02)	(0.12)	F
Finance & Customer Experience	34.02	34.19	0.17	A
Green City	0.48	0.25	(0.23)	F
Homes & Culture	7.10	7.16	0.06	A
Leader and Clean Growth & Development	10.96	9.04	(1.92)	F
Transport & Public Realm	23.28	23.67	0.39	A
Sub total for Portfolios	185.99	185.87	(0.12)	F
Levies & Contributions	0.63	0.68	0.05	A
Capital Asset Management	11.43	3.46	(7.97)	F
Net Housing Benefit Payments	(0.76)	0.27	1.03	A
Transport & Public Realm Trading	(0.43)	(0.48)	(0.05)	F
Other Expenditure & Income	(9.45)	(6.79)	2.66	A
Net Council Expenditure	187.41	183.01	(4.40)	F
Financed By:				
Draw from Balances	(1.25)	(1.25)	0.00	-
Council Tax	(95.94)	(95.93)	0.01	A
Business Rates	(99.21)	(99.04)	0.17	A
Non-Specific Government Grants & Other Funding	8.41	8.49	0.08	A
Total Financing	(187.99)	(187.73)	0.26	A

	Transfer to Reserves - Year End Surplus	0.58	4.72	4.14	F
	(Surplus)/Deficit	0.00	0.00		
	(note: figures in this report maybe rounded)				
6.	The main variations on each portfolios and on the non-portfolio areas are attached in Appendix 1, which details all variations in excess of £0.2M.				
	CARRY FORWARDS AND OTHER NEW SPENDING				
7.	A number of service area funds have been carried forward these are summarised in Appendix 3 and total £2.92M. It is expected that this spend will be incurred in 2019/20.				
	COLLECTION FUND				
8.	The outturn for the Collection Fund is an overall surplus £6.84M. This is better than expected and will be carried forward into 2019/20. However, other authorities benefit from any improvement, not just Southampton City Council, with proceeds shared by the Fire Authority and Hampshire Police. Table 2 shows how the surplus has been derived:				
	<u>Table 2 – Collection Fund Summary Outturn 2018/19</u>				
		Budget £M	Actual £M		
	NDR (Surplus)/Deficit for Year	0.44	(1.82)		
	Council Tax (Surplus)/Deficit for Year	0.00	0.91		
	Net total (Surplus)/Deficit Collection Fund 2018/19	0.44	(0.91)		
	Total Collection Fund Surplus B/Fwd from 2017/18	(5.93)	(5.93)		
	Total Collection Fund Surplus C/Fwd to 2019/20 (see table 2a for more information)	(5.49)	(6.84)		
9.	The NDR element of the Collection Fund had a surplus in-year of £1.82M against an expected deficit of £0.44M. The £1.82M surplus is as a result of around £3M being released from the appeals provision, after a review, but partly offset by lower income from business ratepayers. This improved position has resulted in a balance to be carried forward of £5.36M rather than £3.10M, a gain total of £2.26M.				
10	When setting the council tax and budget for 2019/20 in February 2019, the expected NDR surplus to be carried forward of £3.10M was taken into account. As a result of the improved outturn position, the Council will have an additional surplus of £2.24M (i.e. our share of the £2.26M gain mentioned in paragraph 9) and this will be taken into account when setting the council tax and budget for 2020/21.				
11	The council tax element of the Collection Fund had a deficit for the year of £0.91M, against an expected neutral position (£0.00M). This worsening position resulted in a balance (surplus) to be carried forward of £1.48M, rather than £2.39M i.e. a £0.91M loss.				

12	When setting the Council Tax and budget for 2019/20 in February 2019, the forecast surplus to be carried forward of £2.39M was taken into account. This leaves a loss of £0.91M that will be carried forward to be shared between the City Council, the Police and Crime Commissioner, and Hampshire Fire & Rescue Authority in proportion to the precepts levied in this year. Southampton City Council's £0.77M share of the loss will be taken into account when setting the council tax and budget for 2020/21.																				
13	The overall picture, combining the improved position on the business rates and the worsening position on council tax, and the respective share the City Council receives, is a gain of £1.47M for the 2020/21 budget, when compared with current planning assumptions. Table 2(a) sets out how the Council has benefitted from the overall surplus in the collection fund as reported above when compared with previous estimates.																				
<p>Table 2(a) Breakdown of Collection Fund Surplus Carried Forward (NB shaded columns are per table 2 above)</p> <table border="1" data-bbox="204 779 1374 1133"> <thead> <tr> <th></th> <th>Revised Est £M</th> <th>Actual £M</th> <th>Variance Adverse/ (Favourable) £M</th> <th>SCC share* £M</th> </tr> </thead> <tbody> <tr> <td>Council Tax Deficit</td> <td>(2.39)</td> <td>(1.48)</td> <td>0.91</td> <td>0.77</td> </tr> <tr> <td>NNDR Surplus</td> <td>(3.10)</td> <td>(5.36)</td> <td>(2.26)</td> <td>(2.24)</td> </tr> <tr> <td>Total</td> <td>(5.49)</td> <td>(6.84)</td> <td>(1.35)</td> <td>(1.47)</td> </tr> </tbody> </table> <p>*NOTE: SCC has a 85% share of the additional Council tax deficit but a 99% share of the additional NNDR surplus</p>			Revised Est £M	Actual £M	Variance Adverse/ (Favourable) £M	SCC share* £M	Council Tax Deficit	(2.39)	(1.48)	0.91	0.77	NNDR Surplus	(3.10)	(5.36)	(2.26)	(2.24)	Total	(5.49)	(6.84)	(1.35)	(1.47)
	Revised Est £M	Actual £M	Variance Adverse/ (Favourable) £M	SCC share* £M																	
Council Tax Deficit	(2.39)	(1.48)	0.91	0.77																	
NNDR Surplus	(3.10)	(5.36)	(2.26)	(2.24)																	
Total	(5.49)	(6.84)	(1.35)	(1.47)																	
14	More detail regarding the Collection Fund Account 2018/19 is contained in Appendix 4. The updated position of improved overall funding will be taken into account in updating the Medium Term Financial Strategy and future years' budget setting.																				
DEDICATED SCHOOLS GRANT AND SCHOOLS																					
15	<p>The Dedicated Schools Grant is a ring-fenced grant and balances are carried forward each year. The position at year end is a surplus of £0.73M. As showed in Table 3 below. This is further detailed in Appendix 1.</p> <p><u>Table 3 – DSG Position</u></p> <table border="1" data-bbox="204 1644 1015 1868"> <thead> <tr> <th></th> <th>£M</th> </tr> </thead> <tbody> <tr> <td>Carry forward from 2017/18</td> <td>1.09</td> </tr> <tr> <td>Net surplus in year</td> <td>(0.73)</td> </tr> <tr> <td>Balance to carry forward</td> <td>0.36</td> </tr> </tbody> </table>		£M	Carry forward from 2017/18	1.09	Net surplus in year	(0.73)	Balance to carry forward	0.36												
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16	<p>There are 13 schools reporting a deficit balance as at the 31st March 2019 as shown in table 4 below. This is three more than the position at the previous year-end and the total deficit has increased by £1.07M.</p> <p><u>Table 4 – Schools in Deficit</u></p> <table border="1" data-bbox="209 360 1098 689"> <thead> <tr> <th></th> <th colspan="2">2017/18</th> <th colspan="2">2018/19</th> </tr> <tr> <th></th> <th>Deficit £M</th> <th>No. of Schools</th> <th>Deficit £M</th> <th>No. of Schools</th> </tr> </thead> <tbody> <tr> <td>Primary</td> <td>1.05</td> <td>6</td> <td>1.84</td> <td>8</td> </tr> <tr> <td>Secondary</td> <td>1.65</td> <td>4</td> <td>1.93</td> <td>5</td> </tr> <tr> <td>Total</td> <td>2.70</td> <td>10</td> <td>3.77</td> <td>13</td> </tr> </tbody> </table>		2017/18		2018/19			Deficit £M	No. of Schools	Deficit £M	No. of Schools	Primary	1.05	6	1.84	8	Secondary	1.65	4	1.93	5	Total	2.70	10	3.77	13
	2017/18		2018/19																							
	Deficit £M	No. of Schools	Deficit £M	No. of Schools																						
Primary	1.05	6	1.84	8																						
Secondary	1.65	4	1.93	5																						
Total	2.70	10	3.77	13																						
17	<p>These schools are working with Children’s and Families to agree deficit recovery plans. Additional resources have been found for the 2019/20 budget to fund a school improvement officer and additional finance support to work closely with these schools and monitor achievement of actions in 2019/20.</p>																									
HOUSING REVENUE ACCOUNT (HRA)																										
18	<p>Table 5 below shows the overall outturn variances compared to the 2018/19 budget:</p>																									
	<p><u>Table 5 – HRA Outturn Position 2018/19</u></p> <table border="1" data-bbox="352 1070 1158 1733"> <thead> <tr> <th></th> <th>(Under)/ Over Spend £M</th> </tr> </thead> <tbody> <tr> <td>Repairs</td> <td>2.03</td> </tr> <tr> <td>Supervision & Management</td> <td>(1.71)</td> </tr> <tr> <td>Capital Financing Charges</td> <td>(1.23)</td> </tr> <tr> <td>Other Expenditure</td> <td>(0.01)</td> </tr> <tr> <td>Variation on day to day services</td> <td>(0.92)</td> </tr> <tr> <td>Capital Funding from Direct Revenue Financing and Depreciation</td> <td>1.62</td> </tr> <tr> <td>Income</td> <td>(0.70)</td> </tr> <tr> <td>Total Variation</td> <td>0.00</td> </tr> </tbody> </table>		(Under)/ Over Spend £M	Repairs	2.03	Supervision & Management	(1.71)	Capital Financing Charges	(1.23)	Other Expenditure	(0.01)	Variation on day to day services	(0.92)	Capital Funding from Direct Revenue Financing and Depreciation	1.62	Income	(0.70)	Total Variation	0.00							
	(Under)/ Over Spend £M																									
Repairs	2.03																									
Supervision & Management	(1.71)																									
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Capital Funding from Direct Revenue Financing and Depreciation	1.62																									
Income	(0.70)																									
Total Variation	0.00																									
19	<p>The outturn for day to day services was a favourable variance for the year of £0.92M. The most significant variation is around planned and responsive repairs, where the Housing Improvement Board is addressing a number of issues (cost of repairs/voids, upgrade and improvement of IT systems) aimed at reducing the ongoing deficit. Overall, with changes to capital financing (£1.62M adverse) and income (£0.70M</p>																									

	favourable), the net variation is nil. More details are given in Appendix 5 and Appendix 6.
20	The budget for the year was set to break even, which was the actual outturn position for the year. The HRA balance at 31 March 2019 remains at £2.0M. This meets the minimum requirement for the HRA of £2.0M (approved by Council in February 2012).
	MEDIUM TERM POSITION ON RESERVES AND BALANCES
21	The General Fund balance stands at £10.07M, which is the approved minimum level as per the February 2019 Medium Term Financial Strategy (MTFS).
22	<p>Earmarked reserves totalled £88.67M at the end of 2018/19, of which £2.86M related to schools (see appendix 2 for more information). This compares to a forecast of £62.33M at Q3, including a forecast deficit balance for schools of £0.35M. The main changes to the Q3 position were:</p> <ul style="list-style-type: none"> • £9.42M improvement in the Medium Term Financial Risk Reserve arising from the contribution of the year-end surplus, a reduced drawdown towards project costs in year and further funding being set aside for project and one-off costs in 2019/20; • £3.32M reduced drawdown on the Revenue Contributions to Capital Reserve following review of the financing of the capital spend for the year; • £3.28M contribution to the Taxation Reserve for the additional business rates retained from participating in the Solent Pool; • £3.21M of schools balances not applied • £2.92M increase in the Portfolio Carry Forwards Reserve for the agreed carry forwards noted in paragraph 14; • £1.78M of revenue grants being carried forward into 2019/20. • Other variations totalling £2.41M (but individually all less than £1M). The most significant variations includes increases against quarter 3 expectations for a net reduction in the expected usage of the Digital Strategy Reserve (£0.9M), a creation of a reserve to cover any potential for feasibility costs (£0.5M), a building competition account (£0.6M – transferred from another reserve), less £0.5M applied for project work from the Organisation Development Reserve. All other more minor changes compared with quarter 3 total £0.9M.
23	Given continued uncertainty and volatility of public funding in the coming years, it is more important than ever that the Council holds adequate reserves. This will enable smoothing of any unexpected fluctuations and shortfalls, for example, and mitigate any impact on services enabling them to plan more effectively.
	BUSINESS RATE PILOT
24	Southampton City Council participated in a business rate retention scheme pilot working alongside Portsmouth City Council and the Isle of Wight Council as part of the Solent Region pilot area. The pilot means 100% of business rate growth is retained within the area, rather than the usual 50%. The success of achieving pilot status was awarded from Government following a competitive process against other authorities. The gain arising from participating in the pilot in 2018/19 was £3.52M, although £3.28M of this benefit was already anticipated in budget planning for 2019/20 and 2020/21.

	PROPERTY INVESTMENT FUND (PIF)
25	As part of the scheme of delegation it was agreed the performance of the Property investment fund would be reported at outturn stage to Full Council. Appendix 7 gives the details of this fund.
26	There has been no additional purchases during the year. The rate of return on investment in 2018/19 before borrowing costs and other on costs was 5.95%. Borrowing costs of 3.90% were incurred giving a net rate of return of 2.05%. All of the properties remain fully let and the tenants are meeting their financial obligations under the leases.
27	Investment properties have to be revalued every year. Current valuation is £28.31M a slight increase from last year of £0.41M, which returned a loss of £1.79M from original capital investment of £29.69M. Part of the reason for the initial loss will be the transactional costs associated with the purchase itself, as the value reported in the accounts is based on just the market value of asset.
	FINANCIAL STATEMENTS 2018/19
28	The draft financial statements were presented to Governance Committee on 10 June 2019.
29	The Annual Audit, carried out by our auditors Ernst & Young LLP, commenced on 20 May 2019. The final audit report is expected to be completed by the end of July 2019. Any major changes to the Financial Statements arising from the annual audit will be reported to the 29 July 2019 Governance Committee.
	TREASURY MANAGEMENT
30	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. Borrowing and investment of surplus funds is all part of the council's treasury management work. Overall responsibility for treasury management remains with the Council and this activity is not without risk; the effective identification and management of risk are integral to the Council's treasury management objectives. See Appendix 8 for further information on the treasury management activity over 2018/19.
	RESOURCE IMPLICATIONS
	<u>Capital/Revenue</u>
31	As set out in the report details.
	CONSULTATION
32	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>
33	None.
	LEGAL IMPLICATIONS

<u>Statutory power to undertake proposals in the report:</u>	
34	The Council's accounts must be approved by Council (or a committee thereof) in accordance with the Accounts and Audit Regulations 2015.
35	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>	
36	None.
RISK MANAGEMENT IMPLICATIONS	
37	None.
POLICY FRAMEWORK IMPLICATIONS	
38	The proposals contained in the report are in accordance with the Council's Policy Framework Plan.

KEY DECISION?	Yes/No
WARDS/COMMUNITIES AFFECTED:	All
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	General Fund Portfolio Variances Explanations
2.	Useable Reserves at 31 March 2019
3.	Budget Carry Forwards
4.	Collection Fund 2018/19
5.	HRA Revenue Summary Outturn 2018/19
6.	HRA Variance Explanations 2018/19
7.	Property Investment Fund Performance 2018/19
8.	Treasury Management
Documents In Members' Rooms	

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PORTFOLIO VARIANCES

ADULT SOCIAL CARE PORTFOLIO

KEY ISSUES – OUTTURN 2018/19

The Portfolio has **over spent** by **£4.28M** at year-end. The Portfolio outturn variance has moved **favourably** by **£0.41M** from the position reported at Quarter 3.

Note that figures may be rounded in this report.

Division / Service Activity	Outturn Variance £M	Forecast Variance Quarter 3 £M	Movement £M
Long Term	3.94 A	4.05 A	0.11 F
Safeguarding Adult Mental Health and Out of Hours	0.68 A	0.90 A	0.22 F
Provider Services	0.73 A	0.60 A	0.13 A
Reablement & Hospital Discharge	0.43 F	0.45 F	0.02 A
Integrated Commissioning Unit Provider Relationships	0.56 F	0.36 F	0.20 F
Integrated Commissioning Unit System Redesign	0.07 F	0.04 F	0.03 F
Other	0.02 F	0.02 F	0.00
Total	4.27 A	4.68 A	0.41 F

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

Service Area	Movement from Q3 2018/19 £M	Explanation
Safeguarding Adult Mental Health and Out of Hours	0.22 F	There has been a stabilisation in client numbers and a reduction in costs per client in Mental Health over the last quarter.
Integrated Commissioning Unit Provider Relationships	0.20 F	The movement since Quarter 3 is due to contract savings and additional income from MHCLG to fund management costs not known earlier in the year.

ASPIRATION, SCHOOLS & LIFELONG LEARNING PORTFOLIO

KEY ISSUES – OUTTURN 2018/19

The Portfolio has overspent by **£3.74M** at year-end. The Portfolio outturn variance has moved adversely by **£2.43M** from the position reported at Quarter 3.

Division / Service Activity	Outturn Variance £M	Forecast Variance Quarter 3 £M	Movement £M
Education - High Needs and Schools	0.97 A	0.24 A	0.73 A
Education - Early Years and Asset Mgt	2.01 A	1.07 A	0.94 A
Total	2.98 A	1.31 A	1.67 A
Note:			
DSG Dedicated Schools Grant (Central Expenditure)	0.76 A	0	0.76 A
Total Portfolio and DSG	3.74 A	1.31 A	2.43 A

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

Service Area	Movement from Q3 2018/19 £M	Explanation
Education – High Needs and Schools	0.73 A	The movement from quarter 3 is due to the Jigsaw Service which includes Disability Short Breaks/Respite and Direct Payments where demand has risen above budget and an increase in support to more complex needs requiring additional support has been seen.
Education – Early Years and Asset management	0.94 A	A higher demand from increasing numbers of children eligible for Home to School Transport and is greater than originally identified from data available leading to a movement of £0.63M from Quarter 3. The remainder of the movement is due to small overspends.

DSG Dedicated Schools Grant (Central Expenditure)	0.76 A	There is an overspend within the High Needs Block due to increased numbers of pupils with statements of £0.7M, Increase in MARP (Multiple Agency Resource Panel) education placements of £2.25M and increased numbers of special school pupils requiring top up funding of £1.02M. The overspends are partially offset by additional income received from: Transfer of 0.5% funding from the Schools Block to the High Needs block £0.68M, additional funding from the DFE for High Needs £0.53M and a transfer from Council resources of £2M.
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CHILDREN & FAMILIES PORTFOLIO

KEY ISSUES – OUTTURN 2018/19

The Portfolio has overspent by **£2.22M** at year-end. The Portfolio outturn variance has moved **favourably** by **£0.49M** from the position reported at Quarter 3.

Division / Service Activity	Outturn Variance £M	Forecast Variance Quarter 3 £M	Movement £M
Divisional Management & Legal	0.05 F	0.02 F	0.03 F
Quality Assurance Business Unit	0.57 A	0.46 A	0.11 A
Multi Agency Safeguarding Hub & Children In Need	0.27 A	0.20 A	0.07 A
Specialist Core Services	0.70 F	0.66 F	0.04 F
Looked After Children	2.59 A	2.88 A	0.29 F
Integrated Commissioning Unit– Children’s Services	0.31 F	0	0.31 F
Early Help and Targeted & Restorative Services	0.15 F	0.15 F	0
Total	2.22 A	2.71 A	0.49 F

The SIGNIFICANT movements for the Portfolio are:

Service Area	Movement from Q3 2018/19 £M	Explanation
Looked After Children	0.29 F	The movement from Quarter 3 relates to unused Unaccompanied Asylum Seeking Children budget.
Integrated Commissioning Unit	0.31 F	The variance is due to contract savings, two contracts have ended and one for overnight short breaks packages has seen a significant reduction due to a decrease in the number of children requiring this service.

COMMUNITY WELLBEING PORTFOLIO

KEY ISSUES – OUTTURN 2018/19

The Portfolio has under spent by **£0.15M** at year-end. The Portfolio outturn variance has moved **favourably** by **£0.12M** from the position reported at Quarter 3.

Division / Service Activity	Outturn Variance £M	Forecast Variance Quarter 3 £M	Movement £M
Community Safety, Alcohol Related Crime, CCTV	0.14 F	0.02 F	0.12 F
Public Health	0.07 F	0.00	0.07 F
Prevention & Inclusion Service	0.01 A	0.08 F	0.09 A
Grants to Voluntary Organisations	0.08 A	0.08 A	0.00 F
Other	0.02 F	0.00 F	0.02 F
Total	0.14 F	0.02 F	0.12 F

FINANCE & CUSTOMER EXPERIENCE PORTFOLIO

KEY ISSUES – OUTTURN 2018/19

The Portfolio has over spent by **£0.95M** at year-end. The Portfolio outturn variance has moved **adversely** by **£0.17M** from the position reported at Quarter 3.

Division / Service Activity	Outturn Variance £M	Forecast Variance Quarter 3 £M	Movement £M
IT Services	2.15 A	1.65 A	0.50 A
Accounts Payable & Accounts Rec	0.35 F	0.35 F	0.00
Capita Partnership Services	0.21 F	0.29 F	0.08 A
Business Support	0.28 F	0.17 F	0.11 F
Centrally Apportionable Overheads	0.07 A	0.00	0.07 A
Corporate Management	0.03 F	0.00	0.03 F
Finance & Commercialisation	0.04 F	0.06 F	0.02 A
Local Taxation & Redundancy Costs	0.38 F	0.00	0.38 F
Other	0.02 A	0.00	0.02 A
Total	0.95 A	0.78 A	0.17 A

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

Service Area	Movement from Q3 2018/19 £M	Explanation
IT Services	0.50 A	The variation of £0.50M is a result of: The funding allocations agreed by Council in July 2018 for the Future Strategic Service Partnership and not included in the revised budget; previously agreed digital savings not delivered in 2017 and on-going; and IT spend in the last quarter increasing due to additional consumable costs

Local Taxation & Redundancy Costs	0.38 F	The favourable movement of £0.38M is due to grants of £0.30M more than budget, bad debt provision being £0.07M less than the budget and £0.01M other minor variances.
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GREEN CITY PORTFOLIO

KEY ISSUES – OUTTURN 2018/19

The Portfolio has under spent by **£0.23M** at year-end. The Portfolio outturn variance has moved favourably by **£0.22M** from the position reported at Quarter 3.

Division / Service Activity	Outturn Variance £M	Forecast Variance Quarter 3 £M	Movement £M
Sustainability	0.14 F	0.01 F	0.13 F
Flood Risk Management	0.07 F	0.00 F	0.07 F
Other	0.01 F	0.00 F	0.01 F
Total	0.23 F	0.01 F	0.22 F

HOMES & CULTURE PORTFOLIO

KEY ISSUES – OUTTURN 2018/19

The Portfolio has under spent by **£0.06M** at year-end. The Portfolio outturn variance has moved adversely by **£0.06M** from the position reported at Quarter 3.

Division / Service Activity	Outturn Variance £M	Forecast Variance Quarter 3 £M	Movement £M
Leisure Events	0.08 F	0.05 F	0.03 F
Others	0.02 A	0.07 F	0.09 A
Total	0.06 F	0.12 F	0.06 A

LEADERS CLEAN GROWTH & DEVELOPMENT PORTFOLIO

KEY ISSUES – OUTTURN 2018/19

The Portfolio has under spent by **£3.21M** at year-end. The Portfolio outturn variance has moved favourably by **£1.75M** from the position reported at Quarter 3.

Division / Service Activity	Outturn Variance £M	Forecast Variance Quarter 3 £M	Movement £M
Capital Assets	1.64 F	0.85 F	0.79 F
Intelligence, Insight & Comm	0.44 F	0.20 F	0.24 F
Planning	0.46 F	0.17 F	0.29 F
Chief Executive	0.32 F	0.06 F	0.26 F
Legal & Governance	0.23 F	0.18 F	0.05 F
Others	0.13 F	0.00	0.13 F
Total	3.22 F	1.46F	1.76 F

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

Service Area	Movement from Q3 2018/19 £M	Explanation
Capital Assets	0.79 F	The movement in the final quarter of £0.79M is from an increase in the staffing underspend of £0.39M due to an anticipated round of recruitment prior to year-end not being progressed whilst the team determine essential posts based on strategic priorities. A number of planned repairs and maintenance projects have slipped into the new financial due to works being unable to be scheduled prior to the end of the financial year causing an increased underspend of £0.32M on the repairs

		and maintenance budget. In addition there was an increase in the investment property variance of £0.40M this was caused by reduced expenditure on and repairs and maintenance and an unutilised budget for disposal costs. Other offsetting movements include a transfer to reserve to cover underwritten planning costs for developments projects currently being undertaken with partner organisations.
Intelligence, Insight & Comm	0.24 F	The movement in the quarter is because of staffing underspends of £0.11M which is due to staff turnover, and additional income generated of £0.13M from design and Capita print recharges.
Planning	0.29 F	The movement from Quarter 3 was primarily caused by the additional planning fee income and the increased partnership working. For 2019/20 the planning income budgets have been increased to reflect the additional income the service is able to generate.
Chief Executive	0.26 F	The movement in the quarter of £0.26M is due to an underspend on the Leaders fund of £0.14M and other minor variances.

TRANSPORT & PUBLIC REALM PORTFOLIO

KEY ISSUES – OUTTURN 2018/19

The Portfolio has over spent by **£0.05M** at year-end. The Portfolio outturn variance has moved **adversely** by **£0.22M**, from the position reported at Quarter 3.

Division / Service Activity	Outturn Variance £M	Forecast Variance Quarter 3 £M	Movement £M
City Services – Open Spaces	0.61 A	0.18 A	0.43 A
City Services – Waste Management	0.54 F	0.05 A	0.59 F
Highways & Parking	0.19 F	0.11 F	0.08 F
Regulatory Services	1.19 A	0.52 A	0.67 A
Supplier Management	0.01 F	0.10 F	0.09 A
Trading Services	0.05 F	0.07 A	0.12 F
Transportation	0.99 F	0.79 F	0.20 F
Minor Variances	0.03 A	0.01 A	0.02 A
Total	0.05 A	0.17 F	0.22 A

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

Service Area	Movement from Q3 2018/19 £M	Explanation
City Services – Open Spaces	0.42 A	Variances in Quarter 4 relate to staffing and materials costs of £0.2M, additional fleet & fuel costs of £0.14M, increased pest control costs of £0.07M, and increased utility costs of £0.06M. These have been partially offset by additional internal income of £0.05M
City Services – Waste Management	0.59 F	Costs for domestic waste disposal reduced by a further £0.30M in Quarter 4 due to the tonnage for the period December to March 2019

		<p>being significantly less than the same period last year. A contract exemption was obtained in January 2019, enabling the use of an alternative supplier for disposals of commercial waste at a more favourable rate. This resulted in a favourable movement of £0.08M in Quarter 4. A favourable movement of £0.14M in Quarter 4 arises from Dry Mixed Recyclables income. This had been forecast to be adverse earlier in the year as a result of falling market rates and loss of markets for cardboard. Rates in Quarters 3 and 4 remained constant, rather than the expected fall earlier in the year. There were additional minor variances.</p>
Regulatory Services	0.67 A	<p>The Council has incurred significant costs following major trading standards investigations over the last two years. The costs incurred are partially recovered through contributions from National Trading Standards/Tri-Region Investigation Team, but also through recovery under the Proceeds Of Crime Act; as at the financial year end, recovery was not completed as expected and settlement will now be accounted for in the 2019/20 financial year. This accounts for the majority of the adverse movement in Quarter 4.</p>
Transportation	0.20 F	<p>There has been a favourable movement of £0.20M in Quarter 4 on the concessionary fares scheme. Actual journeys were lower than forecast in Quarter 4 meaning the reimbursements due to bus operators were reduced compared to forecast.</p>

NON PORTFOLIO

KEY ISSUES – OUTTURN 2018/19

Non Portfolio	Outturn Variance £M	Forecast Variance Quarter 3 £M	Movement £M
Levies and Contributions	0.05 A	0.00	0.05 A
Capital Asset Management	7.97 F	0.00	7.97 F
Net Housing Benefit Payments	1.03 A	0.00	1.03 A
Transport and Public Realm Trading	0.05 F	0.00	0.05 F
Other Expenditure and Income	3.00 F	5.66 F	2.66 A

The SIGNIFICANT movements for the Non Portfolio are:

Area	Movement from Q3 2018/19 £M	Explanation
Capital and Asset Management	7.97 F	<p>Additional resource has been factored into this budget over more than one financial year in anticipation of higher future borrowing levels and costs for delivery of the capital programme and for previous forecasts interest rate rises. Slippage with the capital programme and the continued low interest rate environment, coupled with a prudent and careful approach of making use of internal borrowing has continued to place a downward pressure on costs, resulting in the major variance highlighted.</p> <p>The budget will be reviewed as part of the work for preparing the 2020/21 budget, taking account of the revised capital programme and adjusted if necessary</p>
Net Housing Benefit Payments	1.03 A	The position with housing benefit payments becomes clear at the year-end, following a return sent to Government. The shortfall is considered to be attributable to the

		impact from the switch to Universal Credit, with sums from the recovery of benefit overpayments being lower due to diminishing caseloads as a result of Universal Credit.
<u>Other Expenditure & Income</u>	2.66 A	The adverse change from quarter three is primarily a reflection of the £2.92M transfer to reserves to carry-forward budget allocations into 2019/20. The transfer to reserves is made corporately to avoid distorting the portfolio outturn position.

Agenda Item 10

Appendix 2

RESERVES

Reserve	Balance	Forecast Q3	Difference
	31/03/2019		
	£000	£000	£000
Schools Balances	-2,855	354	-3,209
<u>Named Reserves</u>			
Medium Term Financial Risk Reserve	-31,559	-22,135	-9,424
Taxation Reserve	-8,980	-5,700	-3,280
Organisational Development Reserve	-7,754	-8,263	509
Revenue Grant Reserve - Waste Services	0	0	0
Revenue Grant Reserve - City Deal	-994	-1,017	23
Accommodation Reserve	0	0	0
Revenue Grant Reserve - General	-1,778	0	-1,778
Capital Funding Risk Reserve	-4,031	-4,031	0
PFI Sinking Fund	-4,549	-4,512	-37
Insurance	-2,541	-2,690	149
On Street Parking	-3,042	-2,912	-130
Digital Strategy Reserve	-6,156	-5,261	-895
LPSA Reward Grant Holding Acc	-127	-223	96
Revenue Contributions to Capital	-6,769	-3,445	-3,325
<u>Other Reserves</u>			
Portfolio Carry Forwards Reserve	-3,157	-200	-2,957
LD Housing Reserve	-837	-880	43
Public Health Reserve	-100	0	-100
R&M Reserve	-500	-500	0
Port Health Reserve	-307	0	-307
Infrastructure Works Feasibility Reserve	-540	0	-540
Building Competition Account (Reserve)	-596	0	-596
Cremator Replacement	-174	-307	133
Social Enterprise Fund	-150	0	-150
Solar PV Sinking Fund Reserve	-79	-79	0
Pension Reserve	-878	-407	-471
Bus Lane Enforcement Reserve	-215	-118	-97
TOTAL	-88,666	-62,326	-26,340

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Carry Forwards of budget

<u>Portfolio</u>	<u>£M</u>	<u>Description</u>
Children and Families	0.35	Supporting schools in financial difficulty and Ofsted inspection related work
Finance and Customer Experience	1.76	Primarily related to project spending needed on SAGE and Business World implementation
Green City	0.07	Flood defence works
Homes and Culture	0.02	Heritage works
Leader and Clean Growth & Development	0.66	Includes funding for Local Plan and city parks upkeep
Transport and Public Realm	0.06	Backlog works in Environmental Health
Total Carry Forwards	2.92	

NB: In addition to the above, £1.78M of revenue grants have also been carried forward.

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Agenda Item 10

Appendix 4

COUNCIL TAX COLLECTION FUND REVENUE ACCOUNT FOR YEAR ENDED 31ST MARCH 2019

Original Estimate		Revised Estimate	Actual	Variance Adverse / (Favourable)
2018/19 £M	Council Tax	2018/19 £M	2018/19 £M	2018/19 £M
	<u>Income</u>			
(114.13)	Income due from Council Tax Payers	(113.46)	(112.89)	0.57
(0.20)	Transfers to General Fund - Hardship Fund	(0.20)	(0.20)	0.00
(114.33)		(113.66)	(113.09)	0.57
	<u>Expenditure</u>			
95.93	Southampton City Council Precept	95.93	95.93	0.00
11.42	Hampshire Police & Crime Commissioner Precept	11.42	11.42	0.00
4.23	Hampshire Fire & Rescue Authority Precept	4.23	4.23	0.00
0.00	Distribution of previous year's surplus	0.00	0.00	0.00
2.75	Provision for Bad Debts CT	2.08	2.42	0.34
114.33		113.66	114.00	0.34
(0.00)	CT - Deficit / (Surplus) for the Year	0.00	0.91	0.91
0.00	CT - Deficit / (Surplus) Brought Forward	(2.39)	(2.39)	0.00
(0.00)	CT Deficit / (Surplus) Carried Forward	(2.39)	(1.48)	0.91
	NNDR			
	<u>Income</u>			
(115.44)	Income from NDR Payers	(111.77)	(111.05)	0.72
	Distribution of previous year's surplus/deficit			
0.70	Southampton City Council	0.70	0.70	0.00
0.72	Ministry of Housing, Communities & Local Government	0.72	0.72	0.00
0.01	Hampshire Fire & Rescue Authority	0.01	0.01	0.00
(114.01)		(110.34)	(109.62)	0.72
	<u>Expenditure</u>			
2.02	Payment to MHCLG Transitional Arrangements	1.87	2.31	0.44
0.00	Payments to MHCLG	0.00	0.00	0.00
104.32	SCC - NNDR Distributed to General Fund	104.32	104.32	0.00
1.05	Hampshire Fire & Rescue Authority NNDR Distributed	1.05	1.05	0.00
0.31	Allowance to General Fund for NNDR Collection	0.31	0.31	0.00
2.31	Provision for Bad Debts NNDR	2.80	2.41	(0.39)
5.43	Appeals Provision	4.72	4.67	(0.05)
0.00	Appeals Provision Prior Years	(4.29)	(7.27)	(2.98)
115.44		110.78	107.80	(2.98)
1.43	NNDR - Deficit / (Surplus) for the Year	0.44	(1.82)	(2.26)
(1.43)	NNDR - Deficit / (Surplus) Brought Forward	(3.54)	(3.54)	0.00
0.00	NNDR Deficit / (Surplus) Carried Forward	(3.10)	(5.36)	(2.26)
(0.00)	Total Deficit Deficit / (Surplus) Carried Forward	(5.49)	(6.84)	(1.35)

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HOUSING REVENUE ACCOUNT OUTTURN

	Budget 2018/19 £M	Portfolio Outturn 2018/19 £M	Variance from budget £M
<u>EXPENDITURE</u>			
Responsive Repairs	10.04	12.96	2.92 A
Housing Investment	4.68	3.79	-0.89 F
Total Repairs	14.72	16.75	2.03 A
Rents Payable	0.10	0.08	-0.02 F
Debt Management	0.07	0.08	0.01 A
Supervision & Management	23.76	22.05	-1.71 F
Capital Financing Charges	12.06	10.83	-1.23 F
Depreciation	19.53	19.54	0.01 A
Capital Financing	3.27	4.88	1.61 A
TOTAL EXPENDITURE	73.51	74.21	0.70 A
<u>INCOME</u>			
Dwelling Rents	70.04	70.31	-0.27 F
Other Rents	1.16	1.25	-0.09 F
Total Rental Income	71.20	71.56	-0.36 F
Service Charge Income from tenants	1.66	1.69	-0.03 F
Service Charges income from leaseholders	0.63	0.94	-0.31 F
Interest Received	0.02	0.02	0.00 A
TOTAL INCOME	73.51	74.21	-0.70 F
SURPLUS/(DEFICIT) FOR YEAR	0.00	0.00	0.00

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HOUSING REVENUE ACCOUNT PORTFOLIO

KEY ISSUES – OUTTURN 2018/19

The Portfolio has neither over nor under spent at year-end. The Portfolio outturn variance has moved **favourably** by **£0.97M** from the position reported at Quarter 3.

Division / Service Activity	Outturn Variance £M	Forecast Variance Quarter 3 £M	Movement £M
Planned / Responsive repairs	2.03 A	1.53 A	0.50 A
Rental income	0.39 F	0.23 F	0.16 F
Service charge income	0.34 F	0.20 F	0.14 F
Supervision & Management	1.71 F	0.33 A	2.04 F
Financing	0.41 A	0.46 F	0.87 A
Total	0.00	0.97 A	0.97 F
Carried Forward	0.00	0.00	0.00
Net Position	0.00	0.97A	0.97 F

The SIGNIFICANT movements for the Portfolio are:

Service Area	Movement from Q3 2018/19	Explanation
Planned / Responsive repairs	0.50 A	The position has deteriorated since Quarter 3 due to the lack of any mitigating actions to reduce spend, leading to an outturn broadly similar to the previous financial year.
Rental income	0.16 F	Right to Buy sales continued at a rate less than forecast, plus improved performance on voids and other rents.
Service charge income	0.14 F	Right to Buy sales continued at a rate less than forecast, plus improved

		performance on voids which had a positive effect on service charges.
Supervision & Management	2.04 F	<p>During the early part of 2018/19 it was evident that rent arrears due to Universal Credit was increasing, and therefore a materially increased provision for bad debt was implemented. However, following the implementation of Rent Sense software by the Customer Payment & Debt team, the level of arrears has started to decrease, and the level of write-offs remains at previous levels. It has therefore been determined to continue with the previous level of provision, based on debt stabilisation, resulting in a favourable movement of £1.46M since Quarter 3.</p> <p>Assumed procurement savings share payable to the General Fund that was allowed for in 2016/17 and 2017/18 did not materialise, so the funding was released resulting in a favourable movement of £0.31M since Quarter 3.</p> <p>The recharge from the Capital Assets Team was reduced by agreement as it became clear that the recharge calculation was inappropriate for the level of service delivery to the Housing Capital programme, which has led to a favourable variance of £0.32M since Quarter 3.</p> <p>A number of other non-material variances resulted in an adverse variance of £0.05M.</p>
Financing	0.87 A	<p>Due to slippages and underspends in the HRA capital programme, lower borrowing than estimated was required, resulting in favourable variances in interest payable of £0.77M and principal re-payments of £0.46M. This is a £0.77M favourable movement since Quarter 3 and is linked to the final capital outturn. Other sundry associated costs and income (including debt management costs and interest received) were £0.03M adverse.</p> <p>The favourable movement since Quarter 3 has led to a larger surplus than</p>

		<p>budgeted, resulting in more Direct Revenue Financing (and therefore lower borrowing) being utilised for the HRA capital programme – this is shown as an adverse variance of £1.61M on the HRA. This is also used to return the HRA to a net balance of £2.00M, hence the zero variance from the overall HRA budgeted position.</p>
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Property Investment Fund as at 31 March 2019

	Purchase Date	Purchase Price	Purchase Costs	Capital Investment	2018/19 Rent per annum	Interest	MRP charge	Valuation 31 March 2018	Valuation 31 March 2019	2018/19 Change in Valuation
3 Ely Road, Cambridge	08/09/2016	£ 6,125,000	£ 343,438	£ 6,468,438	£ 406,169	£ -201,010	£ -51,236	£ 6,033,125	£ 6,269,525	£ 236,400
241 & 271 Winchester Road, Southampton	05/10/2016	14,000,000	689,500	14,689,500	912,591	-456,483	-116,355	13,790,000	13,866,830	76,830
Unit 50, Warth Park Way, Raunds, Northants	23/04/2017	8,200,000	328,000	8,528,000	446,801	-265,012	-67,550	8,077,000	8,170,575	93,575
Total		28,325,000	1,360,938	29,685,938	1,765,561	-922,505	-235,142	27,900,125	28,306,930	406,805

Rate of Return
5.95% gross
2.05% net

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TREASURY MANGEMENT																																															
1	<p>On the 31st March 2019, the Authority had a net borrowing need of £118M arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR) while useable reserves and working capital represent the underlying resources available for investments. The year-on-year position is shown in the table below:</p>																																														
2	<p>Table 1: Balance Sheet Summary</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: center;">31-Mar-18 Actual £M</th> <th style="text-align: center;">Movement Forecast £M</th> <th style="text-align: center;">31-Mar-19 Actual £M</th> </tr> </thead> <tbody> <tr> <td>General Fund CFR</td> <td style="text-align: right;">322.03</td> <td style="text-align: right;">11.99</td> <td style="text-align: right;">334.02</td> </tr> <tr> <td>Housing CFR</td> <td style="text-align: right;">157.92</td> <td style="text-align: right;">4.81</td> <td style="text-align: right;">162.73</td> </tr> <tr> <td>Total CFR</td> <td style="text-align: right;">479.95</td> <td style="text-align: right;">16.80</td> <td style="text-align: right;">496.75</td> </tr> <tr> <td>Less Other Debt Liabilities*</td> <td style="text-align: right;">(73.21)</td> <td style="text-align: right;">2.14</td> <td style="text-align: right;">(71.07)</td> </tr> <tr> <td>Loans CFR</td> <td style="text-align: right;">406.74</td> <td style="text-align: right;">18.95</td> <td style="text-align: right;">425.69</td> </tr> <tr> <td>Less External Borrowing**</td> <td style="text-align: right;">(251.16)</td> <td style="text-align: right;">4.47</td> <td style="text-align: right;">(246.69)</td> </tr> <tr> <td>Internal (over) Borrowing</td> <td style="text-align: right;">155.58</td> <td style="text-align: right;">23.42</td> <td style="text-align: right;">178.99</td> </tr> <tr> <td>Less Usable Reserves</td> <td style="text-align: right;">(146.28)</td> <td style="text-align: right;">(8.00)</td> <td style="text-align: right;">(154.28)</td> </tr> <tr> <td>Less Working Capital Surplus</td> <td style="text-align: right;">83.35</td> <td style="text-align: right;">9.59</td> <td style="text-align: right;">92.94</td> </tr> <tr> <td>Net Borrowing or (Investments)</td> <td style="text-align: right;">92.65</td> <td style="text-align: right;">25.01</td> <td style="text-align: right;">117.66</td> </tr> </tbody> </table>				31-Mar-18 Actual £M	Movement Forecast £M	31-Mar-19 Actual £M	General Fund CFR	322.03	11.99	334.02	Housing CFR	157.92	4.81	162.73	Total CFR	479.95	16.80	496.75	Less Other Debt Liabilities*	(73.21)	2.14	(71.07)	Loans CFR	406.74	18.95	425.69	Less External Borrowing**	(251.16)	4.47	(246.69)	Internal (over) Borrowing	155.58	23.42	178.99	Less Usable Reserves	(146.28)	(8.00)	(154.28)	Less Working Capital Surplus	83.35	9.59	92.94	Net Borrowing or (Investments)	92.65	25.01	117.66
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3	<p>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. The Authority's strategy is therefore to maintain borrowing and investments below their underlying levels in order to reduce risk and keep interest costs low which has resulted in an increase of our internal borrowing of £23M as shown in the table above.</p>																																														
4	<p>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 (at 3.36%) is lower than that budgeted.</p>																																														
5	<p>No new long term loans were taken during the year in line with the current Treasury Strategy to continue using short term debt whilst interest rates are predicted to remain relatively low. 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.</p>																																														
6	<p>As at the 31 March 2019 the Council used £179M 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.</p>																																														

7	<p>Investment</p> <p>The council has held significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During 2018/19 the council's investment balances have ranged between £52.8M and £98.7M. Movement in year is summarised in the table below:</p>																																																															
8	<p>Table 2: Investments</p> <table border="1"> <thead> <tr> <th></th> <th>Balance on 01/04/2018</th> <th>Investments Repaid</th> <th>New Investments</th> <th>Balance on 31/03/2019</th> <th>(Increase)/ Decrease in Investment for Year</th> <th>Average Life of Investments</th> </tr> <tr> <th></th> <th>£M</th> <th>£M</th> <th>£M</th> <th>£M</th> <th>£M</th> <th>Life</th> </tr> </thead> <tbody> <tr> <td>Notice Account</td> <td>(3)</td> <td>3</td> <td>0</td> <td>0</td> <td>3</td> <td></td> </tr> <tr> <td>Covered Bonds (secured)</td> <td>(7)</td> <td>2</td> <td></td> <td>(5)</td> <td>2</td> <td>105 days</td> </tr> <tr> <td>Multi - National Bonds (not subject to bail in)</td> <td>(3)</td> <td></td> <td></td> <td>(3)</td> <td>0</td> <td>3.47 years</td> </tr> <tr> <td>Money Market Funds and Call Account</td> <td>(22)</td> <td>355</td> <td>(359)</td> <td>(26)</td> <td>(4)</td> <td>1 day</td> </tr> <tr> <td>Government & Local Authority</td> <td>(10)</td> <td>10</td> <td>(9)</td> <td>(9)</td> <td>1</td> <td>10 days</td> </tr> <tr> <td>Pooled Funds (CCLA)</td> <td>(27)</td> <td></td> <td></td> <td>(27)</td> <td>0</td> <td>Unspecified</td> </tr> <tr> <td>Total Investments</td> <td>(72)</td> <td>370</td> <td>(368)</td> <td>(70)</td> <td>2</td> <td></td> </tr> </tbody> </table>		Balance on 01/04/2018	Investments Repaid	New Investments	Balance on 31/03/2019	(Increase)/ Decrease in Investment for Year	Average Life of Investments		£M	£M	£M	£M	£M	Life	Notice Account	(3)	3	0	0	3		Covered Bonds (secured)	(7)	2		(5)	2	105 days	Multi - National Bonds (not subject to bail in)	(3)			(3)	0	3.47 years	Money Market Funds and Call Account	(22)	355	(359)	(26)	(4)	1 day	Government & Local Authority	(10)	10	(9)	(9)	1	10 days	Pooled Funds (CCLA)	(27)			(27)	0	Unspecified	Total Investments	(72)	370	(368)	(70)	2	
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9	<p>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 2018/19 were £1.67M at an average rate of 4.05%. Security of capital has remained the council's main investment objective. This has been maintained by following the Authority's counterparty policy as set out in its TM Strategy Statement for 2018/19. The council 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. The actual credit rating achieved was AA-, above the target level of A.</p>																																																															
10	<p>The council has invested in both direct commercial property investments (currently worth £28.3M) and indirect commercial property (worth £27M), via a pooled fund arrangement but did not add to these investments during 2018/19. To assist with the sustainability of council finances, and cover future budget shortfalls, the benefits and risks from making further investments for commercial purposes will be reviewed and consideration given to making additional investments.</p>																																																															

DECISION-MAKER:	COUNCIL		
SUBJECT:	GENERAL FUND AND HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME OUTTURN 2018/19		
DATE OF DECISION:	17 JULY 2019		
REPORT OF:	CABINET MEMBER FOR RESOURCES		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Vicki Remsbery	Tel: 023 8083 3376
	E-mail:	vicki.remsbery@southampton.gov.uk	
Director	Name:	John Harrison	Tel: 023 8083 4897
	E-mail:	john.harrison@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY

NOT APPLICABLE

BRIEF SUMMARY

The purpose of this report is to outline the General Fund and Housing Revenue Account (HRA) capital outturn position for 2018/19 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 2019/20 which take account of slippage and re-phasing. There was an overall underspend on the General Fund and HRA capital programme of £33.47M (26.81%), £22.07M relating to slippage and £11.40M of underspends.

RECOMMENDATIONS:

	(i)	Notes the actual capital spending in 2018/19 for the General Fund was £48.15M and for the HRA was £43.24M, as shown in paragraphs 3 to 5 and notes the major variances in Appendix 1 with explanations for them in Appendix 4.
	(ii)	Notes the revised estimates for 2019/20, adjusted for slippage and re-phasing and additions contained within this report, as shown in Appendix 2.
	(iii)	Approves the proposed capital financing in 2018/19 as shown in paragraph 6.
	(iv)	Approves the proposed revised General Fund capital programme to 2022/23 and its financing as shown in paragraphs 22 & 25.
	(v)	Approves the proposed revised HRA capital programme to 2022/23 and its financing as shown in paragraphs 29 & 31.
	(vi)	Notes that the capital programme remains fully funded up to 2022/23 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.

	(vii)	Notes the addition of £0.67M to the programme since the last reported position in February 19, under delegated powers. As detailed in paragraph 24 and Appendix 3.
	(viii)	Approves the addition and spend of £0.45M in 2019/20, to the Aspiration, Schools and Lifelong Learning programme. As detailed in Appendix 6 paragraph 1.
	(ix)	Approves the addition and spend of £2.25M in 2019/20, £2.25M in 2020/21 and £2.25M in 2021/22 to the Community Wellbeing programme. As detailed in Appendix 6 paragraph 2.
	(x)	Approves the addition and spend of £11.13M in 2019/20 and £3.10M in 2020/21 to the Transport and Public Realm programme. As detailed in Appendix 6 paragraphs 3-9.

REASONS FOR REPORT RECOMMENDATIONS

1.	The reporting of the outturn position for 2018/19 forms part of the approval of the statutory accounts.
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ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2.	None, as the outturn and financing for 2018/19 have been prepared in accordance with statutory accounting principles.
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DETAIL (Including consultation carried out)

	CAPITAL OUTTURN 2018/19
3.	The total General Fund capital expenditure in 2018/19 was £48.15M compared to an estimate of £71.70M, giving a variance of £23.55M or 32.85% of the programme. The variance is comprised of £22.07M slippage and £1.48M of underspends.
4.	The total HRA capital expenditure in 2018/19 was £43.24M compared to an estimate of £53.16M, giving a variance of £9.92M or 18.66% of the programme. This variance is comprised entirely of underspends.
5.	The performance of individual capital programmes in 2018/19 is summarised in table 1 below.

<u>Table 1 – Summary of the General Fund & HRA Capital Outturn 2018/19</u>				
Portfolio	Latest Programme	Actual	Variance	
	£M	£M	£M	%
Adults	0.73	0.34	(0.39)	(53.42)
Aspiration, Schools and Lifelong Learning	12.92	8.68	(4.24)	(32.82)
Clean Growth & Development	10.56	10.36	(0.20)	(1.89)
Community Wellbeing	2.73	1.53	(1.20)	(43.95)
Finance and Customer Experience	5.74	2.34	(3.40)	(59.23)
Homes and Culture	0.60	0.30	(0.30)	(50.00)
Transport and Public Realm	38.42	24.60	(13.82)	(35.97)
Total GF Capital Programme	71.70	48.15	(23.55)	(32.85)
Total HRA Capital Programme	53.16	43.24	(9.92)	(18.66)
Total Capital Programme	124.86	91.39	(33.47)	(26.81)
Funded by:				
Council Resources	57.87	49.27	(8.60)	(14.86)
Capital Receipts	18.43	10.88	(7.55)	(40.97)
Contributions	10.66	7.55	(3.11)	(29.17)
Capital Grants	24.94	18.23	(6.71)	(26.91)
Revenue Financing	12.96	5.46	(7.50)	(57.87)
Total Financing	124.86	91.39	(33.47)	(26.81)
6.	Table 2 below shows the split of financing of the General Fund and HRA capital programmes. Council is asked to approve this financing.			
<u>Table 2 – Capital Financing 2018/19</u>				
	General Fund	HRA		
	£M	£M		
Total Financing Required	48.15	43.24		
Financed By: -				
Council Resources	19.42	29.85		
Capital Receipts	5.43	5.45		
Capital Contributions	4.49	3.06		
Capital Grants	18.23	0.00		
Revenue Funding	0.58	4.88		
Total	48.15	43.24		
7.	Table 3 below summarises the capital expenditure for the General Fund by Outcome.			

<u>Table 3 – General Fund Capital 2018/19 Outturn By Outcome</u>				
Outcome	Latest Programme	Actual	Variance	
	£M	£M	£M	%
Southampton is a modern, attractive city where people are proud to live and work	26.96	20.04	(6.92)	(25.67)
Children in Southampton have a good start in life	13.30	8.82	(4.48)	(33.68)
People in Southampton live safe, healthy independent lives	3.50	2.45	(1.05)	(30.00)
Southampton is a city with strong, sustainable economic growth	22.19	14.50	(7.69)	(34.66)
A modern sustainable council	5.75	2.34	(3.41)	(59.30)
Total	71.70	48.15	(23.55)	(32.85)

8. Table 4 below summarises the capital expenditure for the HRA by section.

<u>Table 4 – HRA Capital Outturn By Section</u>				
Section	Latest Programme	Actual	Variance	
	£M	£M	£M	%
Safe Wind and Weather Tight	21.30	20.29	(1.01)	(4.74)
Modern Facilities	3.84	3.43	(0.41)	(10.68)
Well Maintained Communal Facilities	2.86	2.31	(0.55)	(19.23)
Warm & Energy Efficient	8.58	1.73	(6.85)	(79.84)
Estate Regeneration & New Build	16.58	15.48	(1.10)	(6.63)
Total	53.16	43.24	(9.92)	(18.66)

OUTTURN VARIANCE ANALYSIS

9. Appendix 1 shows the 2018/19 latest approved estimate compared to the actual spend.

10. Slippage accounted for £22.45M of the variance offset by bringing £0.38M of expenditure forward. The remaining £11.40M being true under spends. Table 5 below shows the breakdown by portfolio and Appendix 1 provides a more detailed breakdown of the variance by scheme.

11. Table 5 – 2018/19 Variance By Portfolio

	Portfolio	Slippage/ (Rephasing) £M	(Under)/ Over Spend £M	Variance £M
	Adults	(0.01)	(0.38)	(0.39)
	Aspiration, Schools and Lifelong Learning	(4.11)	(0.13)	(4.24)
	Clean Growth & Development	(0.37)	0.17	(0.20)
	Community Wellbeing	(1.20)	0.00	(1.20)
	Finance and Customer Experience	(3.35)	(0.05)	(3.40)
	Homes and Culture	(0.22)	(0.08)	(0.30)
	Transport and Public Realm	(12.81)	(1.01)	(13.82)
	GF Total	(22.07)	(1.48)	(23.55)
	HRA Total	(0.00)	(9.92)	(9.92)
	Total Capital Programme	(22.07)	(11.40)	(33.47)
12.	Reasons for major variances on individual schemes are detailed for each Portfolio in Appendix 4.			
13.	The revised estimates for 2019/20, adjusted for slippage and re-phasing and changes to programme are shown in Appendix 2.			
14.	Any over spends on individual schemes are financed from identified additional funding or from savings elsewhere within the programme. Portfolios are required to balance their capital programmes within the resources available to them, this may result in reduced outputs where an overspend results in reductions being made elsewhere in the programme.			
15.	The impact of scheme variances for 2018/19 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			
16.	The Prudential Code requires the Prudential Indicator for Actual Capital Expenditure to be reported against the estimates previously reported. The estimates shown in the tables in Appendix 5 are those reported to Council as part of the February 2019 Annual Treasury Management Strategy and Prudential Limits report.			
	CAPITAL PROGRAMME FUNDING			
17.	The current Capital Strategy was approved by Council in February 2019. 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.			
18.	Table 6 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.			

19.	<p><u>Table 6 – General Fund Capital Receipts Estimates</u></p> <table border="1"> <thead> <tr> <th></th> <th>2018/19 £M</th> <th>2019/20 £M</th> <th>2020/21 £M</th> <th>2021/22 £M</th> <th>2022/23 £M</th> <th>Total £M</th> </tr> </thead> <tbody> <tr> <td>Actual 2018/19 /Latest Forecast</td> <td>1.72</td> <td>4.04</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>5.76</td> </tr> <tr> <td>Previous Forecast</td> <td>5.98</td> <td>0.67</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>6.65</td> </tr> <tr> <td>Variance</td> <td>(4.26)</td> <td>3.37</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>(0.89)</td> </tr> </tbody> </table>		2018/19 £M	2019/20 £M	2020/21 £M	2021/22 £M	2022/23 £M	Total £M	Actual 2018/19 /Latest Forecast	1.72	4.04	0.00	0.00	0.00	5.76	Previous Forecast	5.98	0.67	0.00	0.00	0.00	6.65	Variance	(4.26)	3.37	0.00	0.00	0.00	(0.89)														
	2018/19 £M	2019/20 £M	2020/21 £M	2021/22 £M	2022/23 £M	Total £M																																					
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20.	The variance in 2018/19 is due to a number of disposals which have slipped into 2019/20 due to extended negotiations on a number of contracts. The total receipts expected has fallen due to changes in expected sale price.																																										
	OVERALL CAPITAL PROGRAMME																																										
	GENERAL FUND																																										
21.	Additions to the General Fund capital programme which require approval are detailed in Appendix 6.																																										
22.	Table 7 shows a comparison of the latest forecast planned General Fund capital programme for the period 2018/19 to 2022/23, including any amendments noted elsewhere within this report, compared to the previously reported programme.																																										
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Variance	(23.26)	36.10	5.35	2.44	0.00	20.63																																					
23.	The above table shows that the General Fund capital programme has increased by £20.63M to £204.73M.																																										
24.	There have been a number of Delegated Decision Notices (DDN) since the previous programme, totalling £0.26M in 2018/19 and £0.41M in 2019/20. These additions are detailed in Appendix 3.																																										
25.	Table 8 shows the use of resources to finance the General Fund Capital Programme up to and including 2022/23.																																										
	<p><u>Table 8 – Use of Resources</u></p> <table border="1"> <thead> <tr> <th></th> <th>2018/19 £M</th> <th>2019/20 £M</th> <th>2020/21 £M</th> <th>2021/22 £M</th> <th>2022/23 £M</th> <th>Total £M</th> </tr> </thead> <tbody> <tr> <td>Council Resources</td> <td>24.85</td> <td>27.91</td> <td>11.88</td> <td>12.21</td> <td>18.59</td> <td>95.44</td> </tr> <tr> <td>Contributions</td> <td>4.49</td> <td>9.67</td> <td>1.00</td> <td>0.00</td> <td>0.00</td> <td>15.16</td> </tr> <tr> <td>Capital Grants</td> <td>18.23</td> <td>42.83</td> <td>24.20</td> <td>2.19</td> <td>0.04</td> <td>87.49</td> </tr> <tr> <td>DRF (Portfolios)</td> <td>0.58</td> <td>6.01</td> <td>0.05</td> <td>0.00</td> <td>0.00</td> <td>6.64</td> </tr> <tr> <td></td> <td>48.15</td> <td>86.42</td> <td>37.13</td> <td>14.40</td> <td>18.63</td> <td>204.73</td> </tr> </tbody> </table>		2018/19 £M	2019/20 £M	2020/21 £M	2021/22 £M	2022/23 £M	Total £M	Council Resources	24.85	27.91	11.88	12.21	18.59	95.44	Contributions	4.49	9.67	1.00	0.00	0.00	15.16	Capital Grants	18.23	42.83	24.20	2.19	0.04	87.49	DRF (Portfolios)	0.58	6.01	0.05	0.00	0.00	6.64		48.15	86.42	37.13	14.40	18.63	204.73
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26.	Table 8 above, 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.																																																	
27.	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 since 2016/17 these grants have been passported to these areas.																																																	
	HRA																																																	
28.	The HRA programme for 2019/20 has been reviewed in line with the current anticipated need for works on the HRA stock. This has resulted in the need to reallocate budgets in 2019/20 with a net reduction of £8.72M. This reduction has reduced the MRA funding requirement for the year.																																																	
29.	Table 9 below shows a comparison of the latest forecast planned HRA capital programme for the period 2018/19 to 2022/23, including any amendments noted elsewhere within this report, compared to the previously reported programme.																																																	
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30.	Table 9 above shows that the HRA Capital Programme has decreased by £18.64M to £202.95M.																																																	
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RESOURCE IMPLICATIONS																																																		
<u>Capital/Revenue</u>																																																		
32.	This report principally deals with capital and the implications are set out in the main body of the report. 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>	
33.	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>	
34.	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>	
35.	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	
36.	None.
POLICY FRAMEWORK IMPLICATIONS	
37.	The outturn for 2018/19 forms part of the overall statutory accounts.
CONSULTATION	
38.	Service Directors, Service Leads and Project Managers have been consulted in preparing the reasons for variations. 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 2019. 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.	Scheme Budget Variances 2018/19
2.	Revised Estimates 2019/20
3.	Variations to 2018/19 Since February 19 Update
4.	Variance Explanations by Portfolio
5.	Capital Prudential Indicator Tables
6.	Proposed Programme Changes For Approval
Page 82	

Documents In Members' Rooms	
1.	None
Equality Impact Assessment	
Do the implications/subject of the report require an Equality and Safety Impact Assessments (ESIA) to be carried out.	Yes/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.	None

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Appendix 1

GENERAL FUND & HRA CAPITAL PROGRAMME OUTTURN 2018/19 - BUDGET VARIANCES 2018/19

ADULTS

Scheme No.	Description	Budget 2018/19 £M	Actual 2018/19 £M	Variance 2018/19 £M
R9330	National Care Standards and H&S Work	0.020	0.021	0.001
R9340	Replacement of Appliances and Equipment	0.019	0.015	(0.004)
R9600	Telecare Equipment	0.500	0.123	(0.377)
R9700	Common Assessment Framework	0.004	0.000	(0.004)
R9720	Residential Homes fabric furnishing - Care Quality Commissions	0.003	0.000	(0.003)
R9777	Integrated Working	0.180	0.183	0.003
R9919	32B Kentish Rd Capital Upgrade	0.005	0.000	(0.005)
		0.731	0.342	(0.389)

ASPIRATION, SCHOOL AND LIFELONG LEARNING

Scheme No.	Description	Budget 2018/19 £M	Actual 2018/19 £M	Variance 2018/19 £M
E0ACA	Academies	0.125	0.000	(0.125)
E0CSL	Education General Other	0.000	0.463	0.463
E0EYP	Early Years Expansion Programme	0.555	0.209	(0.346)
E0PR2	Primary Review Phase 2	4.524	3.506	(1.018)
E0PR3	School Expansion Programme - Phase 3	1.699	1.468	(0.231)
E0SCM	School Capital Maintenance	1.841	0.790	(1.051)
EOSE1	Secondary Expansion Phase 1	4.113	2.124	(1.989)
R9801	Post 19 Learning & Skills Hub	0.064	0.122	0.058
		12.921	8.682	(4.239)

CLEAN GROWTH AND DEVELOPMENT

Scheme No.	Description	Budget 2018/19 £M	Actual 2018/19 £M	Variance 2018/19 £M
M0CQR	Cultural Quarter	1.623	1.839	0.216
M0HOC	Heart of the City	0.165	0.033	(0.132)
M0HUB	Bitterne Public Services Hub	0.035	0.000	(0.035)
M0PIF	Property Investment Fund	8.588	8.485	(0.103)
M0RPW	Royal Pier Waterfront	0.112	0.000	(0.112)
S2520	Salix Energy Efficiency Measures	0.041	0.000	(0.041)
		10.564	10.357	(0.207)

COMMUNITY WELLBEING

Scheme No.	Description	Budget 2018/19 £M	Actual 2018/19 £M	Variance 2018/19 £M
C718D	CCTV Cameras - Local Transport Programme	0.034	0.037	0.003
HGFCS	Community Safety	1.452	1.378	(0.074)
R1000	Estate Improvements	1.082	0.002	(1.080)
R1100	S106 - Centenary Quay	0.038	0.017	(0.021)
SUHIL	Sustainability – Home Improvement Loans	0.119	0.099	(0.020)
		2.725	1.533	(1.192)

FINANCE AND CUSTOMER EXPERIENCE

Scheme No.	Description	Budget 2018/19 £M	Actual 2018/19 £M	Variance 2018/19 £M
P5100	IT Desktop	0.852	0.194	(0.658)
P5150	Civic Centre Upgrade	0.448	0.192	(0.256)
T1000	Digital Investment Phase 1	0.056	0.000	(0.056)
T1001	Digital Investment Phase 2	4.084	1.431	(2.653)
T1005	Client Case Management System	0.000	0.467	0.467
T2000	Customer Relationship Management	0.298	0.060	(0.238)
		5.738	2.344	(3.394)

HOMES & CULTURE

Scheme No.	Description	Budget 2018/19 £M	Actual 2018/19 £M	Variance 2018/19 £M
LC201	Arts and Heritage	0.178	0.137	(0.041)
LC401	Pitch Improvements	0.170	0.057	(0.113)
LC601	Other Projects LC601	0.191	0.107	(0.084)
LC602	Other Projects LC602	0.064	0.000	(0.064)
		0.603	0.301	(0.302)

TRANSPORT & PUBLIC REALM

Scheme No.	Description	Budget 2018/19 £M	Actual 2018/19 £M	Variance 2018/19 £M
C2100	Purchase of vehicles	0.876	0.327	(0.549)
C2400	Planning	0.003	0.000	(0.003)
C2410	Invest To Save - Building Control	0.048	0.000	(0.048)
C2921	Weekly Collection Support Scheme	0.010	0.000	(0.010)
C2922	Alternative Weekly Collection - Implementation Works	0.111	0.148	0.037
C2923	Red Lodge Depot	0.070	0.000	(0.070)
C7131	Cycling Improvements	3.469	1.687	(1.782)
C7141	Public Transport	0.334	0.208	(0.126)
C7151	Improved Safety	0.326	0.362	0.036
C7161	Sustainable Travel	0.265	0.177	(0.088)
C7171	Accessibility	1.168	0.451	(0.717)
C7181	Congestion Reduction	4.201	1.803	(2.398)
C7191	Other Highways	11.294	8.048	(3.246)
C7720	5a - Infrastructure (E&T)	0.428	0.000	(0.428)
C7730	City Centre Improvements Redbridge	0.000	0.018	0.018
C7770	Bridges to Prosperity Bridge Scheme	0.026	0.000	(0.026)
C7911	Bridges Maintenance	1.615	1.176	(0.439)
C7921	Principal Roads	0.606	0.508	(0.098)
C7923	Service Life Extension Programme - Millbrook Roudabout	7.446	5.631	(1.815)
C8000	Classified Roads	1.456	1.176	(0.280)
C8100	Unclassified Roads	1.904	1.717	(0.187)
C8300	Street Lighting	0.045	0.042	(0.003)
C8911	Platform for Prosperity	0.114	0.017	(0.097)
C8933	North of Station	0.000	0.001	0.001
C9120	Highways Improvements Developers	0.505	0.338	(0.167)
C9471	Multi-Storey Carparks 10 Yr Maint. Programme	0.177	0.075	(0.102)
M0IRF	Itchen Riverfront	0.100	0.000	(0.100)
NS011	Southampton Common Access Project	0.037	0.020	(0.017)
NS027	Minor Parks Development Works	0.540	0.284	(0.256)
NS030	Mobile Working for Parks & Street Cleansing Frontline	0.007	0.000	(0.007)
NS035	Play Area Improvements	0.379	0.261	(0.118)
NS036	Purchase of Plant, Machinery & Equipment	0.279	0.114	(0.165)
NS038	City Pride	0.108	0.001	(0.107)
S2420	Flood Risk Management	0.007	0.005	(0.002)
(blank)	Carparks Other	0.460	0.000	(0.460)
		38.414	24.597	(13.817)
GENERAL FUND PROGRAMME TOTAL		71.696	48.157	(23.539)

HOUSING REVENUE ACCOUNT

Scheme No.	Description	Budget 2018/19 £M	Actual 2018/19 £M	Variance 2018/19 £M
H00AD	Adaptions for Disabled People	1.300	1.495	0.195
H00AP	Area Programmes	2.000	1.784	(0.216)
H00EA	East	0.000	(0.020)	(0.020)
H00ER	Estate Regeneration	1.577	1.169	(0.408)
H00ES	Energy Savings Programme	1.404	0.030	(1.374)
H00NB	New Build	0.168	0.151	(0.017)
H00OT	Other	0.917	0.538	(0.379)
H00PV	Other Programme	0.943	0.775	(0.168)
H00RR	Roof Replacement	4.658	1.850	(2.808)
H00SW	Structural Works	0.500	0.086	(0.414)
H00WE	West	1.400	1.343	(0.057)
HRA01	Making Homes Safe	14.234	17.603	3.369
HRA02	Making Homes Energy Efficient	8.215	2.059	(6.156)
HRA04	Supporting Communities	0.513	0.210	(0.303)
HRA05	HRA - Misc	14.836	14.162	(0.674)
HRA07	Supporting Independent Living	0.494	0.000	(0.494)
		53.159	43.236	(9.923)
HRA PROGRAMME TOTAL		53.159	43.236	(9.923)
PROGRAMME TOTAL		124.855	91.393	(33.462)

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Appendix 2

ADULTS

Scheme No.	Description	Original Budget 2019/20 £M	Slippage from 2018/19 £M	Re-phasing to 2018/19 £M	Changes to Programme £M	Revised Budget 2019/20 £M
R9340	Replacement of Appliances and Equipment	0.000	0.004	0.000	0.000	0.004
R9600	Telecare Equipment	0.500	0.000	0.000	0.000	0.500
R9720	Residential Homes fabric furnishing - Care Quality Commissions	0.000	0.003	0.000	0.000	0.003
R9777	Integrated Working	0.103	0.000	0.003	0.000	0.100
R9919	32B Kentish Rd Capital Upgrade	0.025	0.005	0.000	0.000	0.030
		0.628	0.012	0.003	0.000	0.637

ASPIRATION, SCHOOLS AND LIFELONG LEARNING

Scheme No.	Description	Original Budget 2019/20 £M	Slippage from 2018/19 £M	Re-phasing to 2018/19 £M	Changes to Programme £M	Revised Budget 2019/20 £M
E9140	Asbestos 2016/17	0.000	0.050	0.000	0.000	0.050
E9122	Bitterne Park Autism Resource Base	0.160	0.000	0.022	0.000	0.138
E9236	Chamberlayne Refurbishment	2.544	0.000	0.022	0.000	2.522
E7220	Early Years Expansion Programme	0.651	0.346	0.000	0.000	0.997
E9062	Lordshill Academy	0.000	0.121	0.000	0.000	0.121
E9061	Mayfield Academy	0.000	0.004	0.000	0.000	0.004
E5030	Portswood Primary Expansion	0.000	0.018	0.000	0.000	0.018
E5020	Primary Review P2 - Fairisle Junior	0.000	0.611	0.000	0.000	0.611
E5017	Primary Review P2 - Valentine Primary School Westwood Block	1.124	0.367	0.000	0.000	1.491
E7218	R&M Programme for School 2016/17 (inc 17/18)	2.056	0.293	0.000	0.000	2.349
E9136	Regent Park Expansion	2.800	0.000	0.049	0.000	2.751
E7206	Renewable Heat Incentive	0.000	0.005	0.000	0.000	0.005
E9133	School Access Initiative 2016/17	0.000	0.049	0.000	0.000	0.049
E9031	Schools Devolved Capital	0.000	0.000	0.000	0.450	0.450
E9135	Sholing Technical College Renovation	0.572	1.892	0.000	0.000	2.464
E7205	Solar PV Resources Project	0.000	0.102	0.000	0.000	0.102
E5037	Springwell School - Main Expansion 15/16	3.826	0.096	0.000	0.000	3.922
E9215	St Anne's Expansion	1.000	0.100	0.000	0.000	1.100
E5047	St Denys	2.380	0.028	0.000	0.000	2.408
E9211	St George's Expansion	1.000	0.001	0.000	0.000	1.001
E9134	St George's School ESFA	1.805	0.072	0.000	0.000	1.877
E8185	St Mark's School	4.000	0.000	0.175	0.000	3.825
E5046	Thornhill Expansion	0.000	0.030	0.000	0.000	0.030
		23.918	4.185	0.268	0.450	28.285

CLEAN GROWTH & DEVELOPMENT

Scheme No.	Description	Original Budget 2019/20 £M	Slippage from 2018/19 £M	Re-phasing to 2018/19 £M	Changes to Programme £M	Revised Budget 2019/20 £M
C257G	Lighting Upgrades Salix Works	0.000	0.041	0.000	0.000	0.041
C620Y	QE2 Mile - Bargate Square	0.960	0.000	0.000	0.000	0.960
M6000	Bitterne Public Services Hub	0.208	0.035	0.000	0.000	0.243
M9100	Enterprise Centre	0.000	0.056	0.000	0.000	0.056
M9390	Royal Pier	0.306	0.100	0.000	0.000	0.406
M9400	Mayflower Park Spitfire Memorial	0.000	0.012	0.000	0.000	0.012
M9420	West Quay Phase 3 Watermark West Quay	0.337	0.067	0.000	0.000	0.404
M942B	West Quay Phase 3 Site B	0.000	0.065	0.000	0.000	0.065
		1.811	0.376	0.000	0.000	2.187

COMMUNITY WELLBEING

Scheme No.	Description	Original Budget	Slippage from	Re-phasing	Changes to	Revised Budget
		2019/20	2018/19	to 2018/19	Programme	2019/20
		£M	£M	£M	£M	£M
R1100	S106 - Centenary Quay	0.000	0.021	0.000	0.000	0.021
GCAP1	Warm Homes	0.834	0.000	0.000	0.000	0.834
G6580	Estate Parking Improvements	0.083	0.148	0.000	0.000	0.231
G6430	Support for Estate Regeneration	0.000	0.932	0.000	0.000	0.932
G4740	Disabled Facilities Grants - Support Costs	0.000	0.045	0.000	0.250	0.295
G4730	Disabled Facilities Grants - Approved Adaptations	1.020	0.029	0.000	2.000	3.049
G4490	Insulation and Fuel Poverty Initiatives	0.000	0.020	0.000	0.000	0.020
		1.937	1.195	0.000	2.250	5.382

FINANCE & CUSTOMER EXCELLENCE

Scheme No.	Description	Original Budget	Slippage from	Re-phasing	Changes to	Revised Budget
		2019/20	2018/19	to 2018/19	Programme	2019/20
		£M	£M	£M	£M	£M
P5100	Desktop Refresh Programme	0.279	0.606	0.000	0.000	0.885
P5150	Civic Centre Upgrade	1.700	0.256	0.000	0.000	1.956
T1000	Digital Investment Phase 1	0.000	0.056	0.000	0.000	0.056
T1001	Digital Investment Phase 2 &3	0.000	2.186	0.000	0.000	2.186
T2000	Customer Relationship Management Project	0.000	0.238	0.000	0.000	0.238
		1.979	3.342	0.000	0.000	5.321

HOMES AND CULTURE

Scheme No.	Description	Original Budget	Slippage from	Re-phasing	Changes to	Revised Budget
		2019/20	2018/19	to 2018/19	Programme	2019/20
		£M	£M	£M	£M	£M
L1011	Water ingress repairs project at Westgate & Tudor House	0.018	0.002	0.000	0.000	0.020
L1014	Arts Gallery Improvements	0.500	0.000	0.000	0.000	0.500
L1015	SeaCity Treasure Trove	0.650	0.038	0.000	0.000	0.688
L1018	Ancient Scheduled Monuments	0.199	0.001	0.000	0.000	0.200
L1440	Tudor House Museum Phase 1	0.005	0.000	0.000	0.000	0.005
L6790	Sections 106 Playing Field Improvement	0.000	0.071	0.000	0.000	0.071
L6792	Outdoor Sports Centre Improvements	0.400	0.042	0.000	0.000	0.442
L810U	Art in Public Places – Millbrook and Weston	0.013	0.000	0.000	0.000	0.013
L8260	Tudor House Museum Phase 2 Implementation	0.030	0.000	0.000	0.000	0.030
L8370	Woolston Library	0.000	0.064	0.000	0.000	0.064
		1.815	0.218	0.000	0.000	2.033

TRANSPORT AND PUBLIC REALM

Scheme No.	Description	Original Budget	Slippage from	Re-phasing	Changes to	Revised Budget
		2019/20	2018/19	to 2018/19	Programme	2019/20
		£M	£M	£M	£M	£M
C2100	Purchase of vehicles	0.100	0.549	0.000	0.000	0.649
C2101	Purchase of vehicles - Electric Vehicles	0.816	0.000	0.000	0.000	0.816
C2102	Purchase of vehicles - Refuse Collection Vehicles	2.900	0.000	0.000	0.000	2.900
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
C2440	Priory Road - Property Level Protection Scheme	0.000	0.002	0.000	0.000	0.002
C2551	Weston Shore Coastal Erosion	0.200	0.000	0.000	0.000	0.200
C2923	Red Lodge Bin Storage	0.000	0.070	0.000	0.000	0.070
C2924	Welfare Improvements at Mayfield Depot	0.000	0.000	0.000	0.025	0.025
C550H	Improved Safety – Engineering	0.000	0.046	0.000	0.000	0.046
C7112	Road Safety Partnership	0.017	0.000	0.007	0.007	0.017
C7131	Cycling	0.359	1.521	0.000	5.086	6.966
C7141	Public Transport	0.320	0.081	0.000	2.678	3.079
C7151	Improved Safety	0.264	0.000	0.076	0.085	0.273
C7161	Travel to School	0.196	0.062	0.000	0.000	0.258
C716M	Workplace Travel Plan Measures	0.008	0.007	0.000	0.000	0.015
C716N	School Travel Plan Measures	0.019	0.019	0.000	0.000	0.038

C7171	Accessibility	0.250	0.071	0.000	0.000	0.321
C717S	Station Boulevard	0.000	0.051	0.000	0.000	0.051
C717T	Local Transport Improvement Fund	0.000	0.595	0.000	0.000	0.595
C7181	Intelligent Transport Sytems	2.904	2.179	0.000	1.767	6.850
C718T	Urban Freight Strategy - Delivery Service Plans	0.047	0.000	0.000	0.000	0.047
C718V	Hospital Access Improvements (Coxford Road)	0.178	0.000	0.016	0.000	0.162
C718W	Thomas Lewis Way/Stoneham Lane	0.000	0.133	0.000	0.000	0.133
C718X	Electric Vehicle Action Plan	0.812	0.137	0.000	0.000	0.949
C718Y	Cooperative Intelligent Transport Sytems - Bluetooth	0.000	0.001	0.000	0.000	0.001
C7191	Additional Roads Programme	0.300	1.253	0.000	1.029	2.582
C719B	Essential Highways Minor Works	0.000	0.000	0.000	0.050	0.050
C719D	Pothole Action Fund	0.000	0.077	0.000	0.105	0.182
C719E	Cycleways Improvements Programme	0.000	0.300	0.000	(0.200)	0.100
C719F	Anti-Terrorist Measures	0.000	0.554	0.000	0.000	0.554
C723B	Major Cycle Route Signage	0.000	0.040	0.000	0.000	0.040
C723H	WCR: Phase 2 – 2nd Ave	0.000	0.086	0.000	0.000	0.086
C723J	Eastern strategic cycle route development	0.056	0.000	0.000	0.000	0.056
C723K	NCR: Ave East Lodge Rd – Dorset St	0.096	0.006	0.000	0.000	0.102
C723N	Bitterne Park Triangle	0.021	0.129	0.000	0.005	0.155
C724B	Bus Lane & Traffic Enforcement	0.066	0.005	0.000	0.000	0.071
C724D	Bus Corridor Minor Works	0.257	0.040	0.000	0.029	0.326
C772A	Millbrook Roundabout Highway Capacity Improvements	0.000	0.373	0.000	0.000	0.373
C774A	Northam Rail Bridge and corridor improvements	0.000	0.000	0.000	0.102	0.102
C791H	Other Bridge Works	0.246	0.465	0.000	0.500	1.211
C7921	Various Principal	0.000	0.090	0.000	1.084	1.174
C8000	Classified Roads	0.000	0.100	0.000	0.817	0.917
C809A	Millbrook Roundabout Detailed Design	0.000	1.815	0.000	0.000	1.815
C8100	Unclassified Roads	0.000	0.000	0.000	1.370	1.370
C816C	Footways - Various Treatments	0.000	0.150	0.000	0.500	0.650
C8200	Highways Network Delivery	0.300	0.237	0.000	0.000	0.537
C820A	Highways Drainage Investigations	0.000	0.131	0.000	0.150	0.281
C8300	Street Lighting	0.010	0.003	0.000	0.017	0.030
C881F	Road Restraint Systems	0.010	0.000	0.002	0.200	0.208
C8911	Platform for Prosperity	0.000	0.097	0.000	0.000	0.097
C9120	Highways Improvements (Developer)	0.150	0.167	0.000	0.320	0.637
C947J	Emergency Repairs to Multi-Storey Carparks	0.000	0.056	0.000	0.000	0.056
C947K	Car Park shutters	0.070	0.047	0.000	0.000	0.117
CCAP1	Highways Programme 2019/20	5.700	0.000	0.000	(5.700)	0.000
CCAP6	Replacement Card Readers	0.000	0.460	0.000	0.000	0.460
CCAP8	Townhill Park Infrastructure - Roads	0.000	0.000	0.000	1.125	1.125
CCAPX	Clean Air Zone	0.000	0.000	0.000	0.381	0.381
E3001	Houndwell Park Play Area	0.003	0.000	0.000	0.000	0.003
E3011	Deep Dene Play Area	0.009	0.000	0.000	0.000	0.009
E3013	The Common Play Area	0.000	0.004	0.000	0.000	0.004
E3029	Cedar Lodge Play Area	0.013	0.000	0.000	0.000	0.013
E3030	Green Lane Copse / Watts Close Play Area	0.000	0.003	0.000	0.000	0.003
E3031	Lamberhurst Close / Ropley Close Play Area	0.010	0.000	0.000	0.000	0.010
E3034	Mayfield Park Play Area	0.010	0.000	0.000	0.000	0.010
E3036	Octavia Road Play Area	0.000	0.014	0.000	0.000	0.014
E3037	St James Park Play Area	0.000	0.014	0.000	0.000	0.014
E3040	Daisy Dip Play Area	0.010	0.000	0.000	0.000	0.010
E3042	Coxford Play Area	0.019	0.000	0.003	0.000	0.016
E3045	Mansel Park Play Area	0.200	0.050	0.000	0.000	0.250
E3046	Somerset Avenue Play Area	0.000	0.025	0.000	0.000	0.025
E3047	Inkerman Play Area	0.017	0.000	0.000	0.000	0.017
E3049	Mandela Way Play Area	0.024	0.000	0.000	0.000	0.024
E3050	Woodmill Play Area	0.000	0.005	0.000	0.000	0.005
J426L	Southampton Common	0.000	0.017	0.000	0.000	0.017
J4440	Sports Centre Water Supply Upgrade	0.000	0.008	0.000	0.000	0.008
J4480	Green Park	0.036	0.000	0.000	0.000	0.036
J4490	Hum Hole	0.000	0.007	0.000	0.000	0.007
J4500	Lordsdale Greenway	0.005	0.000	0.000	0.000	0.005
J4520	Riverside Park	0.000	0.011	0.000	0.000	0.011
J4560	Westwood Greenway	0.003	0.000	0.000	0.000	0.003
J4570	Mayfield Park Improvements	0.000	0.023	0.000	0.000	0.023
J4610	City Pride - Improvements to Queens Park	0.000	0.107	0.000	0.000	0.107
J4630	Shoreburs Greenway Footpath Improvement Project	0.000	0.113	0.000	0.000	0.113
J4632	Portswood Entrance Improvements	0.000	0.009	0.000	0.000	0.009
J4640	Blechynden Terrace Park	0.000	0.033	0.000	0.000	0.033
J8281	Tree Surgery Mobile Elevated Working Platform	0.000	0.075	0.000	0.000	0.075
J8282	Wildflower Area Mower	0.035	0.000	0.000	0.000	0.035
J8284	Solar Powered Compactor Bins	1.000	0.000	0.000	0.000	1.000
J8285	Mechanical Sweeper	0.000	0.044	0.000	0.000	0.044
J8290	Realignment of Park Walk Entrance to East Park	0.027	0.000	0.000	0.000	0.027
M9370	Town Depot	0.131	0.100	0.000	0.000	0.231
		18.224	12.915	0.104	11.532	42.570
TOTAL GENERAL FUND PROGRAMME		50.312	22.245	0.375	14.232	86.415

HOUSING REVENUE ACCOUNT

Scheme No.	Description	Original Budget 2019/20 £M	Slippage from 2018/19 £M	Re-phasing to 2018/19 £M	Changes to Programme £M	Revised Budget 2019/20 £M
Making Homes Safe						
H1113	Structural Works	5.062	0.000	0.000	0.000	5.062
H1290	Hants Fire & Rescue Service - Fire Safety / Sprinkler Project	6.100	0.000	0.000	1.500	7.600
H139A	Water Quality Remedial Works	0.100	0.000	0.000	0.352	0.452
H7250	Structural Works	0.834	0.000	0.000	0.000	0.834
H7251	Non High Rise FRA Remedial Works	0.100	0.000	0.000	0.000	0.100
		12.196	0.000	0.000	1.852	14.048
Making Homes Energy Efficient						
H1116	External Windows and Doors	0.050	0.000	0.000	0.002	0.052
H1355	ECO: City Energy Scheme	1.166	0.000	0.000	(0.486)	0.680
H7258	Milner Court Heating Upgrade	1.000	0.000	0.000	(0.650)	0.350
H7260	Gas Heating Upgrades/Refurbishments	0.600	0.000	0.000	0.000	0.600
H7261	Insulation Upgrades	0.050	0.000	0.000	0.000	0.050
H7264	Millbrook House - EWI Upgrade	0.000	0.000	0.000	0.075	0.075
H8004	Energy Company Obligations - Canberra Towers	3.400	0.000	0.000	(2.800)	0.600
H8008	Energy Company Obligations - Thornhill Heating	3.100	0.000	0.000	(3.000)	0.100
H8009	Energy Company Obligations - Lydgate - External Wall Insulation	0.900	0.000	0.000	0.310	1.210
		10.266	0.000	0.000	(6.549)	3.717
Improving Quality of Homes						
H012A	Roofing Lot 1 West	4.000	0.000	0.000	(2.386)	1.614
H1110	Communal Areas Works	0.647	0.000	0.000	0.070	0.717
H1115	Door Entry Systems	0.159	0.000	0.000	0.091	0.250
H1122	Wall Structure & Finish	0.250	0.000	0.000	0.000	0.250
H1154	Lift Refurbishment - Shirley Towers	2.159	0.000	0.000	(1.599)	0.560
H118A	Housing Refurbishment Programme	0.850	0.000	0.000	0.000	0.850
H1272	Renew Porch/Canopy	0.050	0.000	0.000	0.000	0.050
H7252	Electrical System Upgrades/Refurbishments	0.100	0.000	0.000	0.000	0.100
H7262	Block Modernisation Programme	1.100	0.000	0.000	0.000	1.100
		9.315	0.000	0.000	(3.824)	5.491
Supporting Communities						
H033A	Decent Neighbourhoods: Future Decent Neighbourhood Schemes	1.142	0.000	0.000	(0.717)	0.425
H1133	Roads/Paths/Hard Standing	0.321	0.000	0.000	(0.221)	0.100
H6319	Decent Neighbourhoods: Estate Improvement Programme (EIP)	0.100	0.000	0.000	0.100	0.200
H7254	Decent Neighbourhoods	1.800	0.000	0.000	(1.800)	0.000
		3.363	0.000	0.000	(2.638)	0.725
HRA - Misc						
H6570	Townhill Park Regeneration	2.193	0.000	0.000	0.000	2.193
H6720	Estate Regeneration Woodside/Wimpson	15.278	0.000	0.000	(1.378)	13.900
		17.471	0.000	0.000	(1.378)	16.093
Estate Regeneration and New Build						
H8001	Right to Buy - Satisfactory Purchase Scheme	0.000	0.000	0.000	1.500	1.500
Supporting Independent Living						
H1740	Renew Warden Alarm	0.414	0.000	0.000	0.494	0.908
H7253	Disabled Adaptations	1.600	0.000	0.000	0.700	2.300
		2.014	0.000	0.000	1.194	3.208
Safe Wind & Weather Tight						
H012B	Roofing Lot 2 East	0.000	0.000	0.000	0.475	0.475
H113A	Lift Refurbishment - Canberra Towers	0.000	0.000	0.000	0.061	0.061
H139C	Remedial Works Following Compliance Inspections	0.000	0.000	0.000	0.200	0.200
H8002	Hants Fire & Rescue Service - Fire Safety (Doors)	0.000	0.000	0.000	0.187	0.187
		0.000	0.000	0.000	0.923	0.923
Well Maintained Communal Facilities						
H6266	THP Phase 2 MacArthur/Vanguard	0.000	0.000	0.000	0.020	0.020
H6315	Decent Neighbourhoods: Shirley	0.000	0.000	0.000	0.035	0.035
H6334	Decent Neighbourhoods: Cuckmere Lane	0.000	0.000	0.000	0.075	0.075
H8006	Tower Block Communal Works	0.000	0.000	0.000	0.079	0.079
		0.000	0.000	0.000	0.209	0.209
		54.625	0.000	0.000	(8.711)	45.914

GENERAL FUND & HRA CAPITAL PROGRAMME OUTTURN 2018/19 - VARIATIONS SINCE FEBRUARY 2019 CAPITAL UPDATE

Portfolio	Scheme	£M	Delegated Approval	Funding Source
<u>Additions to the Programme</u>				
Community Welbeing	Disabled Facilities Grants - Support Costs	0.22	**	Government Grant
Transport & Public Realm	Clean Air Zone	0.38	**	Government Grant
	Welfare Improvements at Mayfield Depot	0.03	**	Capital Receipts
	Mechanical Sweeper	0.04	**	Other Grant
	GENERAL FUND TOTAL	0.67		
	GRAND TOTAL	0.67		

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GENERAL FUND AND HRA CAPITAL OUTTURN 2018/19 – VARIANCE EXPLANATIONS	
1.	Reasons for major variances on individual schemes are given for each Portfolio below. A de-minimus reporting variance of +/- £0.24M has been set.
	ADULTS
2.	<p><u>Telecare Equipment (Underspend of £0.38M)</u></p> <p>Referrals and subsequent installations of telecare equipment were lower than anticipated in 2018/19. Referrals were expected to increase in the second half of the year through more telecare awareness drop in sessions with Adult Social Care teams but the actual spend has not increased due to existing equipment being recycled to new service users.</p>
	ASPIRATION, SCHOOL AND LIFELONG LEARNING
3.	<p><u>R&M Programme for Schools (Slippage of £0.29M from 2018/19 to 2019/20)</u></p> <p>Resourcing issues arising from unfilled posts during the restructuring of the Capital Assets team resulted in difficulties in managing the volume and complexity of works and keeping within timescales. Rolling condition surveys of schools highlight a backlog of works which have been prioritised for completion in 2019/20.</p>
4.	<p><u>Early Years Expansion Programme (Slippage of £0.35M from 2018/19 to 2019/20)</u></p> <p>Resourcing issues arising from unfilled posts during the restructuring of the Capital Assets team resulted in delays in the completion of the required design and feasibility studies for this scheme. This will be completed in 2019/20.</p>
5.	<p><u>Primary Review P2 - Valentine Primary School Westwood Block (Slippage of £0.37M from 2018/19 to 2019/20)</u></p> <p>Works were rescheduled to coincide with the school holidays in July and August 2019, as it is not safe to complete the works during term time with young children present for health and safety reasons. The scheme is forecasted to be completed by October 2019.</p>
6.	<p><u>Primary Review P2 - Fairisle Junior (Slippage of £0.61M from 2018/19 to 2019/20)</u></p> <p>The original tender for this scheme was for a 1 storey 4 classroom extension but following a review of required works the scheme was amended to a 2 storey 4 classroom building which offers larger classrooms and better value for money. These scheme design changes have caused delays, the scheme will now be completed in 2019/20.</p>
7.	<p><u>Sholing Technical College Renovation (Slippage of £1.89M from 2018/19 to 2019/20)</u></p> <p>Sholing Technical College became an academy in September 2018. SCC were required to ensure the building was in good condition as part of the transfer arrangement. The necessary improvement works required condition surveys which resulted in ongoing discussions with the Academy Trust taking over the school as to who should deliver the works. This caused a delay in</p>

	signing off the surveys. The works will now be completed by the Trust funded by SCC in 2019/20.
8.	<p><u>Schools Devolved Capital (Overspend of £0.46M)</u></p> <p>The schools capital works programme is undertaken throughout the year and funded through devolved capital funding. The capital is fully funded by a specific ring fenced grant. The capital spend is not included in forecasts during the year but is added to the capital financing outturn statement.</p> <p>Schools decide on the allocation of this grant and can decide to carry forward any underspend and the timing of spend to complete school schemes.</p>
9.	<p><u>Asbestos Programme (Underspend of £0.36M)</u></p> <p>This is a reactive budget and surveys identified a lower level of works in 2018/19 than expected. It is anticipated that future years works can be completed within existing budgets for those years.</p>
	CLEAN GROWTH AND DEVELOPMENT
10.	<p><u>Southampton New Arts Centre (Studio 144) (Overspend of £0.24M)</u></p> <p>The overspend to the scheme has been driven by the award by the Contract Administrator in regard to an Extension of Time claim submitted by the Fit-out Contractor. The award for the South Building is primarily referencing the substantial flooding of the building, alterations to the gallery wall construction and the consequences of the building contractor being on site at the same time as the fit-out contractor. The award for the North Building is primarily referencing the issues with the design of the Primary Containment, issues with lift installations and the subsequent impacts on the fit-out contractor.</p> <p>Discussions on the final contract costs are currently taking place based on valuations provided by quantity surveyors. There is no defined contractual obligation to conclude the final account within a fixed time and at current progress is positive. A final settlement is expected in 2019/20 at which point the total additional funding required to complete the scheme will be known.</p>

	COMMUNITY WELLBEING
11.	<p><u>Support for Estate Regeneration (Slippage of £0.93M from 2018/19 to 2019/20)</u></p> <p>This scheme is funded through S106 agreement and is part of the scheme for new properties to be leased to/from a third party provider at Townhill Park (THP). Further consultation as part of the wider THP scheme and is dependent on the bigger scheme resulting in a delay.</p>
	FINANCE AND CUSTOMER EXPERIENCE
12.	<p><u>Customer Relationship Management (Slippage of £0.24M from 2018/19 to 2019/20)</u></p> <p>This scheme is to upgrade the Capita owned customer relationship management system Lagan which novates to SCC when IT services return in house. Works were initially planned to be carried out before the transfer however this had to be delayed until SCC owned Lagan in January 2019.</p>
13.	<p><u>Civic Centre Upgrade (Slippage of £0.26M from 2018/19 to 2019/20)</u></p> <p>This scheme is to help create a more modern and flexible workspace for staff in the Civic Centre and is being completed in two phases. The detailed design of phase one is still being reviewed and has not yet been agreed by all stakeholders. Once the detailed design has been agreed and signed off by the Senior Management Team, the scheme will move into the delivery phase where the majority of expenditure will occur.</p>
14.	<p><u>Desktop Refresh Programme (Slippage of £0.61M from 2018/19 to 2019/20)</u></p> <p>The rollout of the desk top refresh has slipped as there has been a delay in the provider specification machine builds which subsequently delayed the purchase and roll out of hardware. This was an intentional delay to coincide with the ceasing of the Capita contract with the aim of gaining better value for money. This will now be delivered in 2019/20.</p>
15.	<p><u>Transformation Digital Investment (Slippage of £2.24M from 2018/19 to 2019/20)</u></p> <p>There has been a delay in the implementation of the enterprise resource planning (ERP) system, Business World, due to issues discovered during user acceptance testing which need to be resolved.</p> <p>The launch date of Business World had been deferred to allow testing of all scenarios so that there is reliance that these issues have been resolved before the system goes live.</p>
	TRANSPORT AND PUBLIC REALM
16.	<p><u>Highways Network Delivery (Slippage of £0.24M from 2018/19 to 2019/20)</u></p> <p>Work on Highway Network Delivery projects on South East Road and Chilworth Roundabout have slipped as further design works and additional drainage were required. Work is now scheduled to be undertaken in the summer 2019.</p>
17.	<p><u>Cycleways Improvements Programme (Slippage of £0.30M from 2018/19 to 2019/20)</u></p>

	Cycling improvements works which relate to Weston Shore have slipped to link into larger infrastructure works to help prevent coastal erosion in the area which won't begin until 2019/20.
18.	<p><u>City Centre Improvements (Slippage of £0.37M from 2018/19 to 2019/20)</u></p> <p>This slippage is as a result of advice from the delivery partner Network Management to carry out the works on Third Avenue in May 2019 to ensure there is a co-ordinated approach to works being undertaken in the city and to minimise disruption to network.</p>
19.	<p><u>Car Park Readers (Slippage of £0.46M from 2018/19 to 2019/20)</u></p> <p>Payment card readers in car parking pay and display machines need to be updated in line with the latest industry standards. The procurement process for the card readers has taken longer than anticipated.</p>
20.	<p><u>Bridge Maintenance (Slippage of £0.46M from 2018/19 to 2019/20)</u></p> <p>Procurement delays in appointing a sub-contractor for bridge assessments has caused £0.12M of the programme to slip. There have also been varying delays on other sub-projects within this scheme; the Lordswood underpass works have been delayed as a specialist sub-contractor needed to be found to undertake the works; Cobden Bridge works were delayed until after the marathon to prevent disruption to the event; parapet repairs slipped as other works were prioritised prior to year-end; intrusive inspections by a specialist contractor are now due to take place in April and the subway refurbishment programme and culvert access works have been delayed as these works need to be undertaken in dry weather.</p>
21.	<p><u>Vehicle Purchases (Slippage of £0.55M from 2018/19 to 2019/20)</u></p> <p>This scheme is to re-body the twin-track refuse vehicles to standard refuse freighters. The first re-bodied vehicle was delivered for evaluation during February 2019 with a number of snagging issues. These issue have now been resolved and the vehicle specification updated for the remaining vehicles. A second vehicle is due to return in April 2019 and the remaining vehicles will be returned in mid-2019/20.</p>
22.	<p><u>Anti-Terrorist Measures (Slippage of £0.55M from 2018/19 to 2019/20)</u></p> <p>The hostile vehicle mitigation scheme which involves installing high quality bollards and other protective measures in the city centre has taken longer than anticipated as works needed to be scheduled around events in the city. Works on West Marlands Road and Above Bar Precinct are currently underway and due to complete in the new financial year.</p>
23.	<p><u>Local Transport Improvement Fund (Slippage of £0.60M from 2018/19 to 2019/20)</u></p> <p>There have been delays on some projects within this scheme caused by uncharted utilities creating an overrun to the delivery timetable. The works are now programmed and being delivered in 2019/20.</p>
24.	<p><u>Additional Roads Programme (Slippage of £1.25M from 2018/19 to 2019/20)</u></p>

	<p>The schemes at Byron Road and Sylvan Avenue both require full reconstruction at addition depth due to the condition of the underlying road structure which will take longer than anticipated. Also a number of schemes require treatments that can only be applied in warmer weather and therefore works need to be undertaken in the new financial year.</p>
25.	<p><u>Cycling Improvements (Slippage of £1.78M from 2018/19 to 2019/20)</u></p> <p>The scope of work in 2018/19 was reduced on the advice of the delivery partner Network Management as it was not deemed practical to work on all five key routes in to the city at once. Works have been staggered into more suitable stages which has led to larger scale projects on The Avenue and from Quayside Road to Bitterne Village now being undertaken in 2019/20 along with a number of smaller projects on key routes.</p>
26.	<p><u>Millbrook Roundabout (Slippage of £1.82M from 2018/19 to 2019/20)</u></p> <p>This is a large infrastructure project to rebuild the roundabout on a key route into the city from the west. It is being completed in two phase, the second phase was paused temporarily whilst the implications on local traffic of leaving the European Union were considered. The second phase is now due to be completed in April. A post-completion greening project will then commence.</p>
27.	<p><u>Congestion Reduction (Slippage of £2.43M from 2018/19 to 2019/20)</u></p> <p>There has been slippage of £1.44M on the Bursledon Road project to improve access in the east of the city funded from the National Productivity Investment Fund. The delivery profile of the project has been confirmed and the budgets aligned.</p> <p>There has been slippage of £0.27M on the Electric Vehicle Action Plan. This is a project to improve electric vehicle infrastructure in the city to help increase the usage of electric vehicles. There was a delay in arranging a power source for some charging points in car parks. It was originally intended to connect the charging points to street lighting network but this was not a technically viable solution. The project slipped whilst alternative power source was identified.</p> <p>£0.72M of the budget has been designated as match funding for the Transforming Cities bid being submitted in June 2019. This has meant that some congestion reduction projects have been delayed to correspond with wider works to be delivered as part of the Transforming Cities project from January 2020 onwards.</p>
28.	<p><u>Highways (Underspend of £0.92M)</u></p> <p>A number of schemes have been completed by the Highways partner below the agreed target price. This has mainly occurred in the roads scheme due to allowances and contingent costs included in the target price being lower than expended or not materialising. Allowances were made for widespread poor ground conditions, based on core samples, which were not as extensive as anticipated. The costly disposal of historically used contaminated material were lower than expected as these were not discovered during works. And inclement weather and a high water table was better than expected.</p>
	<p>HRA</p>

29.	<p><u>Hants Fire & Rescue Service - Fire Safety / Sprinkler Project (Overspend of £3.62M)</u></p> <p>Following independent inspections and audits by Hampshire Fire Rescue Services on the cities high rise blocks, issues were identified with the in these blocks that were an essential health and safety requirement. In addition, asbestos in communal areas has been far greater than anticipated, as in a number of areas had been over cladded. This needed to be removed to allow sprinkler works.</p>
30.	<p><u>Housing Refurbishment Programme (Overspend of £0.57M)</u></p> <p>This overspend is in relation to the boiler replacement element of this scheme as a higher number of homes needed their boilers upgrading to meet good working standards than initially anticipated. In order to avoid any reoccurrences, budgets have been allocated to future years to meet this.</p>
31.	<p><u>Energy Company Obligations City Energy Scheme (Overspend of £0.35M)</u></p> <p>This overspend is due to the purchase of heating panels to be used in flats in advance of budgeted purchase scheduled for 2019/20. This has not been reported as rephasing as there was sufficient overall budget in 2018/19 to cover this. The budgets for 2019/20 have been updated as part of the overall HRA programme reset.</p>
32.	<p><u>Roads/Paths/Hard Standing (Underspend of £0.24M)</u></p> <p>Due to a lack of resources, works have been unable to progress on this scheme. The appointment of the Hampshire County Council Architectural Services should have taken place early in 2018/19. However the joint working agreement between Hampshire County Council and SCC under which this appointment was made was deemed non-compliant with regard to the SCC procurement policy. It is anticipated that this scheme can be completed within existing budgets for future years.</p>
33.	<p><u>Water Quality Remedial Works (Underspend of £0.35M)</u></p> <p>This scheme has been delayed due to issues relating to section 20 consultation with leaseholders, which took longer than anticipated due to disputes relating to the cost of the works and whether a cheaper alternative was available. Also Housing Ops did not have the capacity to carry out works on our tower block water tanks in 2018/19. Inspections need to be carried out to understand scope of works and the pressure of delivering within the expected timescale in 2019/20. It is anticipated that this scheme can be completed within existing budgets for future years.</p>
34.	<p><u>Wall Structure & Finish (Underspend of £0.41M)</u></p> <p>Due to the prioritisation of works on high rise assets, internal and external resource availability has been limited. It is anticipated that this scheme can be completed within existing budgets for future years.</p>
35.	<p><u>Renew Warden Alarm (Underspend of £0.49M)</u></p> <p>This scheme intends to address the increasing unreliability of the current alarm equipment, the lack of availability of parts and the requirement to move</p>

	<p>from an analogue to digital systems by 2025. A review of resources and the scale of works that can be realistically delivered is still required. Work will therefore not commence until the end of 2019/20 and will be phased over 2 years. It is anticipated that this scheme can be completed within existing budgets for future years.</p>
36.	<p><u>Estate Regeneration Woodside/Wimpson (Potters Court) (Underspend of £0.52M)</u></p> <p>A delay in the contract formation for this scheme has resulted in an under spend in 2018/19. It is anticipated that this scheme can be completed within existing budgets for future years. The delivery of the scheme still remains on target to be completed within the projected timeline.</p>
37.	<p><u>External Windows and Doors (Underspend of £0.65M)</u></p> <p>This budget is currently being used to supplement fire safety works in non-high rise assets where there is a need for upgrades to fire doors. At the current time this is focusing on the supported housing schemes. However changing industry guidance on the suitability of products and ongoing advice from Hampshire Fire and Rescue Service is resulting in works taking longer to deliver than first envisaged. It is anticipated that this scheme can be completed within existing budgets for future years.</p>
38.	<p><u>Household Refurbishment Project - Kitchen and Bathroom (Underspend of £0.78M)</u></p> <p>The kitchen and bathrooms within housing stock have deteriorated and are coming to the end of their working lifespan based on stock condition records and feedback from the maintenance team. However, works were not able to progress in 2018/19 due to ongoing discussions with tenants and the lack of internal and external resources to complete works. It is anticipated that this scheme can be completed within existing budgets for future years.</p>
39.	<p><u>External Wall Insulation - Low Rise (Underspend of £1.00M)</u></p> <p>A compliant contractor was not identified for works to deliver the scheme following the conclusion of Energy Company Obligation Schemes in 2018/19. Due to conflicting demands in the 2018/19 arising from fire safety works this scheme was not progressed. It is anticipated that this scheme can be completed within existing budgets for future years.</p>
40.	<p><u>Roofing Lot 1 West (Underspend of £2.73M)</u></p> <p>Roofing works for 2018/19 were not started. A review of the contract documentation required a revision of the preliminaries and pricing documents. A series of changes to ensure the tender document was robust required additional time. The contract will now be let for the full programme of work during 2019/20. It is anticipated that this scheme can be completed within existing budgets for future years.</p>
41.	<p><u>Energy Company Obligations - Thornhill Heating (Underspend of £5.57M)</u></p> <p>Due to reprioritisation within the programme resources were reallocated to the Hants Fire & Rescue Service - Fire Safety / Sprinkler Project and this</p>

	<p>scheme was not progressed in 2018/19. A review is to be undertaken in early 2019/20 to understand the scope of works required at Thornhill to change the current heating and hot water system. It is anticipated that this scheme can be completed within existing budgets for future years.</p>
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GENERAL FUND AND HRA CAPITAL OUTTURN 2018/19 – PRUDENTIAL INDICATORS						
1.	Table 1 below reports the movement in the total capital programme since last reported and updates the prudential indicators up to and including 2022/23. These indicators reflect the change made in this report.					
Table 1 – Figures for Prudential Indicators						
	2018/19	2019/20	2020/21	2021/22	2022/23	
	£M	£M	£M	£M	£M	
Latest Programme	91.39	132.33	76.34	50.00	57.62	
Previous Programme	124.57	104.95	70.99	47.56	57.62	
Movement	(33.18)	27.38	5.35	2.44	0.00	
2.	When the strategy was last updated in February 2019, the CFR for 31 March 2019 was estimated at £510.60M, the Council’s actual CFR at the end of the year was £496.75M. This decrease was due to the variance in the capital programme, £4.91M on the General Fund and £8.94M on HRA. The capital financing requirement for future years, based on the proposed programme, is detailed in table 2 below.					
3.	Table 2 – Current and Estimated Capital Financing Requirement					
	31/03/19	31/03/19	Variance	31/03/21	31/03/22	31/03/23
	Actual	Forecast		Estimate	Estimate	Estimate
	£M	£M	£M	Forecast	Forecast	Forecast
	£M	£M	£M	£M	£M	£M
Balance Brought forward	322.03	322.03	0.00	343.54	345.68	347.82
New Borrowing	19.41	24.47	(5.06)	11.63	11.96	18.59
MRP	(5.65)	(5.65)	0.00	(6.09)	(6.01)	(6.20)
Appropriations (to) from HRA	0.00	0.00	0.00	0.00	0.00	0.00
Movement in Other Liabilities	(2.33)	(2.47)	0.14	(3.40)	(3.81)	(3.50)
MRP Holiday	0.56	0.55	0.01	0.00	0.00	0.00
Total General Fund Debt	334.02	338.93	(4.91)	345.68	347.82	356.71
HRA	162.73	171.67	(8.94)	183.24	185.55	192.46
Total CFR	496.75	510.60	(13.85)	528.92	533.37	549.17
Estimated Debt	317.76	343.44	(25.68)	371.78	376.22	392.38
Under / (Over) Borrowed	178.99	167.16	11.83	157.14	157.15	156.79
4.	The estimated gross debt reported in February 2019 was £343.44M, the actual debt at the end of the year was £317.76M. This decrease was due to a reduction in the short term borrowing requirement of £25.68M. Table 3 below details this and the estimated debt in future years based on the proposed programme.					

5.	<p>Table 3 – Current and Estimated Gross Debt</p> <table border="1"> <thead> <tr> <th></th> <th>31/03/19 Actual</th> <th>31/03/19 Forecast</th> <th>Variance</th> <th>31/03/21 Estimate Forecast</th> <th>31/03/22 Estimate Forecast</th> <th>31/03/23 Estimate Forecast</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>Borrowing (Long Term GF)</td> <td>68.93</td> <td>68.93</td> <td>0.00</td> <td>113.63</td> <td>119.59</td> <td>131.99</td> </tr> <tr> <td>Borrowing (Long Term HRA)</td> <td>137.41</td> <td>137.41</td> <td>0.00</td> <td>183.37</td> <td>185.66</td> <td>192.56</td> </tr> <tr> <td>Borrowing (Short Term)</td> <td>40.35</td> <td>66.17</td> <td>(25.82)</td> <td>10.35</td> <td>10.35</td> <td>10.35</td> </tr> <tr> <td>Total Borrowing</td> <td>246.69</td> <td>272.51</td> <td>(25.82)</td> <td>307.35</td> <td>315.60</td> <td>334.90</td> </tr> <tr> <td>Finance leases and Private Finance Initiatives</td> <td>56.88</td> <td>56.74</td> <td>0.14</td> <td>50.96</td> <td>47.52</td> <td>44.37</td> </tr> <tr> <td>Transferred Debt</td> <td>14.19</td> <td>14.19</td> <td>0.00</td> <td>13.46</td> <td>13.10</td> <td>13.10</td> </tr> <tr> <td>Total Other Debt</td> <td>71.07</td> <td>70.93</td> <td>0.14</td> <td>64.42</td> <td>60.62</td> <td>57.47</td> </tr> <tr> <td>Total Debt</td> <td>317.76</td> <td>343.44</td> <td>(25.68)</td> <td>371.77</td> <td>376.22</td> <td>392.37</td> </tr> </tbody> </table>		31/03/19 Actual	31/03/19 Forecast	Variance	31/03/21 Estimate Forecast	31/03/22 Estimate Forecast	31/03/23 Estimate Forecast		£M	£M	£M	£M	£M	£M	Borrowing (Long Term GF)	68.93	68.93	0.00	113.63	119.59	131.99	Borrowing (Long Term HRA)	137.41	137.41	0.00	183.37	185.66	192.56	Borrowing (Short Term)	40.35	66.17	(25.82)	10.35	10.35	10.35	Total Borrowing	246.69	272.51	(25.82)	307.35	315.60	334.90	Finance leases and Private Finance Initiatives	56.88	56.74	0.14	50.96	47.52	44.37	Transferred Debt	14.19	14.19	0.00	13.46	13.10	13.10	Total Other Debt	71.07	70.93	0.14	64.42	60.62	57.47	Total Debt	317.76	343.44	(25.68)	371.77	376.22	392.37
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6.	<p>Table 4 below shows the ratio of financing costs to net revenue stream based on the proposed capital programme. 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 decisions in the next two years and to allow for additional borrowing affecting major schemes.</p>																																																																						
7.	<p>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 2018/19. 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, which it has opted to do for 2019/20 & 2020/21.</p>																																																																						
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GENERAL FUND AND HRA CAPITAL OUTFURN 2018/19 - PROPOSED PROGRAMME CHANGES FOR APPROVAL	
	ASPIRATION, SCHOOL AND LIFELONG LEARNING
1.	<p><u>Schools Devolved Capital (Increase of £0.45M)</u></p> <p>Approval is sought for the addition of £0.45M to the Aspirations, School and Lifelong Learning programme and approval to spend this sum in 2019/20; funded by government grant. The schools capital works programme is undertaken throughout the year and funded through devolved capital funding. Schools decide on the allocation of this grant and can decide to carry forward and any underspend or timing of spend to complete school schemes.</p>
	COMMUNITY WELLBEING
2.	<p><u>Disabled Facilities Grants - Approved Adaptations (Increase of £2.25M in 2019/20, £2.25M 2020/21 and £2.25M 2021/22)</u></p> <p>Approval is sought for the addition of £2.25M in 2019/20, £2.25M 2020/21 and £2.25M 2021/22 to the Community Wellbeing programme and approval to spend this sum in these years; funded by government grant and council resources. This scheme will enable the Council to meet its legal duty to award Disabled Facilities Grants (DFG's) for the purposes of home adaptations to enable disabled people to continue living in their homes.</p>
	TRANSPORT AND PUBLIC REALM
3.	<p><u>Cycling (Increase of £4.43M in 2019/20)</u></p> <p>Approval is sought for the addition of £4.43M to the Transport and Public Realm programme and approval to spend this sum in 2019/20; funded by government grant. The council has received grant funding under tranche one of the Transforming Cities Fund from the Department of Transport. This grant aims improve sustainable and active travel connections around the city. As part of tranche one £2.89M has been designated to improve cycling connections on key routes in the city such as the Avenue, Basset Avenue and Chilworth Roundabout, Burseldon Road, Third Avenue, Quayside Road, Redbridge Roundabout and Old Redbridge Road. Tranche one also includes £1.54M to be passported across to Hampshire County Council to fund projects within their area under the umbrella of the Southampton Transforming Cities Fund project.</p>
4.	<p><u>Congestion Reduction (Increase of £1.27M in 2019/20)</u></p> <p>Approval is sought for the addition of £1.27M to the Transport and Public Realm programme and approval to spend this sum in 2019/20; funded by government grant. The council has received additional funding under tranche one of the Transforming Cities Fund to invest in Intelligent Transport Systems. This is connected technology to improve traffic signals and bus prioritisation at A335 Stoneham Way/A27 Wide Lane/Wessex Lane junctions, and on the Cycle Cityway from Southampton Airport to the University of Southampton.</p>

5.	<p><u>Public Transport (Increase of £2.68M in 2019/20)</u></p> <p>Approval is sought for the addition of £2.68M to the Transport and Public Realm programme and approval to spend this sum in 2019/20; funded by government grant. This is a project to retrofit clean technology into the vehicles of bus operators in order to improve air quality within the city.</p>
6.	<p><u>Townhill Park – Roads (Increase of £1.13M in 2019/20 and £2.36M in 2020/21)</u></p> <p>Approval is sought for the addition of £1.13M in 2019/20 and £2.36M in 2020/21 to the Transport and Public Realm programme and approval to spend this sum in these years; funded by government grant and S106 developer contributions. This scheme will create traffic calming measures on Meggeson Avenue in Townhill Park to facilitate the redevelopment of the local area. This project is funded from the Homes England Housing Infrastructure Fund and developer contributions.</p>
7.	<p><u>Townhill Park – Parks and Open Spaces (Increase of £0.54M in 2020/21)</u></p> <p>Approval is sought for the addition of £0.54M to the Transport and Public Realm programme and approval to spend this sum in 2019/20; funded by government grant. This scheme is related to the works on Meggeson Avenue and will see the creation of a new village green in Townhill Park. This scheme is funded from the Homes England Housing Infrastructure Fund grant.</p>
8.	<p><u>Section 106 Funded Transport & Highways Works – (Increase of £1.52M in 2019/20 and £0.20M in 2020/21)</u></p> <p>Approval is sought for the addition of £1.52M in 2019/20 and £0.20M in 2020/21 to the Transport and Public Realm programme and approval to spend this sum in these years; funded by S106 developer contributions. The allocation of site specific S106 enables schemes to be extended to include the works identified in planning applications and meet the specific obligations set out in the approvals. £0.89M has been earmarked as local match funding for the Southampton Transforming Cities Fund.</p>
9.	<p><u>Pothole Action Fund (Increase of £0.10M in 2019/20)</u></p> <p>Approval is sought for the addition of £0.10M to the Transport and Public Realm programme and approval to spend this sum in 2019/20; funded by government grants for pothole works on the cities highways.</p>

Agenda Item 12

DECISION-MAKER:		CABINET COUNCIL	
SUBJECT:		RE-PROCUREMENT OF THE JOINT EQUIPMENT STORE	
DATE OF DECISION:		16 JULY 2019 17 JULY 2019	
REPORT OF:		CABINET MEMBER FOR ADULT CARE	
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Jamie Schofield	Tel: 023 8029 6917
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Director	Name:	Stephanie Ramsey	Tel: 023 8029 6075
	E-mail:	Stephanie.Ramsey1@NHS.Net	

STATEMENT OF CONFIDENTIALITY	
Not applicable	
BRIEF SUMMARY	
This report provides an overview of the proposed Joint Equipment Store re-procurement process, the overarching model, associated timescales, potential costs and risks. The current contract ceases in June 2020 and the established model is felt to be successful from both a service user and prescriber perspective.	
RECOMMENDATIONS:	
Cabinet	
(i)	Subject to the decision of Council at recommendation (i) below, to delegate authority to the Director of Integration and Quality, following consultation with the Cabinet Member for Adult Care to undertake the re-procurement of a Joint Equipment Store provision for Southampton City up to and including conduct of the procurement process, selection and approval of preferred bidder and entering into the relevant contract(s) / agreements (s) together with any other action necessary to give effect to the re-procurement on the terms set out in this report.
Council	
(i)	To authorise expenditure from within the existing Integrated Commissioning Unit budget envelope to meet the costs of the contract. The City Council Joint Equipment Store budget for the contract in 2019/20 is £1.59M.
REASONS FOR REPORT RECOMMENDATIONS	
1.	The provision of community equipment to support people to remain as independent as possible for as long as possible is both a statutory requirement and important in delivering key strategic system priorities for example hospital discharge and avoidance, a reduction in the use of residential care and a reduced reliance on homecare provision.
2.	The Council commissions this service jointly with the Southampton City Clinical Commissioning Group (SCCCG) via a Section 75 Partnership Agreement and pooled fund, with the Council acting as lead commissioner. The current contract has been operating for 7 years and comes to an end in June 2020. There is therefore a need to re-procure a service that meets the requirement to provide community equipment.
3.	The current model has proved successful with both prescribers and patients/clients and

	affords the flexibility and responsiveness required to meet people’s needs in a timely fashion. We are therefore proposing a “like for like” service to maintain the level of service currently provided with opportunities within the life of the contract to investigate initiatives that are emerging nationally that could further build on the flexibility and current specification to become more efficient and person centred in the future.
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ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
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4.	The current contract ceases in June 2020 and as the Council has a statutory duty to provide community equipment under the Council’s Contract Procedure Rules a re-procurement process is required. It is known that there is a market for this service with at least 3 other community equipment providers in the local area.
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5.	<p>Several options were considered for procurement:</p> <ul style="list-style-type: none"> • A like for like service contract with an expectation built in to the service specification that any future provider will work with the Council and the SCCCG and other partners to continue to develop the service jointly and incorporate any emerging best practice/innovation that further improves the user experience and value for money, including increased joint working with other services (preferred option) • A more integrated service offer from the outset to include wheelchairs and other elements related to home improvement and adaptations. • The development of an “In House” Joint Equipment Store.
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6.	The second of these two options, whilst it offers the greatest opportunity for providing a fully integrated service and one stop shop from the outset, was rejected because it is not practically achievable at this stage. The wheelchair service is being retendered by the SCCCG and West Hampshire CCG to a later timescale (April 2021). West Hampshire CCG is also not at a point of needing to retender its joint equipment service. Best practice around integration of housing/equipment related services is still emerging nationally. Further work would need to be done in scoping a fully integrated service to include elements of housing adaptations which is not possible within the timescales required for the Joint Equipment Service re-procurement.
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7.	The third option, the development of an “in house” service, has been rejected on the basis that it would not provide the economies of scale required to make this a viable option. The equipment service needs to update, maintain, store, fit, track and recycle stock in line with legislation which requires specialist decontamination equipment and appropriate maintenance. Specialist equipment providers that cover multiple areas are constantly renewing stock and economies of scale allow them to manage the associated costs and risks in a way that would be difficult to match internally.
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8.	The first option is considered the preferred option because it allows for a service model which has been proven to be effective to be re-procured in the required timeframe whilst also enabling future developments to be incorporated during the lifetime of the contract.
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DETAIL (Including consultation carried out)	
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<u>Background</u>	
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9.	The Joint Equipment Store is currently provided by Millbrook Healthcare as part of a joint contract between Southampton City Council, Southampton City CCG, Portsmouth City Council and Portsmouth City CCG. Although it is a shared contract, both Cities manage their relationship with the provider separately at an operational level. The total value of the Southampton contract is £11.1M, through the potential life of the contract (including extension options,) with a funding split of 49.7% CCG and 50.3% Council.
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10.	The Joint Equipment Store operates a central store and a number of “sub-stores” within
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	<p>the Southampton City boundary providing equipment to both children and adults that helps them to remain as independent as possible within the community.</p> <p>The main functions undertaken are:-</p> <ul style="list-style-type: none"> • To be able to respond to assessed need within predetermined timescales based on the prescriber’s assessment. There are a range of delivery and pick up options currently that include within 3 hours for the most urgent, “same day” for emergencies and within 5 or 7 days for the least urgent routine deliveries. • To ensure that a catalogue of predetermined equipment is available for community prescribers. The Joint Equipment Store is currently accessed by 61 teams made up of 881 prescribers/trusted assessors who are authorized to order equipment. The largest team is the acute hospital at University Hospital Southampton Trust with 152 prescribers; the rest are a mixture of health and social care therapists, community nurses and social workers who order directly through an online system stating the required timescales. • To deliver and install equipment using qualified technicians including the provision of an urgent delivery function. • To provide a retail, assessment, training and demonstration facility using appropriately trained staff to facilitate direct contact from members of the public and prescribers • To ensure bar coding, cataloguing and full traceability of all equipment including non-stock and bespoke equipment • To undertake the repair, adjustment, maintenance, cleaning and decontamination of equipment maintaining statutory compliance. • To undertake the collection of equipment in a timely fashion to ensure it is available for reuse, the target being 95% of equipment collection timescales being met for all requested collections.
11.	<p>The timely provision of equipment underpins a number of strategic priorities including:-</p> <ul style="list-style-type: none"> • The reduction in the numbers of Delayed Transfers of Care (DToc) from hospital and supporting the “Discharge to Assess” approach for complex patients. • Reducing the numbers of people entering residential care by supporting them to remain in their own homes for longer. • Reducing reliance on homecare • Falls prevention
12.	<p>The timely provision of equipment has a role in preventing long term disability through the early management of conditions that, if left unchecked, would leave the person with a greater level of disability than necessary and consequently requiring a greater level of future care.</p>
<p><u>Performance of Current Service Model</u></p>	
13.	<p>Performance of the current service under the current specification is positive with over 99% of deliveries reaching the client on time, good recycling rates and very high service user and prescriber satisfaction rates (with 74.4% of 288 service users responding rating the service as excellent and 24.1 % either good or very good; further details can be found at Appendix 1 and 2.</p>
14.	<p>In terms of overall activity, whereas the actual number of orders has remained broadly consistent over the years, there has been an increase in complexity.</p> <p>An analysis of comparable usage for period April - March 2017/18 and April to March 2018/19 came to the conclusion below.</p> <ul style="list-style-type: none"> • The number of orders the service delivers has remained consistent (only up by

	<p>3%).</p> <ul style="list-style-type: none"> • However the special equipment spend was up by 15.5%. • There was an overall increase of 6.5% in the number of items being provided indicating that more equipment is being provided per individual. • The costs of equipment for patients leaving hospital has increased by over 19% and the number of hoists/manual handling lifting equipment has doubled in the 2018/19 period. • Total spend increased in 2018/19 by £0.16M (up by 7%).
15.	<p><u>Future Re-procurement</u></p> <p>The key milestones for the re-procurement process are set out below:-</p> <ul style="list-style-type: none"> • Mid-July 2019 - Approvals by Cabinet and Full Council. • Mid July 2019 - Consultation/Stakeholder engagement/market development • Mid-August 2019 – Finalise Tender Documentation • End November 2019 – Commence tender process • End January 2020 – Award contract • Early February 2020 – begin mobilisation to implement from 1 July 2020.
16.	<p>Similar to the procurement for the previous contract, it is proposed that Southampton jointly tenders the service with Portsmouth City Council and Portsmouth City CCG. The benefits of a joint tender are threefold:</p> <ul style="list-style-type: none"> - A larger tender is likely to receive more interest from the market - A larger tender is more likely to deliver better economies of scale and therefore better quality and value for money for the Council and CCG - There is a risk that, with both Southampton and Portsmouth needing to re-procure at the same time, if the tender is not joint it could severely limit interest from the market for either city.
RESOURCE IMPLICATIONS	
<u>Revenue</u>	
17.	The 2018/19 expenditure for the Joint Equipment Store was £1.61M (SCC £0.81M and SCCC G £0.80M) of which the fixed costs were £0.52M.
18.	The 2019/20 budget is £1.59M (SCC £0.80M and SCCC G £0.79M).
19.	<p>The demand for community equipment is likely to continue growing in line with:</p> <ul style="list-style-type: none"> • Demographic trends characterised by increasing numbers of older individuals, particularly those aged over 75 • Increasing numbers of individuals with complex needs living in the community • Increasing number of young individuals with complex disabilities reaching adulthood and living within the community • Improvements in elective and non-elective care reducing mortality and the length of stay in the acute sector • Focus on timely hospital discharge

	<ul style="list-style-type: none"> • Increased delivery and effectiveness of rehabilitation and reablement services • Expansion of supported housing (Extra Care)
20.	The proposal is that the new contract is for a term of 5 years with an option for a further 2 years extension. Based on current spend the total cost for the life of the contract (including the extension period) would be approximately £11.1 million; however this will depend on how the market responds to the procurement and the outcome of the tender. It is anticipated that the SCC element of any future cost pressures during the contract period would be managed within the integrated Commissioning Unit's and Adult Social Care budget envelope.
21.	<p>The intention is to weight tendering applications based on a 60% quality versus 40% price split. Value for money will be assessed:-</p> <ul style="list-style-type: none"> • Directly in terms of the provider's ability to demonstrate that they can source, deliver, maintain, and recycle equipment efficiently and effectively. • Indirectly by demonstrating that they recognise and are able to respond to the importance of the provision of equipment in delivering a range of key strategic priorities that improve quality and efficiency.
<u>Property/Other</u>	
22.	Not Applicable
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
23.	Lead commissioning arrangement under the Section 75, National Health Service Act 2016 pooled fund held by the Council in the Integrated Commissioning Unit
<u>Other Legal Implications:</u>	
24.	The procurement process will be carried out in accordance with procurement legislation and the Council's Contract Procedure Rules to ensure the procurement process is fair, lawful and transparent.
25.	The procurement process, together with the services and goods to be delivered under the proposed contract will be required, through the contract offer and specification, to be fully compliant with the Equalities Act 2010 including the positive duty to exercise the Council's functions having regard to the need to promote equality of opportunity and eliminate discrimination and harassment for those having protected characteristics under the Equalities Act 2010. This is particularly important when considering the supply of medical aids and services to support those with physical and mental disabilities and those from communities with specific racial or theological needs to be taken into account in the provision of aids and services to them. Further details are set out in the Equality and Safety Impact assessment accompanying this report.
CONFLICT OF INTEREST IMPLICATIONS	
26.	Not Applicable
RISK MANAGEMENT IMPLICATIONS	
27.	Timescales associated with the re-procurement are challenging and a change of provider would require a complex level of mobilisation in a short period of time which could jeopardise service delivery. Potential providers would be expected to demonstrate that they could meet this challenge in their response to the tender.

28.	The timely provision of equipment is an essential element in planning to meet a number of the City's strategic priorities. Potential providers would need to be able to demonstrate in their response to the tender that they can operationally meet the timescales, catalogue expectations accessibility required by the system to meet the needs of patients/clients effectively.
29.	Portsmouth City CCG and Portsmouth City Council attend regular project meetings and have provided a governance timeline in parallel to that produced by Southampton to offer assurance that they can undertake the required activity within the agreed timescales; this includes the procurement route through their respective boards and committees.
30.	As described a number of key strategic initiatives are supported by the timely provision of community equipment; it therefore likely that if these plans are successful then the demand and consequently the cost is likely to rise. The mitigation against this is that delivering increased independence will keep people more mobile and able to self-manage in the community reducing costs elsewhere in the system for example in the provision of homecare, residential care and hospitalisation.

POLICY FRAMEWORK IMPLICATIONS

31.	Southampton's Joint Equipment Store supports the delivery of outcomes in the Council Strategy (particularly the priority outcomes that "People in Southampton live safe, healthy and independent lives" and "Children get a good start in life") and CCG Operating Plan 2017-19, which in turn complement the delivery of the local HIOW STP, NHS 5 Year Forward View, Care Act 2014 and Local System Plan.
32.	Southampton's Joint Equipment Store also supports the delivery of Southampton's Health and Wellbeing Strategy 2017 - 2025 which sets out the following 4 priorities: <ul style="list-style-type: none"> • People in Southampton live active, safe and independent lives and manage their own health and wellbeing • Inequalities in health outcomes and access to health and care services are reduced. • Southampton is a healthy place to live and work with strong, active communities • People in Southampton have improved health experiences as a result of high quality, integrated services

KEY DECISION?	Yes (for recommendation (i))
WARDS/COMMUNITIES AFFECTED:	none
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Millbrook Healthcare Service User Feedback
2.	Millbrook Healthcare prescriber Survey Feedback
3.	ESIA

Documents In Members' Rooms

1.	None
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Equality Impact Assessment

Do the implications/subject of the report require an Equality and	Yes
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Safety Impact Assessment (ESIA) to be carried out.		
Privacy Impact Assessment		
Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.		No
Other Background Documents Other Background documents available for inspection at:		
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)	
1.	None	
2.		

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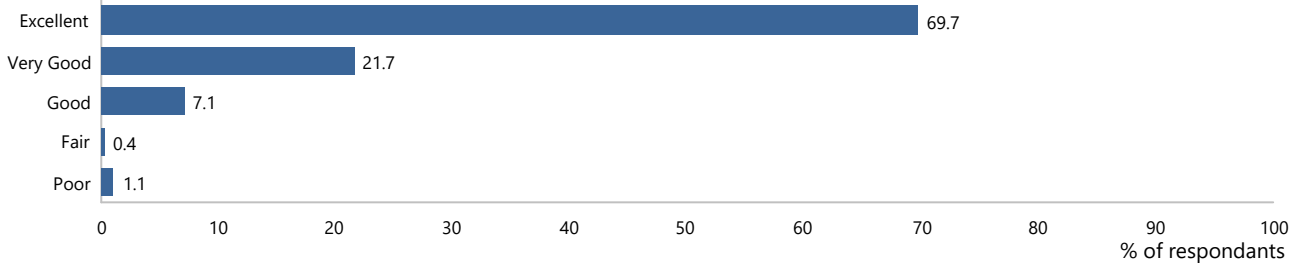
Service User Feedback
27 Feb 2018 - 26 Feb 2019

Southampton CES

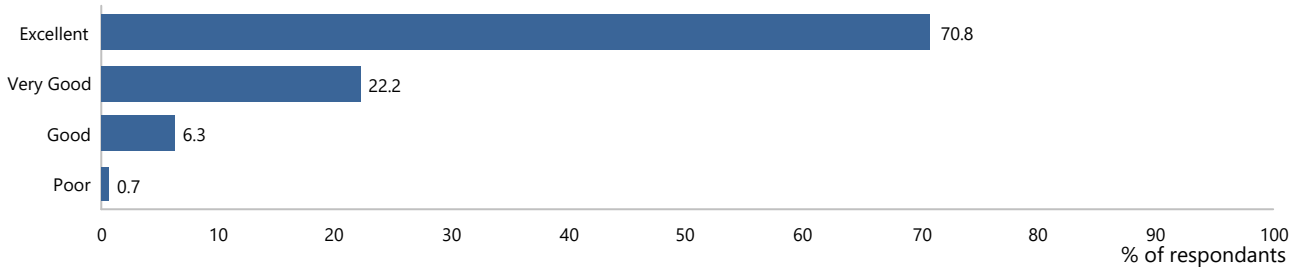
Southampton CES

288 Feedback Cards Received

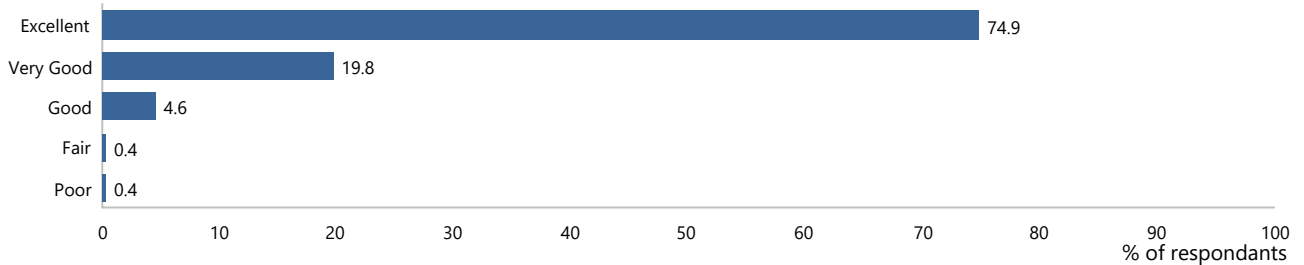
Pre-delivery arrangements



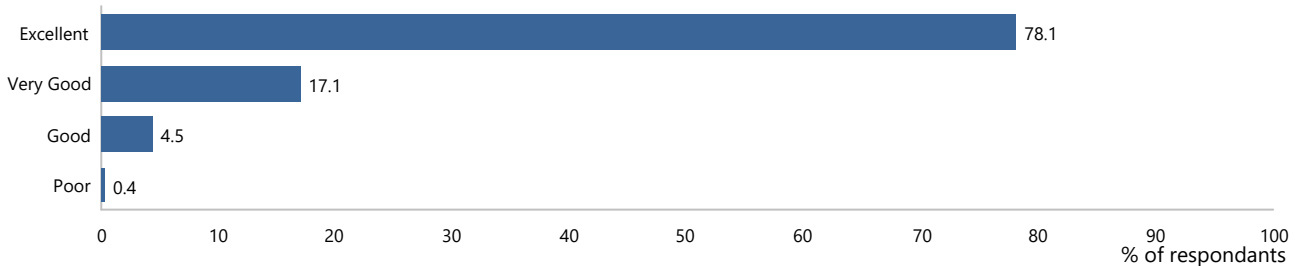
Collection arrangements



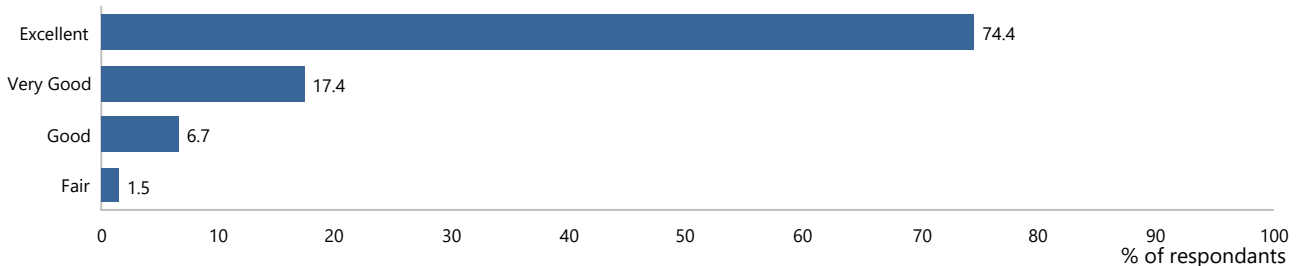
Condition of equipment on delivery



Helpfulness of delivery technician



Overall experience



Southampton CES

288 Feedback Cards Received

Service User Comments

- Commode brakes are not strong.
- Excellent service.
- First class.
- I am happy with all the equipment.
- I cant fault the service.
- Millbrook as a whole are an amazing company. Always willing to adapt to the clients needs. Thank you.
- Tech was helpful and waited for me to get to the door as I am in a wheelchair.
- Tech was very helpful and polite arrived early in day, very pleased with service.
- The back office staff are always helpful. Kevin is a lovely, warm and patient man.
- The service was very helpful.
- There was no phone number left. No one to contact as 9-4 is a long day for someone to wait in.
- This was a collection - we were informed 10mins before collection. Very nice man
- Very polite and friendly tech
- Was waiting for tech but at no time did I hear the door bell. Someone else took the delivery therefore no adjustments were made.
- Wayne very helpful.
- Wrong type of legs sent for bed, should come with a choice to use on bed so visit was not wasted.
- All in all very good.
- Could not fault anything thanks very much
- Couldn't find house and road a sat nav might help.
- Cushion had to be returned as not suitable. It has now been replaced.
- Delivery man helpful.
- From start to finish excellent.
- Please can you have a regular contact number not a expensive one.
- Pleased with delivery.
- Thank you for all your support
- The delivery tech was very patient in setting up the hospital bed.
- The service greatly appreciated.
- The service has been very good.
- Everyone has been so kind and friendly. The service overall has been excellent and so efficient. We would like to thank everyone for their help.
- Excellent service.
- Excellent.
- I am always very pleased with millbrooks.

Southampton CES

288 Feedback Cards Received

- I am very happy with the whole arrangement, thank you.
- I am very pleased.
- I have always been very happy with Millbrook.
- If the char was new but its not had scratches and seat was ripped.
- No faults.
- Once again excellent service.
- Quite a long waiting time.
- Tech was excellent
- Thank you
- Thank you for the loan of equipment.
- Thank you for the prompt response.
- Thank you for your prompt and excellent service. Your kind and cheerful tech explained everything.
- The driver was very helpful.
- The tech was very helpful.
- Very good service.
- Very good service. Delivery guy phoned before which was very helpful.
- Very grateful for every thing.
- Very helpful
- Very lucky to have had this help.
- Would like you to give an AM or PM slot.
- 3
- A professional quick and clean service.
- All of your delivery techs are very helpful and polite.
- Brilliant staff
- courteous staff, very helpful
- Delivery guys are so helpful.
- Everyone involved always pleasant.
- everything was quick and efficient.
- excellent service
- great service as usual
- I find the whole thing great.
- Its really helpful that you can offer different times eg I asked for after 3.30pm and that's what happened. Really helpful.
- Nice and clean and very helpful.
- polite and helpful

Southampton CES

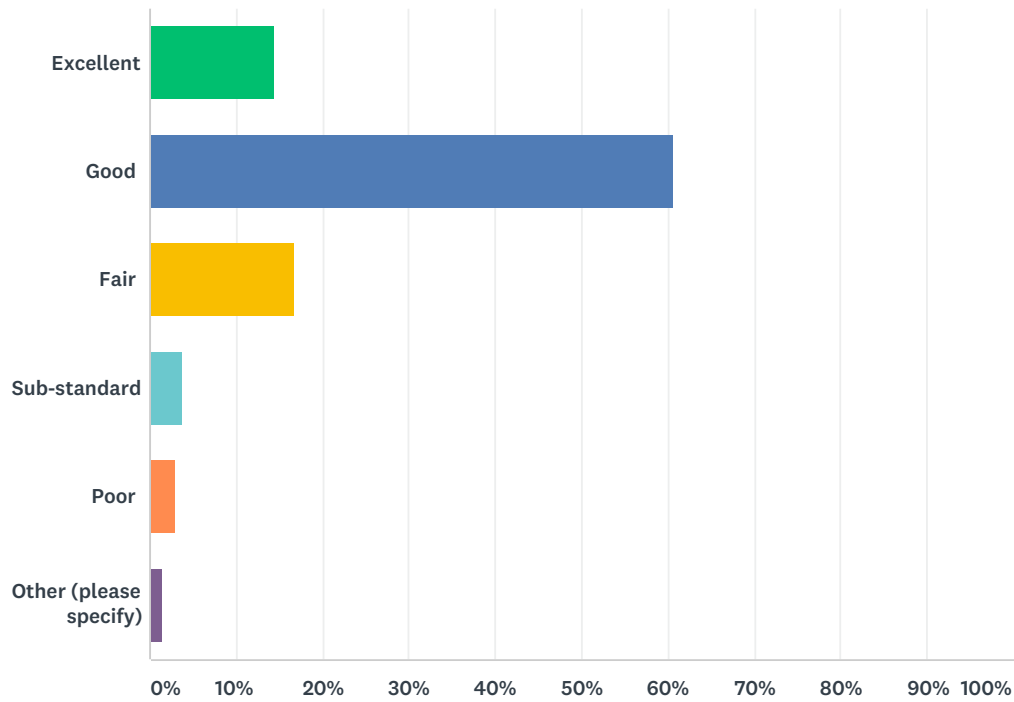
288 Feedback Cards Received

- quick, efficient service - brilliant
- Really lovely team of helpful people.
- Staff were wonderful.
- Thank you.
- The delivery of the items was excellent. The collection was disappointing the attitude of the driver was terrible.
- The driver isnt helpful I have seen him a few times.
- The man was very helpful.
- the replacement chair is different *design* it has no side wings which I found usefull as they retain my balance whilst sitting at the table
- The service has been excellent
- very competant clean worker.
- Very good service
- Very helpful.
- Very polite and helpful.
- all brand new items, so very happy
- excellent service
- thank you for everything
- very good service
- none-very impressed
- polite and on time
- Thank you all at Millbrook Healthcare.
- very impressed
- excellent service
- Always had a first class service. Well done.
- They have all been very polite.
- Great tech could not have been more helpful.
- Jamie very helpful on each visit
- Well run company
- All good very polite.
- Delivery tech very helpful.
- Pre delivery arrangements would be useful.
- The gentleman who called was extremely paitent - I am deaf with little sight.

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Q1 Please rate your experience of Millbrook Healthcare

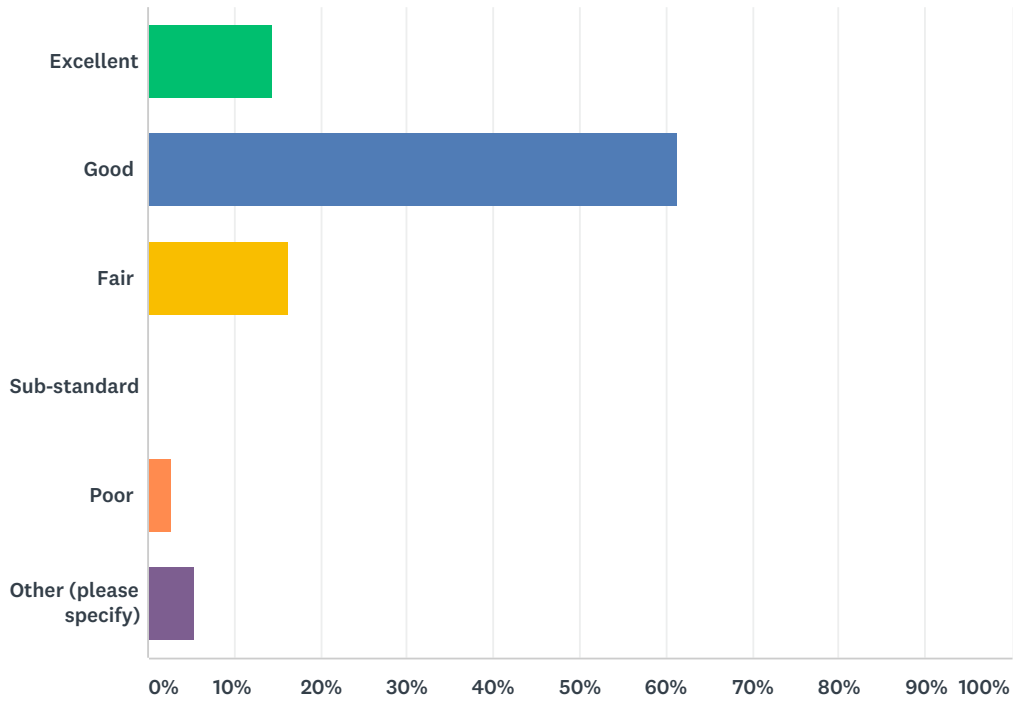
Answered: 132 Skipped: 0



ANSWER CHOICES	RESPONSES	
Excellent	14.39%	19
Good	60.61%	80
Fair	16.67%	22
Sub-standard	3.79%	5
Poor	3.03%	4
Other (please specify)	1.52%	2
TOTAL		132

Q2 Please rate your experience of Millbrook Healthcare's online ordering system

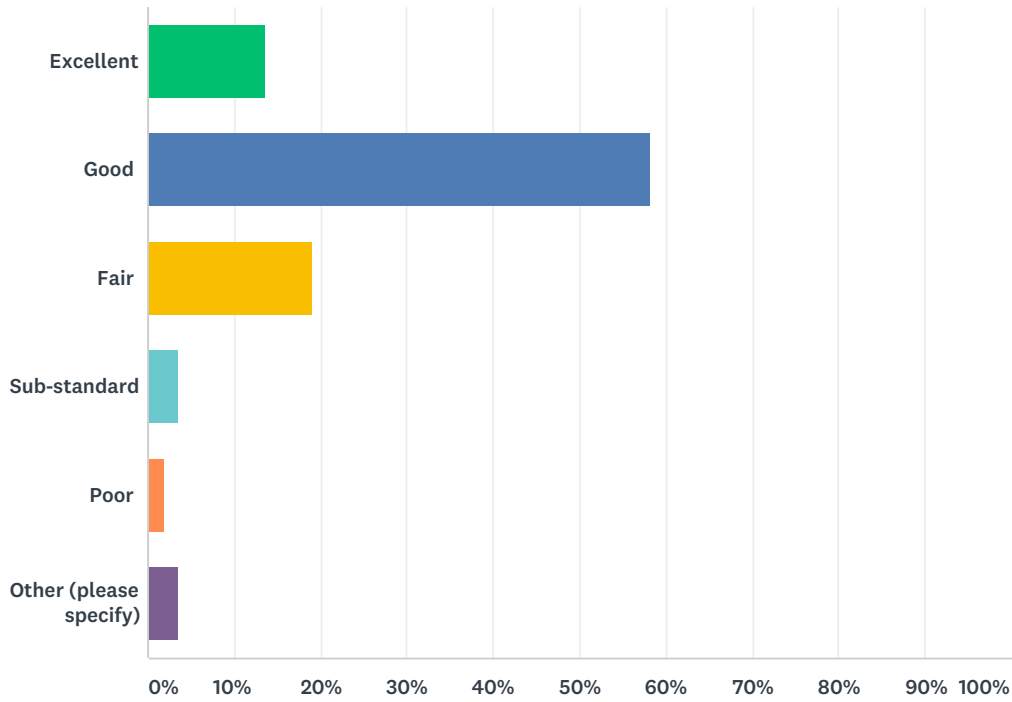
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ANSWER CHOICES	RESPONSES	
Excellent	14.41%	16
Good	61.26%	68
Fair	16.22%	18
Sub-standard	0.00%	0
Poor	2.70%	3
Other (please specify)	5.41%	6
TOTAL		111

Q3 How would you rate the stability of Millbrook Healthcare's online ordering system

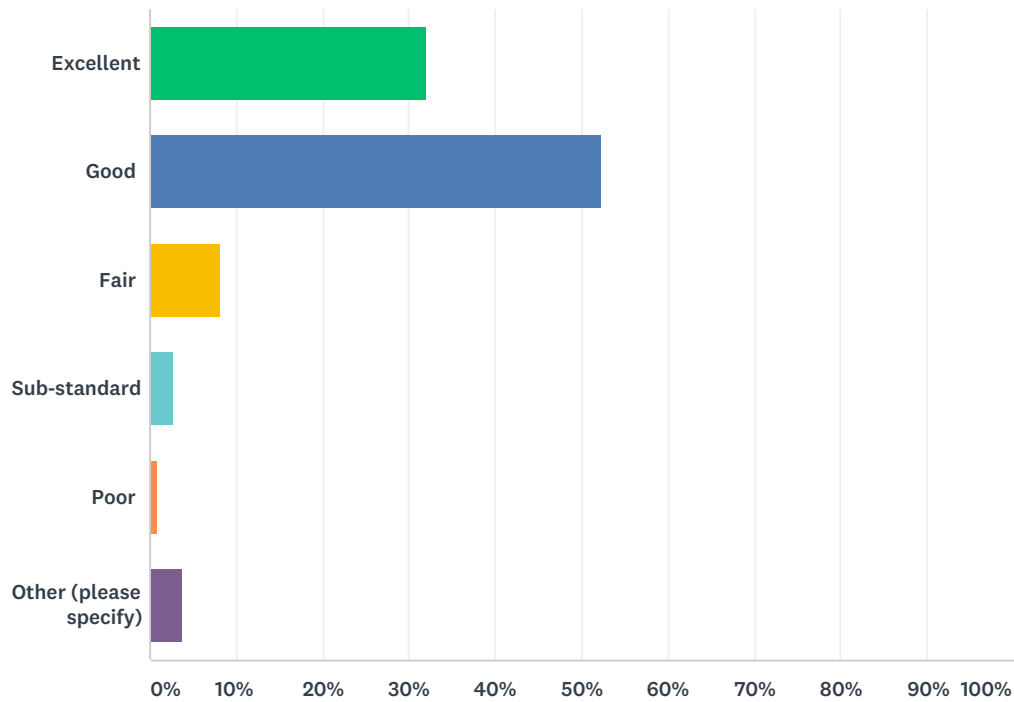
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ANSWER CHOICES	RESPONSES	
Excellent	13.64%	15
Good	58.18%	64
Fair	19.09%	21
Sub-standard	3.64%	4
Poor	1.82%	2
Other (please specify)	3.64%	4
TOTAL		110

Q4 Please rate your experience of dealing with Millbrook Healthcare's call centre staff

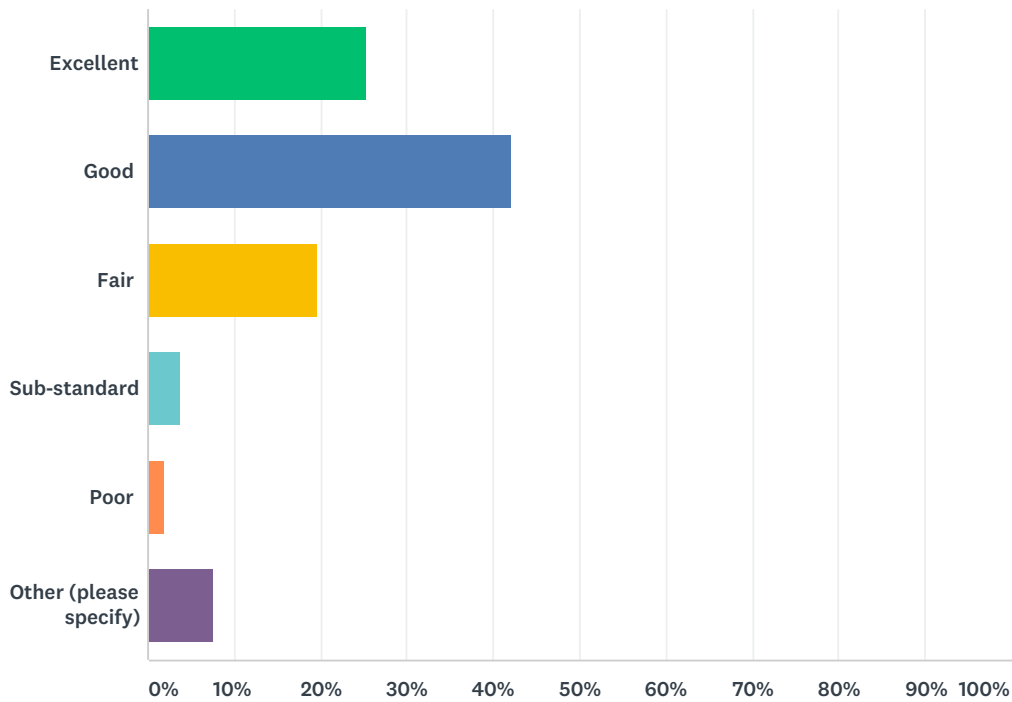
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ANSWER CHOICES	RESPONSES	
Excellent	32.11%	35
Good	52.29%	57
Fair	8.26%	9
Sub-standard	2.75%	3
Poor	0.92%	1
Other (please specify)	3.67%	4
TOTAL		109

Q5 Please rate the communication between Millbrook Healthcare's call centre staff and prescribers

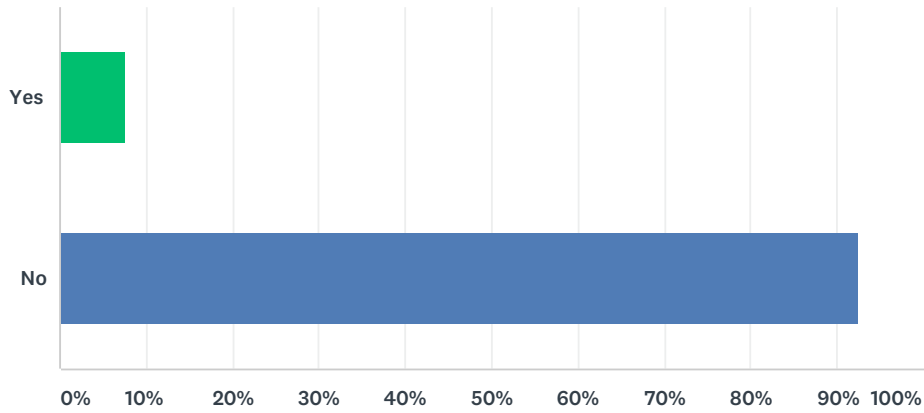
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ANSWER CHOICES	RESPONSES	
Excellent	25.23%	27
Good	42.06%	45
Fair	19.63%	21
Sub-standard	3.74%	4
Poor	1.87%	2
Other (please specify)	7.48%	8
TOTAL		107

Q6 Have you ever logged an official complaint with Millbrook Healthcare?

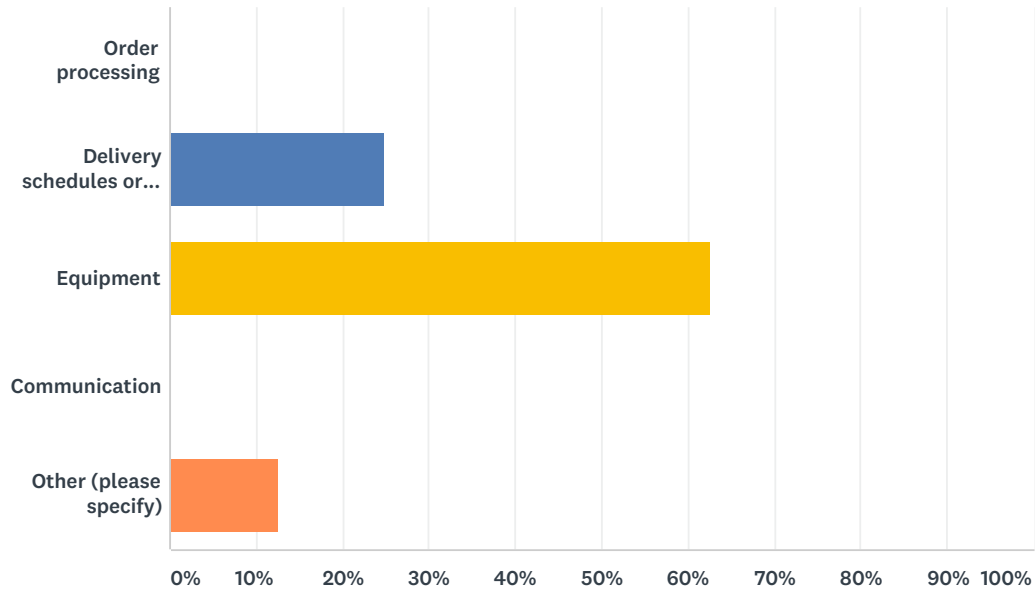
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ANSWER CHOICES	RESPONSES	
Yes	7.48%	8
No	92.52%	99
TOTAL		107

Q7 Which of the following areas of service have you had reason to make a complaint to Millbrook Healthcare about?

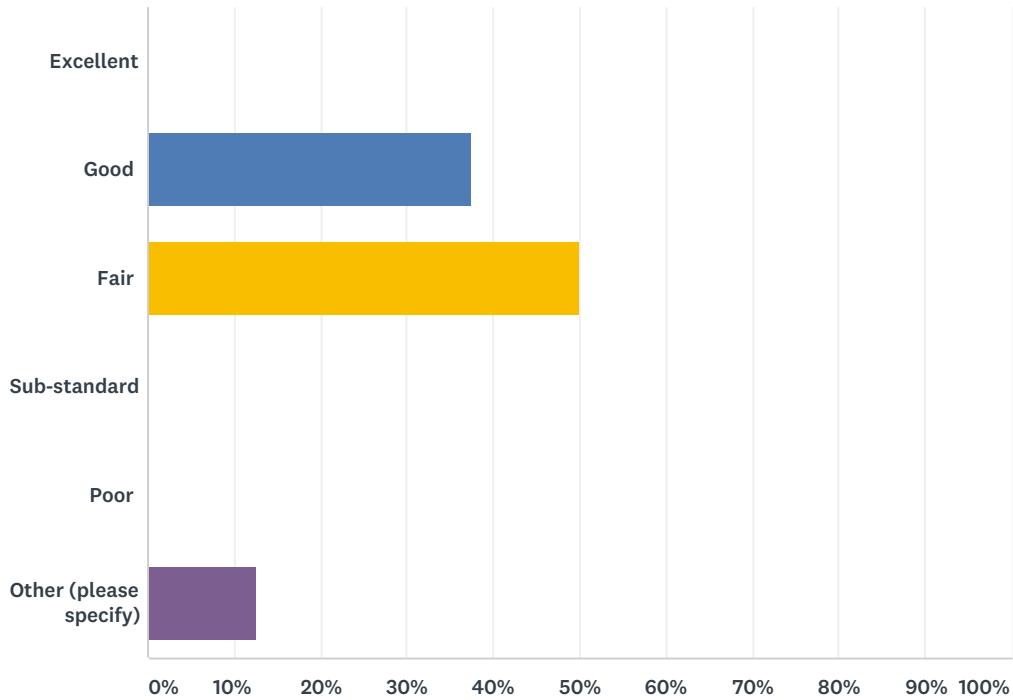
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ANSWER CHOICES	RESPONSES	
Order processing	0.00%	0
Delivery schedules or response times	25.00%	2
Equipment	62.50%	5
Communication	0.00%	0
Other (please specify)	12.50%	1
TOTAL		8

Q8 Please rate your experience with the way your complaints have been processed

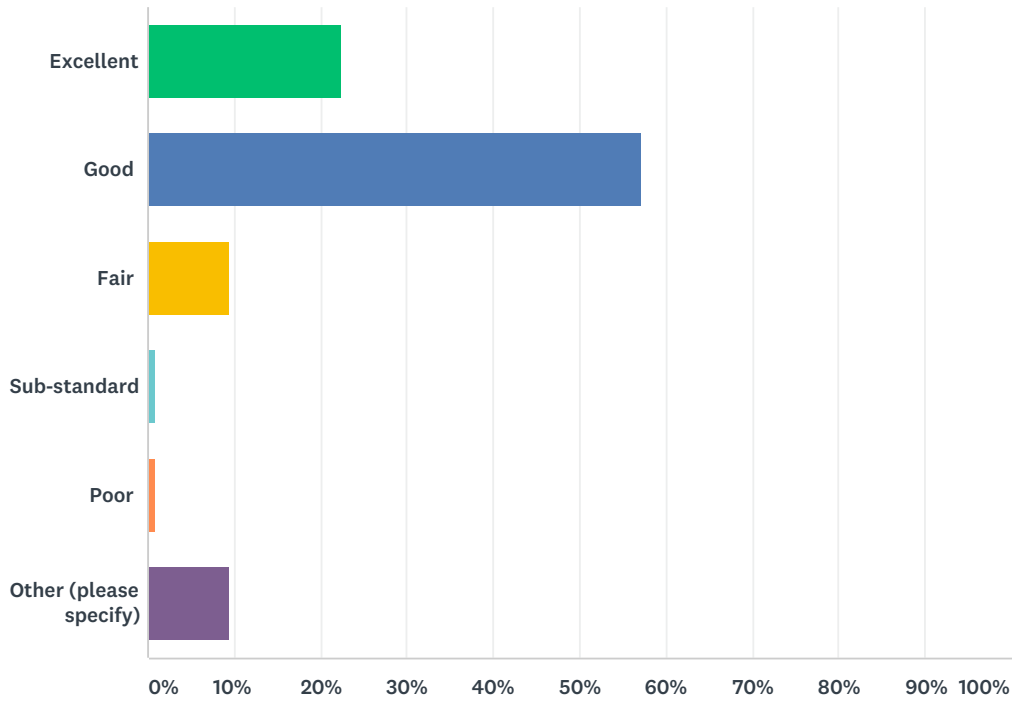
Answered: 8 Skipped: 124



ANSWER CHOICES	RESPONSES	
Excellent	0.00%	0
Good	37.50%	3
Fair	50.00%	4
Sub-standard	0.00%	0
Poor	0.00%	0
Other (please specify)	12.50%	1
TOTAL		8

Q9 In your experience, how would you rate Millbrook Healthcare's technicians?

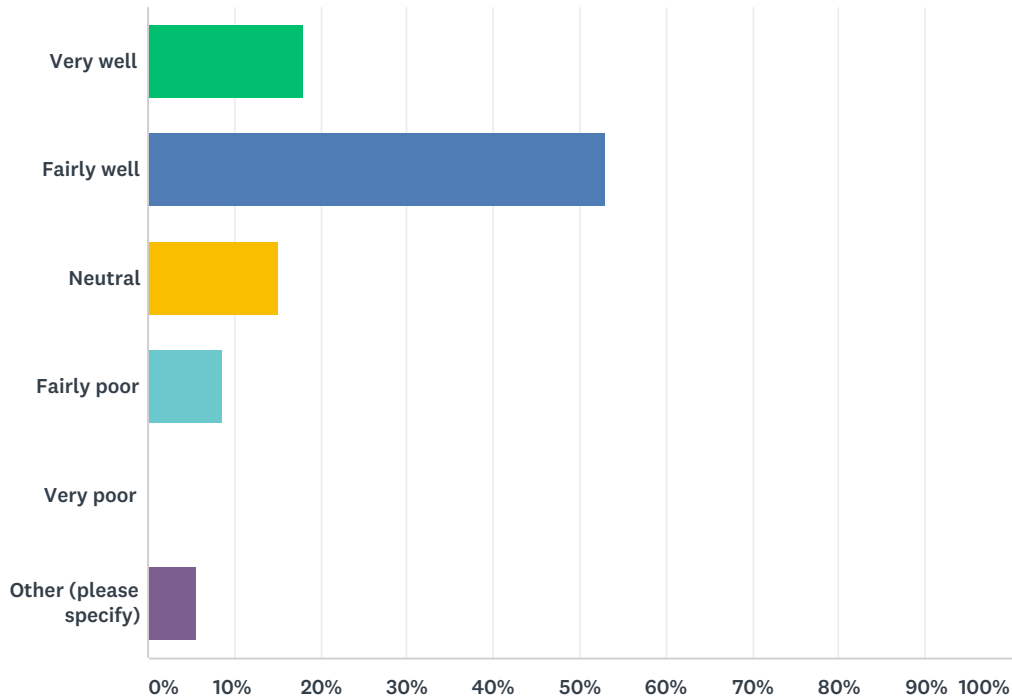
Answered: 107 Skipped: 25



ANSWER CHOICES	RESPONSES	
Excellent	22.43%	24
Good	57.01%	61
Fair	9.35%	10
Sub-standard	0.93%	1
Poor	0.93%	1
Other (please specify)	9.35%	10
TOTAL		107

Q10 How well does the catalogued product range cover overall service user requirements?

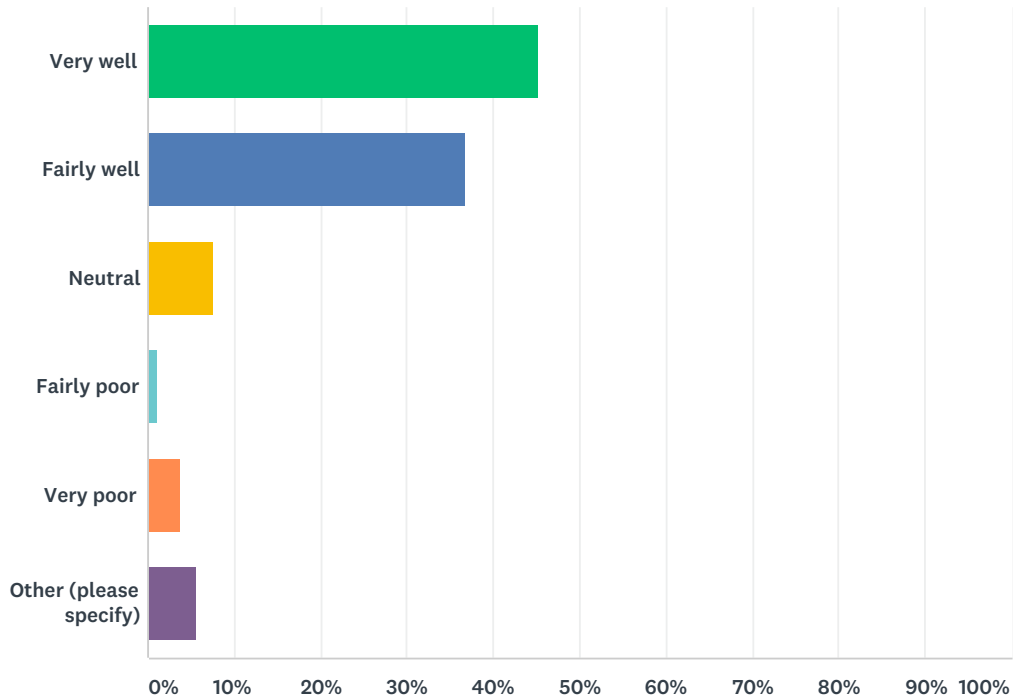
Answered: 106 Skipped: 26



ANSWER CHOICES	RESPONSES	
Very well	17.92%	19
Fairly well	52.83%	56
Neutral	15.09%	16
Fairly poor	8.49%	9
Very poor	0.00%	0
Other (please specify)	5.66%	6
TOTAL		106

Q11 How does the quality of the products being delivered by Millbrook Healthcare meet your expectations (e.g. cleanliness, fit for use etc)?

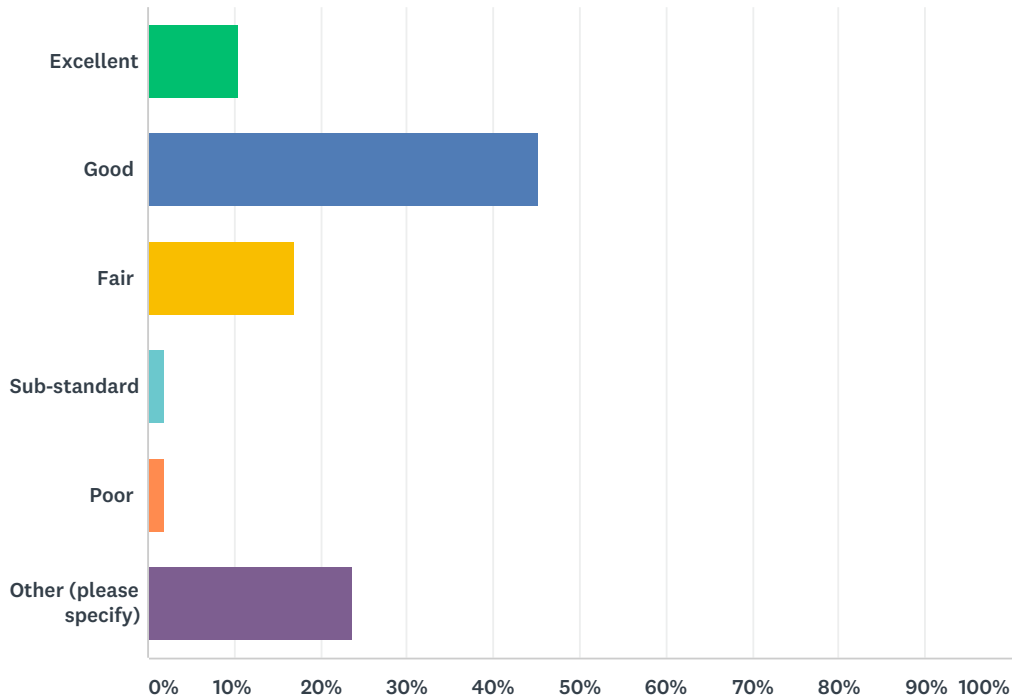
Answered: 106 Skipped: 26



ANSWER CHOICES	RESPONSES	
Very well	45.28%	48
Fairly well	36.79%	39
Neutral	7.55%	8
Fairly poor	0.94%	1
Very poor	3.77%	4
Other (please specify)	5.66%	6
TOTAL		106

Q12 How do you rate the repair service provided by Millbrook Healthcare?

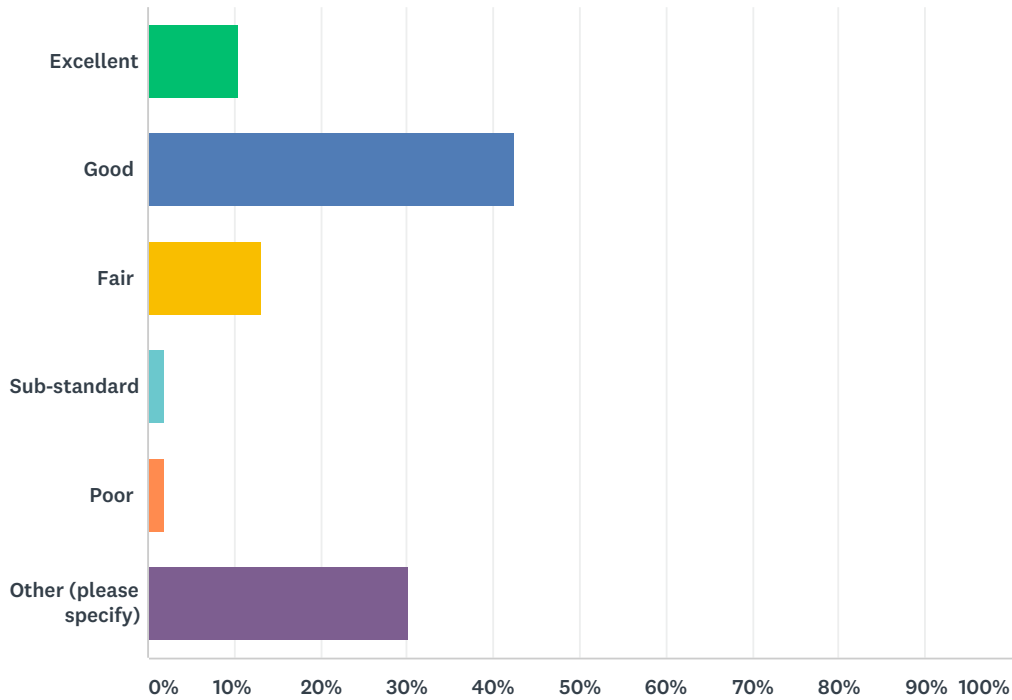
Answered: 106 Skipped: 26



ANSWER CHOICES	RESPONSES	
Excellent	10.38%	11
Good	45.28%	48
Fair	16.98%	18
Sub-standard	1.89%	2
Poor	1.89%	2
Other (please specify)	23.58%	25
TOTAL		106

Q13 How do you rate the maintenance service (PPM's) provided by Millbrook Healthcare?

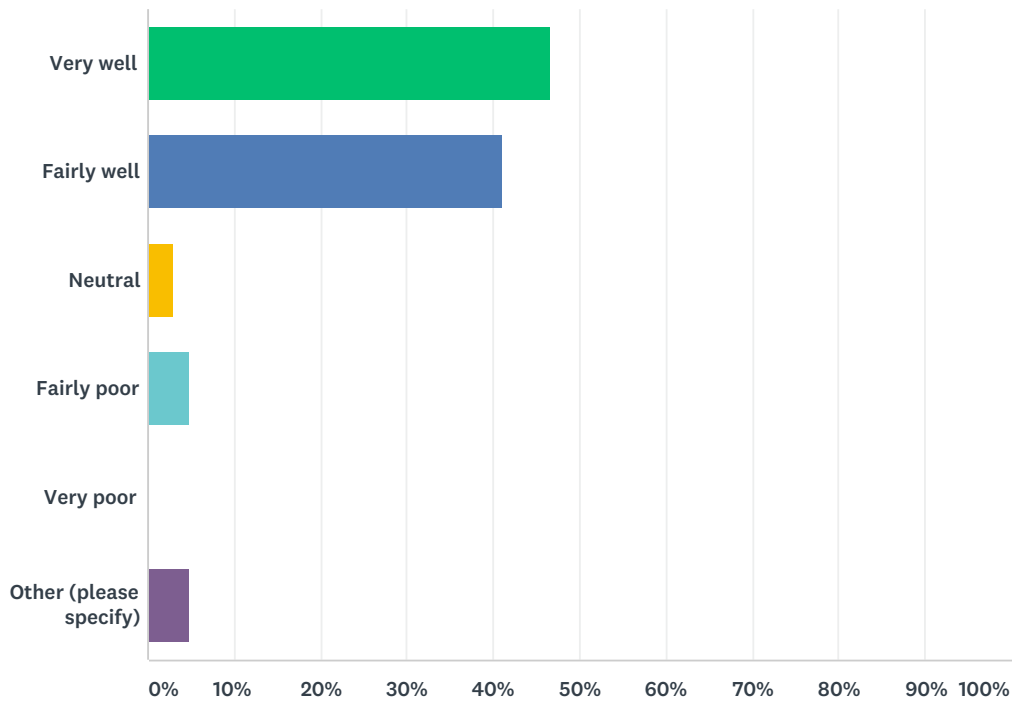
Answered: 106 Skipped: 26



ANSWER CHOICES	RESPONSES	
Excellent	10.38%	11
Good	42.45%	45
Fair	13.21%	14
Sub-standard	1.89%	2
Poor	1.89%	2
Other (please specify)	30.19%	32
TOTAL		106

Q14 How do you feel Millbrook Healthcare meets the required response times?

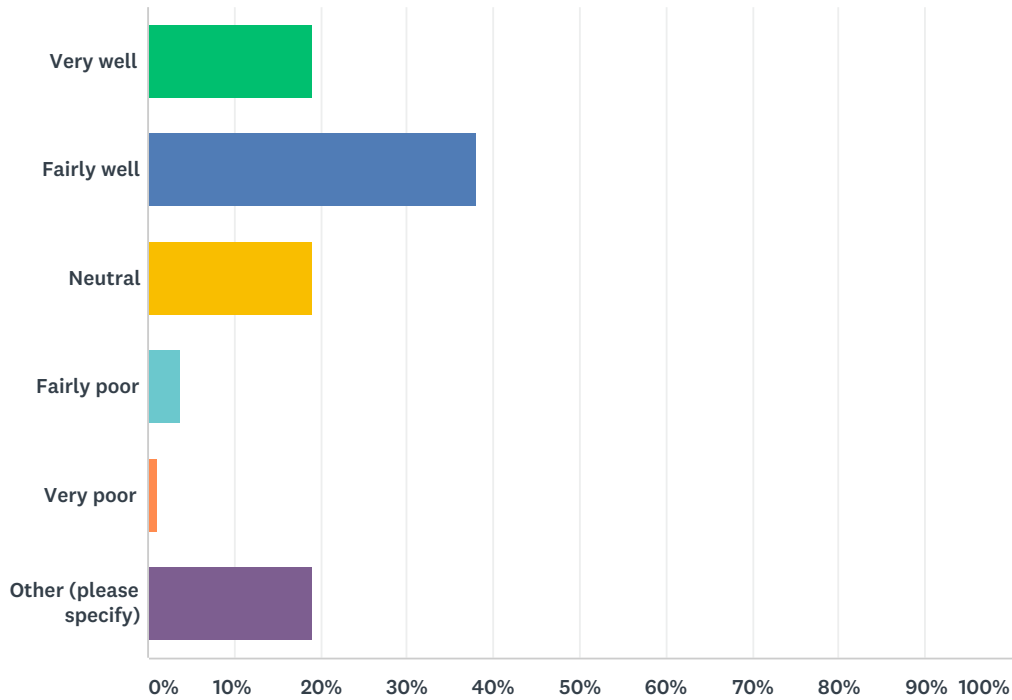
Answered: 105 Skipped: 27



ANSWER CHOICES	RESPONSES	
Very well	46.67%	49
Fairly well	40.95%	43
Neutral	2.86%	3
Fairly poor	4.76%	5
Very poor	0.00%	0
Other (please specify)	4.76%	5
TOTAL		105

Q15 How well do Millbrook Healthcare handle and process orders for special/non-catalogue items?

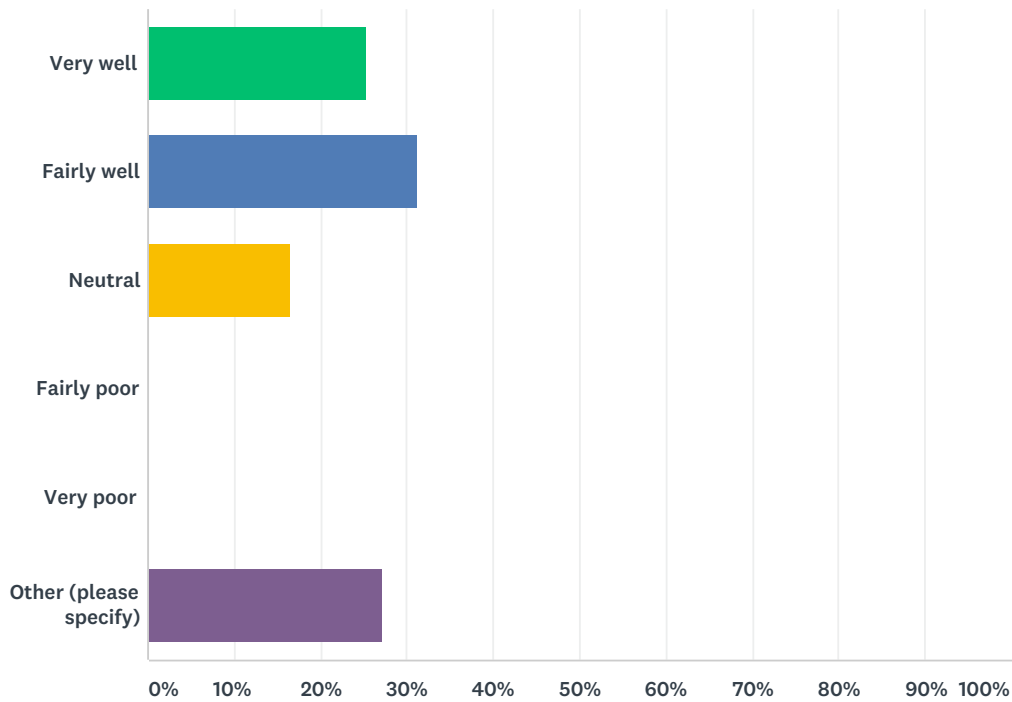
Answered: 105 Skipped: 27



ANSWER CHOICES	RESPONSES	
Very well	19.05%	20
Fairly well	38.10%	40
Neutral	19.05%	20
Fairly poor	3.81%	4
Very poor	0.95%	1
Other (please specify)	19.05%	20
TOTAL		105

Q16 How well do Millbrook Healthcare handle and process requests for joint visits?

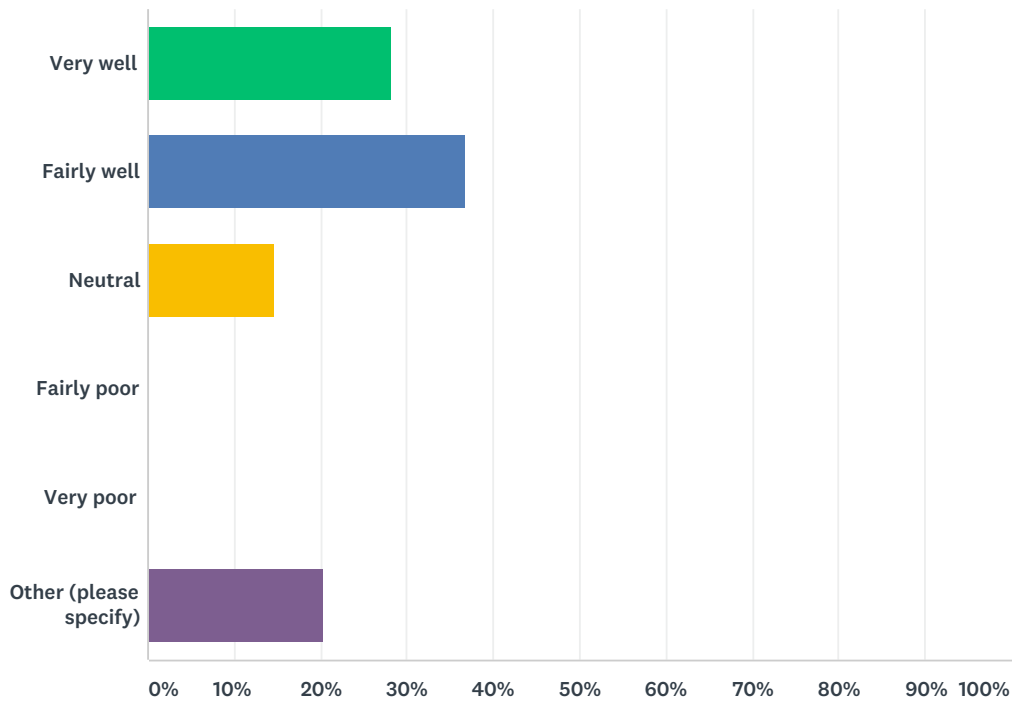
Answered: 103 Skipped: 29



ANSWER CHOICES	RESPONSES	
Very well	25.24%	26
Fairly well	31.07%	32
Neutral	16.50%	17
Fairly poor	0.00%	0
Very poor	0.00%	0
Other (please specify)	27.18%	28
TOTAL		103

Q17 How well do Millbrook Healthcare handle and process requests for minor adaptations?

Answered: 103 Skipped: 29



ANSWER CHOICES	RESPONSES	
Very well	28.16%	29
Fairly well	36.89%	38
Neutral	14.56%	15
Fairly poor	0.00%	0
Very poor	0.00%	0
Other (please specify)	20.39%	21
TOTAL		103

Q18 If there are points that you feel are not addressed or you wish to make any comments, please feel free to use the box below.

Answered: 27 Skipped: 105



Equality and Safety Impact Assessment

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 proposals and consider mitigating action.

Name or Brief Description of Proposal	Re-Procurement of the Joint Equipment Store
Brief Service Profile (including number of customers)	
<p>The Joint Equipment Store (JES) provides equipment to people in the community that supports them to maintain their independence.</p> <p>The current contract is held by Millbrook Healthcare and ends in June 2020. The service covers both children and adults and is jointly commissioned by Southampton City Council and Southampton Clinical Commissioning Group (CCG) with the Council acting as lead commissioner. As required under EU procurement rules, the Council intends to test the market through a retendering process. The intention is to re-procure the service in partnership with Portsmouth City Council and Portsmouth Clinical Commissioning Group who were also partners with Southampton in the original tender.</p> <p>In Southampton the funding is part of the Better Care pooled fund and in 2018/19 there were 13,532 people who received equipment.</p> <p>The current service model is that the provision of equipment (including storage, maintenance and recycling) is undertaken by a third party commissioned by the Council and CCG. Health and social care practitioners working with Southampton residents in the community have access to an online catalogue that allows them to order equipment against a range of delivery time frames depending on the level of urgency. The catalogue is agreed by the commissioners. The time frames vary between within 3 hours up to a week. The provider is expected to:-</p>	

- Ensure that the online systems are in place to allow practitioners timely access
- Ensure the appropriate stock is available
- Ensure that equipment is properly maintained including decontamination
- Ensure that equipment is delivered and fitted within agreed timescales
- Ensure that equipment is picked up following use within agreed timescales so that it can be recycled

Several options were considered however the preferred option is to re-procure the service based on the current model with a requirement on the provider to work with the Council and CCG to identify and explore opportunities for further alignment and integration throughout the life of the future contract.

Summary of Impact and Issues

Provision of an effective and efficient JES is key to supporting people to be as independent as they can be in the community. The current service model receives positive feedback from both front line health and social care staff prescribing equipment and service users. Hence the decision to re-procure the service based on the current model and service specification.

However, as with any re-procurement, there is always the potential risk of upheaval associated with a change in provider particularly if they are not familiar with the local area. In seeking to mitigate this risk:-

- We have incorporated a “handover” transition period in the re-procurement of 5 months to allow time for the future provider to establish systems and processes and build relationships with local health and care services
- Mobilisation and transition arrangements will be a key evaluation question in the tender
- We are ensuring good communication with service users and health and care services throughout the process
- We would ensure that appropriate information is shared between the outgoing provider and the incoming provider

Potential Positive Impacts

Having an effective Joint Equipment Store is fundamental in achieving a number of key strategic priorities including:-

- Reduction in the number of admissions into care and nursing homes,
- Reduction in hospital admissions
- Reduction in the numbers of delayed discharges from hospital
- Reduction in the reliance on homecare

The current service model has consistently demonstrated a high level of satisfaction from service users and health and social care staff that prescribe equipment.

However the re-procurement gives us the opportunity:-

- To test the market to ensure that we are commissioning value for money provision.
- To engage health and social care staff and key stakeholders in developing the future service specification to further improve on quality
- To consider opportunities for integrating equipment provision and pathways with other related provision e.g. “Handy Person” Service, housing adaptations, falls prevention activity and telecare service delivery and to signal to the market that we are looking for partners that will work with commissioners to explore this over the lifetime of the contract to provide person centred, seamless and preventative service delivery.

Responsible Service Manager	Jamie Schofield
Date	25/06/2019
Approved by Senior Manager	Donna Chapman
Date	25/06/2019

Potential Impact

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
Age	There is an opportunity to ensure that the potential for preventative use of equipment in children’s services is built into future provision to reduce harm.	The procurement process and subsequent expectations within the service specification and contract will reflect best practice.
Disability	As above there is the opportunity to reflect on the current equipment catalogue to review the potential for preventative equipment that can support greater future independence.	The procurement process and subsequent expectations within the service specification and contract will reflect best practice.
Gender Reassignment	No specific impact	
Marriage and Civil Partnership	No specific impact	
Pregnancy and Maternity	No specific impact	
Race	There is a potential impact in terms of access to services due to language or cultural issues.	The tendering process will require potential providers to demonstrate how they would make

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
		<p>their services accessible to people from other cultural backgrounds.</p> <p>The service specification and contract will require the provider to demonstrate that they engage fully with service users.</p>
Religion or Belief	No specific impact	
Sex	No specific impact	
Sexual Orientation	No specific impact	
Community Safety	No specific impact	
Poverty	Statutory equipment is provided to all regardless of financial circumstance.	
Health & Wellbeing	The provider needs to work with partners across the health and social care system to ensure that services are joined up and operating at an optimum.	<p>The tendering process will require potential providers to demonstrate how they would engage and work with the wider health and social care system.</p> <p>It will be explicit within any future service specification and contract that we are seeking to integrate and align service delivery across a number of services throughout the life of the future JES contract.</p>
Other Significant Impacts	No specific impact	

DECISION-MAKER:	CABINET COUNCIL		
SUBJECT:	Procurement of Commercial Waste Disposal Contract		
DATE OF DECISION:	20 AUGUST 2019 (CABINET) 17 JULY 2019 (COUNCIL)		
REPORT OF:	CABINET MEMBER FOR PLACE AND TRANSPORT		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	David Tyrie	Tel: 023 8083 2958
	E-mail:	David.tyrie@southampton.gov.uk	
Director	Name:	Mitch Sanders	Tel: 023 8083 3613
	E-mail:	Mitch.sanders@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY
Not applicable
BRIEF SUMMARY
<p>Southampton City Council has a contract in place for the disposal of household waste, as part of the tripartite Project Integra with Hampshire County Council and Portsmouth City Council. This contract is with Veolia, and will continue until 2030. In the early 2000s, the council established a commercial waste collection and disposal service in and around the Southampton area, which comprises of trade waste (collection of waste from businesses), and housing void clearances for SCC owned and Private Landlord properties. This service was developed in addition to the household waste service, as a commercial venture; it enables the council to provide a high quality service to local businesses, and to generate £2.2million per annum in gross revenue.</p> <p>At the time this service was established, a Memorandum of Understanding (MOU) was put in place with Veolia as an amendment to the Project Integra disposal contract, so that commercial waste could be disposed of at Veolia sites. This MOU was put in place as a pragmatic solution; however, it became clear in 2019 that it was not fit for purpose. A procurement exemption was therefore granted to enable an alternative arrangement to be put in place with multiple local disposal sites. Currently, under this exemption, the council disposes of commercial waste with a range of organisations including Veolia and TJ Waste. The forecast cost for 2019/20 under the current arrangement is £1.14M per annum.</p> <p>There is a need to procure a compliant contract for a single supplier for commercial waste disposal, to deliver a competitive commercial waste service with an ethical disposal route. This contract will be for 5 years with an option for 1+1 year extensions. The current budget available over the 7 year period is £7.04M, which requires approval by Full Council. There is a risk that costs could exceed this financial envelope, depending on the outcome of government consultation on Waste Strategy and the potential impact of a no-deal Brexit. This report therefore seeks approval to commence a formal procurement process and, following a tender process, to award a contract to provide commercial waste disposal services.</p>
RECOMMENDATIONS:

CABINET		
	(i)	Subject to approval of Council recommendations (i) to (iii) below, that approval is given for the procurement of a single supplier waste disposal contract for commercial waste.
	(ii)	That authority is delegated to the Service Director Transactions and Universal Services to carry out a procurement process for the delivery of a waste disposal contract for commercial waste, as set out in this report, and to enter into contracts for the delivery of the service in accordance with the Contract Procedure Rules.
	(iii)	To authorise the Service Director Transactions and Universal Services to take all necessary actions to implement the proposals contained in this report.
COUNCIL		
	(i)	Subject to approval of Cabinet recommendations (i)- (iii) above, to approve a financial envelope of £7.04M, based on the current budget and tonnage collected, for a maximum period of 7 years (5 + 1+1 years extension when applied to contracts) and maintaining the current level of annual investment.
	(ii)	To allow the financial envelope to increase in line with increased business for Trade Waste, on the basis that the additional cost can be met from additional revenue.
	(iii)	To note the potential risks that could cause the level of cost to exceed the current budget as a result of government strategy and the likely impact on contract costs.
REASONS FOR REPORT RECOMMENDATIONS		
1.	The Environmental Protection Act 1990 requires Southampton City Council to collect Commercial Waste from businesses within the City boundary as a statutory requirement and a charge may be levied for this service. The commercial waste service is successful, generating £2.2M per annum gross revenue, which contributes £0.25M to the overheads of the Waste and Recycling Service. It has a good local reputation, and there is potential to further develop and expand this service.	
2.	Commercial waste must be properly disposed of, and therefore the council must have a contract in place with a supplier to provide this service. The current arrangement comes at the end of the Financial Year and a formal and compliant procurement process must take place in advance of this date to ensure continuity of service. Undertaking a formal procurement process will ensure the council achieves best value for money, as well as factoring in other considerations such as ethical disposal routes. It will put the council in a position to grow the commercial waste business, and provide a high quality, cost effective service to more businesses in the city. It will also ensure that compliance with council Financial and Procurement rules.	
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED		

3.	As noted above, the Environmental Protection Act 1990 requires the council to collect Commercial Waste from businesses within the City boundary as a statutory requirement; there is therefore no option to withdraw this service.
4.	Extending the current procurement exemption, or seeking a further MOU under the Project Integra household waste contract are not viable alternative options. Neither of these options would be legally compliant, they would also not ensure maximum value for money.
5.	An option to outsource the commercial waste service, or to partner with a private company, was explored as part of the LATCO business planning process. This was rejected as it was felt that with the right support SCC could grow the Commercial offer in house and continue to provide jobs with fair t's and c's, continue to invest in the Southampton Pound.
DETAIL (Including consultation carried out)	
6.	The council's commercial waste and disposal service provides: <ul style="list-style-type: none"> • Trade waste services: collection and disposal of General Waste, Dry Mixed Recyclables, Glass recyclables and bulky items • Shine services: Services to SCC Housing for bulk waste collections, Void property clearances and regular and ad-hoc chargeable work to private landlords and tenants.
7.	The service has been in operation for several year. It currently has 1,750 customers in and around the Southampton area, and employs 12 staff. It generates £2.2M in gross revenue per annum. The service has a good local reputation as being reliable and trustworthy, delivering effective and high quality services to local businesses. The service currently has approximately 26% of the local market; there is therefore potential to continue to grow and expand this business. In a big push in 2015 the service grew outside of the City Boundary and with clear focus took on an additional 200 customer.
8.	There is a requirement under the Environmental Protection Act 1990 for waste collected by local authorities to be disposed of properly. In practice, this means using one of a range of suppliers which are permitted by the Environment Agency to dispose of waste. There are a range of local disposal sites operated by suppliers including Veolia, TJ Waste, Raymond Brown L&S which provide disposal services, each company having a select number of waste streams and some have limited infrastructure.
9.	In the early 2000s when the commercial waste service was established, an MOU was put in place with Veolia under which the council could dispose of its commercial waste at Veolia's sites. This MOU was an amendment to the Project Integra disposal contract, a tripartite contract with Hampshire County Council and Portsmouth City Council, under which all these authorities dispose of their household waste.
10.	However, the MOU did not specify set prices per tonne for disposal of commercial waste. It also did not specify prioritisation of the council's commercial waste; in practice, this meant that if the Energy Recovery Facility was at capacity, the council had to use an alternative and more expensive disposal route via a nearby Waste Transfer Station. In 2018, Veolia sought to increase the price of disposal of commercial waste, with an increase of 59% per tonne. This was not felt to offer value for money for the council.

11.	At that time, discussions were held with Procurement to determine alternative options. As a temporary measure, it was agreed to put in place a procurement exemption, enabling a contract to be established with Veolia and TJ Waste. This enables the council to dispose of its commercial waste at any of these company's local sites, at a more sustainable price.
12.	This exemption expires at the end of the Financial Year. There is therefore a need to undertake formal procurement for a new single supplier for the disposal of commercial waste. A properly tendered and contracted supplier will give the council a more robust position in relation to pricing and continuity of disposal routes. This will enable continued delivery of a competitive and high quality service with an ethical disposal route. It will also enable the council to continue to develop and grow its commercial waste service, and income generated from that service. In turn, this will support the council's priority outcomes of Strong and Sustainable Economic Growth, Attractive and Modern City and Modern Sustainable Council.
13.	It is proposed to seek a 5 year contract with an option for 1+1 year's extension. This is in line with industry standards, EU procurement rules and Council Policies, and will enable consistency of service during that period.

RESOURCE IMPLICATIONS

Capital/Revenue

14.	<p>Commercial Waste disposal costs in 2019/20 are forecast to exceed budget, and the Council faces the risk of above-inflation increases in disposal rates. This risk would continue if a procurement exercise is not undertaken.</p> <p>The Council currently has £0.977m budgeted for commercial waste disposal costs in 2019/20. Allowing for contract inflation at 3%, the budget available over the proposed seven year period is £7.044m.</p> <p>An increase in the number of trade waste customers would increase disposal costs beyond the current budget, and this can be covered through the additional revenue raised from new customers, and ensuring fees are regularly reviewed.</p> <p>There are a number of unknowns which could significantly impact on commercial waste disposal costs. At this stage the impact of Brexit and the outcome of recent government consultations on Waste Strategy are not yet known, but are likely to increase disposal costs for waste. Officers continue to monitor these risks and will report on the impact through financial monitoring or other appropriate channels.</p>
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Property/Other

15.	There are no known property or other implications
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LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

16.	<ul style="list-style-type: none"> The Environmental Protection Act 1990 provides a statutory requirement for SSC to collect waste from businesses on request.
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Other Legal Implications:	
17.	Procurement will be subject to compliance with UK procurement legislation and SCC policy
RISK MANAGEMENT IMPLICATIONS	
18.	Stakeholder interest in the service is moderate to high and stakeholders will benefit from the council having a value for money and well managed disposal contract.
POLICY FRAMEWORK IMPLICATIONS	
19.	Procurement of a new commercial waste disposal contract will have no direct impact on the council's Policy Framework. However, it will support delivery of the council's priority outcomes in the Council Strategy 2016-2020: <ul style="list-style-type: none"> • Strong and Sustainable Economic Growth • Attractive and Modern City where people are proud to live and work • Modern and Sustainable Council.

KEY DECISION?	Yes
WARDS/COMMUNITIES AFFECTED:	All Wards
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	None

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.	No
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Data Protection Impact Assessment

Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) 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.	

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DECISION-MAKER:	CABINET COUNCIL		
SUBJECT:	FORMER OAKANDS SCHOOL SITE DEVELOPMENT		
DATE OF DECISION:	16 JULY 2019 17 JULY 2019		
REPORT OF:	CABINET MEMBER FOR HOMES AND CULTURE		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Tina Dyer-Slade	Tel: 02380833597
	E-mail:	Tina.dyer-slade@southampton.gov.uk	
Director	Name:	Denise Edghill	Tel: 023 80834095
	E-mail:	Denise.edghill@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY	
Confidential Appendix 2 and 3 contains information deemed to be exempt from general publication based on Category 3 and 4 of paragraph 10.4 of the Council's Access to Information Procedure Rules. In applying the public interest test this information has been deemed exempt from publication due to confidential sensitivity.	
BRIEF SUMMARY	
<p>The purpose of this report is to seek approval to proceed with the development of the Former Oakland's Community School site which will provide 103 new homes. The aim is for all of these to be affordable homes, there will be a mix of council rented and shared ownership properties. The Ministry of Housing, Communities and Local Government defines social and affordable homes as social, affordable and intermediate which includes shared ownership. The shared ownership element of the properties will be privately owned. This development will be funded from a mix of council borrowing, right to buy income, the upfront sale of the shared ownership properties and if required it would be possible to sell some of the units outright. Homes England (HE) funding is also being sought, however this is not included in the current financial appraisal. The approach outlined in this report supersedes the recommendations of the 20th March 2018 Cabinet report which outlined the option that was available at that time to maximise the number of affordable homes on the site.</p> <p>The scheme now has planning consent and it is the intention to procure the works as a design and build contract with a direct appointment through a framework agreement with a building contractor. Approval is now sought to add £18.3m to the Housing Revenue Account capital programme with authorisation to spend and to give delegated authority to the Director of Growth following consultation with the Cabinet Member for Homes and Culture, the Service Director Finance and Commercialisation and the Service Director Legal and Governance to enter into contract with the building contractor.</p>	
CABINET	
RECOMMENDATIONS:	
(i)	Subject to the financial approvals of Council, to delegate authority to the Director of Growth following consultation with the Cabinet Member for Homes and Culture, the Service Director Finance and

		Commercialisation and the Service Director Legal and Governance to: <ul style="list-style-type: none"> • deliver a scheme in accordance with the financial parameters of this report • approve the submission to Homes England • agree detailed terms and conditions • enter into a contract with a construction company • appoint a specialist Shared Ownership expert to deal with sourcing purchasers and delivering sales • take any other actions required to give effect to this decision • agree the final tenure mix prior to practical completion
COUNCIL		
RECOMMENDATIONS		
	(i)	To appropriate the Former Oaklands School site from the General Fund to the Housing Revenue Account in order to develop the scheme outlined in this report.
	(ii)	To approve the addition of £18.3m to the Housing Revenue Account Capital Programme, and the expenditure of £18.3m on the Former Oakland's School Site to deliver a scheme of affordable council rented and shared ownership properties. To be funded from £10.9m borrowing, £2.9m retained Right-to-Buy capital receipts and £4.5m from the sale of the initial percentage of shared ownership properties.
REASON FOR THE REPORT RECOMMENDATIONS		
1.	In October 2018 the government implemented the removal of the Housing Revenue Account (HRA) borrowing cap to create the opportunity for councils to consider this as a route to the development of new homes. This report seeks approval to use this borrowing option in addition to retained Right- to-Buy income plus any other grant income that can be secured to build 103 homes based on the financial appraisal assumptions included within Appendix 3. Approval is now sought for the full capital budget to proceed with building out the scheme, and to enter into contract with a contractor to deliver the project as outlined in this report under a JCT Design & Build contract. These homes will contribute toward the target of 1000 council owned homes which the council is committed to delivering by 2025.	
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED		
2	Do Nothing – this is not a recommended option. The site of the former school is vacant (the previous school buildings have been demolished) with temporary hoarding, the site needs to be developed, new homes provided and the appearance of the site improved as a result.	
3	Sale of the vacant site for maximum capital return– this would secure a capital receipt for the council, but would not maximise the number of affordable homes that could be delivered on the site, or the requirement to develop more council owned homes. This may involve a longer programme to deliver homes on the site as this would need to include the period of time involved in securing a sale.	

4	Sale of the developed site with 103 homes for maximum capital return. This would not meet the requirement of securing council owned homes.
5	Sale of the Site for less than best value for the provision of 100% affordable homes – this would secure a significantly reduced capital receipt and would secure affordable homes, but not council owned homes. This may involve a longer programme to deliver homes on the site as this would need to include the period of time involved in securing a sale.
6	A Joint Venture – the route to enter into a joint venture with a development company or other partner would not maximise the number of affordable or council owned homes on the site and would also take a significantly longer period of time to implement because of the process involved with selecting a partner and agreeing terms.
7	Sale and Lease back – this option involves an external investor funding the development in return for a rental payment over a period of 20-40 years, it relies on a mix of affordable and market rent properties. The model does not allow for Right- to- Buy to apply and there would need to be in place an independent housing company to hold and manage the housing stock. This is a complex arrangement with financial risk, procurement issues and there is no housing company in place at this time. In addition this option does not maximise the number of affordable homes on the site as there would need to be a significant percentage of market rental properties. It also relies on a demand for market rent in the Lordshill area which is not yet proven.
DETAIL (Including consultation carried out)	
8	On the 20 March 2018 Cabinet approved a report to dispose of the Former Oaklands School Site for a less than best consideration in order to enter into a sale and leaseback arrangement with a developer to secure up to 50% affordable homes on the site. At the time this was the recommended approach to secure the maximum number of affordable homes on the site which would transfer to the city council after a 40 year period. This report outlines an approach which will allow the whole site to be affordable with a mix of shared ownership and council owned affordable homes for rent.
9	<p>Planning approval was granted for this scheme in April 2019. There is now a need to move forward with this site for the reasons outlined below.</p> <ul style="list-style-type: none"> • With the removal of the HRA Account borrowing cap in October 2018 there is an opportunity for the council to take this development forward itself. • There are 8,600 families on the housing register and a growing demand for homes in the city. • Over the last few years the number of affordable homes delivered by developers as part of Section 106 agreements has been significantly less than 2014/15. • The site has planning permission, it is vacant, available for development. • There is a need to use retained Right-to-Buy income which would otherwise need to be paid back to the government with interest. • There is an opportunity to use a direct appointment through a framework agreement to enable a start on site in 2019.

	<ul style="list-style-type: none"> • The Affordable HE Funding programme may have some funding that could be applied for and allocated to this scheme but this currently is time limited so the earlier the scheme can be delivered the more likely that funding may be secured. • The approach outlined in this report will enable the collection of council tax substantially sooner than any other option outline in paragraphs 2-7. 										
10	As part of the Autumn Budget 2017 the government confirmed its commitment to delivering 300,000 homes per year and on the 29th October 2018 the HRA borrowing cap was formally removed with the publication of the Limits on Indebtedness (Revocation) Determination 2018. The council proposes using the opportunity created to fund this development using borrowing, right to buy income and the upfront sale of the shared ownership properties, Homes England financial assistance will also be sought if possible.										
11	The housing targets for Southampton are set out in the Southampton City Council Housing Strategy 2016-2025 and the Southampton Core Strategy 2006-2026. This currently states that there is a requirement for an additional 16,300 housing units for the city by 2026. Despite the council owning approximately 16,000 rented properties there is still an urgent need for social and affordable housing with over 8,600 families currently waiting for homes on the housing register.										
12	<p>There is an obligation through the local planning process for developers to build 35% affordable homes as part of any development across the city. In the past the city council has had the opportunity to nominate to these properties from the housing register. Table 1 shows how there has been a significant reduction in affordable properties developed as part of this process and as a result this has reduced the number of nominations that the council has been able to make from the housing register.</p> <p>Table 1. Section 106 properties delivered in Southampton</p> <table border="1"> <thead> <tr> <th>Actual 2014/15</th> <th>Actual 2015/16</th> <th>Actual 2016/17</th> <th>Actual 2017/18</th> <th>Actual 2018/19</th> </tr> </thead> <tbody> <tr> <td>422</td> <td>204</td> <td>156</td> <td>32</td> <td>154</td> </tr> </tbody> </table> <p>This development will significantly increase the number of affordable properties available to those on the housing register.</p>	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	422	204	156	32	154
Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19							
422	204	156	32	154							
13	This site now provides an opportunity to be able to respond to the housing need identified earlier in this report. With planning permission being granted in April 2019 there is an opportunity for the council to proceed with this project using a procurement method which enables an early appointment to be made.										
14	On average between 100-150 tenants exercise their Right-to-Buy their council property each year. The table below shows the number of city council properties that have been sold to tenants over the last 5 years as a result of the Right-to-Buy Scheme.										

Table 2 The number of council properties sold under the Right-to-Buy Scheme

Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19
116	110	164	122	105

A proportion of the income from these sales is required to be spent on replacement HRA stock within three years of receipt. If this funding is not spent it has to be returned to the government with interest every quarter of the financial year. The income from Right-to-Buy can only be used to part fund new build homes or the purchases of properties that will add to the councils housing stock. Over the last year this income has been invested in the Potters Court and the Townhill Park projects plus the individual purchase of properties to add into the council stock. The Former Oaklands School site will provide a further opportunity to invest this income. It is estimated that £2.9 million could be invested from this budget preventing the need to return this funding to the government.

15 The procurement route which would deliver the housing units which have been approved through the planning process with the earliest completion date would be a direct appointment of a contractor. This process could result in a start on site in 2019 subject to completion of the contractual arrangements. The Hyde Housing Main Contractor Framework Agreement which the council is eligible to use would allow the direct appointment of a contractor for this project. This framework was procured using an OJEU compliant process and is administered by Hyde Housing Association. All the contractors on this framework have already been through a competitive process in order to be on the framework. The framework specifies the agreed level of overhead and profit for the contractors on the framework. This report recommends the appointment of a contractor as a direct appointment using the framework referred to above.

16 In order to ensure value for money with the design and build contract, the council will use an Employers' Agent who is a cost consultant who will benchmark the cost of the scheme with reference to other comparable cost data. This is an appropriate method of ensuring that the proposed cost of the works is justifiable and commensurate in terms of market norms. This same consultant will be required to certify to the council that the final contract sum agreed represents value for money before entering into contract with the building contractor.

17 Homes England currently has funding available for Registered Providers to contribute as gap funding towards affordable homes, these could be developed for social rent, affordable rent or shared ownership. This Affordable Homes Funding programme presents an opportunity to add grant into the scheme. Since the scheme now has a deliverable planning consent, is already within Council land ownership and is of reasonable scale, it could attract funding. Such funding would be able to produce a greater proportion of rented homes and may allow delivery of Social Rented homes in addition to or instead of the Affordable Rented tenure which is currently being modelled. This funding programme extends until 2022, and whilst it is likely that further

	<p>funding programmes will be announced to follow this current round the timing of this is uncertain. Therefore to maximise the opportunity to use this available funding the council would need to use the most expedient procurement route available. Discussions are ongoing with HE and also the Wayfarer Consortium which provides access to HE funding.</p>
18	<p>Once completed and fully occupied there will be a significant council tax collection for this site. The direct appointment procurement method proposed using a framework agreement should allow this income to be due earlier than the other options outlined in paragraphs 2-7 above.</p>
19	<p>The development will include 103 homes in 2 and 3 storey buildings, with associated access, parking and landscaping. It is proposed that there will be a mix of affordable and shared ownership. The design approach follows the style of the local area including:</p> <ul style="list-style-type: none"> • Semi-detached pairs, short terraces and small blocks of two and three storey apartments • A contemporary style • Use of modern methods to speed up the process and enable the development to minimise disruption to nearby residents • High quality traditional materials for longevity and ease of maintenance • A mixture of roof designs • These energy efficient homes will include a range of features such as Solar PV panels. • Houses will have two parking spaces and flats will have one space with additional guest parking places across the site • Tree removal will be minimised, new tree planting will be carried out on a 2:1 basis leading to an increase of approximately 50 trees • There will be several areas of formal and informal play across the site. • Two properties have been specifically designed to provide improved access for disabled people. • A cycle path will be re-routed through the development.
20	<p>Prior to entering into contract a financial checks will be carried out on the contractor to confirm the financial capacity and stability of the company. NHBC insolvency cover will be obtained and if necessary a Parent Company Guarantee will be requested. Monthly interim payments will be certified by the Employers agent throughout the design and build construction contract period.</p>
21	<p>There is a significant demand for homes for those with adult social care needs in the city and it is proposed that some of the properties on the Former Oaklands School site could be allocated for this purpose. This will result in the properties being exempt from the right to buy pursuant to Schedule 5 paragraph 7,9 and 10 Housing Act 1985.</p>
<p>RESOURCE IMPLICATIONS</p>	
<p><u>Capital/Revenue</u></p>	
22	<p>The total estimated cost of the scheme is £18.3m and it is proposed that this will be funded as outlined in the table below.</p>

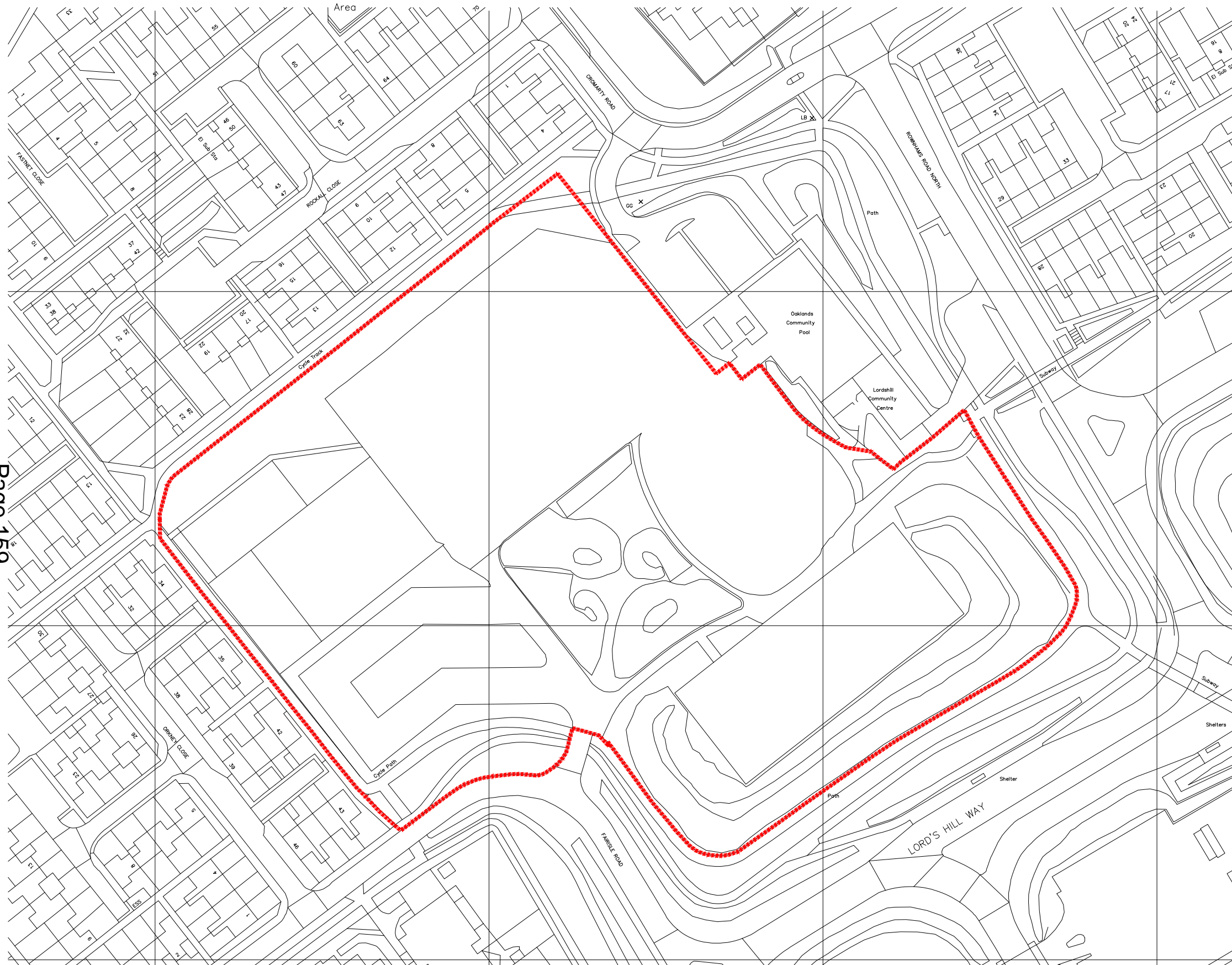
	Source of Funding	Total £M
	Right to Buy	2.90
	Capital Receipts (initial sale of shared ownership)	4.50
	Borrowing	10.90
	Council Resources Requested	18.30
	<p>The role of the Employers Agent will be to scrutinise the proposed costs of the scheme so the final contract sum may change. In addition, if there are changes to the employers requirements in the process of finalising the scheme before entering into the contract this will also potentially result in minor changes to the overall cost of the scheme. This report provides delegated authority to the Director of Growth following consultation with the Member for Homes and Culture, the Service Director Finance and Commercialisation and the Service Director Legal and Governance to finalise the details of the scheme and to enter into contract with the building contractor. Any changes to the overall cost of the scheme will be reported back to Cabinet and Council.</p>	
23	<p>Developments which consist of 100% Affordable Rent or Social Rent tend not to be financially viable using standard assumptions. Cross-subsidies from other complementary tenures are commonly used to support the delivery of rented tenures. Market Rented tenure, Shared Ownership and Outright Sale are tenure-types which would offer the best opportunity to generate a neutral or positive net present value. Of these, only Shared Ownership is an ‘affordable housing tenure’. This is the tenure-type which this report recommends will be used to support and cross-subsidise the rented tenure product(s) at Oaklands. Shared Ownership has been a popular affordable housing tenure over several years because it allows for an easier entry to the housing ownership market. The purchaser buys a share of the property raising their own mortgage and then pays rent on the balance to the landlord. The purchaser would be allowed to purchase further shares right up to 100% ownership at the residents’ discretion. Development of relevant policies, training and new staff specialisms will be needed to deal with the management of this tenure type. It should however be noted that this product is considered both popular and affordable and does act as a very useful cross-subsidy catalyst for other affordable tenure types</p>	
24	<p>A Financial Appraisal has been produced by the council which forecasts (based on a range of assumptions) that the cost of borrowing can be paid back over a 30 year period. The assumptions are summarised in the Appendix 3. The financial appraisal is based on the optimum mix of affordable rental and shared ownership to achieve a neutral net present value without relying on additional external funding. The precise tenure ratio will be dependent on the scheme to attract external funding from Homes England. Some costed alternative options are included in Appendix 2.</p>	

25	In addition to the cost of construction the project includes a number of other cost forecasts including the fees associated with an Employers Agent, staff time, legal fees, sales allowance for the shared ownership and a contingency.
<u>Property/Other</u>	
26	This scheme is a brownfield development on the site of the former Oaklands Community School. The new homes will come with a 12 month defects period, NHBC guarantee, and some individual elements of the construction will carry longer warranty periods.
27	The homes will be added to the councils housing stock and will be managed by the housing management team and maintained under the council's asset management process. The shared ownership units will also be managed by housing but the sales process will be outsourced to an appropriate agency.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
28	The legislation that allows the council to build and acquire homes is Section 9 and 17 of the Housing Act 1985.
29	Section 11(6) of the Local Government Act 2003 relates to the Council's ability to retain and use Right-to-Buy receipts to fund affordable housing.
30	The legislation that allows the council to appropriate the land into the Housing Revenue Account from the General Fund is Section 19 Housing Act 1985. Land appropriation is carried out by a transfer of debt equal to the valuation of land from the General Fund to the HRA to reflect the value and benefit of the asset transfer.
<u>Other Legal Implications:</u>	
31	Southampton City Council owns the freehold for the site to be used for this development and outlined in Appendix 1. Investigations carried out so far have not found any covenants, third party rights, contracts or rights of way on the site that would affect or restrict house building. The land is currently held by the General Fund and will need to be appropriated to the Housing Revenue Account.
32	Using an OJEU compliant framework is a compliant method of procurement, and a direct award call off mechanism can be used as long as it falls within the parameters and complies with the process which is set out in the framework agreement. The Hyde Main Contractor Framework Agreement is an OJEU compliant framework which allows for a direct appointment. The Employers Agent will be appointed through the Wayfarer Framework which is also an OJEU compliant framework which allows for a direct appointment.
33	This project will include the granting of affordable rented properties the council needs the approval from Homes England and in order to seek this permission the council should have a policy in place. This is currently under development.
34	Legal Services will also consider the use of HRA funds for this particular project to ensure government guidance and the Council's S11 (6) agreement are complied with.

35	<p>In taking this decision Members must be aware of their obligations under section 149 Equality Act 2010. This section contains the Public Sector Equality Duty (PSED). It obliges public authorities, when exercising their functions to have ‘due regard’ to the need to :</p> <ul style="list-style-type: none"> • Eliminate discrimination, harassment and victimisation and other conduct which the Acts prohibits; • Advance equality of opportunity; and • Foster good relations between people who share relevant protected characteristics and those who do not. <p>The relevant protected characteristics under the Equality Act are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.</p> <p>Members are advised to read the Equality Safety Impact Assessment in Appendix 4.</p>
RISK MANAGEMENT IMPLICATIONS	
36	<p>The identification of risks and the development of the risk register is under way. The risk register will continue to be further developed, refined and reviewed prior to going into contract with the building contractor and then regularly throughout the project. It is not always possible to anticipate all the risk that will be experienced throughout a project but by employing experienced quality contractors and professionals to manage and monitor the project this seeks to mitigate the risks involved. The detailed risk register will be reviewed prior to the delegations outlined in the recommendations being implemented.</p>
37	<p>Through the provision of a design and build contract the majority of risks associated with the construction are passed to the contractor.</p>
38	<p>The financial risks associated with this project will extend for the full 30 years over which the borrowing will extend. The assumptions listed in Appendix 3 are those that have been used in the financial appraisal, the basis on which these have been used is also listed.</p>
POLICY FRAMEWORK IMPLICATIONS	
39	<p>The proposal in this report will deliver new affordable homes in line with the Southampton City Council Housing Strategy 2016-2025, they will also contribute towards the targets in the Core Strategy. The Southampton City Council Core Strategy Adopted version January 2010 in policy CS4 outlines the target to provide an additional 16,300 homes to be provided between 2006 and 2026. The Planning Authority monitoring report April 2015 – March 2016 says that the target of 16,300 homes will be replaced with 19,450 homes needed between 2011 -2034 in the New Emerging Local Plan</p>
40	<p>The former Oaklands School site is included in the Strategic Housing Land Availability Assessment (March 2013). The purpose of the SHLAA is to:</p> <ul style="list-style-type: none"> • Identify sites with potential for housing • Assess how many houses/flats might be developed on a site • Assess when they are likely to be developed

KEY DECISION?	Yes	
WARDS/COMMUNITIES AFFECTED:	Coxford	
<u>SUPPORTING DOCUMENTATION</u>		
Appendices		
1.	Site Plan	
2.	Financial Options	
3.	Financial Assumptions	
4.	Equality Safety Impact Assessment	
Documents In Members' Rooms		
1.		
Equality Impact Assessment		
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.		Yes
Data Protection Impact Assessment		
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) 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.		

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 2. This drawing has been produced as a guide, and is subject to further detailed information being provided, including but not limited to a full topographical survey, service enquires and an arboriculture study.



Page 159

B	Feb 19	Boundary line amended post consultation	CG	
A	Oct 18	First issue	CG	
REV	DATE	DESCRIPTION	REV BY	CKD BY

CLIENT

DREW SMITH GROUP



PROJECT
OAKLANDS SCHOOL, SOUTHAMPTON
 Fairisle Road,
 Southampton

DRAWING TITLE
LOCATION PLAN

DRAWING STATUS PLANNING	SCALE 1:1250
PROJECT NO. DRAWING NO. 1169 PD101	REVISION CG
	DRAWN BY B

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Agenda Item 15
Appendix 1

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Equality and Safety Impact Assessment

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 proposals and consider mitigating action.

Name or Brief Description of Proposal	The Development of the Former Oaklands School Site
Brief Service Profile (including number of customers)	
Delivery of 103 new affordable homes on the site of the Former Oakland’s School including, landscaping and public realm works, parking and play facilities.	
Summary of Impact and Issues	
<p>Whilst the former Oakland’s School has been demolished, there are still the floors slabs of the building on the site and these will be removed as part of the ground works.</p> <p>During the removal of the slab and the construction of the new homes and public realm there will be some noise and dust inconvenience.</p> <p>There is currently no traffic movement on and off this site so both during the construction and once complete there will be an increased traffic flow to and from the site.</p> <p>An existing cycle way/footpath will be closed and this will be rerouted through the site to improve the visibility of those using the route.</p>	
Potential Positive Impacts	
The completed scheme will offer 103 new homes which will all be affordable. This will be a mix of affordable rent and shared ownership. The site will	

provide homes for those currently on the councils housing register and for those wishing to take the first step into home ownership.

Some of the properties will be designed specifically for disabled people. It is anticipated some of the homes on the site will be used by adult social care as supported housing.

Currently the site which is surrounded by fencing and hoarding is unattractive in the local community and the development will result in significant improvement to the local environment.

There will be an improved cycle route to the housing behind the site.

There will be new play facilities for children living on the site.

Responsible Service Manager	Tina Dyer-Slade Service Lead for Capital Assets
Date	25 th June 2019
Approved by Senior Manager	Denise Edghill
Date	27 th June 2019

Potential Impact

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
Age	No impact	The site will provide opportunities for play for children living on the development.
Disability		Some of the homes are specifically designed to improve access for disabled people. These units and others are anticipated to be used by Adult Social Care for supported housing.
Gender Reassignment	No impact	
Marriage and Civil Partnership	No impact	
Pregnancy and Maternity	No impact	
Race	No impact	

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
Religion or Belief	No impact	
Sex	No impact	
Sexual Orientation	No impact	
Community Safety	Whilst the site is fenced and hoarded there has still been issues of damage and trespass which has caused concern to the local community.	<p>To develop homes on these sites will once completed improve the quality of the local environment.</p> <p>New homes overlooking footpaths which are currently isolated will improve the safety of the area.</p> <p>The scheme to comply with secure by design guidelines and s.17 of the Crime and Disorder Act 1998.</p> <p>There will be a cycle path rerouted through the site which will provide enhanced supervision and improved route.</p>
Poverty	There are currently insufficient affordable homes in the city and as a result there are approximately 8,600 households on the housing register.	This site will provide a significant number of affordable homes. By providing shared ownership properties this provides the opportunity for some households to take the first step into home ownership.
Health & Wellbeing		Moving people out of temporary accommodation and into a home has the potential to significantly improve the quality of life of those residents.

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
		<p>Residents will have the opportunity to benefit from living very close to community facilities including the Oaklands Community Pool.</p> <p>There are also several schools nearby.</p>
Other Significant Impacts	<p>There will be some noise and inconvenience caused by the construction and traffic to and from the site.</p>	<p>Contractors will be required to operate under the “considerate construction scheme” to mitigate the impact as far as possible or a comparable scheme.</p> <p>They will be required to provide information about the project implementation, the impact locally and contact details to local residents, the local schools and other relevant organisations.</p>

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