

# Public Document Pack

## Cabinet

Monday, 13th September, 2021  
at 6.00 pm

**PLEASE NOTE TIME OF MEETING**

**Council Chamber, Civic Centre  
Southampton**

### Members

Leader – Councillor Fitzhenry

Deputy Leader and Cabinet Member for Growth –  
Councillor Moulton

Cabinet Member for Finance – Councillor Hannides

Cabinet Member for Environment – Councillor S Galton

Cabinet Member for Communities, Culture and Heritage –  
Councillor Vassiliou

Cabinet Member for Health and Adult Social Care –  
Councillor White

Cabinet Member for Children’s Social Care – Councillor P  
Baillie

Cabinet Member for Education – Councillor J Baillie

Cabinet Member for Customer Service and  
Transformation – Councillor Harwood

(QUORUM – 3)

### Contacts

Cabinet Administrator

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## **BACKGROUND AND RELEVANT INFORMATION**

### **The Role of the Executive**

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

### **The Forward Plan**

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

### **Implementation of Decisions**

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

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

### **Use of Social Media**

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

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.

### **Municipal Year Dates (Mondays)**

<b>2021</b>	<b>2022</b>
15 June (Tues)	17 January
19 July	7 February
16 August	21 Feb (budget)
13 September	14 March
18 October	18 April
15 November	
20 December	

### **Executive Functions**

The specific functions for which the Cabinet and individual Cabinet Members are responsible are contained in Part 3 of the Council’s Constitution. Copies of the Constitution are available on request or from the City Council website, [www.southampton.gov.uk](http://www.southampton.gov.uk)

### **Key Decisions**

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

- financial impact (£500,000 or more)
- impact on two or more wards
- impact on an identifiable community

### **Procedure / Public Representations**

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

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

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

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

Southampton: Corporate Plan 2020-2025 sets out the four key outcomes:

- Communities, culture & homes - Celebrating the diversity of cultures within Southampton; enhancing our cultural and historical offer and using these to help transform our communities.
- Green City - Providing a sustainable, clean, healthy and safe environment for everyone. Nurturing green spaces and embracing our waterfront.
- Place shaping - Delivering a city for future generations. Using data, insight and vision to meet the current and future needs of the city.
- Wellbeing - Start well, live well, age well, die well; working with other partners and other services to make sure that customers get the right help at the right time

## **CONDUCT OF MEETING**

### **TERMS OF REFERENCE**

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

### **RULES OF PROCEDURE**

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

### **DISCLOSURE OF INTERESTS**

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

### **DISCLOSABLE PECUNIARY INTERESTS**

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

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

(ii) Sponsorship:

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

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

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

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

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

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

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

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

### **BUSINESS TO BE DISCUSSED**

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

### **QUORUM**

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

## **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.

## AGENDA

### 1 **APOLOGIES**

To receive any apologies.

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

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

### 3 **RECORD OF THE PREVIOUS DECISION MAKING** (Pages 1 - 6)

Record of the decision making held on 16<sup>th</sup> August 2021, attached.

## **EXECUTIVE BUSINESS**

### 4 **STATEMENT FROM THE LEADER**

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

There are no matters referred for reconsideration.

### 6 **REPORTS FROM OVERVIEW AND SCRUTINY COMMITTEES (IF ANY)**

There are no items for consideration

### 7 **EXECUTIVE APPOINTMENTS**

To deal with any executive appointments, as required.

## **ITEMS FOR DECISION BY CABINET**

### 8 **COMMISSIONING HOUSING RELATED SUPPORT SERVICES FOR SINGLE ADULTS, YOUNG PEOPLE AND YOUNG PARENTS** □ (Pages 7 - 32)

Report of the Cabinet member for Communities, Culture and Heritage and Cabinet member for Health and Adult Social Care, to accept the outcome of a procurement process for a range of housing related support services for single adults, young people and young parents in Southampton.

**9 SOLENT GET INTO EMPLOYMENT □ (Pages 33 - 42)**

Report of the Cabinet Member for Communities, Culture and Heritage seeking to secure approval to accept a European Social Fund (ESF) grant.

**10 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 appendix 1 to the following item.

The appendix is considered to be exempt from general publication based on Category 3 of paragraph 10.4 of the Council's Access to Information Procedure Rules. The information is exempt from publication because it relates to the financial and business affairs of both the Council and specified third parties and is commercially sensitive.

**11 LAND AT THE CORNER OF LIME STREET / EVANS STREET □ (Pages 43 - 48)**

Report of the Cabinet for Finance and Capital Assets in consultation with the Cabinet Member for Education outlining considerations in regard to the future of the land at this location.

**12 EXCLUSION OF THE PRESS AND THE 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 appendices in the following Item.

The confidential appendices contain information deemed to be exempt from general publication based on Category 3 of paragraph 10.4 of the Council's Access to Information Procedure Rules. Those appendices include details of a proposed transaction which, if disclosed prior to contract, could put the Council or other interested parties at commercial disadvantage.

**13 LEISURE WORLD COMMERCIAL TERMS \* □ (Pages 49 - 110)**

Report of the Cabinet Member for Growth seeking Cabinet approval of confidential terms relating to an Agreement for a new head-lease over the entire Leisure World site, to enable its comprehensive re-development

In accordance with Regulation 6 of the Local Authorities (meetings and access to information) Regulations 2012 confidential appendix 6 is submitted for consideration with the consent of the Chair of Overview and Scrutiny Management Committee that the information contained within the appendix is urgent, cannot be deferred and must be considered in private session.

**14 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 the following Item.

The report is considered to be exempt from general publication based on Category 3 of paragraph 10.4 of the Council's Access to Information Procedure Rules. It is not in the public interest to disclose this because doing so would prejudice the Authority's ability to achieve best consideration because of the commercial sensitivities regarding this development and its viability.

**15 BARGATE SCHEME - COMMUNITY INFRASTRUCTURE LEVY RELIEF □  
(Pages 111 - 160)**

Report of the Cabinet Member for Finance and Capital Assets in consultation with the Cabinet Member for Growth seeking approval for Exceptional Circumstances Relief for the Bargate Development and its Community Infrastructure Levy payments.

In accordance with Regulation 6 of the Local Authorities (meetings and access to information) Regulations 2012 confidential appendix 6 is submitted for consideration with the consent of the Chair of Overview and Scrutiny Management Committee that the information contained within the appendix is urgent, cannot be deferred and must be considered in private session.

**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 following Item.

The report is considered to be exempt from general publication based on Category 7a of paragraph 10.4 of the Council's Access to Information Procedure Rules. It is not in the public interest to disclose this information as this report contains confidential and commercially sensitive information. It would prejudice the Council's ability to operate in a commercial environment, obtain best value in contract negotiations and prejudice the Council's commercial relationships with third parties if they believed the Council would not honour obligations of confidentiality.

**17 ENERGY PROCUREMENT CONTRACT AWARD □ (Pages 161 - 174)**

Report of the Energy Manager seeking approval for an energy procurement contract.

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SOUTHAMPTON CITY COUNCIL  
EXECUTIVE DECISION MAKING

RECORD OF THE DECISION MAKING HELD ON 16 AUGUST 2021

Present:

Councillor Fitzhenry	-	Leader
Councillor Moulton	-	Cabinet Member for Growth
Councillor Hannides	-	Cabinet Member for Finance and Capital Assets
Councillor Vassiliou	-	Cabinet Member for Communities, Culture and Heritage
Councillor P Baillie	-	Cabinet Member for Children's Social Care
Councillor Harwood	-	Cabinet Member for Customer Service and Transformation

Apologies: Councillor S Galton, White and J Baillie

9. STATEMENT FROM THE LEADER

The Leader made the following statement:-

Ahead of the expected White Paper on Levelling-Up and Devolution in the Autumn, the Government last week invited County and Unitary Councils to express interest in being a pilot area for new devolution deals, under which certain powers, responsibilities and funding would be passed from Central Government to local areas in the form of groups of councils working together.

The deadline was very short and a letter from the City Council had to be submitted to the Minister of State, Luke Hall MP by last Friday 13 August, which is attached to the minutes of this meeting. Expressions of interest were also submitted by Hampshire County Council and Portsmouth City Council and we look forward to working with our neighbours in discussions with Government over the coming weeks and months.

10. EXECUTIVE APPOINTMENTS

Cabinet approved the following amendment to the Executive Appointments for 2021-22:-

- Joint Pension Fund Panel and Board - Councillor Harwood

Cabinet approved the following addition to the list of Outside Bodies:-

- Local Partnership Board Pursuant to Part 4 of the Domestic Abuse Act 2021 – Councillor Vassiliou

11. BUDGET MATTERS - AUGUST 2021

(CAB 21/22 32285)

On consideration of the report of the Cabinet Member for Finance and Capital Assets, Cabinet agreed the following:-

**General Revenue Fund**

It is recommended that Cabinet:

- (i) Notes the forecast outturn position for business as usual activities is a £2.69M deficit, as outlined in paragraph 4 and in paragraph 1 of appendix 1.
- (ii) Notes the financial position arising from COVID-19 is a surplus of £0.04M, as outlined in paragraph 5 and in paragraph 1 of appendix 1.
- (iii) Notes the performance of treasury management, and financial outlook in paragraphs 7 to 11 of appendix 1.
- (iv) Notes the forecast year end position for reserves and balances as detailed in paragraphs 12 and 13 of appendix 1.
- (v) Notes the Key Financial Risk Register as detailed in paragraph 14 of appendix 1.
- (vi) Notes the performance against the financial health indicators detailed in paragraphs 18 and 19 of appendix 1.
- (vii) Notes the forecast outturn position outlined in the Collection Fund Statement detailed in paragraphs 22 to 26 of appendix 1.

**Housing Revenue Account**

It is recommended that Cabinet:

- (viii) Notes the forecast outturn position on business as usual activities is a surplus of £1.11M as outlined in paragraph 6 and paragraph 20 of appendix 1.
- (ix) Notes that a favourable variance of £0.57M is forecast arising from COVID-19, as outlined in paragraph 6 and paragraph 20 of Appendix 1.

**Capital Programme**

It is recommended that Cabinet:

- (x) Notes the revised General Fund Capital Programme, which totals £437.08M as detailed in paragraph 1 of appendix 2.
- (xi) Notes the HRA Capital Programme is £340.81M as detailed in paragraph 1 of appendix 2.
- (xii) Notes that the overall forecast position for 2021/22 at quarter 1 is £209.09M, resulting in a potential surplus of £7.90M, as detailed in paragraphs 4 and 5 of appendix 2.
- (xiii) Notes that the capital programme remains fully funded up to 2025/26 based on the latest forecast of available resources although the forecast can be subject to change; most notably regarding the value and timing of anticipated

- capital receipts and the use of prudent assumptions of future government grants to be received.
- (xiv) Notes that £25.69M has been added to the programme with relevant approvals. These changes are detailed in annex 2.1 to appendix 2.
  - (xv) Notes forecast slippage and rephrasing as detailed in paragraph 4 and 5 of appendix 2. Noting that the movement has zero net movement over the 5-year programme.
  - (xvi) Notes that no variances are forecast arising from COVID-19 as detailed in paragraph 8 of appendix 2.

12. DECISION TO APPOINT A LOCAL PARTNERSHIP BOARD PURSUANT TO PART 4 OF THE DOMESTIC ABUSE ACT 2021.

(CAB 21/22 32156)

On consideration of the report of the Cabinet Member for Communities, Culture and Heritage, Cabinet agreed the following:-

- (i) To appoint the Board to provide advice to the Council about the exercise of its functions under Part 4 of the 2021 Act and the provision of other local authority domestic abuse support in its area.
- (ii) To adopt the proposed Terms of Reference of the Board ('the Terms of Reference'), attached at Appendix 1 of this report.
- (iii) To delegate authority to the Executive Director Communities, Culture and Homes, having sought the advice of the Board, to:
  - (a) prepare and consult upon a draft strategy ('the Part 4 strategy') as required by s 57 of the 2021 Act;
  - (b) carry out any functions required to give effect to the Part 4 strategy;
  - (c) carry out any functions required to support the provision of other local support in the Council's area;
  - (d) monitor and evaluate the effectiveness of the Part 4 strategy;
  - (e) report on progress and how funding has been used in relation to the exercise of the Council's functions under Part 4 of the 2021 Act to the Ministry for Housing, Communities and Local Government;
  - (f) appoint a chair and vice chair to the Board (the Executive Director Communities, Culture and Homes may appoint themselves as chair);
  - (g) add or remove representatives to the Board, ensuring the minimum representation requirement (as set out by s 58(2) of the 2021 Act) is met and considering the inclusion of a wider representation to support the Council's local approach to tackling domestic abuse;
  - (h) make any minor adjustments to the Terms of Reference as and when necessary; and,
  - (i) do anything considered necessary in order to fulfil the Council's legal obligations pursuant to the 2021 Act.

13. CONSOLIDATION OF EXISTING CLEANING CONTRACTS

(CAB 21/22 32162)

On consideration of the report of the Cabinet Member for Customer Service and Transformation, Cabinet agreed the following:-

- (i) To agree the approach of centralising the cleaning contracts and budgets and for a single managed cleaning contract for all in scope council buildings.

Southampton City Council  
Civic Centre  
Southampton  
SO14 7LY



Councillor Daniel Fitzhenry  
*Leader of Southampton City Council*

Sandy Hopkins  
*Chief Executive*

Luke Hall MP, Minister of State  
(Minister for Regional Growth and Local Government)

Sent via email [Luke.Hall@communities.gov.uk](mailto:Luke.Hall@communities.gov.uk)

13<sup>th</sup> August 2021

Dear Minister,

On behalf of Southampton City Council, we are writing to confirm our interest in an early conversation about a devolution 'deal'. We are encouraged by your assertion that you “want more places, particularly in our city regions and major urban areas, to agree an ambitious Mayoral devolution deal where there is local support.” Building on all our work with our local partners in private, public and voluntary sectors, we would welcome the opportunity to discuss what greater devolution of powers, funding and responsibility could be available in order to stimulate economic growth and prosperity for the local and wider area of Hampshire and the Isle of Wight/Solent region whilst transferring greater democratic control to local people.

The city of Southampton lies at the heart of a wider region that stretches east and west along the coast as well as north to the Midlands and beyond. It is a nationally important economic centre, with a globally renowned port, two leading universities and impressive potential in high-growth sectors. The city has a powerful and effective partnership landscape of public, private and voluntary sector that is committed to ensuring the city, its businesses and its residents reach their full potential. This partnership environment is effective beyond the administrative boundaries of the city and we have a history of extremely effective work across the region including our work on:

- The Hampshire and Isle of Wight Local Resilience Forum (especially over the pandemic period);
- Our City of Culture 2025 candidacy;
- Transforming Cities Fund partnership/Solent Transport;
- The Partnership for South Hampshire – a partnership of 12 local authorities that focuses on Housing, Energy and green environment and Cultural and creative industry initiatives;
- The most recent successful Freeport bid.

You will see from these examples that we can play a catalytic role in stimulating regional growth, delivering more housing across the wider area and fostering a 'net zero' economy.

Southampton is a pragmatic partner and will work positively and transparently with all neighbours, including Hampshire County Council and Portsmouth City Council, who we understand have also



WEBCHAT

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Southampton City Council  
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Councillor Daniel Fitzhenry  
*Leader of Southampton City Council*

Sandy Hopkins  
*Chief Executive*

submitted similar letters, and the Isle of Wight Council, to design a proposal that could attract your support. Additionally, we are also in dialogue with Bournemouth, Christchurch and Poole Council, with whom we share naturally strong links due to geography and transport corridors, about wider opportunities along the Solent coastline.

We look forward to your response and engaging with your officials on this matter.

Yours sincerely

A handwritten signature in black ink, appearing to read "J Moulton".

**Jeremy Moulton**  
**Deputy Leader**  
**Cabinet Member for Growth**

A handwritten signature in black ink, appearing to read "Sandy Hopkins".

**Sandy Hopkins**  
**Chief Executive Officer**

# Agenda Item 8

<b>DECISION-MAKER:</b>	<b>CABINET COUNCIL</b>
<b>SUBJECT:</b>	<b>COMMISSIONING HOUSING RELATED SUPPORT SERVICES FOR SINGLE ADULTS, YOUNG PEOPLE AND YOUNG PARENTS</b>
<b>DATE OF DECISION:</b>	<b>13<sup>th</sup> SEPTEMBER, 2021 11<sup>th</sup> OCTOBER, 2021</b>
<b>REPORT OF:</b>	<b>Councillor Vassiliou Cabinet Member for Communities, Culture and Heritage</b>
	<b>Councillor White Cabinet Member for Health and Adult Social Care</b>

<b><u>CONTACT DETAILS</u></b>			
<b>Executive Director</b>	<b>Title</b>	Director of Quality and Integration, Integrated Commissioning Unit	
	<b>Name:</b>	Stephanie Ramsey	Tel: <b>07887656829</b>
	<b>E-mail</b>	stephanie.ramsey1@nhs.net	
<b>Author:</b>	<b>Title</b>	Senior Commissioner, <b>Integrated Commissioning Unit</b>	
	<b>Name:</b>	Sandra Jerrim	Tel: 07826951986
	<b>E-mail</b>	<a href="mailto:s.jerrim@nhs.net">s.jerrim@nhs.net</a>	

<b>STATEMENT OF CONFIDENTIALITY</b>
None

<b>BRIEF SUMMARY</b>		
<p>This report seeks approval of recommendations for the future procurement of Housing Related Support (HRS) for young people, young parents and single vulnerable adults. The contracts will be for a period of 7 years (4 years initially with option to extend for two further periods of 2 years and 1 year) and a total value from existing budgets of up to £3.66M per annum (£25.62M for the 7 year period). The recommendations are put forward following a full and detailed review. The findings from the review identify the need to move forward with commissioning new services.</p>		
<b>RECOMMENDATIONS:</b>		
<b>COUNCIL</b>		
	(i)	Subject to approval of Cabinet recommendations (i) - (iii) below, to agree to the procurement of a range of HRS services for young people, young parents and vulnerable single adults. This is for a maximum period of seven years (4 years initially with option to extend for two further periods of 2 years and 1 year) and a total value from existing budgets of up to £3.66M per annum (£25.62M for the 7 year period).

<b>CABINET</b>		
	(i)	Subject to approval of Council recommendations (i) above, that approval is given for the procurement of HRS services for young people, young parents and vulnerable single adults
	(ii)	Subject to Council approval for the procurement exercise, to delegate authority to the Director of Quality & Integration to carry out a procurement process for the provision of HRS services as set out in this report and to enter into contracts in accordance with contract procedure.
	(III)	Subject to Council agreement to the procurement exercise, to delegate authority to the Director of Quality & Integration following consultation with the relevant Cabinet Members to decide on the final model of commissioned services for HRS and all decision making in relation to this re-commissioning.
<b>REASONS FOR REPORT RECOMMENDATIONS</b>		
1.		Southampton City Council (SCC) commissions a range of Housing Related Support (HRS) services for homeless single adults, young people and young parents. The current HRS contracts come to an end on 30 June 2022. Approval is required through Council to carry out procurement for new services
2.		These services enable SCC to meet many of its obligations under the Homelessness Reduction Act 2017, the Children Act 1989 and the Care Act 2014 in a way that achieves best value and provides a basis from which individuals with vulnerabilities develop their tenancy and daily living skills along with other needs being met by partner agencies, such as specialist mental health or drug & alcohol support.
3.		Furthermore, having somewhere to live provides an individual with the foundations upon which they can start to build the skills necessary to live independent and fulfilling lives. For many, access to a home is not feasible without appropriate support. Commissioning a range of HRS services provides the necessary settings and support for achieving independence, which in turn has a positive impact on the local economy.
4.		Recommendations propose services that are comparable to existing services but reflect some changes to match market rates and accommodate cost pressures and take account of best practice and learning from the review conducted to inform the re-commissioning. Key changes to the provision of HRS services will include: <ul style="list-style-type: none"> <li>- the introduction of Housing First for single adults and young people, an evidence-based approach to supporting individuals who are difficult to accommodate in existing options, notably those who have a long history of homelessness and</li> <li>- a reduction in the number of accommodation-based units to address cost pressures and under-utilisation in some areas</li> </ul>
5.		Commissioning a range of HRS services also contributes to reducing and avoiding costs in other areas of the Council including Housing, Adult Social Care and Childrens Services, for example by avoiding higher cost placements (e.g. residential or Bed & Breakfast) and costly individual packages of support. For example the annual cost of a B&B placement is



	£21,717 (£59.50 per night), compared to a maximum of £5,928 for a unit located in a HRS service for single adults (£6,273 - £8,437 in hostel setting). In Childrens Services, the annual unit cost of placement for a young person starts at £29,700 and is much higher than the current lowest £3,967 unit price for a place in young people's HRS setting (£5,369 hostel setting).
<b>ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</b>	
6.	An extension to existing arrangements has been considered but is not viable. All contract extensions have now been used.
7.	Do nothing has been considered and rejected as it would result in no services being in place when the current contracts come to an end. This would leave a large number of vulnerable single adults, young people and young parents without access to accommodation, or accessing unstable and unsuitable options such as sofa surfing and significantly increase our numbers of street sleepers. It would also increase costs elsewhere within the Council as identified in paragraph 5.
8.	The option for SCC to provide these services in house has been considered. This has been rejected because Southampton and neighbouring areas benefit from a good range of existing specialist providers offering high quality and well-respected services. To pursue a SCC led service could result in reputational damage and would require significant investment. There is a strong market geared up to competitively tender for this contract and deliver quality, specialism and cost effectiveness.
<b>DETAIL (Including consultation carried out)</b>	
	<b>Current Position – Southampton's current approach to providing HRS</b>
9.	<p>Current services are comprised of</p> <p><u>Adults</u></p> <ul style="list-style-type: none"> <li>- 3 hostels offering 24 hour on-site staffing, made up of <ul style="list-style-type: none"> <li>o 1 hostel with 56 units of accommodation</li> <li>o 1 hostel with 26 units of accommodation</li> <li>o 1 hostel with 45 units of accommodation</li> </ul> </li> <li>- 1 hostel with 26 units of self-contained accommodation providing 7 day coverage</li> <li>- 1 HRS alcohol accommodation with 24 units of accommodation</li> <li>- 1 Flexible Support service comprising 147 units of supported accommodation and 250 individuals provided with floating support</li> </ul> <p>Total = 324 units of accommodation (excludes floating support)</p> <p><u>Young people</u></p> <ul style="list-style-type: none"> <li>- 1 hostel with 40 units of accommodation</li> <li>- Accommodation based support in various properties offering 87 units of accommodation</li> <li>- Floating support provided to 25 young people</li> <li>- Supported Lodgings available for up to 12 young people.</li> </ul> <p>Total = 127 units of accommodation (excludes Supported lodgings and floating support)</p>

	<p><u>Young parents</u></p> <ul style="list-style-type: none"> <li>- 1 property with 24 hour staff presence, with 7 units of accommodation</li> <li>- Accommodation based support in various properties offering 23 units of accommodation</li> </ul> <p>Total = 30 units of accommodation</p>
10.	<p>Importantly, and through the pandemic it is evident the model we commissioned in Southampton is, in the main, the right model. This has been reflected in the numbers of individuals needing to be accommodated at the start of the COVID-19 pandemic when the Ministry of Housing, Communities and Local Government (MHCLG) directed local authorities to get 'Everybody In'.</p> <p>Owing to Southampton's existing HRS provision, Southampton only needed to accommodate around 35 individuals at any one time in small B&amp;B provision. In comparison, a different unitary authority needed to accommodate over 200 individuals across 2 hotels. The majority of individuals accommodated in Southampton have moved seamlessly into the current commissioned pathways with high rates of positive move on into other, less supportive accommodation settings or for some directly to living independently. In contrast, others have had to move over 200 individuals placed in hotels into other sites, drawing on old university sites. They continue to work through the issue of move on for this large population.</p>
	<p><b>Outcome of review</b></p>
11.	<p>A review was carried out between October 2020 and June 2021. A project group led a detailed review of existing services, approaches taken in other LA areas and engagement with key stakeholders, including those with lived experience. Additional time and work was spent looking at the services funded by the Ministry of Housing, Communities and Local Government (MHCLG) to end rough sleeping (Rough Sleeping Initiative (RSI)), the links between HRS services for young people, the findings from the Destination 22 Childrens Services project and a separate accommodation option for young people, the Post 16 Semi Independent Accommodation Framework, which offers scope to spot purchase a range of accommodation options for young people.</p>
12.	<p>Through the review, engagement with key stakeholders took place. Dedicated engagement sessions were set up to discuss the HRS provision for single adults and a young person and young parent stakeholder and steering group met regularly throughout the review process. A dedicated group also engaged young people to participate in discussions and undertake a wider survey of young people's views.</p>
13.	<p>Representatives from the Council's Housing, Children and Families and Adult Social Care services have been involved in discussions, engagement events or project group meetings.</p>
14.	<p>The review considered the outcomes sought to be achieved through the commissioned services. These continue to be of relevance and importance and will remain largely the same:</p> <ul style="list-style-type: none"> <li>- Improvement in independent living skills and improving their ability to move into their own accommodation through; practical skills, financial literacy, social skills and financial management skills.</li> </ul>

	<ul style="list-style-type: none"> <li>- Improvements in their reported physical, emotional wellbeing and mental health.</li> <li>- Improved links with communities: social (family, friends) and participation in purposeful activities (e.g. employment, training)</li> <li>- Improved confidence and self-worth and active participation for individuals in developing their own goals and achieving their outcomes including obtaining and maintaining employment.</li> <li>- Skills and knowledge: improved life skills and knowledge of local services relevant to people’s own circumstances.</li> <li>- Individuals are able to resolve presenting issues, identify future risks to the security of their housing and seek timely support</li> <li>- Wider impacts on the city’s economy and avoiding more costly accommodation options e.g. residential placements and B&amp;B.</li> </ul>
15.	<p>Taking into consideration the challenges of securing accommodation that adequately meets the needs of a wide range of vulnerable single adults, young people and young parents, the mix of HRS options spanning hostels, other accommodation and floating support has shown positive outcomes for many of the individuals needing to access a service. Southampton is acknowledged by Government officials as a city with one of the highest rates of move on as a positive outcome of the interventions provided for rough sleepers and homeless population.</p>
16.	<p>The main findings from the review which have informed the commissioning proposals were:</p> <p><b>Increased complexity;</b></p> <ul style="list-style-type: none"> <li>- The review highlighted the increasing levels of complex needs of individuals presenting to services.</li> <li>- An increasing number of women presenting to services many of whom have experienced domestic and sexual abuse, and some known to be commercial sex workers.</li> <li>- Most young people referred were identified as vulnerable and lacking the skills to sustain a tenancy</li> <li>- The voice of young people, in particular, highlighted an increase in unmet mental health needs</li> </ul> <p><b>Importance of robust Quality, Safeguarding and partnership arrangements;</b></p> <ul style="list-style-type: none"> <li>- Quality and safeguarding remain key to ensuring the safety and positive outcomes for people in these settings and will need to have a stronger focus in commissioning arrangements going forward.</li> <li>- The benefits of continuing to share learning from reviews, with an increased emphasis on reporting incidents and undertaking reviews.</li> <li>- The importance of partnerships between HRS providers and other health and care services, e.g. mental health, substance misuse to enable HRS providers to maintain support to individuals with complex multiple needs.</li> </ul> <p><b>Increased market rates impacting on the market sustainability;</b></p> <ul style="list-style-type: none"> <li>- The review identified the need to secure and retain a competitive market, supporting providers to recruit the right staff</li> <li>- The absence of any rises to the contract values over the last 5 years is compounding issues of staff retention and property maintenance.</li> </ul>

	<p>In future years and unlikely increasing in contract values, contracts will include the option to negotiate changes to address cost pressures through service changes.</p> <p><b>Need to widen access to ensure people get the right provision;</b></p> <ul style="list-style-type: none"> <li>- Schemes developed through the Ministry of Housing, Communities and Local Government (MHCLG) funding show a range of access points has benefits</li> <li>- Access points need to cater for different groups in different ways, including the option of moving some individuals direct to long term housing options (e.g. rent deposit, intensive support, housing first)</li> </ul> <p><b>Identification of a number of Long Stay clients within the units which has reduced the amount of capacity available;</b></p> <ul style="list-style-type: none"> <li>- Long term tenure absorbs a lot of the self-contained units within the adult pathways and draws off the commissioned support hours by default rather than need.</li> </ul>
17.	<p>Other factors identified through the review included</p> <p><b>Utilisation</b></p> <ul style="list-style-type: none"> <li>- Periods of high void levels in young people services led to an increase in the upper age from 21 to 22 years old</li> <li>- Pre Covid, utilisation levels in services were good <ul style="list-style-type: none"> <li>o Young people services in use achieving 85%- 95% with age increased.</li> <li>o Adult services achieving between 85% and 97% occupancy</li> </ul> </li> </ul> <p><b>Panels and Access to accommodation</b></p> <ul style="list-style-type: none"> <li>- Overview of access to services through panel processes has been positive.</li> <li>- The review highlighted 32% of referrals to the Young Person Panel were not suitable for the commissioned provision available (e.g. due to age, too complex, needs too low, not local), but all referrals accepted to panel were considered and went on to be accommodated within HRS services.</li> <li>- There are different access routes to accommodation for young people, dependent on whether they are considered by referrers to be suitable for HRS, or whether referrers feel they need a residential provision or semi independent accommodation provision for over 16s. the impact is that the opportunity for some young people who could have been accommodated in HRS (which is more cost effective) is lost and that there is no single overview of young people's accommodation needs.</li> <li>- Moving the adult Gateway panel to twice weekly during Covid should be retained.</li> </ul> <p><b>Service specific points</b></p> <ul style="list-style-type: none"> <li>- Provision of alcohol accommodation, which provides a service to help individuals manage their levels of alcohol use to enable them to sustain a tenancy, is a positive element in the overall offer and should be retained.</li> </ul>

	<ul style="list-style-type: none"> <li>- A significant proportion of young people accessing the services are care leavers for whom the LA has a statutory duty, as are 16 &amp; 17 year olds at risk of homelessness</li> <li>- There is a need for low cost, affordable housing for young people</li> <li>- The current offer for young parents is appropriate and adequate if the support from other services (i.e. Family Nurse Partnership) remains in place</li> <li>- Supported Lodgings, a service that recruits hosts to accommodate young people in their own homes, was a new service in 2016 and started well. Fewer hosts came forward during 2020 but numbers have started to increase again. The current payment mechanism for this service reflects the developmental nature of the service (i.e. the Council pays for additional hosts as and when they come on line) and should be continued.</li> </ul>
18.	Annual funding from the MHCLG has supported a wider development of services around rough sleepers. Providers delivering HRS services in Southampton have provided the platform on which these new services have been developed which enabled fast deployment rather than new start up initiatives. Throughout the review it is clear the future procurement route will need to accommodate flexibility to retain services that have achieved positive results as well as managing short term funding requirements
19.	An Equality and Safety Impact Assessment has been undertaken and informed the recommendations.
	<b>Commissioning intentions and Future Model</b>
20.	The Integrated Commissioning Unit (ICU) is putting forward proposals to go out to procure a range of HRS services with contracts to commence on 1 July 2022 for a period of 7 years (comprising 4 years initially and the option to extend for 2 + 1 years)
21.	Findings from the review have resulted in the proposal to commission many of the same services, with some reduction to accommodate rises in market rates, reflect change in demand and introduce new, evidence-based options. Changes are set out in the following sections
22.	<p>Future services for adults will comprise</p> <ul style="list-style-type: none"> <li>- 3 hostels offering 24 hour on site staffing, made up of <ul style="list-style-type: none"> <li>o 1 hostel with a minimum of 56 units of accommodation</li> <li>o 1 hostel with a minimum of 26 units of accommodation</li> <li>o 1 hostel with a minimum of 45 units of accommodation</li> </ul> </li> </ul> <p>These settings will need to accommodate additional accessible services funded by the MHCLG. This includes low threshold beds (access to a bed with minimal requirements placed on the individual e.g no service charge payable) and a Hub Assessment Service (a service that offers access for those new to rough sleeping).</p> <ul style="list-style-type: none"> <li>- 1 hostel with 26 units of accommodation providing 7 day coverage</li> <li>- 1 HRS alcohol accommodation with 24 units of accommodation</li> <li>- 2 or more contracts that provide <ul style="list-style-type: none"> <li>o 120 units of supported accommodation and</li> <li>o 190 individuals provided with floating support</li> </ul> </li> </ul>

- 1 new Housing First contract comprising 10 units/individuals

Total units of accommodation = 120 units (excludes floating support) and is a reduction of 17 units. This is set out in the table below:

Setting	Current provision	Proposed provision	Change
Hostel	3 (127 units)	3 (>127 units)	0
Self-contained units	26 (high need)	26 (med/low need)	0
Accommodation based support	147	120	-27 Units of accommodation
Non accommodation floating support	250 individuals	190 individuals	- 60 individuals
Alcohol accommodation	24 units	24 units	
Housing First	0	10 units/people	+10 Unit of accommodation
Total			-17* units of accommodation - 60 individuals supported through floating support

\*Whilst it would appear that 17 units of accommodation is a significant reduction, in reality the impact will be far less as 15 of the current units are not available as a result of being occupied by long tenure clients. These 15 units are part of negotiations with tenants and landlords to move to floating support services if required. A further 32 tenancies have been active for more than 3 years and may benefit from a similar approach.

The reduction in floating support by 60 individuals reflects identified underutilisation over the life of the current contract seeing the number of support hours reduce annually by between 19,000 and 28,000 over the 5 years. Some of this will reflect staffing issues (e.g. during Covid) but also underutilisation.

23.

Future services for young people and young parents will comprise

Young people

- 1 hostel with 40 units of accommodation
- Accommodation based support in various properties offering 40 units of accommodation
- Floating support provided to 25 young people
- Supported Lodgings available for up to 10 young people.
- 1 new Housing First contract comprising 10 units/individuals

Total units of accommodation = 80 units of accommodation (excludes supported lodgings and floating support) and is an overall reduction of 37 units

Setting	Current provision	Proposed provision	Change
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Hostel	40 units (1 site)	40 units (2 sites)	0
Accommodation based support	87 (2 contracts)	40 units (2 contracts)	-47 units of accommodation
Non accommodation floating support	25	25	0
Supported Lodgings	Up to 12 Max to date = 8**	Up to 10	
Housing First		10 units/people	+10 units of accommodation
Total			-37*

\*void levels reached 22% (35 units) prior to outbreak and prior to change in age range. Upper age rose from 21 to 22 to reduce voids. Upper age will return to 21.

\*\* activity to date has not exceeded 8 placements, so not a reduction

Services for young parents will remain the same but offered as a single contract and comprise 30 units of accommodation as

- 1 property with 24 hour staff presence, with 7 units of accommodation
- Accommodation based support in various properties offering 23 units of accommodation

24.

**Reduction in the number of units**

- Within Adult Services the total number of units will reduce by 17. This will be offset by 15 individuals who are long term tenants who will be offered an alternative floating support service.
- The number of adults supported by the floating support service will reduce and contracts will be targeted toward different levels of need (high, medium and low). Given the underutilisation of the service over the life of the current contract, the impact is expected to be minimal.
- Young people's HRS services will see a reduction of 37 units. The impact of this will be mitigated by
  - o Recognising the high (22%/35 units) void rate over several years prior to Covid.
  - o Reinstating an upper age limit of 21, with those aged >21 being redirected to the adult pathway

25.

Active conversations and analysis work is also underway to explore the option of directing placements away from the 16+ Framework, with an associated redirecting of resources to the HRS services. This would involve two funding components

- Block payment to secure a number of units in the contract
- Call off arrangement enabling additional support hours to be provided

Both seek to retain the young person in the HRS setting home and add additional support to help them develop their skills to live independently.

26.

In response to the findings of the Service Review, the following changes (set out in Paragraphs 26 to 37) are also proposed for the new contract/commissioning arrangements.

	<p><b>Meeting complex needs</b></p> <p>Several areas emerged in response including:</p> <ul style="list-style-type: none"> <li>- the introduction of the Housing First contracts for single adults and young people (as identified above), an evidence-based approach to supporting individuals who are difficult to accommodate in existing options, notably those who have a long history of homelessness</li> <li>- The use of a Priority Index Tool was identified as a helpful mechanism to reflect levels of risk and complexity and support professional decisions and will be built into the referral process moving forward.</li> <li>- Ensuring services train staff in Trauma Informed Care (TIC) approaches and where funding allows, secure psychological support to the workforce – will be a key component of the specifications.</li> <li>- Intensive support developed through MHCLG funding will be expanded into the HRS offer.</li> </ul>
27.	<p><b>Change in the dynamic between property and support</b></p> <p>Under the new contract, Providers will take the lead on securing properties for a larger percentage of properties in the HRS pathways. This will be a step change from the Council sourcing and securing accommodation separate to commissioning the support that goes into the accommodation. This change reflects the changing landscape over recent years where many support providers are also landlords or have negotiated strong alliance with landlords.</p>
28.	<p><b>Long term tenants</b></p> <p>Future proposals include a change in the way some properties are set up, moving them from the HRS pathway to more independent living arrangements. This will enable individuals to retain their home, for some a home over many decades, and continue to receive a level of floating support as required. This change also supports a reduction in the number of units in the single adult's pathway which offsets the cost pressure.</p>
29.	<p><b>Quality / safeguarding</b></p> <p>Providers will continue to be asked to maintain high quality standards alongside robust safeguarding processes. Under the new contract arrangements, Housing providers will also be required to work to the new National Statement of Expectations and through this, asked to report on the income received through higher rate housing benefit and how it is used to support the service model.</p>
30.	<p><b>Stronger engagement</b> with users and potential users of the services will be expanded in young people services through the development of a Tenancy Board. This may be extended to include Adult Services if proved to be appropriate and successful.</p>
31.	<p><b>Access and the use of panels</b> will remain comparable to current approaches, for young people and young parents through the Young Persons HRS Panel but will be expanded to engage critical partners in the placement process and consider referrals across all types of young people's accommodation options, not just the HRS contracts.</p> <p>The Adults Gateway adapted during the pandemic and settled on a twice weekly forum which will continue in the future.</p>



32	<p><b>Procuring services through a Framework</b></p> <p>The new commissioning arrangements will move from separate contracts to a Framework which provides greater flexibility and options to deal with changing needs and demand. Whilst offering certainty to successful providers of services we wish to retain over the life of the contract (e.g. hostels), a Framework also offers flexibility to adapt and respond to short term funding opportunities (e.g. MHCLG annual funding) and offer spot purchasing arrangements if required (e.g. top up support packages). Procurement would seek 45% quality, 5% social value and 50% price</p>
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**RESOURCE IMPLICATIONS**

**Revenue**

33.	<p>The current available budget and annual value of HRS services is £3.66M of which £2.72M supports vulnerable single adults and £0.94M supports young people and young parents. The proposals for the new services retain the same values across the life of the contract, totalling £14.64M over the initial 4 year period and £25,62M if contracts use all extension options proposed and remain active for 7 years.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;">1 year</th> <th style="text-align: center;">4 years</th> <th style="text-align: center;">7 years</th> </tr> <tr> <th></th> <th style="text-align: center;">£M</th> <th style="text-align: center;">£M</th> <th style="text-align: center;">£M</th> </tr> </thead> <tbody> <tr> <td>Single adults</td> <td style="text-align: center;">2.72</td> <td style="text-align: center;">10.88</td> <td style="text-align: center;">19.04</td> </tr> <tr> <td>Young people &amp; young parents</td> <td style="text-align: center;">0.94</td> <td style="text-align: center;">3.76</td> <td style="text-align: center;">6.58</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: center;"><b>3.66</b></td> <td style="text-align: center;"><b>14.64</b></td> <td style="text-align: center;"><b>25.62</b></td> </tr> </tbody> </table>		1 year	4 years	7 years		£M	£M	£M	Single adults	2.72	10.88	19.04	Young people & young parents	0.94	3.76	6.58	<b>Total</b>	<b>3.66</b>	<b>14.64</b>	<b>25.62</b>
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34.	<p>It should be noted a 10% reduction was applied in 2016, securing in excess of £0.5M savings. Some of this was achieved through efficiencies and the remaining achieved by pricing the service at the lowest price point at which the risks associated with the services could be safely managed. The price has not risen since 2016 and now presents a significant risk if not raised to match competitor employment rates and ensure the provider can recruit an adequately skilled workforce. In addition, it should be noted that other risks include the financial pressures of unpaid rent, delayed welfare payments and costs arising from high maintenance and repairs required.</p>																				
35.	<p>The level of Intensive Housing Management/higher rate housing benefit paid to providers, varies between providers and goes a long way in offsetting cost pressures in some services for maintenance, repairs, security, including security staff. Commissioners need a better understanding of this going forward. A more transparent reporting of higher rate housing benefit will therefore be introduced to assist commissioners in their understanding and awareness of these financial risks, but, reports over the life of current contracts show significant and increasing financial pressures on all providers.</p>																				
36.	<p>The recommended commissioning approach is therefore to increase the unit price whilst remaining within the existing budget, by reducing the number of units as outlined in paragraph 22.</p>																				
37.	<p>To safely deliver a viable service to vulnerable single adults, young people and young parents contracts need to attract providers with a suitably skilled</p>																				

	workforce, for which comparable market rate is required. Achievement of further savings on top of managing the cost pressure could result in a reduction of services, which will likely divert activity to other LA budgets (Housing, ASC and Childrens Services). However It is proposed to use the tender process to encourage savings by applying a 50% weighting to price.
<b><u>Property/Other</u></b>	
38.	There are 4 properties owned by SCC and leased to one of the providers as part of the current contract. Three of the properties are subject to a change of lease holder, moving from the current support provider to the successful bidder. The fourth property will be returned to the Council and managed through the Housing Services Team. Steps are in place to manage the change of lease holders for all the properties.
39	Appropriate consultations will take place with all residents between October 2021 and July 2022, prior to any changes being finalised.
<b>LEGAL IMPLICATIONS</b>	
<b><u>Statutory power to undertake proposals in the report:</u></b>	
40.	Procurement will be carried out in accordance with the Council's Contract Procedure Rules and Financial procedure Rules and having regard to the Equality Act 2010 and the Human Rights Act 1998 in considering the impact of commissioned services on end service users.
<b><u>Other Legal Implications:</u></b>	
41.	The Homelessness Reduction Act and the Care Act 2017 places legal duties on local authorities so that everyone who is homeless or at risk of homelessness will have access to meaningful help, irrespective of their priority need status, as long as they are eligible for assistance. The HRS services assist with the delivery of these responsibilities.
42.	The Care Act 2014 imposes various statutory duties on LAs when exercising Adult Social care functions to promote the individuals' well-being, prevent needs arising and escalating, safeguarding and the duty to provide advice and information. Service users who are provided with HRS may have eligible unmet needs for care and support but even if they do not the LA has a discretionary power to meet individual's needs. The Act places various duties and responsibilities on Local Authorities about commissioning appropriate services. In particular all Local Authorities should encourage a wide range of service provision to ensure that people have a choice of appropriate services.
43.	The Children Act 1989 places duties on LAs in regards to Care Leavers and those aged 16 and 17 years old in need of support and accommodation.
<b>RISK MANAGEMENT IMPLICATIONS</b>	
44.	Reputational risk <ul style="list-style-type: none"> <li>- SCC may face challenges and therefore reputation risk around the reduction of supported accommodation for young people and single adults. Identifying and adequately communicating information that supports the rational for efficiencies, through a change in the support</li> </ul>

	<p>for single adults and age criteria for young people services will help to mitigate this risk.</p> <ul style="list-style-type: none"> <li>- SCC may face challenges around the level of expenditure on other areas of business while seeing no increase in resources to support young people, young parents and single vulnerable adults. Providing clear information about other areas of expenditure will help mitigate this risk.</li> <li>- Not providing HRS may result in SCC facing reputational damage as a result of not supporting as many vulnerable young people, young parents and single adults in the future.</li> </ul>
44.	<p><b>Financial risks</b></p> <p>A reduction in services as a result of market alignment may result in some pressures on housing, children (CS) and adult services (ASC). Discussions with ASC and CS are looking at cost avoidance options, including investment to maintain the overall financial envelope which would help mitigate this risk.</p>
45.	<p><b>Procurement risks</b></p> <ul style="list-style-type: none"> <li>- There is a very small risk no providers bid for the services. This is mitigated through robust communications and engagement with the sector and long-term contracts being offered</li> <li>- Providers may struggle to secure sufficient accommodation. This is mitigated through market engagement, early planning and long lead in times (Jan – June 21)</li> </ul>
<b>POLICY FRAMEWORK IMPLICATIONS</b>	
46.	<p>Procurement of HRS services will have no direct impact on the Council's Policy Framework. However, it will support delivery of</p> <p><b>Southampton City Health and Care Strategy, 2020 - 2025</b></p> <p>Aims to reduce inequalities, confront deprivation and work with people to build resilient communities and live independently.</p> <p>Specifically for Children and young people, through the theme of Start Well, they will get the best start in life, are able to achieve the best opportunities and keep as healthy and well as possible throughout their lives. The work also supports people through the Live Well theme which supports the ambition that people enjoy and are able to maintain a sense of wellbeing and good health, supported by resilient communities.</p> <p><b>Southampton Homelessness Prevention Strategy 2018-2023</b></p> <p>This work supports SCC's commitment to continue to prevent homelessness across the city and meet some of the stated priorities:</p> <ul style="list-style-type: none"> <li>• provide early Intervention to stop people becoming homeless or having to sleep rough,</li> <li>• Provide support to people who are homeless to address their needs and avoid repeat homelessness</li> </ul> <p>Provide adequate temporary accommodation for short periods only</p>

<b>KEY DECISION?</b>	<b>Yes</b>
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<b>WARDS/COMMUNITIES AFFECTED:</b>		
<u>SUPPORTING DOCUMENTATION</u>		
<b>Appendices</b>		
1.		
2.		
<b>Documents In Members' Rooms</b>		
1.		
2.		
<b>Equality Impact Assessment</b>		
<b>Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.</b>		<b>Yes</b>
<b>Data Protection Impact Assessment</b>		
<b>Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.</b>		<b>Yes</b>
<b>Other Background Documents</b>		
<b>Other Background documents available for inspection at:</b>		
<b>Title of Background Paper(s)</b>		<b>Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)</b>
1.		
2.		



## 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 the budget proposals and consider mitigating action.

<p><b>Name or Brief Description of Proposal</b></p>	<p><b>Housing Related Support services:</b></p> <p>Southampton City Council currently commissions a range of housing related support (HRS) for vulnerable single adults, young people and young parents. The current contracts expire in June 2022.</p> <p>Following a strategic review of the Housing Related Support services in Southampton in 2020-21, it is proposed that comparable HRS services for vulnerable single adults, young people and young parents continue to be commissioned to commence from 1st July 2022. There will be a new Housing First provision that builds on best practice and evidence based approaches for entrenched rough sleepers. Commissioned services will sit alongside other new services annually commissioned through Ministry of Housing, Communities and local Government (MHCLG) funding. The review and future commissioning plans take account of learning and potential changes that may arise from MHCLG funded services.</p> <p>This ESIA considers the impact of specific changes arising from the review and recommendations, notably</p> <ul style="list-style-type: none"> <li>- Reduction in the available units for young people and single vulnerable adults</li> <li>- A change in the offer of some units of accommodation from current use to a Housing First approach</li> <li>- Stronger engagement of young people through</li> </ul>
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	development of a Tenancy Board
<b>Brief Service Profile (including number of customers)</b>	<p>Housing related support provided to people living in Southampton is currently delivered through a number of different service elements and contracts and is separated into young peoples' and young parents' services and vulnerable single adult services.</p> <p>The housing related support services engage with individuals who are experiencing difficulties associated with accessing, managing or sustaining their accommodation. The services balance the needs of different groups including those who are homeless, those at risk of homelessness and those who are accessing support as part of their route to independent living. These are individuals who may have complex needs and vulnerabilities around mental health, substance misuse, disability, learning disability and homelessness.</p> <p><b>Current commissioned services:</b></p> <p><b><u>Vulnerable Single Adults</u></b></p> <p>Commissioned HRS services for single adults comprises</p> <ul style="list-style-type: none"> <li>• 3 hostels covering over 125 units of accommodation with 24-hour staffing,</li> <li>• 1 hostel with staffing 7 days per week (26 units)</li> <li>• 147 units of supported accommodation.</li> <li>• Non accommodation HRS (floating support) to over 200 individuals</li> <li>• Alcohol specific accommodation (24 units)</li> </ul> <p><b><u>Young people and young parents</u></b></p> <p>Accommodation options for young people and young parents in Southampton are broader than just the current housing related support commissioned offer. A cross authority Post 16, semi-independent accommodation service is in place and provides accommodation options for young people aged 16 years and over. Commissioned HRS services for young people and young parents comprises:</p> <ul style="list-style-type: none"> <li>• 1 foyer/hostel offering 40 units of accommodation</li> <li>• 30 units of accommodation for young parents, including 7</li> </ul>

	<p>units with 24-hour staffing</p> <ul style="list-style-type: none"> <li>• 87 units of supported accommodation.</li> <li>• Non accommodation HRS (floating support) to 25 individuals</li> <li>• Supported Lodgings for up to 12 young people</li> </ul> <p>Contracts commenced in 2016 for 3 years, with 2 one-year extensions applied in 2019.</p> <p><b><u>Rough Sleeper Initiatives</u></b></p> <p>In addition to the current commissioned services, SCC has successfully bid for grant funds via MHCLG providing year on year funding for services to target rough sleepers. Initially part of the governments drive to end rough sleeping the focus was heightened as the pandemic took hold and the government asked Local Authorities to get 'Everybody In' in March 2020. Annual funding rounds have supported a range of new services to be commissioned, albeit on a year by year basis.</p> <p><b>Future Commissioning Intentions:</b></p> <p><b>Framework</b></p> <p>New contracts will be sought from July 2022 through a Framework approach. A Framework will provide additional flexibility to support short term funding opportunities, access to additional funding (if available) through children and adult social care budgets and stability for well-established and valued services.</p> <p>The Framework will allow for a number of contracts to be set up as block purchase arrangements, which will give providers a level of certainty for some contracts over the life to the Framework. It also allows a degree of flexibility alongside the stability of block contracts to</p> <ul style="list-style-type: none"> <li>- Expand services as funding becomes available</li> <li>- Offer additional call off options to prevent breakdown of tenancy or better meet higher, more complex need.</li> <li>- Allows new initiatives to be explored where the opportunity arises.</li> </ul>
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**Summary of Impact and Issues**

- In the period since the current Housing Related Support offer was commissioned, costs – including property repairs but particularly of staff support hours - has risen. This needs reflecting in the contract values. In order to ensure that the overall cost of the HRS remains within the available budget, the number of units of accommodation for young people and single vulnerable adults will decrease.
- This will impact most on the young people’s estate which it is estimated will reduce by 29% of bed spaces. During the current contracts the Young people’s supported accommodation was operating with an average of 22% voids. The upper age limit was raised to 22 years to reduce voids. In addition, a 5 unit property was re-provisioned for use by single vulnerable adults. A return to the original upper age limit (21 yr olds)) will help mitigate the impact of the reduction, but there will still be some impact upon the capacity of the young people’s offer.
- During the course of the service review it was noted that a number of single adults had been in residence for periods far in excess of the proposed timescales for HRS services. This has contributed to an inability to move tenants through the supported housing pathway in a timely way and impacts on other single vulnerable adults needing to access HRS services. As part of the reduction to single vulnerable adults pathway, steps are being taken to transition the residents and the properties they reside in to a floating support model rather than being part of a supposedly HRS pathway. Tenants of such properties will be assessed and will continue to receive floating support as necessary in the new contracts.
- Procurement processes are likely to result in a degree of instability in the run up to the tendering exercise and for a period after the new contracts are awarded. Some service users, staff and providers may feel anxious and uncertain about the future. Engagement since the start of the review and throughout



	<p>the process should help mitigate concerns. Providers will be monitoring staffing levels to ensure services are able to maintain the capacity of the current services.</p> <ul style="list-style-type: none"> <li>• Reduced capacity, in the unlikely event this occurred, could impact upon all service users. However, some of the most chaotic or those who have complex needs and who require greater support and motivational work undertaken with them in order to keep them engaged may be affected disproportionately. Groups who may fall under this category could be drug and alcohol users, those with mental or physical health problems and particularly young people and young parents.</li> <li>• The government has made their intentions clear about their aim to end rough sleeping by the end of the parliament and the need for the LA to develop strategies to deliver this. The HRS provision is fundamental to the delivery of that aim and RSI projects have been aligned accordingly.</li> </ul>
<p><b>Potential Positive Impacts</b></p>	<ul style="list-style-type: none"> <li>• Bringing contract values in line with wider market rates and service costs will ensure providers and the necessary workforce are available to support these groups of vulnerable people.</li> <li>• Commissioning a flexible housing related support offer will allow SCC to align with national strategy and guidance around ending rough sleeping and supporting those often excluded from services.</li> <li>• With any review, it enables services to review and re-focus on quality, safeguarding, strengthened partnership working and greater service user engagement. Features that are captured in the proposals for new services.</li> <li>• It will also offer an opportunity to test the market for new and innovative providers and to obtain best value for money by potentially increasing service capacity, and therefore increasing the offer for those with protected characteristics to access services.</li> </ul>

	<ul style="list-style-type: none"> <li>• Housing first will provide evidence based, government backed approach to supporting some of the most excluded young people and single vulnerable adults known to be homeless.</li> <li>• Single vulnerable adults who have been resident in properties for periods in excess of 4 years, will be subject to a review and consideration given to how their current accommodation can become their long term place of residency through change in contracting arrangements, HRS status and offer of floating support.</li> <li>• Close working with Adult Social care and Children Services will support improved support and placement options for young people and single vulnerable adults through additional support hours being available to enable difficulty situations to be better support and managed.</li> <li>• Commissioning of services will enable all current residents and homeless people to continue to have access to HRS services.</li> </ul>
<b>Responsible Service Manager</b>	<u>Sandy Jerrim - Senior Commissioner</u>
<b>Date</b>	

<b>Approved by Senior Manager</b>	<u>Stephanie Ramsay – Director for Quality and Integration</u>
<b>Signature</b>	
<b>Date</b>	

**Potential Impact**

<b>Impact Assessment</b>	<b>Details of Impact</b>	<b>Possible Solutions &amp; Mitigating Actions</b>
<b>Age</b>	<p>For young people and young parents, the available units of supported accommodation will decrease by up to 29%.</p> <p>An estimated 17 single vulnerable</p>	Upper age limit will return to 21yrs (from temporary 22 yrs) bringing numbers in line with available accommodation levels.

	<p>adults may see a negative change in their accommodation status and options as a result of addressing long term residency in a short term HRS pathway. Some individuals will have a positive impact from this change, others may find it distressing and have other impacts emerge (e.g potential move)</p>	<p>Adult providers will continue to put in place appropriate measures to support any young person aged 18 yrs upward, with suitable accommodation and support.</p> <p>Support providers, landlords and commissioners will work together in order to ensure that all individuals are appropriately assessed and offered support as required to ensure a safe transition to the new services with the appropriate level of support provided.</p>
<p><b>Disability</b></p>	<p>This proposal could potentially impact individuals with a mental illness, learning disability, autism, physical and sensory disabilities, substance use disorder and long-term condition if continuity of care is not maintained. Continuity of care and knowledge of the individual's disabilities is important to some of these groups.</p> <p>There is also the potential for positive impacts for this group of people as the new contract will include a greater focus on promoting and facilitating access to a range of services that will minimise the need for more intensive support.</p>	<p>Any change in provider would be subject to a transition plan, this will ensure the management of the transfer is completed in a way that places high priority in providing reassurance to individuals.</p> <p>A communications plan will be developed which will include ensuring all individuals are kept informed of any changes, the timescale and who to contact with any concerns.</p> <p>An implementation period (6 months) has been factored into the timescales that will allow transfer of support where necessary.</p> <p>Staff delivering the current services are likely to be entitled to TUPE opportunities if a new provider were appointed. This will help provide continuity of care to the majority of individuals.</p>

<p><b>Gender Reassignment</b></p>	<p>No specific detrimental impact upon individuals undergoing gender dysphoria or reassignment has been identified. Culturally appropriate services will be delivered by the provider.</p> <p>This protected group are often subject to discrimination and there is a risk that they would be disproportionately affected by a change in care away from agencies and individuals with whom they have built up trust.</p>	<p>Service specifications include a requirement for services to work with people with a range of needs including issues of diversity.</p> <p>Transition arrangements will consider any individual need in relation to diversity and continuity of care will be actively considered e.g. where TUPE arrangements apply.</p>
<p><b>Marriage and Civil Partnership</b></p>	<p>No specific negative impact has been identified as regards the proposals for the new services.</p> <p>However, homelessness often has an impact on the individual's ability to sustain existing or commence new relationships. Women often have a background of domestic abuse rendering them vulnerable to further abuse.</p> <p>Service users frequently have problematic use of drugs and alcohol and this has a direct impact on relationships. In particular the relationship between Alcohol and Domestic Abuse is well evidenced.</p>	<p>Service specifications include a requirement for services to work with people with a range of needs.</p> <p>Access to services by couples will continue and will be monitored to ensure that couples who find themselves homeless are provided with the support and advice needed to manage a joint tenancy appropriately.</p>
<p><b>Pregnancy and Maternity</b></p>	<p>No specific negative impact has been identified as regards the proposals for the new services.</p> <p>Some female service users present as pregnant or become pregnant during their period of accommodation</p>	<p>Service specifications include a requirement for services to work with people with a range of needs. This includes pregnant women requires close partnership working with primary care and maternity services in order to ensure the best level of care for both mother and unborn child.</p>
<p><b>Race</b></p>	<p>No specific detrimental impact upon individuals related to ethnicity or race issues is anticipated.</p> <p>This protected group are often subject to discrimination and there is a risk that they would be disproportionately affected by a change in care away</p>	<p>Service specifications include a requirement for services to work with people with a range of needs including issues of diversity.</p> <p>The provider will be expected</p>

	from agencies and individuals with whom they have built up trust.	to support and match individuals' cultural needs such as language and support etc.
<b>Religion or Belief</b>	No specific detrimental impact upon individuals related to religion or belief issues is anticipated.	Service specifications include a requirement for services to work with people with a range of needs including issues of diversity.  The provider will be expected to support and match individuals' cultural needs such as language and support to access religious activities/requirements.
<b>Sex</b>	No specific detrimental impact upon individuals related to gender is anticipated. Services currently provide gender specific support as required.	There will not be any changes to the eligibility criteria based on gender. Service specifications include a requirement for services to work with people with a range of needs including gender specific issues.  There will be consideration of personal choice for gender of key worker where possible.
<b>Sexual Orientation</b>	No specific detrimental impact upon individuals related to their sexual orientation is anticipated.  This protected group are often subject to discrimination and there is a risk that they would be disproportionately affected by a change in care away from agencies and individuals with whom they have built up trust.	Service specifications include a requirement for services to work with people with a range of needs including issues of diversity.  Transition arrangements will consider any individual need in relation to diversity and continuity of care will be actively considered e.g. where TUPE arrangements apply.
<b>Community Safety</b>	No specific detrimental impact upon individuals related to community safety is anticipated.  The service will work with individuals to reduce their vulnerabilities enabling people to keep themselves safe.	Improved joint working between agencies to ensure individuals have access to support services linked to prevention and intervention.
<b>Poverty</b>	No specific detrimental impact upon	Contracts will continue to

	<p>individuals related to poverty is anticipated.</p> <p>People covered by these proposals are at risk of poverty, the provision may relieve the impact of that potential poverty by offering support to address practical needs such as helping with benefits and developing life skills.</p>	<p>provide individuals with support in developing life skills and managing finances.</p> <p>The specification includes approaches to support those experiencing social and financial issues.</p>
<b>Health and Wellbeing</b>	<p>No specific detrimental impact upon individuals related to their health and wellbeing is anticipated.</p> <p>The service will work with individuals to reduce their vulnerabilities enabling people to keep themselves healthy.</p> <p>Unhealthy behaviours are known to cluster in populations and are a key driver of health inequalities. People who have experienced homelessness often have considerable issues around poverty which good quality accommodation and support can help to address. Individuals on a low income and unemployed individuals are also more heavily represented in problematic drug and alcohol use.</p>	<p>Contracts will continue to build good joint working arrangements between agencies to ensure individuals have access to support services linked to prevention and intervention.</p> <p>Current services are required to promote the engagement of service users in structured activities in order to encourage employability. This is particularly beneficial for those who are unemployed or who have never worked and will continue into future contracts.</p> <p>Current services are also required to have regular “healthy conversations” as part of a “Making Every Contact Count” (MECC) approach to raise individual’s awareness of health and wellbeing issues that may be affecting them.</p>
<b>Other Significant Impacts</b>	<p>No specific detrimental impact upon individuals is anticipated.</p> <p>There is overwhelming evidence that addressing homelessness can have a major positive impact on mortality and morbidity and thus reduce demand for health and care services.</p> <p>Unhealthy behaviours such as long-term drug or alcohol use are known to cluster in populations and are a key driver of health inequalities. A reduced</p>	<p>Service specifications will continue to ensure providers offer signposting to services to address homelessness, substance use, social issues, and physical and mental health problems.</p>

	housing related support offer is likely to lead to higher demand on future health and social care services and may increase health inequalities.	
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<b>DECISION-MAKER:</b>	<b>Cabinet</b>
<b>SUBJECT:</b>	<b>Solent Get into Employment Project</b>
<b>DATE OF DECISION:</b>	<b>13<sup>th</sup> September 2021</b>
<b>REPORT OF:</b>	<b>COUNCILLOR VASSILLIOU CABINET MEMBER FOR CABINET MEMBER FOR COMMUNITIES, CULTURE &amp; HERITAGE</b>

<b><u>CONTACT DETAILS</u></b>			
<b>Executive Director</b>	<b>Title</b>	<b>Executive Director, Communities, Culture &amp; Homes</b>	
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	<b>Name:</b>	<b>John Connelly</b>	<b>Tel:</b> 023 80834402
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<b>STATEMENT OF CONFIDENTIALITY</b>
Not Applicable
<b>BRIEF SUMMARY</b>
In November 2019, Southampton City Council submitted an application to the Department for Work & Pensions (DWP) for European Social Fund (ESF) grant funding from the European Structural & Investment Fund (ESIF) Programme. The process the UK followed in leaving the European Union provided a 3 year ‘window’ during which applications for funding from EU funding programmes delivered by the UK Government’s Managing Authority (DWP) could be applied for and used.
Southampton City Council (The Lead Applicant) in consultation with DWP (Dorset, Wiltshire, Hampshire and Isle of Wight District), The Prince’s Trust and Autism UK identified a significant gap in employment support provision for adults with learning disabilities, learning difficulties, autism, and neuro-diverse conditions.
Officers have been notified that the application for an ESF grant totalling £529,000 has been successful and the purpose of this report is to seek Cabinet approval to accept the grant.
Building on outcomes, learning and good practice from recent employment support projects led by Southampton City Council and delivered in partnership with local 3 <sup>rd</sup> Sector organisations, Solent Get into Employment will increase the number of unemployed or economically inactive adults receiving support to get into work.
Target groups include; people who face significant challenges in gaining work or training due to learning disabilities, learning difficulties, autism or neuro-diversity (e.g. dyspraxia, dyslexia, attention deficit hyperactivity disorder) or associated physical/mental health conditions. The project will engage and support adults who will benefit from a personalised and strengths-based employment support package to (re)enter the ‘world of work’.
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<b>RECOMMENDATIONS:</b>		
	(i)	<b>To delegate authority to the Executive Director, Communities, Culture and Homes to take all actions necessary to accept the grant and deliver the project until December 2023.</b>
	(ii)	<b>To accept, in accordance with Financial Procedure Rules, a grant of £529,000 from DWP as match funding towards a total project budget of £1,059,000.</b>
	(iii)	<b>To approve, in accordance with Financial Procedure Rules, a corresponding revenue virement totalling £1,059,000 to the Solent Get into Employment project over 2021/22, 2022/23 and 2023/24, along with the Council's individual financial contribution of £324,000 from existing budgets, of which £215,000 is itself from secured external funding.</b>
	(iv)	<b>To approve the Council to act as Accountable Body for the administration of grant funding and the delivery of the Solent Get into Employment project.</b>
<b>REASONS FOR REPORT RECOMMENDATIONS</b>		
1.	Under SCC Financial Procedure Rules, the matter requires a Cabinet decision to accept the grant award from the Department for Work & Pensions and to deliver the Solent Get into Employment project.	
2.	Southampton City Council will lead the project on behalf of a delivery partnership which will support adults living in Southampton and the wider Solent area into learning and work. Council investment will be focussed on service delivery in the City, whilst delivery outside the City will be ensured by The Prince's Trust and Autism Hampshire. Target beneficiaries will be people who face significant challenges in gaining work or training due to learning disabilities, learning difficulties, autism or neuro-diversity (e.g. dyspraxia, dyslexia, attention deficit hyperactivity disorder), and associated physical or mental health conditions.	
3.	<p>The proposed grant funding will contribute to the delivery of the Council's key priorities of creating a City with strong and sustainable economic growth, and where people can live safe, healthy and independent lives. The external funding will enable Solent Get into Employment to:</p> <ul style="list-style-type: none"> <li>• Help economically inactive people move into employment.</li> <li>• Assist employers secure the people they need to address labour shortages and improve business performance.</li> <li>• Widen project reach and impact by encouraging further innovative solutions to tackle unemployment, to maximise integration between local delivery partners and to build on the success of current interventions, including the Young Adults Employment Hub and Solent Apprenticeship Hub.</li> </ul>	
<b>ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</b>		

4.	To not accept the ESF grant would result in the loss of external funding and cancellation of a proposed project to support economically inactive individuals overcome their barriers to employment, and to become more economically independent.
<b>DETAIL (Including consultation carried out)</b>	
5.	Building on the outcomes, learning and good practice of recent and current interventions to support adults with barriers into employment, Solent Get into Employment will increase the number of people with a learning disability, learning difficulty, or neuro-diverse condition into paid work.
6.	<p>In 2019, discussions between officers from Southampton City Council, Portsmouth City Council, The Prince's Trust, Autism Hampshire and DWP identified that additional interventions were required to support specific cohorts of unemployed people into work.</p> <p>An application to fund the Solent Get into Employment project with both Unitary Authorities, The Prince's Trust and Autism Hampshire as delivery partners was submitted to DWP in December 2019 - one month before the first confirmed case of Covid19 in the UK. The subsequent 'Lockdowns' and their significant economic and social impact on our communities continue to unfold.</p> <p>Following a delayed appraisal by DWP due to the pandemic, the application received formal approval in early 2021. However, due to financial pressures Portsmouth City Council was unable to proceed and withdrew from the project.</p> <p>The City Council and remaining delivery partners, in consultation with DWP and the Solent LEP, decided to reprofile the project and submitted a modification of the original ESF application to DWP on 4<sup>th</sup> June 2021.</p> <p>Following a second appraisal by DWP, the application was successful, and Southampton City Council received a formal ESF Grant Offer to fund the Solent Get into Employment project on 29<sup>th</sup> July 2021.</p>
7.	<p>One of the many consequences of the economic impact of Covid19 is that whilst officers have access to excellent 'high-level' data on unemployment (e.g. numbers of claimants and in which Wards), most of the data regarding specific groups of people published before 2020 does not take full account of the economic impact of successive 'Lockdowns'. However, pre-2020 data can be used to indicate the direction of travel regarding the employment rates of specific groups. Research by the Office for National Statistics in 2020 (ONS, 2021), referenced by Autism UK, indicated only 22% of adults with autism were in any form of employment (despite 77% reporting in 2017 they wanted to work), when the National in-work rate was approaching 80%.</p> <p>A high proportion of people with an offending history (20-30%) have a learning difficulty, learning disability or neuro-diverse condition. A 2017 study into the learning difficulties and disabilities of prisoners found 47% of young offenders demonstrated language skills significantly below the population average, with</p>

	<p>more than 1 in 4 identified as having a learning impairment (Hughes et al, 2017).</p> <p>The Prince's Trust has worked in partnership with the Office of the Police and Crime Commissioner (OPCC) delivering life skills and pre-release employability programmes in HMP Winchester Young Offenders Institution (YOI) since 2015. In addition, many of the young adults suffer from adverse childhood experiences (ACE) that can create a range of complex needs and form barriers to employment opportunities and stable accommodation.</p>
8.	<p>The Solent Get into Employment project will:</p> <ul style="list-style-type: none"> <li>• Engage and support 610 economically inactive or unemployed adults with a learning disability, learning difficulty and/or neuro-diverse condition and whose lack of basic skills, including digital skills, or health condition create barriers to education, training or effective participation and progression in the labour market.</li> <li>• Achieve a minimum 34% of clients into sustained employment, six months after leaving provision.</li> <li>• Engage and enable local employers to secure people with the literacy, numeracy and basic IT skills businesses will require as the economy rebuilds post-Lockdown.</li> </ul> <p>The project will target adults living within the Solent LEP geographical area, including Southampton and the South Hampshire area and offer a strengths-based and personalised employment support package, focused around basic skills attainment, pre-employment work trials, work experience or in-work placement support and employer engagement. Personalised support plans and client beneficiary budgets will secure tailored solutions that meet individual need and provide for equipment, training, essential clothing, and contribute towards initial travel and childcare costs.</p> <p>Provision will be delivered by partner agencies in the project (The Prince's Trust and Autism Hampshire).</p>
9.	<p>Activity will run for 2 years commencing September 2021 and conclude in December 2023, with participation open to all residents who meet the eligibility criteria (i.e. economically inactive or unemployed benefit claimants, including Job Seekers' Allowance, Employment &amp; Support Allowance, Income Support or Universal Credit).</p>
10.	<p>The project delivery partners are Southampton City Council (Lead Applicant) and The Prince's Trust, who together will employ 7.6 full-time equivalent Employment Support Officers or caseworkers (4.6fte in Southampton and 3.0fte covering South Hampshire) and Autism Hampshire who will deliver employer engagement activity.</p> <p>Delivery and project management will be ensured by the Councils' Employment Support Team, which will host the 5.4fte officers required to deliver the Council's part in the programme (2.4fte of which are existing employees). It is proposed to recruit an additional 3fte Employment Officers</p>

	(Grade 8) on 24 month fixed term contracts, following the Council's standard recruitment process.
11.	<p>Solent Get into Employment delivery involves intensive, but flexible person-centred support into work, focused around basic skills attainment, pre-employment work trials, work experience or in-work placement support and employer engagement. Personalised support plans and client beneficiary budgets will secure tailored solutions that meet individual need and provide for equipment or support aids, training, essential clothing, and contribute towards travel and childcare costs. Provision will be secured through external procurement or joint working with local agencies, and include (where appropriate):</p> <ul style="list-style-type: none"> <li>• Specialised motivational and employability training</li> <li>• Job coaching, job carving (identifying reasonable adjustments to role) and careers information, advice and guidance</li> <li>• Consideration of self-employment and sole-trading as alternatives to being employed by others</li> <li>• Basic digital / IT skills</li> <li>• Literacy and numeracy skills</li> <li>• Life skills coaching</li> <li>• Counselling</li> <li>• Money management and tenancy sustainment</li> </ul> <p>Attracting and enabling local businesses to engage with Solent Get into Employment is key to achieving client progression into work. Autism Hampshire will work across the partnership and with Solent LEP Growth Hub and Hampshire Chamber of Commerce to further develop relationships with local employers. It will target businesses in appropriate sectors (e.g. retail, hospitality, construction, transport and logistics) to effectively promote the benefits of individual wrap-around employment support and provide bespoke training and one-to-one advice and guidance sessions to facilitate successful recruitment, job progression and retention of project clients.</p> <p><b>Client Journey</b></p> <p>Solent Get into Employment will use a 3-stage integrated delivery approach to engage and support client progression into education/training, and sustained employment:</p> <p>Stage 1</p> <ul style="list-style-type: none"> <li>• Referral and Initial Assessment</li> <li>• Social and personal development, including a personalised support plan</li> </ul> <p>Stage 2</p> <ul style="list-style-type: none"> <li>• Work with Employers</li> <li>• Match employer need with aspirations of participants</li> <li>• Work Placement</li> </ul> <p>Stage 3</p> <ul style="list-style-type: none"> <li>• Employment Support/Sustainability (Including in-work support)</li> </ul> <p>Solent Get into Employment activity will ensure;</p> <ul style="list-style-type: none"> <li>• Long-term engagement in the labour market.</li> <li>• Improved employability skills.</li> <li>• Enhanced employment opportunities.</li> </ul>

	<ul style="list-style-type: none"> <li>• Improved levels of self-confidence and self-esteem.</li> <li>• Increased levels of motivation and self-reliance.</li> <li>• Increased level of economic independence and resilience</li> </ul> <p>Caseworkers will work with local 3<sup>rd</sup> Sector agencies, day service providers and local home care providers, adult social care teams, commissioners, housing and resettlement teams, HMP Winchester, Liaison and Diversion Services (supporting offenders with mental health or learning difficulties), Forensic Learning Disability Community Team and in-patient providers and Jobcentre Plus (JCP) to coordinate and optimise client referral rates.</p>
12.	<p>A Project Steering Group chaired by Southampton City Council and comprising representatives from project partner organisations and relevant stakeholders, including Jobcentre Plus, will assure project activity, monitor actions and progress, and quality assurance data. The group will meet quarterly and make recommendations regarding project plans, timescales, expenditure and allocation of resources, communication and publicity actions, and agree actions (corrective or otherwise) in accordance with Council policies and procedures, and ESF Operational Programme rules.</p>
<b>RESOURCE IMPLICATIONS</b>	
<b><u>Revenue</u></b>	
13.	<p>The Solent Get into Employment project will be funded by an ESF grant of £529,000 from the Department for Work &amp; Pensions (DWP). Grant funding will be paid to the Council under section 31 of the Local Government Act 2003.</p> <p>Southampton City Council officers will coordinate and administer quarterly claims across the delivery partnership to secure (in arrears) payments of eligible defrayed expenditure from DWP. These grant payments will then be distributed to the relevant organisation (in arrears) once the Managing Authority (DWP) has made a payment to Southampton City Council acting as Lead Accountable Body. Any ineligible expenditure claimed will remain the responsibility of the organisation submitting the claim and result in a reduction of funding to the relevant organisation, not the Lead Accountable Body.</p>

14. The ESF grant represents 50% of the total project cost of £1,059,000. Southampton City Council (as Lead Partner) and all other project partners are contributing match funding in terms of staff time and cash from existing budgets over the Financial Years 2021/22, 2022/23 and 2023/24.

The SCC revenue funding 'match' of £324,000 is profiled against existing Employment Support Team budgets over 3 financial years, of which £177,000 is eligible Ministry of Housing, Communities & Local Government (MHCLG) City Deal grant funding to support unemployed residents into work, £109,000 comes from an employment and skills budget focussed on supporting people with a Learning Disability/Difficulty and £37,000 comprises legacy grant funding re-purposed to support this project.

In accordance with ESF rules, indirect costs (overheads) are calculated at 15% of staff costs.

Partner organisations (The Prince's Trust and Autism Hampshire) have confirmed their match-funding is in place.

The forecast income and expenditure is;

#### **Income**

<b>PROJECT PARTNER</b>	<b>2021/22 £000</b>	<b>2022/23 £000</b>	<b>2023/24 £000</b>	<b>TOTALS £000</b>
ESF grant 50%	143	256	130	529
Southampton City Council 'Match'	87	157	80	324
The Prince's Trust 'Match'	41	73	37	151
Autism Hampshire 'Match'	15	26	14	55
<b>TOTALS</b>	<b>286</b>	<b>512</b>	<b>261</b>	<b>1,059</b>

#### **Expenditure**

<b>ITEM</b>	<b>2021/22 £000</b>	<b>2022/23 £000</b>	<b>2023/24 £000</b>	<b>TOTALS</b>
Staff costs (SCC)	137	241	121	499
Direct costs (SCC)	17	37	19	73
Indirect costs 15% of SCC staff costs	21	36	18	75
<b>SCC Totals</b>	<b>175</b>	<b>314</b>	<b>158</b>	<b>647</b>
The Prince's Trust Totals	82	145	74	301
Autism Hampshire Totals	29	53	29	111
<b>TOTALS</b>	<b>286</b>	<b>512</b>	<b>261</b>	<b>1,059</b>

<b><u>Property/Other</u></b>	
15.	The project will not place any new demands on Council accommodation during delivery or post completion.
<b>LEGAL IMPLICATIONS</b>	
<b><u>Statutory power to undertake proposals in the report:</u></b>	
16.	Under section 31 of the Local Government Act 2003, a grant may be paid by a Minister of the Crown to the local authority towards expenditure incurred or to be incurred by it. The amount of grant, manner of payment and any such conditions imposed may be determined by the person paying it.
<b><u>Other Legal Implications:</u></b>	
17.	<p>These funds are targeted at supporting people in vulnerable positions in society and contribute to the Council's Public Sector Equality Duty obligations through;</p> <ul style="list-style-type: none"> <li>• Reducing the disadvantages vulnerable adults experience</li> <li>• Better meeting the economic needs of people with protected characteristics</li> </ul> <p>Supporting people with protected characteristics to more effectively participate in economic life.</p>
<b>RISK MANAGEMENT IMPLICATIONS</b>	
18.	<p>A Risk Register will identify high, medium and low risks and dependencies to ensure outputs and outcomes. Key areas include:</p> <p>Performance – this will be monitored monthly and involve written monitoring reports against the profile of the project. Under-performance will be managed by the mechanisms set out in the Funding Agreement.</p> <p>Financial - The project will put in place stringent financial controls (complaint with Council Financial Procedure Rules) to ensure all financial claims are for eligible defrayed expenditure and backed with evidence.</p> <p>Grant payments will be distributed to the relevant organisation (in arrears) once the Managing Authority (DWP) has made a payment to the Lead Accountable Body (SCC). Any ineligible expenditure claimed will become a 'loss' to the organisation submitting the claim – not the Lead Accountable Body.</p> <p>Data Management - Records will be stored in compliance with SCC records retention policy and procedures and for the minimum length required by the funder.</p>
<b>POLICY FRAMEWORK IMPLICATIONS</b>	



19.	Solent Get into Employment contributes to the delivery of Southampton City Council's Corporate Plan (2021-2025) and its overarching vision of Southampton as a City of Opportunity through prioritising employment and skills and supporting people into work.

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

**Documents In Members' Rooms**

1.	<b>Equality and Safety Impact Assessment (ESIA) - COMPLETED</b>
2.	<b>Data Protection Impact Assessment - IN DRAFT AWAITING COMMENT</b>

**Equality Impact Assessment**

<b>Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.</b>	<b>Yes</b>
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**Data Protection Impact Assessment**

<b>Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.</b>	<b>Yes</b>
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**Other Background Documents**

**Other Background documents available for inspection at: Not Applicable**

<b>Title of Background Paper(s)</b>	<b>Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)</b>
1.	
2.	

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<b>DECISION-MAKER:</b>	CABINET
<b>SUBJECT:</b>	LAND AT THE CORNER OF LIME STREET /EVANS STREET – PROPOSED DISPOSAL OF SITE FOR SCHOOL USE
<b>DATE OF DECISION:</b>	13 SEPTEMBER 2021
<b>REPORT OF:</b>	<b>CABINET MEMBER FOR FINANCE AND CAPITAL ASSETS, IN CONSULTATION WITH CABINET MEMBER FOR EDUCATION</b>

<u><b>CONTACT DETAILS</b></u>			
<b>Executive Director</b>	<b>Title</b>	Executive Director Wellbeing (Children and Learning)	
	<b>Name:</b>	<b>Robert Henderson</b>	Tel: 023 8083 4899
	<b>E-mail</b>	<b>Rob.henderson@southampton.gov.uk</b>	
<b>Author:</b>	<b>Title</b>	<b>Executive Director Children and Learning</b>	
	<b>Name:</b>	<b>Robert Henderson</b>	Tel: 023 8083 4899
	<b>E-mail</b>	Robert.henderson@southampton.gov.uk	

<b>STATEMENT OF CONFIDENTIALITY</b>	
<p>Appendix 1 is not for publication by virtue of category 3 paragraph 10.4 of the Access to Information Procedure Rules as set out in the Council's Constitution. The information is exempt from publication because it relates to the financial and business affairs of both the Council and specified third parties and is commercially sensitive. It is not in the public interest to disclose this financial information as it directly relates to the value of property interests in the site which may be adversely affected resulting in a barrier to the construction of a new school site or the disposal of those interests to enable the land assembly to be completed.</p>	
<b>BRIEF SUMMARY</b>	
<p>This report outlines the context and business case to establish a free school at Lime Street Retail site, offering an externally fully funded, 2 form of entry state of the art school in the city centre. The School is supported by the Department for Education and will be delivered by the Hope Community School who are currently operating a 1 form of entry free school in a nearby, albeit, inappropriate facility.</p>	
<b>RECOMMENDATIONS:</b>	
(i)	To approve the principle of a two form of entry Free School at Lime Street Retail site and agree in principle, subject to reaching satisfactory terms, to sell the site to The Secretary of State for Housing, Communities and Local Government for this educational purpose at less than best consideration as set out in confidential appendix 1.
(ii)	To delegate to Executive Director for Place, to finalise details of the freehold sale, following consultation with the Cabinet Member for Finance and Capital Assets.

<b>REASONS FOR REPORT RECOMMENDATIONS</b>	
1.	To facilitate the expansion of Hope Free School to become a two-form entry school, securing substantial investment to the city's school infrastructure and to move the school out of inappropriate accommodation into a state of the art educational facility. This supports the Councils commitment to improving educational choice for our children and their parents, as well as being a child friendly city, offering high quality education.
<b>ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</b>	
3.	Not to approve the sale, frustrating the expansion of the school, and continuing the occupation by the school of poor and unsatisfactory premises.
4.	Not to approve the change of the current lease required from retail/supermarket to allow for the use of the site for educational purposes frustrating the expansion of the school, and continuing the occupation by the school of poor and unsatisfactory premises
<b>DETAIL (Including consultation carried out)</b>	
5.	Hope School is currently an undersubscribed one form entry Free School situated in the centre of Southampton and is in temporary accommodation at Central Hall, St Marys Street. For the academic year 2021-22, the school will accommodate year groups R through to 4.
6.	It is proposed that the Cabinet approve the principle of a two form of entry Free School at Lime Street Retail site and agree, subject to reaching satisfactory terms, to sell the site to The Secretary of State for Housing, Communities and Local Government for this educational purpose.
7.	The Department for Education (DfE) are keen to build a new Free School in the city. LocatED were commissioned by the DfE to identify and acquire a site have expressed interest in the former East Street site and expanding Hope School into a two-form entry. This gives Southampton the opportunity to have a £15 million investment, from the DfE, into an inner-city school, which will be have first class educational facilities
8.	LocatED have agreed in principle terms with the long-term lease holder of the site to purchase the lease, once the sale of the freehold is secured
9.	The Council and Hope Community Schools are liaising on incorporating an Special Educational Needs (SEND) facility within the School, meeting the needs of some of our most vulnerable pupils and creating much needed additional much SEND places. This offers significant potential for the City and will be a real investment in providing local, cost effective, options for our children.
<b>RESOURCE IMPLICATIONS</b>	
<b><u>Capital/Revenue</u></b>	
10.	The sale of the freehold would result in a capital receipt and a loss of the rental income stream derived from the lease (details in the confidential appendix).
<b><u>Property/Other</u></b>	
11.	The council owns the freehold to the site and currently receives rental income from the leaseholder. The lease permits supermarket use, which would be a

	positive development of the location, but development has not come forward since the lease was acquired in 2017, and the site has remained vacant.
12.	LocatED have made an offer to the city council to purchase the freehold (value identified in confidential appendix 1), with this value determined by Department of Education thresholds. The valuation of the site, as assessed by the property team is also set out in appendix 1
13.	The sale of the freehold to The Secretary of State for Housing, Communities and Local Government would be a disposal at an undervalue.
14.	The Local Government Act 1972: General Disposal Consent (England) 2003) permits local authorities to dispose of land at an undervalue if: (a) the purpose of doing so is to promote the economic, social and/or environmental well-being of their areas; and (b) the difference between the consideration obtained and the unrestricted value of the land does not exceed £2 million.
15.	Disposal to The Secretary of State for Housing, Communities and Local Government for educational purposes meets the requirements of the general consent order by promoting the social well being of the area and improving the educational facilities available to city residents.
<b>LEGAL IMPLICATIONS</b>	
<b><u>Statutory power to undertake proposals in the report:</u></b>	
16.	The Council has the necessary statutory powers to dispose of land pursuant to section 123 of the Local Government Act 1972. The Council is required by Section 123 to dispose of land only for the best consideration reasonably obtainable. The Council's powers to dispose of the site at less than the best consideration reasonably obtainable have been set out in the previous section.
<b><u>Other Legal Implications:</u></b>	
17.	Disposal of the freehold of the site does not guarantee the construction of a school as additional conditions relating to securing planning permission and other regulatory consents will be required to be met.
<b>RISK MANAGEMENT IMPLICATIONS</b>	
18.	There is currently no approved planning application for a school on the site, and this decision only provides the potential for this to happen from a property perspective. Some pre application discussion have taken place, indicating that some highway and transport challenges would need to be addressed.
19.	Southampton currently has a surplus of primary school places, that is envisaged to continue for the foreseeable future and there is a minimal risk surrounding schools may need to make redundancies. In mitigation, pupil numbers will rise in the longer term with the ambitious building plans set out a Council priority. The immediate area round the new School is set to have 5000 new homes, with an overall increase in the City of 27,000 homes by 2040.
<b>POLICY FRAMEWORK IMPLICATIONS</b>	
20.	There are no clear implications for the policy framework in terms of admissions or the governance of Schools.

<b>KEY DECISION?</b>	<b>Yes</b>	
<b>WARDS/COMMUNITIES AFFECTED:</b>		
<u>SUPPORTING DOCUMENTATION</u>		
<b>Appendices</b>		
1.	Commercial terms for the disposal of land	
<b>Documents In Members' Rooms</b>		
1.	ESIA	
<b>Equality Impact Assessment</b>		
<b>Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.</b>		<b>Yes</b>
<b>Data Protection Impact Assessment</b>		
<b>Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.</b>		<b>No</b>
<b>Other Background Documents</b>		
<b>Other Background documents available for inspection at:</b>		
<b>Title of Background Paper(s)</b>	<b>Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)</b>	
1.		
2.		

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<b>DECISION-MAKER:</b>	<b>CABINET</b>		
<b>SUBJECT</b>	<b>LEISURE WORLD COMMERCIAL TERMS (FOR CONDITIONAL DEVELOPMENT AGREEMENT &amp; NEW HEAD-LEASE)</b>		
<b>DATE OF DECISION</b>	<b>13<sup>th</sup> September 2021</b>		
<b>REPORT OF</b>	<b>Cabinet Member for Growth</b>		
<b><u>CONTACT DETAILS</u></b>			
<b>AUTHOR</b>	<b>Name:</b>	<b>Steven Slocombe Service Manager Development and Growth</b>	<b>Tel: 07392 864508</b>
	<b>Email:</b>	<a href="mailto:Steven.Slocombe@southampton.gov.uk">Steven.Slocombe@southampton.gov.uk</a>	
<b>DIRECTOR</b>	<b>Name:</b>	<b>Kate Martin Executive Director Place</b>	<b>Tel: 023 8083 4670</b>
	<b>Email:</b>	<a href="mailto:kate.martin@southampton.gov.uk">kate.martin@southampton.gov.uk</a>	

<b>STATEMENT OF CONFIDENTIALITY</b>	
<p>The confidential appendices contain information deemed to be exempt from general publication based on Category 3 of paragraph 10.4 of the Council’s Access to Information Procedure Rules.</p> <p>Those appendices include details of a proposed transaction which, if disclosed prior to contract, could put the Council or other interested parties at commercial disadvantage.</p>	
<b>BRIEF SUMMARY</b>	
<p>This report seeks approval to the principal commercial and financial terms for granting a new head-lease over the Leisure World development site (which includes land occupied by a former John Lewis warehouse) on West Quay Road.</p> <p>The proposed transaction will facilitate comprehensive redevelopment of the site, bring in substantial inward investment, support the emerging Mayflower Quarter Masterplan and promote regeneration &amp; economic development in the city centre.</p>	
<b>RECOMMENDATIONS</b>	
(i)	That the commercial & financial terms and related recommendations set out in confidential Appendix 2 be agreed.
(ii)	Following consultation with the Cabinet Member for Growth and Executive Director of Finance and Commercialisation, that the Executive Director of Place be given delegated authority to finalise the detailed terms of this transaction.
<b>REASONS FOR REPORT &amp; RECOMMENDATIONS</b>	
1.	As freehold landowner, the Council wishes to see the strategically important Leisure World site (identified on the Plan at Appendix 4) regenerated for a mix of uses consistent with its ambitions for the Mayflower Quarter.

2.	Delivering the desired outcomes will necessitate changes to existing tenure arrangements, including re-gearing of the current ground leases, to enable the proposed scheme to be funded by the developer.
<b>ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</b>	
3.	Do Nothing – the proposed redevelopment (as approved in-principle by the Council’s Planning and Rights of Way Panel in March 2020) would not happen without the Council’s co-operation as Freehold landowner, so opportunities to achieve significant economic and other benefits would be lost.
4.	Sell the Council’s interest – this would sub-optimize long-term returns, deny the Council substantive influence over redevelopment of this key site and risk a scheme coming forward which failed to deliver on key city vision objectives.
5.	Council buy out head-lease and develop the site itself – quite apart from the lessee’s reluctance to sell, this would involve significant (unbudgeted) capital expenditure and substantial project resources that the Council does not have. It is therefore considered preferable to work with a willing partner/investor using the Council’s influence as landowner and planning authority, to deliver a scheme consistent with its corporate and social priorities.
<b>DETAILS</b>	
6.	<p>Leisure World is a commercial leisure complex dating from the early 1990s. The scheme is anchored by an Odeon multi-screen cinema, nightclub and Grosvenor Casino, together with ancillary food &amp; beverage outlets and all served a large surface car park.</p> <p>The Leisure World complex is entirely sub-let to Rank Group and is typical of its era in terms of format &amp; content, but has been under-invested recently and also suffered against more modern competition nearby – even before the Covid pandemic caused its temporary closure in spring of 2020.</p> <p>The proposed redevelopment site also includes adjoining land occupied by a former John Lewis warehouse, on the corner of West Quay Road and City Industrial Park, which is currently occupied on a short-term lease.</p> <p>Importantly for the city, the current properties and their settings add little value to public realm or urban landscape character and, without substantial investment, are likely to suffer further decline in the near-term future.</p>
7.	<p>The Council’s freehold ownership is subject to 2 long ground-leases (both controlled by UBS investment funds) as shown on the plan in Appendix 4. Details of the existing leases are set out in Appendix 1 to this report.</p> <p>While these leases enable existing commercial uses to continue, they are not sufficiently long or flexible enough in terms of permitted use, to support the substantial investment required to deliver the proposed redevelopment.</p>
8.	A (confidential) report on the commercial terms is at Appendix 1 and final terms of the conditional agreement for re-gearing the head-leases have been subject to a formal S123 ‘best consideration’ review by property consultants Cushman and Wakefield (Appendix 2).
9.	The UBS proposals were developed following extensive negotiations with the Council’s planning team and included public consultations and presentations to key stakeholders (including Councillors)

	<p>An outline planning application was subsequently submitted which the Planning &amp; Rights of Way Panel approved at its March 2021 meeting subject to a Section 106 Agreement</p> <p>Final conditions and the related Section 106 Agreement are currently being finalised and it is anticipated that Outline permission will be granted shortly.</p> <p>Subject to this, the developer expects to submit Reserved Matters for Phase 1 during autumn 2021 and commence development in the third quarter of 2022.</p>
10.	<p>In summary the proposed scheme comprises:</p> <ul style="list-style-type: none"> <li>◦ Phase 1 - New cinema and casino plus hotel &amp; complementary uses</li> <li>◦ Phase 2 - 10,000 Sq.M. office building and circa 300 residential units</li> <li>◦ Phase 3 - Further 350 residential units and second (3*-4*) hotel</li> <li>◦ Phase 4 - Potential 'wellbeing' facility and/or further commercial uses</li> </ul> <p>There is scope for the precise mix of uses to flex in response to market conditions but, in addition to planning controls, it's freehold land ownership will enable the Council to discuss the final scheme content with the developer. For example, the planning department have indicated that a change from employment to residential conversion would be considered under the prior notification scheme.</p>
11.	<p>The Council will work with the developer to deliver so that environmental considerations for the City are reflected in the new development, including use of latest building technologies and significant 'greening' of the public realm.</p> <p>The residential elements will be built to the most recent design standards and the developer is currently intending that the commercial buildings will be designed to achieve BREEAM 'Excellent' ratings, employ low carbon technologies which is an approach supported by the Council.</p>
12.	<p>Southampton city centre needs this type of private investment to support recovery from the Covid-19 pandemic and grow the local economy.</p> <p>The new scheme will create a large amount of jobs (potentially peaking at 700 Full Time Equivalents (FTEs) during 6-8 years of building works. A similar number of new permanent jobs (over and above the existing scheme) will be created once the scheme is completed.</p>
13.	<p>In financial terms, the new lease will produce an enhanced ground rent income for the Council and there is also potential to generate capital receipts from the development, as explained in Appendix 1.</p>
14.	<p>Much of the legal work required to progress this matter has already been done (at the developer's cost) and, subject to Cabinet approval, a conditional Agreement could be exchanged shortly after outline planning is granted.</p> <p>This would, in turn, enable the developer to sign agreements with end-users, submit Reserved Matters for Phase 1 and progress towards a start on site in mid-2022, with the first phase being occupied during 2024-25.</p>
<b>RESOURCE IMPLICATIONS</b>	
<b><u>Capital/Revenue</u></b>	
15.	<p>The main lease terms including forecast income is included in Appendix 1.</p>
16.	<p>There are no material capital or revenue expenditure implications, as the developer is fully funding the project as well as covering a majority of the Council's costs such as external legal fees.</p>

17.	However, such a complex long-term project, with a programme of 6-8 years, will require resources (mainly Property personnel) to manage working relationships with the developer's team, monitor the scheme in progress and validate the Council's financial participation. The intention is this will be resourced-within the budget provision for the development team, or if the need arises for external assist through the limited budget provision for external help, though the position on resources will need to be kept under review as the work level develops over time.
<b><u>Property/Other</u></b>	
18.	The Council will need to closely monitor the project and commercial arrangements related thereto, so a dedicated 'development management' resource will need to be employed and requires funding as mentioned above.
<b>LEGAL IMPLICATIONS</b>	
<b><u>Statutory power to undertake proposals in the report:</u></b>	
19.	The Council powers to promote this development are Section 123 Local Government Act 1972 and Section 1 Localism Act 2011.
<b><u>Other Legal Implications:</u></b>	
20.	This is property transaction and legally the Council may proceed as outlined in the detailed appendices to this report.
21.	UBS long leasehold interest means that, in practice, they are the only party with which the Council can deal, unless compulsory powers were invoked (uncertain, costly and time-consuming) so this is the best opportunity for re-generation of the subject site to be delivered in a reasonable time-frame.
<b>RISK MANAGEMENT IMPLICATIONS</b>	
22.	The Council's participation, including any risk management implications, are detailed in confidential Appendix 1 to this report. However, the Council is not taking any active participation in the re-development and (apart from timing of the projected revenue & capital receipts) no financial risks are involved.
23.	This scheme is subject to uncontrollable economic events which is normal for schemes with a long delivery timetable.
<b>POLICY FRAMEWORK &amp; CORPORATE IMPLICATIONS</b>	
24.	The statutory Local Plan currently identifies the subject site as being located in a primarily commercial area and the outline planning application has been determined against current policies, which recognise the role of mixed-use development in supporting a vibrant city centre economy.
25.	This scheme supports many of the Council's strategic objectives around housing, environment, sustainability, Green City and economic development. The emerging Mayflower Quarter Masterplan also recognises this site's potential to contribute to a vision for the city's future prosperity and, while the UBS scheme is proceeding slightly ahead of the plan-making process, the Outline planning approved scheme is consistent with the Plan's key growth and regeneration themes.

26.	This transaction will deliver much needed regeneration and economic growth. The proposals are also consistent with the Council's City of Culture ambitions and long-term objectives of the emerging Mayflower Quarter Masterplan.
27.	These proposals also support the city's aspirations as a regional, national & global player and align with the Council's City of Culture ambitions.
28	Globally, there is a move towards increased urbanisation, with 50% of the world's population soon to be living in cities and Southampton has recently has a renewed housing target to create 4600 homes by 2040. The new Leisure World scheme represents an opportunity to showcase a mixed-use City Centre where people can live, work flexibly and spend their leisure time.

<b>KEY DECISION?</b>	Yes- monetary of this transaction is over £500k
<b>WARDS/COMMUNITIES AFFECTED:</b>	<b>Bargate</b>
<b><u>SUPPORTING DOCUMENTATION</u></b>	
<b>APPENDICES:</b>	
<b>App 1</b>	<b>Report on Commercial &amp; Financial Terms (confidential)</b>
<b>App 2</b>	<b>Section 123 Report Executive Summary (confidential)</b>
<b>App 3</b>	<b>Indicative Phasing Plans &amp; Illustrations</b>
<b>App 4</b>	<b>Site Location Plan</b>
<b>App 5</b>	<b>Leisure World – Our Vision prepared by Sovereign Centros (confidential)</b>

#### Documents In Members' Rooms

	None
<b>FEquality Impact Assessment</b>	
<b>Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out?</b>	<b>No</b>
<b>Data Protection Impact Assessment</b>	
<b>Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out?</b>	<b>No</b>
<b>Other Background Documents: None</b>	
<b>Other Background documents available for inspection at: N/A</b>	
<b>Title of Background Paper(s)</b>	<b>Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)</b>
<b>Appendix 2</b>	<b>Para 3</b>

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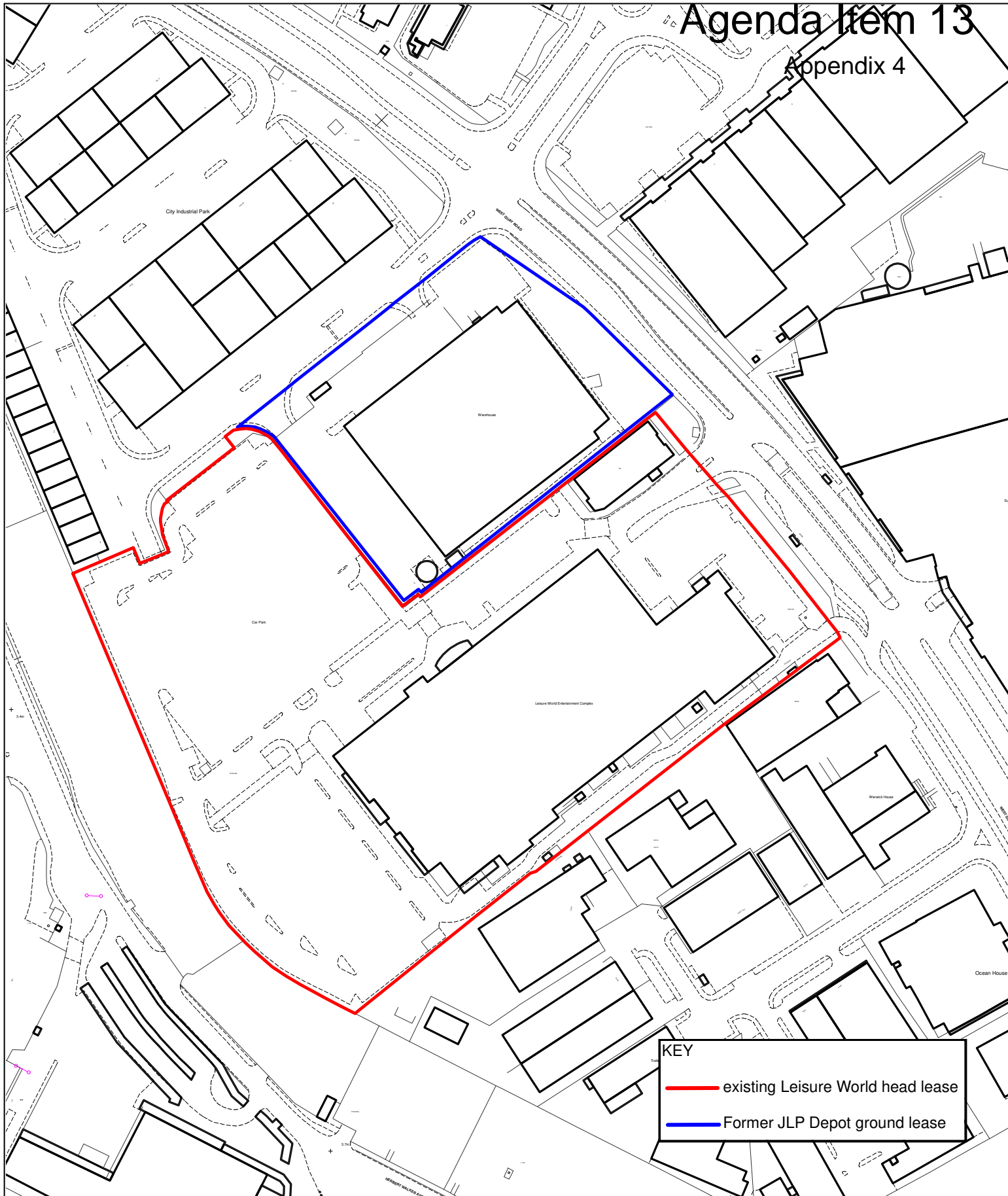


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<b>PROPERTY DIVISION</b> 1st Floor, One Guildhall Square, Above Bar Street, Southampton. SO14 7FP		SCALE 1:2000	DATE 02/05/2021
Plan No V3930	Page 79 Leisure World (composite plan)		

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