

Public Document Pack

Cabinet

Tuesday, 29th October, 2024
at 4.30 pm

PLEASE NOTE TIME OF MEETING

Council Chamber, Civic Centre

Members

Leader – Councillor Fielker

Deputy Leader and Cabinet Member for Finance and
Corporate Services – Councillor Letts

Cabinet Member for Economic Development – Councillor
Bogle

Cabinet Member for Environment and Transport -
Councillor Keogh

Cabinet Member for Children and Learning – Councillor
Winning

Cabinet Member for Compliance and Leisure– Councillor
Kataria

Cabinet Member for Communities and Safer City –
Councillor C Lambert

Cabinet Member for Housing Operations – Councillor A
Frampton

Cabinet Member for Adults and Health – Councillor Finn

Cabinet Member for Green City and Net Zero – Councillor
Savage

(QUORUM – 4)

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

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 or other IT 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 (Tuesdays)

2024	2025
25 June	7 January
16 July	28 January
27 August	25 February (Budget)

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

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 2022-2030 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

17 September	25 March
29 October	29 April
26 November	
17 December	

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 4.

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.

EXECUTIVE BUSINESS

3 **STATEMENT FROM THE LEADER**

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

Record of the decision making held on 17th September, 2024.

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 **MTFS QUARTER 2 UPDATE** □ (Pages 7 - 36)

Report of the Cabinet Member for Finance and Change detailing the Medium Term Financial Strategy Quarter 2 Update.

9 **FINANCIAL POSITION UPDATE** □ (Pages 37 - 88)

Report of Cabinet Member for Finance and Change detailing an update on the Financial Position.

10 **TRANSFORMATION UPDATE (OCTOBER)** □ (Pages 89 - 114)

Report of the Leader of the Council detailing the Transformation Update.

11 COUNCIL RIGHT TO BUY RECEIPT PROPOSALS AND APPROVAL TO SPEND □
(Pages 115 - 136)

Report of the Cabinet Member for Housing Operations detailing the Council Right to Buy Receipt proposals and seeking approval to spend.

12 COLLECTIONS DEVELOPMENT POLICY 2024-2029 □ (Pages 137 - 160)

Report of the Leader of the Council detailing the Collections Development Policy 2024-2029.

13 GREEN INFRASTRUCTURE STRATEGY DELIVERY PLAN □ (Pages 161 - 184)

Report of the Cabinet Member for Green City and Net Zero detailing the Green Infrastructure Strategy Delivery Plan.

14 ANNUAL COMPLAINTS REPORT 2024 (Pages 185 - 200)

Reporting the Local Government & Social Care Ombudsman / Housing Ombudsman annual letters for the compliant year 2023/24 and update on key learning arising from the Council internal complaints policies.

15 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 to the following item.

Appendix 2 of this report is not for publication by virtue of category 3 (Information relating to the financial or business affairs of any particular person (including the Authority holding that information) and category 7A (obligation of confidentiality) of paragraph 10.4 of Southampton City Council's ("the Council's") Access to Information Procedure Rules, as contained in the Council's Constitution.

It is not in the public interest to disclose this information as the report contains confidential and commercially sensitive information in relation to one of the Council's suppliers. It would prejudice the Council's ability to operate in a commercial environment and obtain best value in contract negotiations and would prejudice the Council's commercial relationships with third parties if they believed the Council would not honour obligations of confidentiality

16 COMMERCIAL WASTE TRANSFER AND DISPOSAL SERVICES □ (Pages 201 - 212)

To consider the report of the Cabinet Member for Environment and Transport detailing the procurement of commercial waste transfer and disposal contract.

NOTE: This report is presented as a general exception item in accordance with paragraph 15 of the Access to Information Procedure Rules of Part 4 of the Council's Constitution. Whilst the report did have the required 28 days notice, the requirement

to indicate potential elements of confidentiality was not complied with as notification of the decision was published on the 18 September 2024. The matter requires a decision in order not to delay the formal procurement exercise to secure a contract from 1 April 2025.

17 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 appendices 1 and 3 to the following Item

The appendices are considered to be exempt from general publication based on Category 3 (commercial sensitivity) of paragraph 10.4 of the Council's Access to Information Procedure Rules. It is not the public interest to disclose this because details of the commercial terms have not yet been finalised between parties and which if disclosed could put the Council or other parties at a commercial disadvantage.

18 LEASE RESTRUCTURE ON WEST QUAY RETAIL PARK □ (Pages 213 - 454)

Report of the Cabinet Member for Economic Development regarding the Lease Restructure on West Quay Retail Park.

Monday, 21 October 2024

Director of Legal and Governance

1 "
2 "

SOUTHAMPTON CITY COUNCIL
EXECUTIVE DECISION MAKING

RECORD OF THE DECISION MAKING HELD ON 17 SEPTEMBER 2024

Present:

Councillor Fielker	-	Leader
Councillor Letts	-	Cabinet Member for Finance and Corporate Services
Councillor Bogle	-	Cabinet Member for Economic Development
Councillor Finn	-	Cabinet Member for Adults and Health
Councillor A Frampton	-	Cabinet Member for Housing Operations
Councillor C Lambert	-	Cabinet Member for Communities and Safer City
Councillor Kataria	-	Cabinet Member for Compliance and Leisure
Councillor Keogh	-	Cabinet Member for Environment and Transport
Councillor Winning	-	Cabinet Member for Children and Learning

Apologies: Councillor Savage

19. EXECUTIVE APPOINTMENTS

Cabinet approved the appointment of Councillors Finn and Winning to the newly formed Southampton Children and Adults Safeguarding Partnership.

20. NORTHAM RAIL BRIDGE

Decision Made: (CAB 24/25 45924)

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

- (i) To delegate authority to the Head of Supplier Management to direct award a contract for design and build in relation to the Northam Bridge Project via a procurement exemption to Network Rail to support the development of the Outline Business Case (for the design and other products).
- (ii) To accept the initial Outline Business Case grant of £1.45M from Department for Transport, to adjust the Northam Rail Bridge capital budget, and authorise spend of the funding across 2024/25-2026/27 financial years.
- (iii) To delegate authority to the Executive Director of Growth and Prosperity in consultation with the Executive Director of Enabling Services (s.151 Officer) to accept any future grants in relation to this project and make the necessary budget adjustments (including spend approvals within budget) arising from the acceptance of such grants.
- (iv) To approve the change in the local contribution (an increase of £0.416M to now a total of £1.377M consisting of SCC Local Transport Plan, Revenue, and S106 Developer Contributions funding from 2024/25 and 2025/26) and

change the allocation for Northam Rail Bridge OBC in the Capital Programme.

21. SAFEGUARDING PARTNERSHIP REVIEW

Decision Made: (CAB 24/25 45922)

On consideration of the report of the Cabinet Member for Adults and Health, Cabinet approved the following:

- (i) To support the establishment of the Southampton Children and Adults Safeguarding Partnership (SCASP) as an outside body supported by the Council. It is proposed that the SCASP will meet bi-monthly to oversee the executive decision making. This will be chaired by the Chief Executive of the Council, with attendance by the statutory decision makers (the Lead and/or Designated Safeguarding Partners) from the Hampshire and Isle of Wight Constabulary, NHS Hampshire and Isle of Wight and the Directors of Adult and Children Social Care.
- (ii) That the Independent Scrutineer of the SSCP becomes the overall Independent Scrutineer of the SCASP.
- (iii) The Adult and Children Systems Board will meet on a quarterly basis to address the work of the subgroup activity and to gain assurance or provide challenge on the effectiveness of the safeguarding functions across the partnership. This will be chaired by one of the Delegated Safeguarding Partners with membership from each of the statutory partners, including education, the Safe City Partnership and relevant agencies, as well as the Independent Scrutineer. Lead members will be in attendance to provide a two-way line of communication to Cabinet or Committee.
- (iv) The subgroup activity of the SCASP will be streamlined to promote shared learning, timely decision making around reviews and a shared quality assurance system across the partnership. This will serve to promote the integration of learning for all agencies in the system who work with children, families and adults, recognising that partners will work with and come into contact with everyone in the Southampton community for the purpose of prevention and safeguarding.

22. CORPORATE PERFORMANCE REPORTING

Decision Made: (CAB 24/25 459269)

On consideration of the report of the Leader of the Council and having received representations from Councillor P Baillie, Cabinet approved the following:

- (i) To note the performance report.
- (ii) To note performance issues raised, actions being taken and consider any areas for focus or further investigation.

23. COMMUNITY SAFETY / REFRESH OF CITY SAFETY STRATEGY

Decision Made: (CAB 24/25 45932)

On consideration of the report of the Cabinet Member for Communities and Safer City, agreeing to the recommendation from Overview and Scrutiny Management Committee that the proposed targets within the refreshed strategy ensuring that they are SMART (Specific, Measurable, Achievable, Realistic and Timebound) and having received representations from Councillor P Baillie, Cabinet recommended the refreshed Southampton Safe City Partnership Plan to Council for approval.

24. FREEDOM OF INFORMATION, DATA PROTECTION AND REGULATION OF INVESTIGATORY POWERS ACTS: ANNUAL REVIEW 2023-24

Decision Made: (CAB 24/25 45964)

On consideration of the report of the Cabinet Member for Finance and Corporate Services, Cabinet approved the following:

- (i) To accept the update of the statistical information for the year 1st April 2023 – 31st March 2024 reporting on the Council's performance relating to:
 - FOIA and associated legislation
 - GDPR
 - RIPA 2000
- (ii) To agree the updated Corporate Surveillance document (October 2023) as set out in appendix 1 of the report; and
- (iii) To agree the actions detailed as set out in paragraph 21 of the report.

25. ANNUAL COMPLAINTS REPORT 2024

Decision Made: (CAB 24/25 45792)

On consideration of the report of the Cabinet Member for Finance and Corporate Services and having received representations from Councillor Powell-Vaughan, Cabinet approved the following:

- (i) To consider the complaints outcomes for 2023/24 and to instruct officers to consider these findings when reviewing service delivery and improvement plans for 2024 onwards.
- (ii) To re-confirm Housing Services as the service area designated under the complaints policy for which stage 2 complaints are considered by the Council's independent complaints team within Enabling Services and offered additional advice, training and assistance for the period 2024-26 in order to assist the service area on its improvement journey.

26. HOUSEHOLD SUPPORT FUND SEPTEMBER 2024

Decision Made: (CAB 24/25 46066)

On consideration of the report of the Cabinet Member for Communities and Safer City and having complied with paragraph 15 of the Council's Access to Information Procedure Rules, Cabinet approved the following:

- (i) To approve in principle for Southampton City Council to participate in the delivery of the next phase of Household Support Fund from 1 October 2024 to 31 March 2025.
- (ii) To delegate authority to the Executive Director Community Wellbeing to finalise the details of the local Household Support Fund scheme following consultation with the Executive Director Enabling Services and S151 Officer and the Cabinet Member for Communities and Safer City and to administer funding in accordance with that scheme.

27. TEMPORARY ACCOMMODATION - LEASE AGREEMENT

Decision Made: (CAB 24/25 45937)

On consideration of the report of the Cabinet Member for Housing Operations, Cabinet approved the following:

To approve the proposal to enter into a lease for this property to use it for homeless households for a 3 year duration subject to the following conditions:

- a) A property inspection has been carried out by SCC and compliance information will need to be requested and reviewed accordingly.
- b) The Valuation and Assets team will be instructed to review the proposed terms of the lease agreed to date and will liaise with the property owner as required.
- c) Once proposed terms have been agreed The Valuation and Asset Team will instruct legal services to review any documentation required.
- d) Clarification is sought in relation to insurance of the building.
- e) Following consultation that Cabinet approves delegated powers to the Executive Director of Growth and Prosperity following consultation with the Executive Director for Enabling Services to finalise the terms of the deal for the lease.
- f) That Cabinet approved delegated powers to the Executive Director of Growth and Prosperity to carry out any further functions or activities needed to conclude this arrangement.

28. TRANSFORMATION UPDATE (SEPTEMBER)

Decision Made: (CAB 24/25 45757)

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

- (i) To approve the release of transformation funding as detailed in 'Resource Implications' from reserves or the Exceptional Financial Support (EFS) facility
- (ii) To approve the appointment of Newton Europe Ltd ("Newton Europe") as transformation partner to support the implementation of "adapt | grow | thrive" transformation savings proposals
- (iii) To delegate authority to the Chief Executive following consultation with the Leader of the Council to take all necessary actions, including finalising contractual and commercial arrangements, in order to complete the appointment of the transformation partner.

29. LEISURE SERVICE

Decision Made: (CAB 24/25 45766)

On consideration of the report of the Cabinet Member for Compliance and Leisure, Cabinet approved the recommendations as set out in the confidential report.

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Agenda Item 8

DECISION-MAKER:	CABINET		
SUBJECT:	MEDIUM TERM FINANCIAL STRATEGY - QUARTER 2 UPDATE		
DATE OF DECISION:	29 OCTOBER 2024		
REPORT OF:	COUNCILLOR LETTS DEPUTY LEADER AND CABINET MEMBER FOR FINANCE AND CORPORATE SERVICES		
<u>CONTACT DETAILS</u>			
Executive Director	Title:	Executive Director Enabling Services and S151 Officer	
	Name:	Mel Creighton	Tel: 023 8083 3528
	E-mail:	Mel.Creighton@southampton.gov.uk	
Author:	Title:	Director of Finance	
	Name:	Richard Williams	Tel: 023 8083 2936
	E-mail:	Richard.Williams@southampton.gov.uk	
STATEMENT OF CONFIDENTIALITY			
Not Applicable			
BRIEF SUMMARY			
The report outlines the quarterly update of the Medium Term Financial Strategy (MTFS) and progress made in addressing the budget gap for 2025/26 and in future years.			

RECOMMENDATIONS:

	Cabinet is recommended to:	
i)	Note the updated medium term financial forecast as set out in Appendix 1.	
ii)	Approve indicative cash limits as a planning guide, recognising these may be refined and updated during the budget process, as set out in paragraph 70 of Appendix 1.	
iii)	Agree the next steps to developing the MTFS and creating a balanced budget, including the development of service business plans to enable Directorates to manage within the cash limit targets.	

REASONS FOR REPORT RECOMMENDATIONS

1.	The MTFS is a dynamic plan which requires regular review and update to ensure the council has clear oversight of its medium term financial position, therefore it is best practice to bring updates revising the assumptions and progress on the plan.
2.	There is also a need to bring forward proposals to set out how the budget shortfall for 2025/26 will be addressed.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3.	The council is legally obliged to set a balanced budget for 2025/26 and it would be imprudent not to review progress towards achieving this requirement.
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DETAIL (including consultation carried out)

	Quarter 2 Update
4.	The council's 2024/25 budget was balanced using £39M of Exceptional Financial Support (EFS) from the Government. This support is for one year only and the council must address the structural deficit in its revenue budget in order to be able to set a balanced budget for 2025/26 and return to a sustainable financial footing. A comprehensive transformation programme – adapt grow thrive - has been put in place to address the structural deficit and an update on that programme is reported elsewhere on this agenda.
5.	Appendix 1 outlines the effect of the transformation programme on the medium term financial forecast, provides an update on other changes to the MTFs and sets out the next steps to setting a balanced budget for 2025/26.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
6.	The revenue and capital implications are contained in the report. The strategy to fund the costs of transformation is to use capital receipts as the first call as the expenditure is one off in nature. For prudence however, the MTFs assumes the transformation programme is funded from borrowing up to the sum of the EFS application (£10.6M). The estimated cost of financing this borrowing is £0.96M per annum.
<u>Property/Other</u>	
7.	None.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
8.	Budget reports are consistent with the Section 151 Officer's role to align budget with the aims of the council and also the duty to ensure good financial administration.
<u>Other Legal Implications:</u>	
9.	None.
RISK MANAGEMENT IMPLICATIONS	
10.	Risk management implications are contained in the report.
POLICY FRAMEWORK IMPLICATIONS	
11.	None.

KEY DECISION? No

WARDS/COMMUNITIES AFFECTED:	All
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SUPPORTING DOCUMENTATION

Appendices

1.	MTFS Quarter 2 Update
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Documents In Members' Rooms

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

1.	The 2024/25 Budget and Medium Term Financial Strategy (Council 6 March 2024)	
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Appendix 1

The Medium-Term Financial Strategy (MTFS) Update Quarter 2

Introduction

1. The Medium-Term Financial Strategy (MTFS) reported to Cabinet on 16 July 2024 has been updated to incorporate additional adjustments and assumptions. It reflects the forecast position as at Month 6 and the inclusion of projected transformation savings.
2. The month 6 position is an overall forecast positive variance of £13.2M against budget. This demonstrates the council continues its journey towards financial stability, and that the financial strategy agreed in March is paying dividends in terms of the delivery of positive budget variances across the council and the active management and mitigation of overspending areas.
3. The transformation strategy and plan will ensure the council addresses the underlying structural deficit of nearly £40M. Transformation savings are critical to addressing the structural deficit, and at this stage over £38M of projected transformation savings have been included across the MTFS period based on confidence of delivery, with nearly £30M included for 2025/26. It is anticipated that further transformation savings will be included when the budget is set in February 2025, again based on confidence of delivery.
4. As with the July report there remain areas of uncertainty including on funding and potential pressures the Council faces. This report is published ahead of the Chancellor's Autumn Statement (scheduled for 30th October). Should the Chancellor's announcements in that Statement alter any of the assumptions in this paper, an update report will be presented to November Cabinet.
5. Given this uncertainty, the MTFS is accompanied by scenario analysis setting out different budget gap outcomes depending on whether an optimistic, middle or pessimistic view is taken. This repeats and updates the exercise reported in July.
6. In each scenario a remaining budget gap is forecast. For this reason, the report sets out what will be required to close the remaining budget gap, including the application of cash limits to directorate budgets and the implementation of the business planning process described in the February 2024 report to Council, to ensure directorates have plans in place to manage within the cash limits set.

The MTFS 2024/25 to 2028/29

7. The revised Quarter 2 MTFS is summarised in Table 1 overleaf:

Table 1: The MTFS 2024/25 to 2028/29 (Quarter 2 Update)

	Base 2024/25 Budget	Forecast Changes	Base 2025/26 Budget	Forecast Changes	Base 2026/27 Budget	Forecast Changes	Base 2027/28 Budget	Forecast Changes	Base 2028/29 Budget
	£M	£M	£M	£M	£M	£M	£M	£M	£M
Children & Learning	61.83	0.26	62.08	(0.36)	61.72	0.05	61.76	0.00	61.76
Community Wellbeing	97.66	1.67	99.33	0.72	100.04	0.72	100.76	0.72	101.48
Enabling Services	26.52	0.18	26.70	0.70	27.39	0.00	27.39	0.00	27.39
Growth & Prosperity	38.64	1.16	39.80	1.53	41.33	1.92	43.24	1.83	45.07
Resident Services	25.14	(0.57)	24.57	(0.19)	24.38	0.20	24.58	0.00	24.58
Strategy & Performance	3.93	0.00	3.93	(0.05)	3.88	0.00	3.88	0.00	3.88
Sustainable Savings (based on M6 2024/25)	0.00	(4.25)	(4.25)	0.00	(4.25)	0.00	(4.25)	0.00	(4.25)
Transformation Savings	0.00	(29.87)	(29.87)	(7.27)	(37.14)	(1.32)	(38.47)	(0.09)	(38.56)
Inflation	(0.00)	6.49	6.49	6.32	12.81	6.09	18.90	5.31	24.21
Directorate Expenditure	253.72	(24.95)	228.77	1.39	230.16	7.64	237.80	7.76	245.57
Capital Asset Management (excluding EFS financing)	12.86	2.93	15.79	2.53	18.32	1.51	19.83	1.58	21.41
Exceptional Financial Support (EFS) Financing	0.00	8.45	8.45	0.00	8.45	0.00	8.45	0.00	8.45
Other Expenditure & Income (including central allocation, levies and contributions)	7.95	1.68	9.62	1.00	10.63	0.00	10.63	0.00	10.63
Movement in Reserves and Balances	4.00	(1.60)	2.40	3.48	5.88	1.44	7.32	0.00	7.32
Net Revenue Expenditure	278.52	(13.49)	265.03	8.41	273.44	10.60	284.03	9.34	293.38
Funding									
Council Tax	(120.44)	(8.42)	(128.86)	(6.31)	(135.17)	(6.47)	(141.64)	(7.07)	(148.71)
Business Rates	(54.45)	(2.56)	(57.00)	(1.11)	(58.11)	(1.11)	(59.22)	(1.22)	(60.44)
Revenue Support Grant	(13.73)	1.93	(11.80)	1.31	(10.50)	1.27	(9.23)	1.36	(7.87)
Revenue Support Grant assumed indexation	0.00	(2.20)	(2.20)	(1.59)	(3.79)	(1.56)	(5.35)	(1.65)	(7.00)
Non-Specific Government Grants & Other Funding	(50.62)	3.70	(46.92)	2.14	(44.78)	(0.36)	(45.15)	(0.37)	(45.52)
Total Funding	(239.24)	(7.55)	(246.79)	(5.56)	(252.35)	(8.23)	(260.58)	(8.95)	(269.53)
(Surplus)/Deficit	39.28	(21.04)	18.23	2.85	21.08	2.37	23.45	0.39	23.84
Exceptional Financial Support (EFS)	(39.28)	39.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(Surplus)/Deficit (after EFS)	0.00	18.23	18.23	2.85	21.08	2.37	23.45	0.39	23.84

8. The MTFS shows a revised budget gap of £18.2M for 2025/26 and £23.8M across the MTFS period. Table 2 breaks this gap down in more detail, showing the main reasons for the projected gap in each year of the MTFS period.

Table 2 Breakdown of Forecast Budget Gap 2025/26 to 2028/29

	2025/26	2026/27	2027/28	2028/29	Total
	£M	£M	£M	£M	£M
Removal of EFS support	39.28				39.28
Pay & Price Inflation	6.49	6.32	6.09	5.31	24.21
Demographic & Demand	2.34	2.35	2.59	2.55	9.83
Council Tax increase (4.99% increase)	(7.43)	(6.31)	(6.47)	(7.07)	(27.28)
Transformation Savings	(29.87)	(7.27)	(1.32)	(0.09)	(38.56)
Other New Savings	(4.25)				(4.25)
Previously agreed Pressures, Savings and Commitments	(1.56)	(0.03)	0.29		(1.31)
Capital Asset Management – revenue cost of capital expenditure	2.93	2.53	1.51	1.58	8.56
Capital Asset Management – EFS Financing	8.45				8.45
Other Income and Expenditure Changes	1.68	1.00			2.68
Transfers to/from Reserves and Balances	(1.60)	3.48	1.44		3.32
Remove Collection Fund 24/25 Surplus	2.25				2.25
Business Rates, Revenue Support Grant and other SFA funding	(2.30)	(1.32)	(1.71)	(1.82)	(7.15)
Change in Top Up grant	(0.20)	1.92	(0.09)	(0.09)	1.55
Service Specific Grant Funding Ending	1.91	0.02			1.92
Other Government Grants	0.12	0.15	0.03	0.03	0.34
Total Budget Gap	18.23	2.85	2.37	0.39	23.84

9. The Exceptional Financial Support (EFS) facility that the government is minded to agree for 2024/25 is for one year. This means that we start 2025/26 with the presumption that this facility will not be available to support the 2025/26 budget.
10. Pay and price inflation adds £6.5M to the cost base and demography and demand around £2.3M in 2025/26. This is not matched by the assumed increase in council tax even with the additional assumption of the 2% adult social care precept continuing. This result in a net cost increase for the council, especially as this pattern is repeated across the MTFS period. In this MTFS update inflation is held centrally and will only be distributed to Directorate budgets based on demonstrable need. Demography and demand is distributed, primarily for home to school transport and adult social care.
11. The MTFS includes £38.6M of planned Transformation Savings, with £29.9M planned for 2025/26 which goes a significant way to reducing the £40M structural deficit in the council's finances. The methodology and assumptions behind including these transformation savings are detailed later in this report.
12. The forecast budget gap is a significant reduction from the £48.5M forecast in the July report, which largely reflects the inclusion of projected Transformation savings in the MTFS alongside other movements in funding and cost pressures.
13. Table 3 below shows in more detail the changes to the MTFS that have been made since the first MTFS update was reported in July, and the changes that have resulted in the reduced projected budget gap.

Table 3: Changes to the MTFS (Quarter1 to Quarter 2)

	2025/26	2026/27	2027/28	2028/29	Total
	£M	£M	£M	£M	£M
Budget Gap MTFS Rebase Q1	48.54	14.34	8.08	1.80	72.76
Funding Changes					
Council Tax increase (ASC Precept)	(2.43)	(2.63)	(2.83)	(3.07)	(10.96)
RSG indexation (rather than flat cash SFA assumption)	(2.20)	(1.59)	(1.56)	(1.65)	(7.00)
Total Funding and Corporate Changes	(4.63)	(4.22)	(4.39)	(4.72)	(17.96)
Exceptional Financial Support and other Financing Costs					
Budget Gap 24/25 (based on M5 monitoring position)	2.77				2.77
Transformation Costs 24/25 (based on £10.62M in EFS application)	0.96				0.96
Equal Pay (based on the £52.0M in the EFS application)	4.72				4.72
Capital Programme Financing (roll forward to 28/29)				1.58	1.58
Total Exceptional Financial Support and Other Financing Costs	8.45	0.00	0.00	1.58	10.03
Budget Adjustment - Pressures, Savings and Commitments					
Recurring sustainable Savings (Non-Transformation) based on M6 Monitoring	(4.25)				(4.25)
Demographic Changes (school transport rolled forward to 28/29)				1.83	1.83
Total Budget Adjustments - Pressures, Savings and Commitments	(4.25)	0.00	0.00	1.83	(2.43)
Budget Gap before Transformation	48.10	10.12	3.69	0.48	62.40
Transformation Savings					
Transformation Savings Green Rated	(28.24)	(7.14)	(0.96)	0.00	(36.35)
Transformation Savings Amber Rated	(5.43)	(0.44)	(1.21)	(0.30)	(7.37)
Transformation Savings Amber Rated (Optimism Bias)	3.80	0.31	0.84	0.21	5.16
Total Transformation Savings	(29.87)	(7.27)	(1.32)	(0.09)	(38.56)
Budget Gap MTFS Q2	18.23	2.85	2.37	0.39	23.84

14. The changes since Quarter 1 are in the following areas:

- Funding Changes
- Exceptional Financial Support and other financing costs
- Budget adjustments
- Transformation Savings

Funding Changes

15. Council tax is assumed to increase by 4.99% in each year of the MTFS. This is in line with current referendum limits and comprises the general 2.99% and the additional 2% adult social care precept. Whilst the latter has not been formally confirmed for 2025/26, informed commentators say its retention is a sensible planning assumption at this stage. The Council tax funding also includes the assumption of the second homes premium.
16. The MTFS also assumes the indexation of Revenue Support Grant (RSG), which is subject to final determination as part of the local government finance settlement.

Exceptional Financial Support (EFS) and other financing costs

17. The MTFS now includes the financing costs of the Exceptional Financial Support (EFS) that government is minded to award via a capitalisation directive. Essentially, this allows the council for one year (2024/25) to use capital resources to fund the 2024/25 revenue budget gap of £39.3M and other defined areas of expenditure including transformation and equal pay. Capital resources comprise borrowing and the use of capital receipts.
18. Where borrowing is used to fund EFS, the payback period is 20 years and interest is charged at a 1% premium above Public Works Loan Board (PWLB) rates. In the MTFS we have assumed all anticipated EFS requirements in 2024/25 are funded by borrowing. In the scenario section, we show how this requirement is reduced if we utilise capital receipts to fund part of our EFS costs. The ability to use capital receipts is dependent on the council's ability to sell assets.
19. The EFS borrowing requirement, and consequent debt charges, is assumed to cover funding the budget deficit, the cost of the transformation programme in 2024/25 (equal to the amount requested in the EFS application), and to allow for equal pay costs and as these are not known, again these are assumed at the level of the EFS application. Regarding the budget deficit the borrowing requirement is reduced because the council is expecting a positive variance against the 2024/25 budget and therefore a reduced budget gap to fund from EFS.
20. The MTFS now includes a roll forward of assumed capital financing costs to 2028/29. This is to cover the cost of financing the council's capital programme in future years.
21. The strategy is still to close the gap without the support of EFS, as applying for further EFS will push the gap into the following year and will not provide a resolution whilst increasing the costs of borrowing for the next 20 years.

Budget Adjustments

22. The July report included several adjustments for savings, pressures and commitments, so these are fewer in this update. The main additional inclusion is an assumption that non-transformation underspends and provisions that are being forecast will be sustained in 2025/26 and can therefore be removed from budgets in future years. Further information is provided in the Directorate Position section of this report.
23. The other adjustment is a roll forward of demographic provision for additional home to school transport demand.

Transformation Savings

24. The Transformation savings have been included in the MTFS based on a prudent assumption that all green rated transformation savings are included at their full value, and the amber rated savings are included at 30% of their estimated value. This is set out in more detail later in this report and in the Transformation Update report that is also on the Cabinet agenda today.

Potential scenarios to reduce the projected gap

25. Given that currently future funding and flexibilities are uncertain as described above, we are presenting three scenarios in line with the practice followed in July 2023 and in the July 2024 report. Table 4 illustrates three scenarios representing the optimistic, middle, and pessimistic case, and the resulting gap that would remain under each scenario. A commentary on each follows.

Table 4 – Potential scenarios to address the forecast budget gap

	2025/26	2026/27	2027/28	2028/29
	£M	£M	£M	£M
Optimistic Scenario				
Forecast Budget Gap	18.23	2.85	2.37	0.39
Transformation Savings - Assume all amber rated transformation savings are delivered (re-instate all amber rated savings not in MTFs)	(3.80)	(0.31)	(0.84)	(0.21)
Target Transformation savings (Red Rated) - assume all red savings are delivered from 2026/27		(2.81)	(2.63)	(0.50)
Revenue consequences of Capital Asks of the Transformation Programme (not included in the current Capital Programme)	1.08	0.65	0.35	0.09
Use of Capital Receipts to fund Transformation and other EFS costs resulting in reduced EFS financing costs. Assumes full delivery of ADDP asset sales target of £15M (2024/25)	(1.36)			
Reduced EFS Financing Costs (based on full delivery of 24/25 Transformation Savings and M6 Forecast Outturn)	(0.56)			
Demand Management Savings (Prevention portfolio) (from 2026/27)		(2.35)	(2.59)	(2.55)
Collection Fund Projected Surplus (Optimistic Position)	(1.70)			
Baseline Funding assumed (service specific grants retained)	(1.91)	(0.02)		
Total Budget Gap Remaining	9.99	(1.98)	(3.35)	(2.78)
Middle Scenario				
Forecast Budget Gap	18.23	2.85	2.37	0.39
Transformation Savings (Re-instate 50% of Amber rated savings not in MTFs)	(1.90)	(0.15)	(0.42)	(0.11)
Target Transformation savings (Red Rated) Assume 50% are delivered from 26/27		(1.41)	(1.31)	(0.25)
Revenue consequences of Capital Asks of the Transformation Programme (not included in the current Capital Programme)	1.08	0.65	0.35	0.09
Use of Capital Receipts to fund Transformation resulting in reduced EFS financing costs. Assumes delivery of 2024/25 ADDP asset sales of £8M	(0.73)			
Reduced EFS Financing Costs (based on M6 Outturn projection including transformation savings currently forecast)	(0.40)			
Demand Management Savings (Prevention portfolio)				
Collection Fund Projected Surplus (Middle Position)	(0.84)			
Baseline Funding assumed (service specific grants retained)	(1.91)	(0.02)		
Total Budget Gap Remaining	13.54	1.93	0.98	0.12
Pessimistic Scenario				
Forecast Budget Gap	18.23	2.85	2.37	0.39
Transformation Savings (Re-instate 25% of amber rated savings not in MTFs)	(0.95)	(0.08)	(0.21)	(0.05)
Target Transformation savings (Red Rated); Assume 25% are delivered from 26/27		(0.70)	(0.66)	(0.13)
Revenue consequences of Capital Asks of the Transformation Programme (not included in the current Capital Programme). 50% only funded	0.54	0.33	0.17	0.04
Use of Capital Receipts to fund Transformation resulting in reduced EFS financing costs. Assumes delivery of 2024/25 ADDP asset sales of £4M	(0.36)			
Reduced EFS Financing Costs. Based on delivery of M6 Outturn projection (with a 20% Optimism Bias)	(0.16)			
Demand Management Savings (Prevention portfolio)				
Collection Fund Projected Surplus (Pessimistic Position)				
Baseline Funding assumed (service specific grants retained)				
Total Budget Gap Remaining	17.30	2.40	1.68	0.26

Optimistic Scenario

26. This scenario assumes:

- That the remaining 70% (by value) of amber rated Transformation savings not included in the MTFs are delivered in full. This adds a further £3.8M of savings in 2025/26.
- The currently red rated elements of the transformation target (£5.9M) are delivered progressively from 2026/27 through to 2028/29.
- Several of the Transformation Programme projects require capital expenditure to unlock savings notably in areas like homelessness prevention and investment in technology. These asks which were not already included in the capital programme are

assumed to be funded through borrowing, thus resulting in the financing costs included above.

- The ADDP programme delivers its asset sales target for 2024/25 and realises capital receipts of £15M. This enables these receipts to be used to fund some of the EFS requirement, specifically transformation, instead of borrowing. In turn this reduces the annual financing cost by £1.4M.
- EFS financing costs are based on achieving the Month 6 forecast outturn of £13.2M plus the remaining 2024/25 transformation savings not currently included in this forecast (£1.9M). This reduces the EFS financing requirement from 2025/26 by £0.6M compared to the amount included in the MTFS.
- Demographic growth is provided in 2025/26. However, from 2026/27 it is assumed to be contained within service budgets and managed by the transformation projects, particularly the Prevention workstream.
- The Collection Fund surplus on business rates and council tax is achieved at its current forecast level of £1.70M and used to support the 2025/26 budget.
- Time limited grants including Family Hubs and Adult Social Care Market Sustainability which are due to end continue at their current level.

27. If all the assumptions in this optimistic scenario are realised, the forecast 2025/26 budget gap is reduced from £18.2M to £10.0M.

Middle Scenario

28. This scenario differs from the Optimistic scenario with the following assumptions:

- Half of the remaining amber rated transformation savings not included in the MTFS are included in this scenario, resulting in an additional £1.9M savings in 2025/26.
- Half of the Red rated savings are delivered from 2026/27 through to 2028/29.
- The capital investment requirements of the Transformation Programme are assumed to be the same as for the Optimistic Scenario, so the financing costs remain.
- The ADDP programme delivers just over half of its asset sales target for 2024/25 and realises capital receipts of £8M. This reduces the annual EFS financing cost by £0.7M.
- EFS financing costs are based on the Month 6 Monitoring position (£13.2M underspend) which result in an EFS financing cost saving of £0.4M compared to the MTFS assumption (which is based on the Month 5 forecast).
- Demographic growth is maintained for the full MTFS period in this scenario with the expected increases subject to further modelling work.
- The Collection Fund surplus on business rates and council tax is achieved at the same level as 2023/24 of £0.8M above estimate.
- Time limited grants including Family Hubs and Adult Social Care Market Sustainability which are due to end continue at their current level.

29. If all the assumptions in this middle scenario are realised, the forecast 2025/26 budget gap is reduced from £18.2M to £13.5M. The middle scenario is our central (most likely) scenario that we use later in the report to estimate Directorate cash limits.

Pessimistic Scenario

30. This scenario assumes:

- One quarter of the remaining amber rated transformation savings not included in the MTFS are included in this scenario, resulting in an additional £1.0M savings in 2025/26
- One quarter of the Red rated savings are delivered from 2026/27 through to 2028/29.

- The capital investment requirements of the Transformation Programme are reduced to 50% of their value to reflect non-delivery assumptions in this scenario, so the financing costs are halved.
- The ADDP programme delivers just over a quarter of its asset sales target for 2024/25 and realises capital receipts of £4M. This reduces the annual EFS financing cost by £0.4M.
- EFS financing costs are based on the Month 6 Monitoring position (£13.2M underspend) reduced by 20% as an optimism bias. This result in an EFS financing cost saving of £0.2M compared to the MTFFS assumption.
- Demographic growth is maintained for the full MTFFS period.
- No Collection Fund surplus is assumed.
- Time limited grants including Family Hubs and Adult Social Care Market Sustainability will end in 2024/25.

31. If all the assumptions in this pessimistic scenario are realised, the forecast 2025/26 budget gap is reduced from £18.2M to £17.3M.

The In-Year Financial Position 2024/25

The in-year forecast financial position for both Month 5 (to end of August) and Month 6 (to end of September) are included in the Financial Position Update report that is also on the Cabinet agenda. As several of the forecast figures are used to inform the MTFFS and scenario assumptions, the in-year projections are summarised in Table 5 below.

Table 5: Summary of in-year forecast position 2024/25

	Month 5 2024/ 25 Forecast £M	Month 6 2024/ 26 Forecast £M
Forecast Variance	(8.79)	(13.18)
Of which Transformation Savings:		(7.27)
Of which transferred to Contingency:	(2.38)	(6.13)

32. The positive position continues the trend established early in the financial year. That is, an increasing positive variance month on month. Many of the forecast variances have been sustained over several months, so we have been able to transfer £6.1M of budgetary provision from Directorates to contingency (some subject to full council approval) and are recommending a further £2.2M of budget transfers at Month 6.

33. The in-year forecast also shows the early delivery and contribution of Transformation savings to the forecast position. This is reported in full in Month 6 and is estimated to contribute £7.3M to the £13.2M positive variance.

34. It is important to note that these positive variances are not under-spends because the Council set its 2024/25 budget with a £39.3M deficit, which was only closed due to the assumption of EFS. The positive forecast variances should therefore be viewed as a reduced reliance on EFS to fund the Council's in-year revenue budget. It can also be seen in the MTFFS and Scenario analysis, that the higher the positive variance, the lower the future years' EFS financing costs will be.

Transformation Programme

35. Table 6 below summarises the cumulative savings identified to date, which are set out in more detail in the Transformation Update report:

Table 6: Summary of Transformation Savings

	2024/25 In-Year Target	2025/26	2026/27	2027/28	2028/29
	£M	£M	£M	£M	£M
Savings Identified by Programme Portfolio					
Adults Social Care & Health	2.90	13.80	17.25	17.25	17.25
Children's services	2.90	6.70	8.40	8.40	8.40
Schools & SEND	1.32	2.56	3.21	3.67	3.67
Growth & Prosperity	0.83	1.45	3.75	3.75	3.75
Resident Services	0.33	8.65	9.46	10.97	11.77
Customer & Community	0.31	1.75	1.98	2.00	2.00
Enabling Services	0.54	1.97	2.82	2.82	2.82
Total Savings Identified (cumulative)	9.12	36.89	46.87	48.86	49.66
Incremental	9.12	27.77	9.98	1.98	0.80

36. The table shows the Transformation savings targets across the MTFs period, including the contribution of each programme portfolio area. Further details are provided in the Transformation Programme Update report.

37. Confidence ratings have been applied to each of the savings' targets based on confidence of delivery and maturity of financial proposals. This is summarised in Table 7 below:

Table 7: Summary of Transformation Savings – Confidence ratings

	2024/25 (In-Year)	2025/26	2026/27	2027/28	2028/29
	£M	£M	£M	£M	£M
Savings by Confidence Rating					
High Confidence (Green)	9.01	28.24	35.38	36.35	36.35
Medium Confidence (Amber)	0.01	5.43	5.87	7.07	7.37
Low Confidence (Red)	0.10	3.22	5.62	5.44	5.94
Total Savings Identified (cumulative)	9.12	36.89	46.87	48.86	49.66
Included in the MTFs		(29.87)	(37.14)	(38.47)	(38.56)

38. Ratings are set as at October 2024 and are expected to increase as business cases are further developed and implementation is progressed. Savings with a green confidence rating have been included in the MTFs at their full value. Amber savings have been included at 30% of their value and Red rated savings are not included at this stage. This treatment will be reviewed in the next update and at budget setting, including the confidence ratings of the identified savings.

Transformation Costs

39. The estimated forecast cost of the Transformation Programme for 2024/25 and 2025/26 are summarised in Table 8 below.

Table 8: Forecast Transformation Programme Costs

	2024/25	2025/26
	£M	£M
Forecast expenditure:		
Transformation Team Resource Requirements	3.6	3.9
Enabling Services additional resource to support the programme	1.4	2.6
Consultant support requirements (including Newton Europe)	7.1	5.0
Total forecast expenditure	12.1	11.5

40. The costs include the estimated cost of Newton Europe as the Council's Transformation Partner alongside other approved and anticipated resources.

41. The EFS request included an allocation for transformation costs to support the delivery of savings. These can be paid for using borrowing or capital receipts. The council can also utilise capital receipt flexibilities in this financial year only, if the spend required is more than the EFS allocation for transformation costs.
42. The transformation funding strategy is to use capital receipts as the first call to fund the Transformation Programme as the expenditure is one off in nature. For prudence however, we have assumed that the Programme is funded from borrowing up to the sum of the EFS application (£10.6M was the transformation component of the EFS application). In the scenario analysis we model different amounts of capital receipts received in 2024/25 and how this impacts upon borrowing costs if we use these to fund some or all the transformation programme costs.
43. Using borrowing or capital receipts will ensure that the Transformation Reserve remains intact (at £6.1M) to fund future years' transformation activities when neither EFS nor capital flexibilities may be available.

Source of Savings

The Transformation Programme has assessed where the savings will be delivered from based on savings proposals and outline. Table 9 shows the breakdown:

Table 9: Indicative sources of Transformation Savings

Savings Expectation		Prevention and demand reduction	Efficiencies and Productivity - Non-Establishment	Efficiencies and Productivity - Establishment	Growth & Income	Establishment Savings - Range of Posts potentially affected	
Portfolio	£M	£M	£M	£M	£M	Posts	Posts
ASC & Health Total	17.25	12.45	1.70	3.10		55	65
Children's Services Total	8.40	8.40					
Schools & SEND Total	3.67		3.67				
Growth & Prosperity Total	3.75		3.59	0.16		2	2
Resident Services Total	11.77	3.23	3.75	2.05	2.74	37	54
Customer & Community Total	2.00		0.25	1.75		38	41
Enabling Services Total	2.82		2.63	0.19		4	6
Total	49.66	24.08	15.59	7.25	2.74	136	168

44. This shows that nearly 50% of the projected savings across the MTFs period will be from prevention and demand reduction, mainly in adults, children's and resident services. Efficiencies and productivity not affecting headcount account for a further 30% of target savings with income growth accounting for 5%.
45. Inevitably given the scale of the financial challenge and level of savings required, the council will need to be a smaller organisation. This means a reduction in posts of between 136 and 168 to deliver the £7.2M of establishment savings (15% of savings total). This does not equate to compulsory job losses as the figures includes both occupied and unoccupied posts and other means of headcount reduction will also be deployed including not filling the unoccupied posts, voluntary severance and natural workforce attrition. The range of potential posts quoted will be narrowed for the next update as we build greater certainty over establishment savings and impacts.
46. The allocation of cash limits requires further savings to be made over and above transformation, these may result in a further potential headcount reduction.

Exceptional Financial Support (EFS)

47. The budget gap for 2024/25 (the base year) of £39.3M was closed by the assumption of Exceptional Financial Support (EFS). Under EFS the council can use capital resources (capital receipts and borrowing) to fund revenue expenditure up to a limit agreed with central government.
48. This is called a Capitalisation Directive, and the Council has been advised that government is minded to issue such a directive to Southampton, subject to some assurance

requirements. This has included an assurance review undertaken by Grant Thornton who have submitted their report to government but has not yet been released to the Council. In addition, we have submitted full details of our transformation strategy and plan along with our MTFs to government, and this submission was based on the Cabinet reports of July 2024.

49. The current EFS facility offered by government is only available for one financial year (2024/25). This means that the full budget gap and structural deficit needs to be addressed for 2025/26. Any EFS used to fund the 2024/25 budget gap will need to be paid for using either capital receipts or borrowing.
50. Any borrowing taken out to fund EFS must be repaid over 20 years and attracts a 1% premium over normal PWLB rates. Capital receipts attract no such repayment costs but are limited to the amount of asset sales the council has or can achieve. Capital receipts are most appropriately used to fund new capital investment or to fund one-off initiatives such as transformation.
51. The in-year aim is to minimise the budget gap by implementing as many of the transformation savings early. This will reduce the amount that needs to be borrowed to fund the gap, and thereby reduce borrowing costs. For example, if the Council's final out-turn position reflects the position reported at Month 6 – that is a positive variance of £13.2M – then the EFS borrowing requirement for funding the 2024/25 budget gap is reduced from £39.3M to 26.1M and the financing cost is reduced by £1.2M per annum (from £3.6M to £2.4M).

Addressing the Remaining Revenue Budget Gap

52. The MTFs budget gap forecast is for a budget gap of £18.2M in 2025/26 and £23.8M across the MTFs period. In each of the scenarios we have modelled in this report (see table 4 above), a budget gap remains ranging from £10M in the Optimistic Scenario to £17.3M in the Pessimistic Scenario. Taking the Middle Scenario as the central (most likely) scenario results in a gap of £13.5M.
53. The initial aim will be to try to move the position towards the optimistic but that will require concerted effort to further build delivery and financial confidence in the amber and red rated transformation savings, accelerate asset sales to generate capital receipts, focus on the delivery of the prevention project to manage demand growth, and intensify efforts on the growth and prosperity agenda to increase the Council Tax and Business Rates base in the city.
54. Recognising there is a remaining budget gap in all scenarios additional measures will be required. Directorates are embarking on a business planning exercise that includes the identification of additional and tactical savings. This exercise will reflect the indicative cash limits that have been calculated for each Directorate, which are designed to close the budget gap in the Middle Scenario. This process, including the indicative cash limits for 2025/26, is set out in the following sections.

Directorate Position

55. The Directorate MTFs for 2024/25 to 2028/29 is set out in Table 10 below.

Table 10: Directorate MTFs 2024/25 to 2028/29

2024/25 Working Budget (M6) £M		Base 2024/25 Budget £M	Forecast Changes £M	Base 2025/26 Budget £M	Forecast Changes £M	Base 2026/27 Budget £M	Forecast Changes £M	Base 2027/28 Budget £M	Forecast Changes £M	Base 2028/29 Budget £M
61.31	Children & Learning	61.83	0.26	62.08	(0.36)	61.72	0.05	61.76	0.00	61.76
95.11	Community Wellbeing	97.66	1.67	99.33	0.72	100.04	0.72	100.76	0.72	101.48
26.13	Enabling Services	26.52	0.18	26.70	0.70	27.39	0.00	27.39	0.00	27.39
37.67	Growth & Prosperity	38.64	1.16	39.80	1.53	41.33	1.92	43.24	1.83	45.07
26.32	Resident Services	25.14	(0.57)	24.57	(0.19)	24.38	0.20	24.58	0.00	24.58
4.94	Strategy & Performance	3.93	0.00	3.93	(0.05)	3.88	0.00	3.88	0.00	3.88
0.00	Sustainable Savings (based on M6 2024/25)	0.00	(4.25)	(4.25)	0.00	(4.25)	0.00	(4.25)	0.00	(4.25)
0.00	Transformation Savings	0.00	(29.87)	(29.87)	(7.27)	(37.14)	(1.32)	(38.47)	(0.09)	(38.56)
(0.00)	Inflation	(0.00)	6.49	6.49	6.32	12.81	6.09	18.90	5.31	24.21
251.48	Directorate Expenditure	253.72	(24.95)	228.77	1.39	230.16	7.64	237.80	7.76	245.57

56. The MTFS for Directorates builds from the base 2024/25 budget shown in the first column. This is the position approved in March 2024 and reported in the rebase report in July.

57. This differs from the M6 working budget (shown in the left-hand column) because the latter includes budget movements and virements approved during the year. In building the MTFS we reset to the 2024/25 base position. Any on-going budget adjustments that are required will be built back into the base during the budget setting process.

58. The movement in forecast changes since the July report are set out for 2025/26 in Table 11 below:

Table 11: Movement in Forecast Changes 2024/25 Base to 2025/26

	Forecast Changes July 2024 £M	Centralisation of Inflation £M	Transformation and other savings £M	Forecast Changes Oct 2024 £M
Children & Learning	0.90	(0.64)		0.26
Community Wellbeing	4.80	(3.13)		1.67
Enabling Services	0.85	(0.67)		0.18
Growth & Prosperity	2.08	(0.92)		1.16
Resident Services	0.47	(1.04)		(0.57)
Strategy & Performance	0.09	(0.09)		0.00
Sustainable Savings			(4.25)	(4.25)
Transformation Savings			(29.87)	(29.87)
Total	9.18	(6.49)	(34.13)	(31.44)
Inflation	0.00	6.49		6.49
Total	9.18	0.00	(34.13)	(24.95)

59. The main movements are in relation to centralisation of inflation and the inclusion of Transformation and other projected savings.

60. A full breakdown of forecast changes by Directorate, including provisional allocations of Transformation and other projected savings are set out in Annex 1.

Inflation

61. The following inflation assumptions are assumed in the MTFS:

Table 12: Inflation Assumptions

MTFS Assumptions	2025/26	2026/27	2027/28	2028/29
Pay inflation (%)	2.0%	2.0%	2.0%	2.0%
Consumer Price Index (CPI) (%)	2.1%	2.0%	2.1%	2.0%
Adult Social Care Provider Uplift (£M)	2.50	2.50	2.50	1.50
Contract Inflation	3.2%	2.6%	2.0%	2.0%

62. The main change in the treatment of inflation is that for 2024/25 inflation provision was distributed to Directorates at the start of the financial year. For 2025/26 and future years inflation provision will be held centrally. It will be distributed to Directorates during the financial year based on demonstrable need and after productivity and other measures have been taken to mitigate inflationary impacts.

Provisional allocation of Transformation and other savings

63. The Transformation and other recurring savings in Table 11 above are included centrally in the MTFs. These are provisionally allocated to Directorates in Table 13 below. Transformation Savings are all the currently rated Green rated savings and 30% of the Amber rated savings. This is per the MTFs position.

64. Please note there is not a straight read across from Transformation Programme portfolios to Directorates, and appropriate adjustments have been made to ensure Transformation savings are tagged to the correct Directorate.

Table 13: Allocation of Transformation and other savings to Directorates

	Base 2025/26 Budget £M	Sustainable Savings based on M6 24/25 £M	Transformation £M	Indicative 2025/26 Budget £M
Children & Learning	62.08	(1.16)	(6.70)	54.22
Community Wellbeing	99.33	(2.45)	(13.80)	83.07
Enabling Services	26.70	(0.40)	(1.67)	24.62
Growth & Prosperity	39.80	(0.08)	(4.38)	35.34
Resident Services	24.57	0.00	(3.27)	21.30
Strategy & Performance	3.93	(0.16)	(0.05)	3.72
Sustainable Savings	(4.25)	4.25		
Transformation	(29.87)		29.87	
Directorate Indicative Budget	222.28	0.00	0.00	222.28
Inflation	6.49			6.49
Directorate Expenditure (including Inflation)	228.77	0.00	0.00	228.77

65. The other savings are the estimated savings based on spending patterns in 2024/25 that are likely to recur in 2025/26 and beyond. Specifically, the positive variances identified at Month 6 budget monitoring that are neither one-off nor are Transformation related savings. These estimates will be further refined during the budget setting process.

66. The indicative budgets for 2025/26 shown in Table 13 then form the basis of the Cash Limits set out below.

Cash Limits

67. The need for cash limits is because there remains a residual budget gap in the MTFs even after allowing for significant Transformation savings. This is also the case in the three scenarios that have been modelled.

68. Cash limits have been calculated based on the indicative budget above and with the assumptions included in the Middle Scenario as set out in Table 4. In that scenario additional amber rated savings are factored in so the indicative budgets must be adjusted further as illustrated in Table 14 below. As all amber savings in 2025/26 are in Resident Services, this only affects that Directorate.

Table 14: Adjustment to Indicative Budgets for the Middle Scenario

	Indicative 2025/26 Budget	Additional Transformation (Middle Scenario)	Indicative 2025/26 Budget (Revised)
	£M	£M	£M
Children & Learning	54.22	0.00	54.22
Community Wellbeing	83.07	0.00	83.07
Enabling Services	24.62	0.00	24.62
Growth & Prosperity	35.34	0.00	35.34
Resident Services	21.30	(1.90)	19.40
Strategy & Performance	3.72	0.00	3.72
Directorate Indicative Budget	222.28	(1.90)	220.38

69. In the Middle Scenario the remaining budget gap is £13.5M. This is allocated pro-rata to adjusted gross revenue budgets for 2024/25 to arrive at the Cash Limit for each Directorate. Several adjustments are made to ensure the pro-rata allocation is equitable. For example, the removal of Dedicated Schools Grant (DSG) budgets and internal recharges. In addition, the economic development and regeneration service within Growth & Prosperity are protected from cash limit adjustments, and their 'share' is re-allocated across the other Directorates.

70. Indicative Cash Limits are shown in Table 15 below:

Table 15 Indicative Cash Limits for 2025/26 (based on Middle Scenario)

	Indicative Budget 2025/26	Cash Limit Adjustment	Cash Limit 2025/26 MTFS
	£M	£M	£M
Children & Learning	54.22	(2.58)	51.64
Community Wellbeing	83.07	(5.24)	77.83
Enabling Services	24.62	(1.34)	23.28
Growth & Prosperity	35.34	(1.80)	33.53
Resident Services	19.40	(2.27)	17.13
Strategy & Performance	3.72	(0.31)	3.41
Total	220.38	(13.54)	206.83

71. At this stage these limits are a planning guide for the organisation and will continue to be reviewed as the work on moving red and amber transformational proposals to green continues and there is further clarification on funding from central government. However, Directorates are required to plan now based on these indicative cash limits.

Business Planning

72. The business planning process will be the primary mechanism by which Directorates will identify and deliver the tactical savings and other measures required to live within their allocated cash limits.

73. Business Plans will be at Service level and will then be rolled up to Directorate level. Business Plans will cover the next three years, with a particular focus on producing Plans that enable services (and Directorates) to manage within the cash limit targets set out above.

74. Draft Business Plans and initial proposals will be considered by the Council's Management Board in mid-November.

Directorate Position – Summary 2025/26 to 2028/29

75. Table 15 below summarises the Directorate position after all the changes and adjustments outlined above, and including the changes agreed in the July Quarter 1 Update report, have been incorporated. Full details by Directorate are provided at Annex 1.

Table 16 Summary of Directorate Position 2025/26 to 2028/29

All Directorates	Forecast 2025/26 Budget £M	Forecast 2026/27 Budget £M	Forecast 2027/28 Budget £M	Forecast 2028/29 Budget £M
Base Budget	253.72	228.77	230.16	237.80
Changes in MTFS Rebase Report (July 2024)				
Pay and Price Inflation	6.49	6.32	6.09	5.31
Demography	2.34	2.35	2.59	0.72
Changes to Specific Grants	1.91	0.02		
Pressures	(1.61)	(0.53)		
Savings	(0.59)	0.07		
Executive Commitments	(0.34)			
Reversals and other adjustments	0.98	0.43	0.29	
Total Forecast Changes (July)	9.18	8.66	8.97	6.03
Changes in Quarter 2 Update (October 2024)				
Demographic roll-forward (Home to School Transport)				1.83
Recurring sustainable Savings (Non-Transformation)	(4.25)			
Transformation Savings (included in MTFS)	(29.87)	(7.27)	(1.32)	(0.09)
Total Forecast Changes (October)	(34.13)	(7.27)	(1.32)	1.74
Total Forecast Budget	228.77	230.16	237.80	245.57
Cash Limits (Indicative) 2025/26				
Centralise Inflation Provision	(6.49)			
Additional Transformation (Middle Scenario)	(1.90)			
Cash Limit Adjustment	(13.54)			
Cash Limit Budget 2025/26 Indicative	206.83			

Other Income and Expenditure

76. Other Income and Expenditure includes Capital Asset Management and several centrally held budgets. The latter includes planned transfers and contributions to reserves and balances. All these movements are unchanged from the MTFS reported in July, except where indicated.

77. The breakdown of assumptions to Capital Asset Management are shown in Table 17 below:

Table 17: Capital Asset Management

Capital Asset Management	2025/26 £M	2026/27 £M	2027/28 £M	2028/29 £M
Base Position	12.86	24.23	26.77	28.28
Inflation on Capital Projects	0.10	0.11	0.08	
Slippage and re-phasing	0.18	(0.06)	(0.15)	
Impact of higher interest rates	1.46	0.84		
Borrowing on New Projects	1.12	1.67	1.58	1.58
Other Adjustments	0.07	(0.03)		
Total Movement - before EFS financing	2.93	2.53	1.51	1.58
Capital Asset Management – EFS financing	8.45			
Revised Base Position	24.23	26.77	28.28	29.86

78. The breakdown of the other elements of centrally held funds and planned transfers to and from reserves and balances are shown in table 18.

Table 18: Other Income and Expenditure Summary of Movements

Summary of Movements	2025/26 £M	2026/27 £M	2027/28 £M	2028/29 £M
Base Position	11.95	12.02	16.51	17.95
Other Income and Expenditure	1.68	1.00	0.00	
Transfer to/from Reserves	0.33	3.48	1.44	
General Fund balances	(1.93)	0.00	0.00	
Total Movement	0.07	4.49	1.44	0.00
Revised Base Position	12.02	16.51	17.95	17.95

Funding and Taxation

79. The assumptions on Funding and Taxation remains unchanged from the MTFS position reported in July except for revised assumptions on the Adult Social Care precept and RSG growth assumptions.

80. These main taxation assumptions are summarised in Table 19.

Table 19: Funding and Taxation Assumptions

Assumption	2025/26	2026/27	2027/28	2028/29
Increase in Core Council Tax Charge	2.99%	2.99%	2.99%	2.99%
Increase in Adult Social Care Precept	2.00%	2.00%	2.00%	2.00%
Council Tax Base (No. of Band D equivalents)	67,710	67,651	67,518	67,518
Increase in Small Business Rates Multiplier	3.20%	2.10%	2.00%	2.10%
Increase in Standard Business Rates Multiplier	3.20%	2.10%	2.00%	2.10%
Change in Revenue Support Grant	2.00%	2.00%	2.00%	2.00%
Change in Top Up Grant	3.20%	-30.55%	2.00%	2.10%

81. This assumes funding growth of £7.6M from 2024/25 to 2025/26 and a total of £22.7M across the remaining years of the MTFS.

82. In relation to Council Tax, the assumption is for a 2.99% increase in core council tax each year which is the maximum currently allowable without referendum. It also assumes the introduction of the second homes premium from 2025/26. The MTFS assumes a continuation of the 2% additional adult social care precept.

83. The council tax and business rates bases will be updated in the February report following the masterplan work and a review with the Growth and Prosperity Directorate. The assumption in the MTFS is that Revenue Support Grant (RSG) increases in line with inflation. The assumption differs from the 'flat cash' Settlement Funding Assessment position in the July MTFS update (which was in turn based on the previous government's 2023 Autumn Statement). Further confirmation of the position may be forthcoming in the 2024 Autumn Statement.
84. There are several known and anticipated changes to specific grant funding, and these are reflected in the assumptions in the table.

Additional Updates

85. The remainder of this report provides additional financial updates covering:
- Collection Fund
 - Housing Revenue Account (HRA)
 - Capital Programme

Collection Fund

86. There are no changes to the Collection Fund position because of the re-basing exercise. Therefore, the position reported in March 2024 is reflected in this MTFS update, that is no Collection Fund surplus or deficit included for 2025/26. The potential scenarios to reduce the projected budget gap include the current forecast Collection Fund net surplus of £1.70M to support the 2025/26 budget in the optimistic scenario and a net surplus of £0.8M in the middle scenario based on the improved 2023/24 outturn position compared to estimate.
87. To improve collection performance several initiatives are currently being implemented. To better monitor in-year collection performance an improved collection tracking approach is being developed, to monitor actual versus expected performance monthly. A new Debt Management Service is in the process of being implemented, and this will take a centralised approach to debt management including on council tax. This is expected to increase collection performance and reduce debt levels.

Housing Revenue Account (HRA)

88. The Housing Revenue Account (HRA) is a self-financing element of Council activity and covers both planned capital and revenue activity. The HRA can only be funded via the rents and other housing related charges it generates, being a ring-fenced account.
89. The Transformation Programme includes proposals for a 'Being a Good Social Landlord Project' designed to fundamentally change the way the council delivers its landlord function. This includes by providing quality housing across the city and access to support when needed. The project will have implications for both HRA capital investment and operations, and these will be developed and incorporated into HRA business and service planning.

Capital Programme

90. The planned capital expenditure and the associated financing is detailed within the budget report that was approved by Council in March 2024. The Capital Programme for 2024/25 to 2028/29 totals £446.6M and includes £206.1M for the General Fund and £240.5M for the HRA.
91. As at Month 6, The General Fund capital programme is reporting a favourable variance of £16.63M and the HRA a positive variance of £1.06M. The main reason for the variance is slippage across several schemes including residential homes (children), Great Oaks, client case management replacement and various transport related schemes. In the HRA there is slippage on new homes and Townhill Park regeneration. Further details are provided in the Financial Position Update report and a full Quarter 2 Capital update will be presented to November Cabinet.
92. Consideration has been given to the most appropriate use of capital resources in supporting the programme and meeting the investments and the priorities for the city. All capital projects must ensure purposeful investment and focus on delivering the optimum value for money for the council and its benefits are fully considered against taking account of the financial challenges the council faces.
93. The Transformation Programme will include the need to increase capital expenditure. Some elements of capital investment that will support transformation business cases are already included in the capital programme including for the social care case management system and investment in special schools. The capital financing costs of other Transformation Programme capital asks are included within the scenario modelling at Table 4 above.
94. There are therefore no proposed amendments to the Capital Programme, and therefore no additional revenue impacts have been factored into the MTFs at this stage but will be once the full capital approval process has taken place prior to budget setting for 2025/26.
95. The business planning process will cover the requirements for new investment, this will be on a business case basis. The business case will need to demonstrate the delivery against the Council's agreed strategy of purposeful investment. Each case will need to meet the following criteria:
 - All capital schemes will be reviewed to ensure they are an investment that reflects the priorities of purposeful investment and a sustainable organisation.
 - Identify further opportunities to invest in the city and the council including innovative ideas and ensuring business cases have been developed in anticipation of funding becoming available.
 - The Capital Board will ensure capital projects are being prioritised and the investment is based on strong business cases and delivery plans.

Next steps

96. Over the next quarter the following actions will be taken to further develop the MTFs and model.
 - Continue to work with Cabinet and the Management Board to set clear financial policies and priorities.
 - Continue to work towards building additional confidence in the 'amber' rated transformation savings, prioritise assets sales to generate capital receipts, and focus on demand and prevention work to move towards the Optimistic Scenario.
 - Provide updates to reflect the outcome of any funding or legislative changes, specifically any implications on the MTFs assumptions of the Chancellor's Autumn Statement.

- Further development of business planning and the identification of further proposals to close the financial gap in 2025/26 onwards, in line with the cash limits set out in this report.
- Further develop and refine the assumptions in the MTFS as part of the budget setting process.

Annex 1: Directorate MTFs movements 2024/25 to 2028/29

This annex sets out the Directorate by Directorate spend and funding movements from 2024/25 to 2028/29 showing how these change over the five-year life of the MTFP, starting with the base year (2024/25).

This includes the provisional allocation of Transformation and other savings as well as indicative cash limits.

Children & Learning MTFP	2025/26 £M	2026/27 £M	2027/28 £M	2028/29 £M
Base Budget (commencing 2024/25)	61.83	54.22	52.16	52.21
Virements	(0.02)	0.00	0.00	0.00
Pay and Price Inflation	0.00	0.00	0.00	0.00
Pressures previously reported:				
Expenditure pressures within Children's Services from continued high demand	0.09			
Residential Units Revenue Pressures	(0.29)	(0.44)		
New pressures:				
Savings previously reported:				
Virtual School - Utilise additional funding		0.02		
Not use surplus from Holiday Activities Fund.	0.01			
Maximise impact of Family Hubs grant.	0.42			
Holiday Activities and Food efficiencies	0.01			
Increasing offset with Family Hubs grant	0.03			
Education Property budget no longer needed re academisation	0.02	0.06	0.05	
New savings:				
Transformation Savings	(6.70)	(1.70)		
Other New Savings	(1.16)			
Net Movement	(7.60)	(2.06)	0.05	0.00
Forecast Budget	54.22	52.16	52.21	52.21
Cash Limits (Indicative) 2025/26				
Cash Limit Adjustment	(2.58)			
Cash Limit Budget 2025/26 Indicative	51.64			

Community Wellbeing MTFP	2025/26 £M	2026/27 £M	2027/28 £M	2028/29 £M
Base Budget (commencing 2024/25)	97.66	83.07	80.34	81.06
Virements	0.00	0.00	0.00	0.00
Pay and Price Inflation	0.00	0.00	0.00	0.00
Pressures previously reported:				
Adult Social Care (ASC) - demography	0.72	0.72	0.72	
ASC Demography - July 2024 MTFS				0.72
New pressures:				
Savings previously reported:				
Additional Government funding to meet Adult Social Care cost pressures (Market Sustainability Grant)	0.95			
New savings:				
Transformation Savings	(13.80)	(3.45)		
Other New Savings	(2.45)			
Net Movement	(14.59)	(2.73)	0.72	0.72
Forecast Budget	83.07	80.34	81.06	81.78
Cash Limits (Indicative) 2025/26				
Cash Limit Adjustment	(5.24)			
Cash Limit Budget 2025/26 Indicative	77.83			

Enabling Services MTFP	2025/26 £M	2026/27 £M	2027/28 £M	2028/29 £M
Base Budget (commencing 2024/25)	26.52	24.62	24.92	24.92
Virements	0.00	0.00	0.00	0.00
Pay and Price Inflation	0.00	0.00	0.00	0.00
Pressures previously reported:				
Additional cost of running local elections		0.11		
Cost of elections		0.17		
Minor Rebasing pressures - corporate services	(0.03)	0.03		
New pressures:				
Savings previously reported:				
Budget for Added Years pension payments adjustment to reflect forecast actual payments to Hampshire LGPS scheme	0.02	0.19		
Remove the contribution to the Self Insurance Fund for 1 year	0.70			
Discontinue Insurance cover for Schools IT Equipment	(0.01)			
Fallow Year on Elections - 2025	(0.20)	0.20		
Compliance (non transformational)	(0.02)			
I&E - service redesign from debt management programme	(0.01)			
Supplier Management Redesign	(0.15)			
New savings:				
Transformation Savings	(1.67)	(0.39)		
Other New Savings	(0.40)			
Other MTF amendments	(0.12)			
Net Movement	(1.90)	0.30	0.00	0.00
Forecast Budget	24.62	24.92	24.92	24.92
Cash Limits (Indicative) 2025/26				
Cash Limit Adjustment	(1.34)			
Cash Limit Budget 2025/26 Indicative	23.28			

Growth & Prosperity MTFP	2025/26 £M	2026/27 £M	2027/28 £M	2028/29 £M
Base Budget (commencing 2024/25)	38.64	35.34	35.31	36.30
Virements	0.00	0.00	0.00	0.00
Pay and Price Inflation	0.00	0.00	0.00	0.00
Pressures previously reported:				
Home to School Transport costs	1.39	1.58	1.83	
Update of Local Plan		(0.16)		
Network Eagle Labs	(0.06)			
Procurement strategy post in Corporate Estates & Assets team	(0.08)			
Concessionary Fares increase in patronage	0.05	0.05	0.05	
Visitor Economy	(0.05)			
Highways & Street Lighting Contracts Pressure & Unachievable Income	(0.06)	0.01		
New pressures:				
Demographic Changes (home to school transport rolled forward to 2028/29)				1.83
Savings previously reported:				
Founding partner contributions to Cultural Trust to deliver City of Culture legacy will be made from existing budgets		0.03		
Service Redesign - Construction project delivery	(0.01)	(0.01)		
Service Redesign - Design Team		(0.11)		
Building Control - Competition Account Review		0.14	0.04	
School Crossing Patrol Service Reduction – replacement of vacant School Crossing Patrol sites with permanent pedestrian crossing infrastructure	(0.03)			
Sale of Library Bus	0.01			
New savings:				
Transformation Savings	(4.38)	(1.56)	(0.92)	
Other New Savings	(0.08)			
Net Movement	(3.30)	(0.03)	1.00	1.83
Forecast Budget	35.34	35.31	36.30	38.13
Cash Limits (Indicative) 2025/26				
Cash Limit Adjustment	(1.80)			
Cash Limit Budget 2025/26 Indicative	33.53			

Resident Services	2025/26	2026/27	2027/28	2028/29
MTFP	£M	£M	£M	£M
Base Budget (commencing 2024/25)	25.14	21.30	20.94	20.74
Virements	0.00	0.05	0.00	0.00
Pay and Price Inflation	0.00	0.00	0.00	0.00
Pressures previously reported:				
Waste volumes due to City growth	0.10			
Temporary closure of Itchen Bridge for capital works	(0.44)			
Private Sector Housing condition survey		(0.25)		
Housing Benefits Subsidy & homeless costs - increase in deficit due to unsubsidised costs of homelessness provision	(0.60)			
New pressures:				
Savings previously reported:				
Meet homelessness service staff costs from ringfenced grant funding	0.50			
Remove funding requirement for Condition of Private Sector Housing	0.25			
Barrier control at Mayflower Park	(0.04)			
Remove Waste Transformation budget	0.12	0.01		
To simplify the Itchen Bridge tariff by replacing the current fees with a flat fee of £1 / 40p (smartcards)	(0.13)			
Electricity generation in Waste contract			0.20	
New savings:				
Transformation Savings	(3.27)	(0.17)	(0.40)	(0.09)
Other New Savings				
Commitments previously reported:				
Homes for Ukraine - continuation of scheme in 2024/25 in absence of government funding	(0.34)			
Net Movement	(3.84)	(0.36)	(0.20)	(0.09)
Forecast Budget	21.30	20.94	20.74	20.65
Cash Limits (Indicative) 2025/26				
Additional Transformation (Middle Scenario)	(1.90)			
Cash Limit Adjustment	(2.27)			
Cash Limit Budget 2025/26 Indicative	17.13			

Strategy & Performance MTFP	2025/26 £M	2026/27 £M	2027/28 £M	2028/29 £M
Base Budget (commencing 2024/25)	3.93	3.72	3.67	3.67
Virements	0.00	(0.05)	0.00	0.00
Pay and Price Inflation	0.00	0.00	0.00	0.00
Pressures previously reported:				
New pressures:				
Savings previously reported:				
New savings:				
Transformation Savings	(0.05)			
Other New Savings	(0.16)			
Net Movement	(0.21)	(0.05)	0.00	0.00
Forecast Budget	3.72	3.67	3.67	3.67
Cash Limits (Indicative) 2025/26				
Cash Limit Adjustment	(0.31)			
Cash Limit Budget 2025/26 Indicative	3.41			

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Agenda Item 9

DECISION-MAKER:	CABINET		
SUBJECT:	FINANCIAL POSITION UPDATE		
DATE OF DECISION:	29 OCTOBER 2024		
REPORT OF:	COUNCILLOR LETTS DEPUTY LEADER AND CABINET MEMBER FOR FINANCE AND CORPORATE SERVICES		
<u>CONTACT DETAILS</u>			
Executive Director	Title:	Executive Director Enabling Services and S151 Officer	
	Name:	Mel Creighton	Tel: 023 8083 3528
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STATEMENT OF CONFIDENTIALITY

Not Applicable

BRIEF SUMMARY

This report provides a summary of the financial position of the council for 2024/25 as at the end of September 2024 (month 6). The month 5 (August 2024) position has also been included for completeness.

The position as at the end of September 2024 is a £13.18M favourable variance, with the detail set out in Appendix 1. This is a further positive movement of £4.39M compared to the position at Month 5 (£8.79M positive variance).

RECOMMENDATIONS:

	Cabinet is recommended to:	
i)	Agree the £2.16M adjustments to be made to directorate budgets to reflect further sustained favourable variances reported at month 6 of 2024/25 due to transformation and other measures, to be transferred to centrally held contingency to reduce the reliance on Exceptional Financial Support (EFS), as set out in paragraph 6.	
ii)	Agree the progress being made to deliver on the Deficit Recovery Plans that have been developed to mitigate forecast overspends in several specified budget areas, as set out in paragraph 7.	
iii)	Recommend Council approve the virement of £24.30M Social Care Grant income budget from Non-Specific Government Grants (Centrally Held Funding) to Children & Learning (£9.53M) and Community Wellbeing (£14.77M) to reflect a change in the grant conditions from an un-ringfenced to a ringfenced grant, as set out in paragraph 8.	

REASONS FOR REPORT RECOMMENDATIONS

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

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2. Not applicable.

DETAIL (including consultation carried out)

Latest Financial Position

3. The forecast financial position of the council as at the end of September 2024 (month 6) is set out at Appendix 1. Table 1 summarises the General Revenue Fund Forecast.

4. **Table 1 – General Revenue Fund Forecast 2024/25**

	Working Budget Month 6 £M	Forecast Outturn Month 6 £M	Forecast Variance Month 6 £M	Movement Month 5 to Month 6 £M
Children & Learning	61.31	59.10	(2.21) F	(1.10) F
Community Wellbeing	95.11	93.51	(1.60) F	2.46 A*
Enabling Services	26.13	25.59	(0.54) F	(0.35) F
Growth & Prosperity	37.67	36.16	(1.51) F	(1.43) F
Resident Services	26.32	26.30	(0.02) F	(0.21) F
Strategy & Performance	4.94	4.79	(0.16) F	0.00
Total Directorates	251.48	245.43	(6.05) F	(0.64) F
Centrally Held Budgets	27.11	20.04	(0.94) F	(0.64) F
Net Council Expenditure before EFS	278.60	265.47	(7.37) F	(2.01) F
Centrally Held Funding	(239.32)	(239.37)	(7.07) F	(3.75) F
Net Over/(Underspend) before EFS	39.28	26.10	(13.18) F	(4.39) F
Exceptional Financial Support (EFS)	(39.28)	(26.10)		
Net Over/(Underspend)	0.00	0.00		

Numbers are rounded. 'F' indicates as favourable variance, 'A' is an adverse variance

*After transferring £3.75M of sustained favourable variances to contingency in month 6 (subject to full Council approval). The movement excluding this budget transfer is £1.29M favourable.

5. Sustained favourable variances are being achieved by directorates through demand management and transformation activity and other measures. £6.13M of budget for sustained favourable variances have been transferred to centrally held contingency as at the end of month 6 (of which £3.75M is pending approval by full Council) in accordance with the Business Planning & Budgeting Framework. Agreement is sought

to transfer a further £2.16M of budgets for favourable variances to centrally held contingency in month 7. Table 2 summarises the proposed budget adjustments.

6. **Table 2 – Proposed Budget Adjustments**

	Budget Adjustment £M
<u>Children & Learning</u>	
Rapid Service Redesign	(0.50)
<u>Community Wellbeing</u>	
Care packages and costs, including lower demand, plus savings from Phase 2a restructure	(0.58)
<u>Enabling Services</u>	
Data & Digital – System Rationalisation	(0.14)
Total Directorates	(1.22)
<u>Capital Asset Management</u>	
Reduced capital financing costs and higher investment returns	(0.94)
<u>Centrally Held Contingency</u>	
Budget transferred for sustained favourable variances	2.16
Net Adjustment	0.00

Numbers are rounded

7. Where overspends are forecast, service areas are required to develop Deficit Recovery Plans to bring budgets back into projected balance.

A Deficit Recovery Plan for Children’s Social Care relating to at risk savings (£0.61M) was implemented in month 5. This included virement of funds from elsewhere in the Directorate and realisation of savings and spend reductions.

For Resident Services, a Deficit Recovery Plan has been implemented in month 6 whereby pressures in the service have been covered by forecast favourable positions elsewhere within the Directorate. Budget has been transferred to cover previous adverse variances of £0.44M on Bereavement Services, £0.37M on District Operating Teams and £0.21M on Landscapes from Parking and Itchen Bridge income (£0.63M) and Port Health income (£0.25M) which had favourable variances.

8. The grant conditions for the Social Care Grant were changed in 2023/24 from an un-ringfenced grant to a ringfenced grant that must be used in meeting adults’ and children’s social care needs. The Social Care Grant currently forms part of the budget for Non-Specific Government Grants within Centrally Held Funding. Agreement is sought to vire the £24.30M income budget to Children & Learning (£9.53M) and Community Wellbeing (£14.77M) based on the relative proportions of children’s social care and adult social care expenditure. The virement of the income budget has no impact on service provision it is only a change to the accounting treatment.

Financial Monitoring as at the end of August 2024

9. The forecast position on the General Revenue Fund as at the end of August 2024 was

	a net positive variance (before exceptional financial support) of £8.79M. Appendix 2 provides a summary of the financial position as at month 5.
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RESOURCE IMPLICATIONS

Capital/Revenue

10.	The revenue implications are contained in the report.
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Property/Other

11.	None.
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LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

12.	Financial reporting is consistent with the Section 151 Officer’s duty to ensure good financial administration within the council.
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Other Legal Implications:

13.	None.
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RISK MANAGEMENT IMPLICATIONS

14.	Risk management implications are contained in the report.
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POLICY FRAMEWORK IMPLICATIONS

15.	None.
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KEY DECISION? No

WARDS/COMMUNITIES AFFECTED:	All
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SUPPORTING DOCUMENTATION

Appendices

1.	Financial position update report month 6 2024/25
2.	Financial position update report month 5 2024/25

Documents In Members’ Rooms

1.	None
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Equality Impact Assessment

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

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

Equality Impact Assessment and Other Background documents available for inspection at:	
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Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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1.	The 2024/25 Budget and Medium Term Financial Strategy (Council 6 March 2024)	
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Revenue Monitoring

The forecast outturn at Month 6 is a favourable variance of £13.18M underspent. This is made up of a favourable Directorate variances of £6.05M, £7.07M for centrally held budgets and £0.05M in centrally held funding. This is a £4.39M improvement on the Month 5 position which forecast a £8.79M favourable variance. £3.75M of budgets for sustainable 2024/25 savings was transferred from Directorates to centrally held budgets in Month 6 (approved by Cabinet and pending ratification by full Council).

The main favourable variances are in the following areas:

- Children & Learning (£2.21M favourable) with the main positive variance being in children looked after (CLA) of £1.66M. This is after £1.06M of sustainable savings have been taken centrally.
- Community Wellbeing (£1.60M favourable) with the main positive variances being for release of Adult Social Care budget due to lower levels of activity compared to the budget (£0.75M) and savings from the Phase 2a restructure (£0.40M). This is after £3.75M of sustainable savings have been taken centrally (subject to full Council approval).
- Enabling Services (£0.54M favourable) from a range of savings (£0.30M), additional income (£0.13M) and staffing vacancies (£0.11M).
- Growth and Prosperity (£1.51M favourable) relating to further School Travel Service transformation savings (£0.73M), capitalisation of highways costs (£0.45M) and £0.74M of other favourable variances reduced by £0.41M adverse variances in other areas. This is after £1.05M of sustainable savings have been taken centrally.
- Resident Services (£0.02M favourable), after £0.27M of sustainable savings have been taken centrally. Deficit Recovery Plans have been agreed whereby pressures in the service have been covered by forecast favourable positions elsewhere within the Directorate.
- Centrally held budgets (£7.07M favourable) comprising £6.13M of sustainable savings transferred from directorates and a £0.94M favourable variance for Capital Asset Management.

The overall favourable variance of £13.18M reported this month includes forecast Transformation Savings of £7.27M and these are detailed later in the report.

There are no directorates reporting an overall adverse variance.

Exceptional Financial Support (EFS)

All services should continue to aim to under-spend in 2024/25 to minimise the reliance on Exceptional Financial Support (EFS). The annual revenue cost of using borrowing to fund the 2024/25 budget shortfall of £39.28M (via the EFS facility) is £3.6M. If the favourable forecast variance of £13.18M is sustained, the borrowing costs will be £1.2M per annum lower at £2.4M.

Budget Adjustments

As set out in the Business Planning and Budgeting Framework sustained favourable budget variances will be transferred from service budgets to contingency. £3.75M of sustained Directorate favourable variances reported at Month 5 were transferred to contingency in Month 6 (subject to full Council approval). This is in addition to the £2.38M previously transferred, bringing the total to £6.13M. A further £2.16M of 2024/25 sustainable variances to be transferred to contingency in Month 7, as detailed in this report.

Savings Delivery

The savings targets built into 2024/25 budgets is £24.64M. £21.26M of the savings are reported as "delivered" and a further £2.38M are "expected to be delivered". £0.84M of low risk savings are being closely monitored. £0.20M of at risk savings within City Services are being covered by the Resident Services Deficit Recovery Plans, which is covering these at risk savings from other favourable variances in the Directorate.

Deficit Recovery Plans

Deficit Recovery Plans have now been implemented within Resident Services whereby pressures in the service have been covered by forecast favourable positions elsewhere within the Directorate. Budget has been transferred to cover previous adverse variances of £0.44M on Bereavement Services, £0.37M on District Operating Teams and £0.21M on Landscapes from Parking and Itchen Bridge income (£0.63M) and Port Health income (£0.25M) which had favourable variances.

All Deficit Recovery Plans from previous months have also been implemented and there are no new plans required this month.

Dedicated Schools Grant (DSG) and School Balances

The DSG deficit reduced by £3.99M to £7.11M in 2023/24 and a further reduction of £1.20M is currently forecast for 2024/25.

Schools budget data for 2024/25 indicates there are 13 schools with a deficit balance and where necessary deficit recovery plans are being prepared.

Reserves

The General Fund reserve is forecast to be £12.00M at year end 2024/25, and Earmarked Reserves (excluding schools' balances) at £35.22M.

Housing Revenue Account (HRA)

The HRA is forecasting a balanced position at Month 5, with a reduction in depreciation being balanced by an increase in direct revenue financing of the capital programme. The Landlord Controlled Heating Account carried a £2.35M deficit into 2024/25, and this is now expected to reduce to £1.74M by year end.

Capital Programme

The General Fund capital programme is reporting a forecast underspend of £16.63M. The major project variances are:

- Slippage is reported in Children's Residential Home (£1.95M), Valentine School (£1.85M), Cycling Infrastructure (£1.13M), Future Transport Zone (£1.97M) and Itchen Bridge (£3.78M)
- Underspends are reported in Care Director (£0.68M) and Belgrave Industrial Estate Roof (£0.27M)

The HRA capital programme is reporting a forecast underspend of £1.06M. The major project variances are:

- Slippage is reported in Townhill Park Regeneration (£1.01M), Fire Safety (£0.55M) and New Homes (£1.10M).
- Underspends are reported in Roofing (£0.40M)
- Overspends are reported in Sprinkler works (£0.64M), Wyndham Court Refurbishment (£0.60M) and Structural Inspections (£0.60M)



General Fund Position Month 6



	Working Budget 2024/25 £M	Forecast Outturn Month 6 £M	Forecast Variance Month 6 £M	
Directorates:				
Children & Learning	61.31	59.10	(2.21)	F
Community Wellbeing	95.11	93.51	(1.60)	F
Enabling Services	26.13	25.59	(0.54)	F
Growth & Prosperity	37.67	36.16	(1.51)	F
Resident Services	26.32	26.30	(0.02)	F
Strategy & Performance	4.94	4.79	(0.16)	F
Total Directorates	251.48	245.43	(6.05)	F
Levies & Contributions	0.10	0.10	0.00	
Contribution to General Fund Balance	1.93	1.93	0.00	
Capital Asset Management	12.86	11.92	(0.94)	F
Other Expenditure & Income	12.22	6.09	(6.13)	F
Net Council Expenditure before EFS	278.60	265.47	(13.13)	F
Financed by:				
Council Tax	(120.44)	(120.44)	0.00	
Business Rates	(54.45)	(54.45)	0.00	
Non-Specific Government Grants & Other Funding	(64.43)	(64.48)	(0.05)	F
Total Funding	(239.32)	(239.37)	(0.05)	F
Net Over/(Underspend) before EFS	39.28	26.10	(13.18)	F
Exceptional Financial Support (EFS)	(39.28)	(26.10)		
Net Over/(Underspend)	0.00	0.00		

General Fund Month 6 Commentary

Overall forecast position is £13.18M underspent, a favourable movement of £4.39M from Month 5

Children & Learning: a forecast underspend of £2.21M.

The overall £2.21M favourable variance is mainly due to favourable variances of £1.66M for Children Looked After for care package costs, £0.26M additional Supporting Families grant, £0.16M for lower Care Leavers client numbers, £0.15M for agency staffing reductions and £0.15M for Legal costs. There are some pressures and adverse variances within the Directorate that reduce the favourable variance, including £0.31M on no recourse to public fund expenditure.

Community Wellbeing: a forecast underspend of £1.60M.

The overall £1.60M favourable variance is largely due to £0.35M in Living and Ageing Well, £0.4M in Learning Disabilities, a saving of £0.40M following the Phase 2a restructure in ASC and favourable variances of £0.26M in ICU-System Redesign and £0.23M in ICU-Provider Relationships. There is an adverse variance in ASC due to overtime and agency staffing.

Enabling Services: a forecast underspend of £0.54M.

The £0.54M favourable variance is mainly due to £0.16M of savings from AVCs take up, £0.14M of Data & Digital transformation savings, £0.13M additional income for Supplier Management and Finance, and £0.11M for staffing vacancies.

Growth & Prosperity: a forecast underspend of £1.51M.

The favourable variance of £1.51M is mainly due to £0.73M of further transformation savings for the School Travel Service, £0.26M increase in traffic management income, £0.45M capitalisation of highways costs and £0.35M favourable variance for Corporate Landlord energy and staffing costs. There are adverse variances of £0.31M on investment property based on projected income.

Resident Services: a forecast underspend of £0.02M.

The £0.02M favourable variance is after the implementation of the Deficit Recovery Plan whereby pressures in the service have been covered by forecast favourable positions elsewhere within the Directorate. Budget has been transferred to cover previous adverse variances of £0.44M on Bereavement Services, £0.37M on District Operating Teams and £0.21M on Landscapes from Parking and Itchen Bridge income (£0.63M) and Port Health income (£0.25M) which had favourable variances.

Strategy & Performance: a forecast underspend of £0.16M.

The £0.16M favourable variance is mainly due to staffing vacancies.



Month 5 Adjusted Variance Vs Month 6



	Forecast Variance Month 5 £M		Sustainable Savings Removed £M	Adjusted Variance Month 5 £M		Forecast Variance Month 6 £M		Movement Adjusted Month 5 to Month 6 £M	
Directorates:									
Children & Learning	(1.10)	F	0.00	(1.10)	F	(2.21)	F	(1.12)	F ↑
Community Wellbeing	(4.07)	F	3.75	(0.31)	F	(1.60)	F	(1.29)	F ↑
Enabling Services	(0.19)	F	0.00	(0.19)	F	(0.54)	F	(0.35)	F ↑
Growth & Prosperity	(0.09)	F	0.00	(0.09)	F	(1.51)	F	(1.43)	F ↑
Resident Services	0.19	A	0.00	0.19	A	(0.02)	F	(0.21)	F ↑
Strategy & Performance	(0.16)	F	0.00	(0.16)	F	(0.16)	F	0.00	
Total Directorates	(5.42)	F	3.75	(1.66)	F	(6.05)	F	(4.39)	F ↑
Levies & Contributions	0.00		0.00	0.00		0.00		0.00	
Contribution to General Fund Balance	0.00		0.00	0.00		0.00		0.00	
Capital Asset Management	(0.94)	F	0.00	(0.94)	F	(0.94)	F	0.00	
Other Expenditure & Income	(2.38)	F	(3.75)	(6.13)	F	(6.13)	F	0.00	
Net Council Expenditure before EFS	(8.74)	F	0.00	(8.74)	F	(13.13)	F	(4.39)	F ↑
Funded by:									
Council Tax	0.00		0.00	0.00		0.00		0.00	
Business Rates	0.00		0.00	0.00		0.00		0.00	
Non-Specific Government Grants & Other Funding	(0.05)	F	0.00	(0.05)	F	(0.05)	F	0.00	
Total Funding	(0.05)	F	0.00	(0.05)	F	(0.05)	F	0.00	
Net Over/(Underspend) before EFS	(8.79)	F	0.00	(8.79)	F	(13.18)	F	(4.39)	F ↑

NB: The Month 5 forecast variance has been adjusted to reflect the transfer of £3.75M of sustainable savings from Directorate budgets to contingency which is subject to Council approval.

Children & Learning:

There is a favourable movement of £1.12M from Month 5, mainly due to a £0.86M variance movement for Children Looked After from the release of £0.40M of a budget pressure for the two new childrens homes, £0.35M use of grant funding and £0.11M favourable movement relating to care packages. There is also a £0.15M favourable movement relating to agency spend.

Community & Wellbeing:

£3.75M of sustainable savings have been taken centrally in Month 6 (approved by Cabinet and pending ratification by full Council) and there are a further £1.29M of favourable movements from Month 5, mainly due to £0.35M in Living and Ageing Well and £0.40M in LD Whole Life Pathways, £0.40M from the Phase 2a restructure and £0.20M for respite redesign.

Enabling Services:

There is a favourable movement of £0.35M from Month 5 due to transformation savings and AVCs take up plus additional income, reduced by a staffing pressure for interim cover.

Growth & Prosperity:

There is a favourable movement of £1.43M from Month 5 due to £0.73M of further transformation savings for the School Travel Service, £0.26M increase in traffic management income and £0.45M capitalisation of highways costs.

Resident Services:

There is a favourable movement of £0.21M from Month 5, predominantly due to an increase in Itchen Bridge forecast income based on receipts to date.

Strategy & Performance:

There is no movement from Month 5.



Executive Director	Description of saving	Savings £M
Children & Learning	Service Redesign (Rapid Service Redesign)	0.50
Community Wellbeing	Care package costs, including lower demand plus savings from Phase 2a restructure	0.58
Enabling Services	Data & Digital - System Rationalisation	0.14
Capital Asset Management	Reduced capital financing costs and higher investment returns	0.94
Total		2.16

£3.75M of the sustainable savings previously reported have been transferred from Directorate budgets to contingency in Month 6 (approved by Cabinet and pending ratification by full Council), bringing the total transferred to £6.13M. A further £2.16M of sustainable savings have been identified in Month 6.



Transformation Savings



Executive Director	Month 6 Variance	Sustainable Savings Removed	Total Directorate Variance	Transformation Savings	Other Directorate Variances
	£M	£M	£M	£M	£M
Children & Learning	(2.21)	(1.06)	(3.27)	(1.21)	(2.06)
Community Wellbeing	(1.60)	(3.75)	(5.36)	(2.90)	(2.46)
Enabling Services	(0.54)	0.00	(0.54)	(0.14)	(0.40)
Growth & Prosperity	(1.51)	(1.05)	(2.57)	(2.48)	(0.08)
Resident Services	(0.02)	(0.27)	(0.29)	(0.30)	0.00
Strategy & Performance	(0.16)	0.00	(0.16)	0.00	(0.16)
Capital Asset Management	(0.94)	0.00	(0.94)	(0.25)	(0.69)
Total	(6.99)	(6.13)	(13.13)	(7.27)	(5.85)

Executive Director	Description of transformation saving	Savings £M
Children & Learning	Managing Demand	(0.15)
Children & Learning	Right Child / Right Home	(1.06)
Community Wellbeing	Commissioning	(0.50)
Community Wellbeing	Living & Ageing Well	(1.50)
Community Wellbeing	Phase 2A restructure	(0.40)
Community Wellbeing	Whole Life Pathways - LD	(0.50)
Enabling Services	Data & Digital - System Rationalisation	(0.14)
Growth & Prosperity	Parking and Traffic Mangement	(0.26)
Growth & Prosperity	School Travel Service	(1.48)
Growth & Prosperity	Service Redesign	(0.75)
Resident Services	Service Centre	(0.30)
Capital Asset Management	Treasury Management (Reshaping Financial Management)	(0.25)
Total		(7.27)

Children & Learning

Community Wellbeing

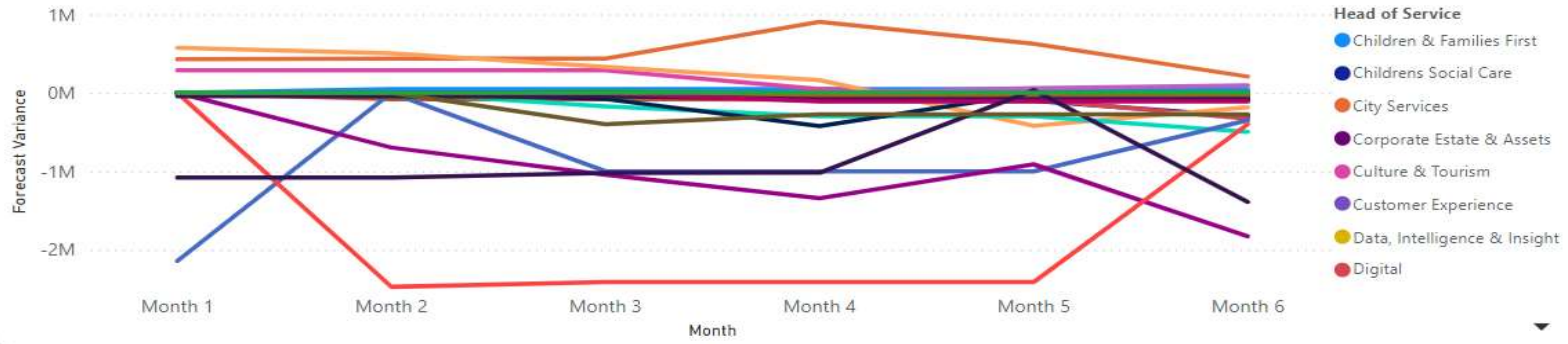
Enabling Services

Growth & Prosperity

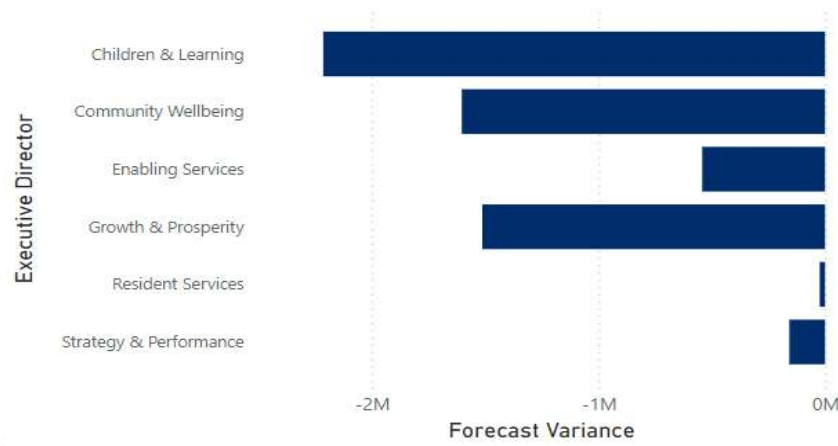
Resident Services

Strategy & Performance

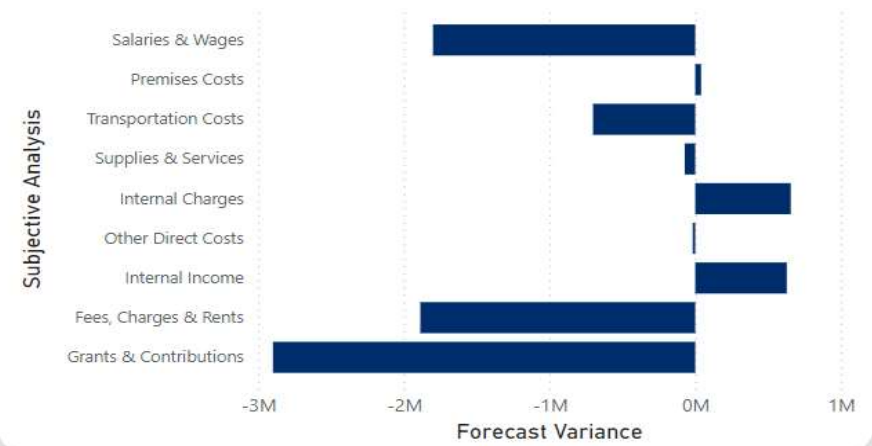
Variance Trend -



Variance to Budget -

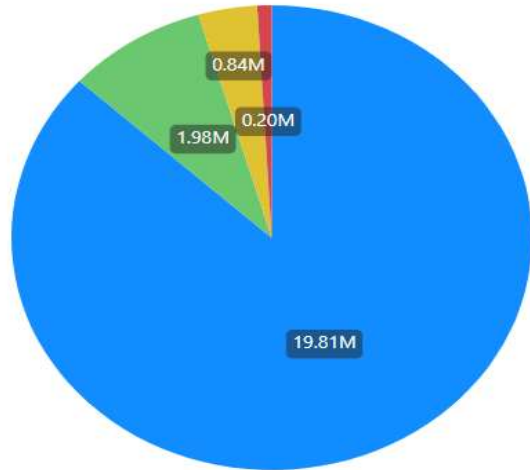


Variance by Subjective Analysis -



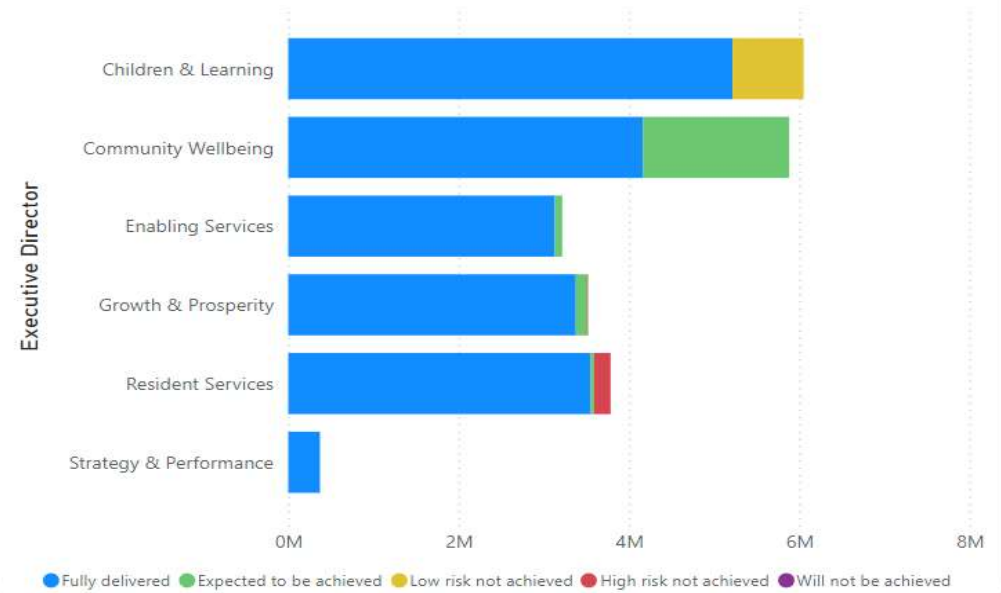


Savings Targets 2024/25 RAG Rated



● Fully delivered
 ● Expected to be achieved
 ● Low risk not achieved
 ● High risk not achieved
 ● Will not be achieved

Savings Targets per Directorate



● Fully delivered
 ● Expected to be achieved
 ● Low risk not achieved
 ● High risk not achieved
 ● Will not be achieved

Please select a Directorate to drillthrough

Key Issues

The current rate of non-achievement of savings is 1% or £0.20M forecast not to be achieved (Red & Purple). A Deficit Recovery Plan has been implemented in Resident Services to mitigate the impact of non-achievement of savings.



Summary of variations to Budget (£M)

Executive Director	Client Packages and Placement costs	Coroner costs	Employee and Agency Costs	Energy	Fuel	Income	Non Achievement of savings	Other	Property Investment	Service Review of ICU	Transformation Savings held in directorate	Total
Children & Learning	(1.21)	0.00	(0.26)	0.00	0.00	(0.03)	0.00	(0.56)	0.00	0.00	(0.15)	(2.21)
Community Wellbeing	0.00	0.00	0.13	0.00	0.00	0.00	0.00	(0.08)	0.00	(0.35)	(1.30)	(1.60)
Enabling Services	0.00	0.00	(0.10)	0.00	0.00	(0.13)	0.00	(0.17)	0.00	0.00	(0.14)	(0.54)
Growth & Prosperity	0.00	0.00	(0.14)	(0.20)	0.00	0.03	0.01	(0.09)	0.31	0.00	(1.43)	(1.51)
Resident Services	0.00	0.28	0.71	0.00	0.12	(1.27)	0.20	(0.02)	0.00	0.00	(0.03)	(0.02)
Strategy & Performance	0.00	0.00	(0.09)	0.00	0.00	(0.04)	0.00	(0.03)	0.00	0.00	0.00	(0.16)
Total	(1.21)	0.28	0.25	(0.20)	0.12	(1.44)	0.21	(0.96)	0.31	(0.35)	(3.05)	(6.05)

Within directorates there are favourable variances of £3.05M for Transformation Savings (excluding those transferred to contingency), £1.21M for client packages and placements, £1.44M for increased income and £1.51M for other factors. The main adverse variances are for property investment income shortfalls £0.31M and Coroner costs £0.28M, with £0.57M for other factors. The £6.05M net favourable variance is after £6.13M of sustainable savings have been taken centrally, of which £3.98M relates to Transformation Savings.



	Working Budget 2024/25 £M	Forecast Outturn Month 6 £M	Forecast Variance Month 6 £M		Movement Month 5 to Month 6 £M	
Children & Families First	3.68	3.73	0.05	A	0.00	
Children & Families First	3.68	3.73	0.05	A	0.00	
Childrens Social Care	3.10	2.80	(0.30)	F	(0.20)	F ↑
Divisional Management	2.18	2.03	(0.15)	F	(0.15)	F ↑
ICU - Children's Services	0.38	0.38	0.00		0.00	
Legal (Children's)	0.54	0.39	(0.15)	F	(0.05)	F ↑
Education	4.08	4.10	0.01	A	0.00	
DSG Central School Services Block	(0.06)	(0.06)	0.00		0.00	
DSG Early Years Block	0.00	0.00	0.00		0.00	
DSG High Needs Block Education	2.50	2.50	0.00		0.00	
DSG Schools Block	0.00	0.00	0.00		0.00	
Education - Asset Management	0.84	0.84	0.00		0.00	
Education & Learning	0.81	0.82	0.01	A	0.00	
Quality Assurance	2.65	2.61	(0.04)	F	0.00	
Quality Assurance Business Unit	2.65	2.61	(0.04)	F	0.00	
SEND	(1.45)	(1.50)	(0.05)	F	0.00	
DSG High Needs Block SEND	(2.50)	(2.50)	0.00		0.00	
Education - High Needs	1.04	0.99	(0.05)	F	0.00	
Pathways Through Care	34.15	32.33	(1.83)	F	(0.92)	F ↑
Care Leavers	1.07	0.91	(0.16)	F	(0.05)	F ↑
Children Looked After	33.08	31.41	(1.67)	F	(0.87)	F ↑
Resources	11.85	11.80	(0.06)	F	0.00	
Jigsaw	5.45	5.46	0.00		0.00	
Safeguarding	6.40	6.34	(0.06)	F	0.00	
Young Peoples Service	3.24	3.24	0.00		0.00	
Young Peoples Service	2.35	2.35	0.00		0.00	
Youth Offending	0.89	0.89	0.00		0.00	
Total Children & Learning	61.31	59.10	(2.21)	F	(1.12)	F ↑

Children & Learning: a forecast underspend of £2.21M.

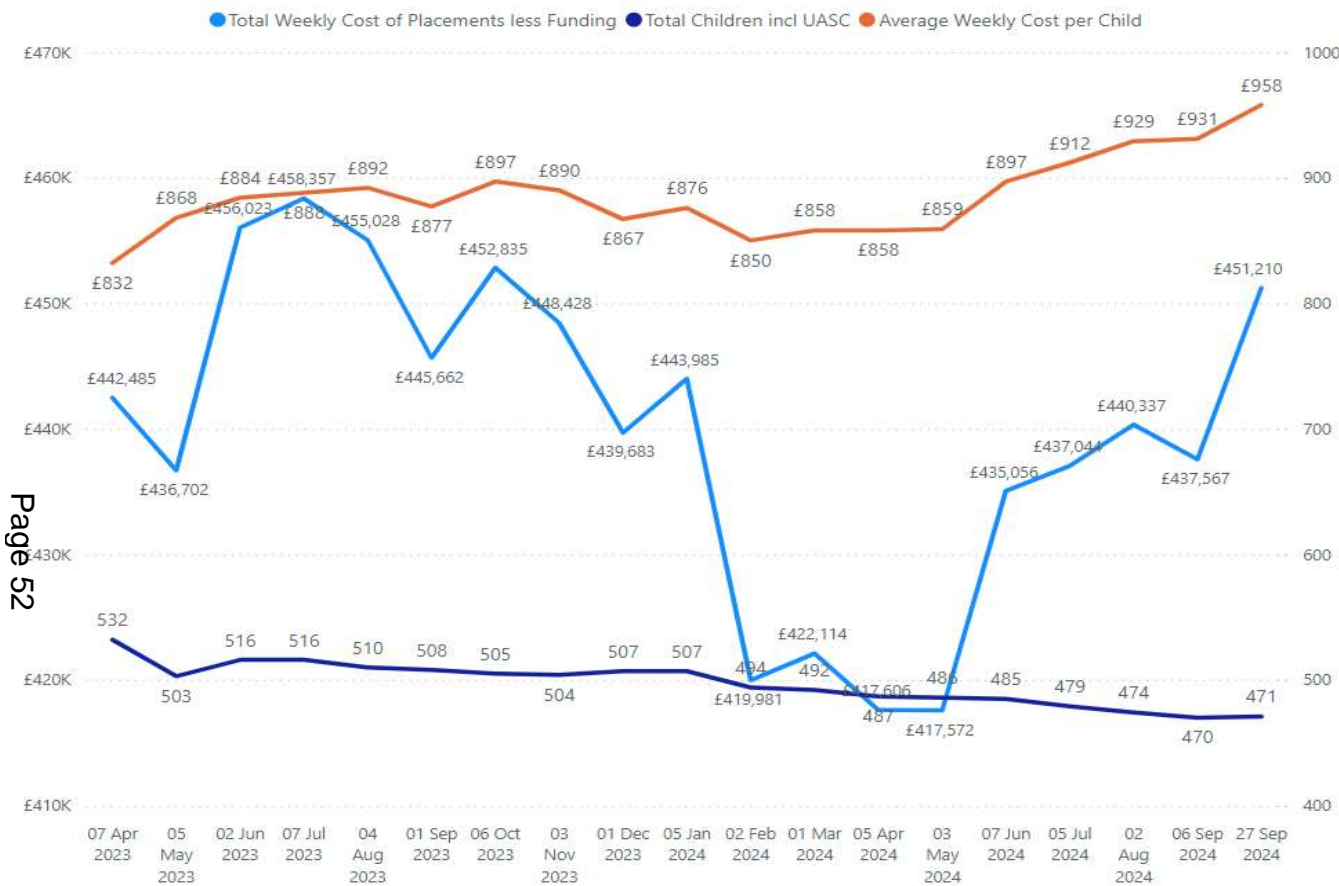
There is a £1.12M favourable movement from Month 5. This is after £1.06M of sustainable savings were taken centrally in Month 5 thus reducing the C&L budget by this amount.

The favourable variance of £2.21M at Month 6 is due primarily to a favourable variance of £1.66M for Children Looked After as package costs remain less than budgeted, together with favourable variances of £0.16M for Care Leavers as client numbers are less than budgeted, £0.15M for Divisional Management due to agency staffing projections, £0.06M in Safeguarding due to a forecast reduction in supplies and services spend, £0.15M for Legal costs being less than budgeted, and £0.04M for Quality Assurance relating to staffing. However, these favourable variances are partially offset by a £0.05M adverse variance in Children & Families First due to a £0.31M adverse forecast on No Recourse to Public Funds accommodation expenditure, and a favourable variance relating to an additional £0.26M of Supporting Families grant funding above budget, due in part to increased expected payment by results totals for the year. There is also a £0.05M favourable variance in Education High Needs due to the net impact of staffing vacancies and partial offset of pay award pressures. There are also £0.01M of adverse smaller variances in Jigsaw and Education & Learning.

The £1.12M favourable movement since Month 5 is mainly due to a £0.86M variance movement for Children Looked After - of this, £0.4M is due to the release of part of a budget pressure which was put in place to cover the risk of the two new childrens homes being staffed, without full occupancy, whilst the homes are filled. Release of pressure due to opening being delayed to later in the financial year for one, whilst the other is due to open in 2025/26. The remaining element within Children Looked After, £0.35M due to grant funding being used to offset existing forecast spend, and a £0.11M favourable movement relating to care packages. There is also a £0.15M favourable movement due to a review of current agency spend and projections for the remainder of the financial year, and £0.05M favourable movements each on Care Leavers and Legal spend projections.



Children Looked After Numbers



Total weekly cost of placements less funding

Over the past 18 months the weekly cost reduced up to the end of May by around 6%, but has subsequently increased and started to plateau. Some of this relates to cost uplifts, however some of this relates to a recent increase in high needs/cost clients.

The graph shows a temporary increase in the latest week's figures which is mainly due to a short-term high cost client.

Numbers of Children

Over the past 18 months the numbers of children in care have reduced by over 10%.

Average cost per child

The average cost per child did reduce in the final quarter of the last financial year, but as per the total weekly costs this has started to increase and is linked to the same reasons as the total weekly costs.

The increase in this figure is again due to a short-term high cost client.



	Working Budget 2024/25 £M	Forecast Outturn Month 6 £M	Forecast Variance Month 6 £M		Movement Month 5 to Month 6 £M	
Integration	18.13	17.63	(0.50)	F	(0.20)	F ↑
ICU - Provider Relationships	15.88	15.65	(0.23)	F	0.00	
ICU - System Redesign	2.25	1.99	(0.27)	F	(0.20)	F ↑
Living & Ageing Well	31.56	31.21	(0.35)	F	0.65	A ↓
ASC - Living & Ageing Well - Cost of care	21.39	21.04	(0.35)	F	0.65	A ↓
ASC - Living & Ageing Well - Resourcing	10.16	10.16	0.00		0.00	
Public Health	0.00	0.00	0.00		0.00	
Public Health - Health Improvement	1.89	1.89	0.00		0.00	
Public Health - Health Protection and Surveillance	10.21	10.21	0.00		0.00	
Public Health - Management & Overheads	(16.11)	(16.11)	0.00		0.00	
Public Health - Non-ringfenced	0.00	0.00	0.00		0.00	
Public Health - Population Healthcare	4.01	4.01	0.00		0.00	
Quality, Governance & Professional Development	(7.73)	(8.13)	(0.40)	F	2.01	A ↓
ASC - Quality, Assurance & Professional Development	(7.73)	(8.13)	(0.40)	F	2.01	A ↓
Stronger Communities	1.64	1.55	(0.08)	F	0.00	
Community Safety, Alcohol Related Crime, CCTV	0.31	0.31	0.00		0.00	
Domestic Violence	0.37	0.37	0.00		0.00	
Grants to Voluntary Organisations	0.53	0.45	(0.08)	F	0.00	
Stronger Communities	0.43	0.43	0.00		0.00	
Whole Life Pathways	51.51	51.24	(0.27)	F	0.00	
ASC - Whole Life Pathways - Directly Delivered Services	2.40	2.52	0.13	A	0.00	
ASC - Whole Life Pathways - LD Cost of care	26.29	25.89	(0.40)	F	(0.30)	F ↑
ASC - Whole Life Pathways - MH Cost of care	11.53	11.53	0.00		0.00	
ASC - Whole Life Pathways - Other Cost of care	7.36	7.36	0.00		0.30	A ↓
ASC - Whole Life Pathways - Resourcing	3.94	3.94	0.00		0.00	
Total Community Wellbeing	95.11	93.51	(1.60)	F	2.46	A ↓

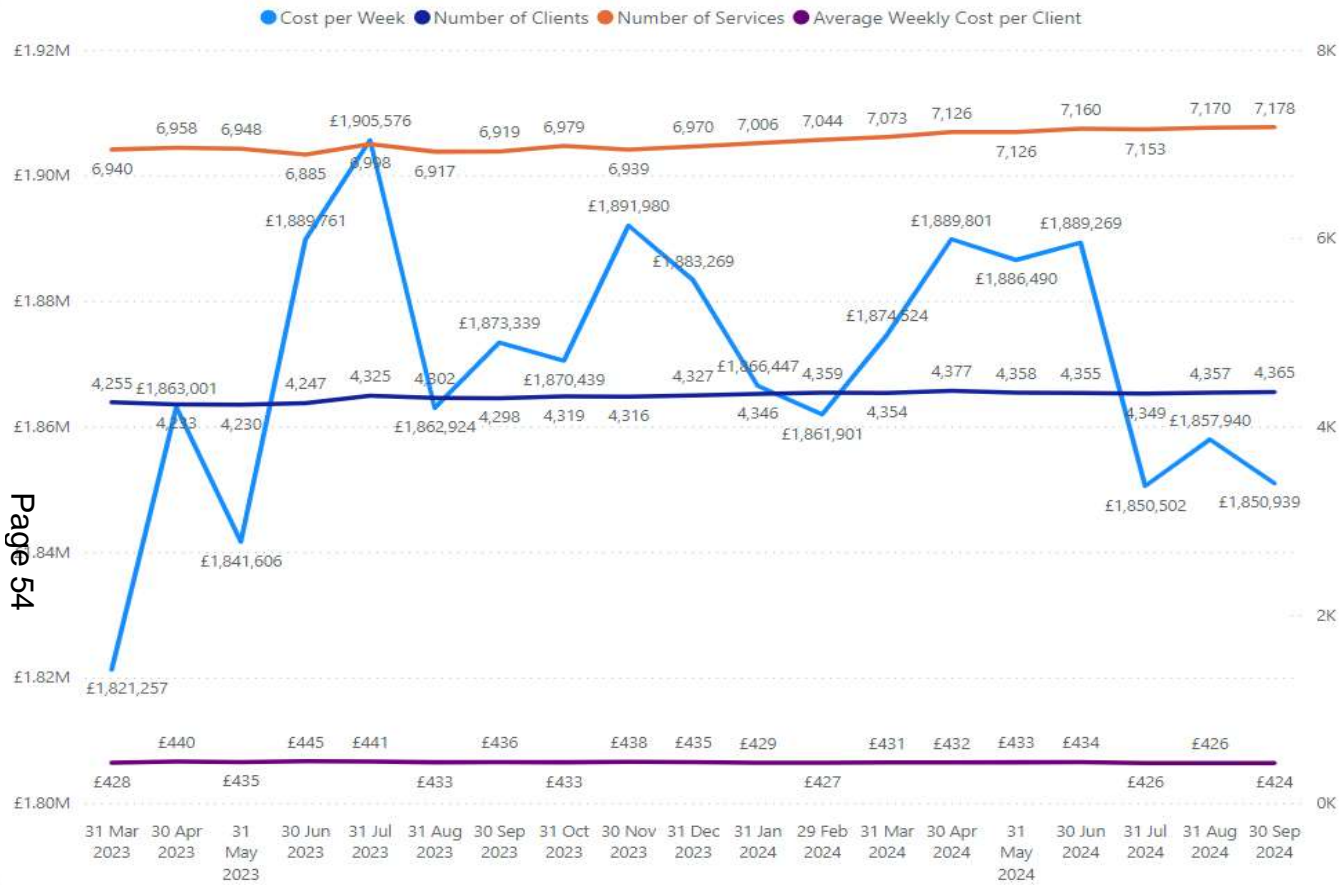
Community Wellbeing: a forecast underspend of £1.60M.

£3.75M of sustainable savings have been taken centrally in Month 6 (approved by Cabinet and pending full Council approval), which results in the adverse movement of £2.46M shown. After adjusting for the savings removed there is a favourable movement of £1.29M from Month 5.

The overall £1.60M favourable variance is largely due to a favourable variance of £0.4M on Whole Life Pathways - LD arising from work undertaken by the team and a £0.35M favourable movement on Ageing & Living Well due to lower levels of activity compared to budget. The phase 2A restructure in ASC has resulted in a saving of £0.4M and there are other favourable variances in the ICU. In terms of transformation, savings of £2.9M are forecast.



Adult Client Package Numbers



Number of Clients

The total number of Adults placements has increased by around 100 placements since the end of the 2022-23 financial year, an increase of around 2.25%. However, numbers have been relatively stable since January 2024, holding at around 4,350 clients with current authorised services.

Average Weekly Cost per Client

Average weekly costs per client have generally been between £425 per week and £450 per week for that time period, but we have seen a general downward trend in the total weekly cost for current authorised services since July 2023. This is due to ongoing work undertaken by the service, including resolution of legacy issues arising from the Discharge to Assess process.

N.B.

Figures are subject to change once the position has been finalised



Enabling Services Month 6



	Working Budget 2024/25 £M	Forecast Outturn Month 6 £M	Forecast Variance Month 6 £M		Movement Month 5 to Month 6 £M	
Digital	11.30	10.97	(0.33)	F	(0.25)	F ↑
Digital Services	11.30	10.97	(0.33)	F	(0.25)	F ↑
Enabling Services	1.31	1.31	0.00		0.00	
Corporate Management	1.07	1.07	0.00		0.00	
Internal Audit	0.24	0.24	0.00		0.00	
Finance	(3.05)	(2.95)	0.09	A	0.04	A ↓
Centrally Apportionable Overheads	(7.67)	(7.67)	0.00		0.00	
Corporate Finance	2.28	2.33	0.06	A	0.04	A ↓
Net Housing Benefit Payments	0.00	0.00	0.00		0.00	
Pension & Redundancy Costs	2.34	2.38	0.04	A	0.00	
Human Resources & Organisational Development	3.33	3.23	(0.10)	F	(0.10)	F ↑
HR Services	3.33	3.23	(0.10)	F	(0.10)	F ↑
Income & Expenditure	6.03	5.94	(0.09)	F	(0.04)	F ↑
Accounts Payable	0.70	0.78	0.08	A	0.04	A ↓
Accounts Receivable	2.50	2.46	(0.04)	F	(0.01)	F ↑
Local Taxation & Benefits Services	2.84	2.70	(0.14)	F	(0.07)	F ↑
Legal & Governance	4.31	4.31	0.00		0.00	
Democratic Representation & Managemen	2.30	2.26	(0.05)	F	(0.05)	F ↑
Registration of Electors and Elections Costs	0.53	0.57	0.04	A	0.04	A ↓
Risk Management	1.48	1.48	0.00		0.00	
Legal Partnership	1.45	1.45	0.00		0.00	
Land Charges	(0.14)	(0.14)	0.00		0.00	
Legal Services & Customer Relations	1.59	1.59	0.00		0.00	
Supplier Management	1.44	1.33	(0.11)	F	0.00	
Supplier Management Services	1.44	1.33	(0.11)	F	0.00	
Total Enabling Services	26.13	25.59	(0.54)	F	(0.35)	F ↑

Enabling Services: a forecast underspend of £0.54M.

There is a favourable movement of £0.35M from Month 5. The overall variance comprises of underspends of £0.11M due to vacancies; £0.13M of additional income for Supplier Management and Finance; £0.04M due to Care Director maintenance budget surplus; £0.14M of Data & Digital Transformation savings and £0.16M of saving from AVCs take up. There is a pressure of £0.04M for a pension adjustment correction. The favourable movement relates to the savings for transformation and AVCs plus additional grant income, reduced by a pressure in salaries due to interim cover.



	Working Budget 2024/25 £M	Forecast Outturn Month 6 £M	Forecast Variance Month 6 £M			Movement Month 5 to Month 6 £M	
Corporate Estate & Assets	5.15	5.11	(0.04)	F	●	0.01	A ↓
Central Repairs & Maintenance	3.01	3.01	0.00		●	0.00	
Energy Team	0.13	0.13	0.00		●	0.00	
Property Portfolio Management	(6.97)	(6.66)	0.31	A	●	0.01	A ↓
Property Services	8.11	7.76	(0.35)	F	●	0.00	
Facilities	0.87	0.87	0.00		●	0.00	
Culture & Tourism	3.66	3.63	(0.03)	F	●	(0.01)	F ↑
Cultural Services	1.72	1.72	0.00		●	(0.01)	F ↑
Libraries	1.93	1.91	(0.03)	F	●	0.00	
Economic Development & Regeneration	1.35	1.30	(0.05)	F	●	0.00	
City Development	0.76	0.71	(0.05)	F	●	0.00	
Economic Development	0.20	0.20	0.00		●	0.00	
Skills & Employment Support	0.39	0.39	0.00		●	0.00	
Growth & Prosperity	0.22	0.22	0.00		●	0.00	
Directorate Management	0.22	0.22	0.00		●	0.00	
Transport & Planning	27.28	25.89	(1.39)	F	●	(1.43)	F ↑
Flood Risk Management	0.15	0.15	0.00		●	0.00	
Highways Contracts	10.05	9.36	(0.69)	F	●	(0.69)	F ↑
Home To School Transport	10.74	10.01	(0.73)	F	●	(0.73)	F ↑
Planning	0.77	0.87	0.10	A	●	0.00	
Transportation	5.57	5.50	(0.07)	F	●	(0.01)	F ↑
Total Growth & Prosperity	37.67	36.16	(1.51)	F	●	(1.43)	F ↑

Growth & Prosperity: a forecast underspend of £1.51M.

There is a favourable movement of £1.43M from Month 5. This is predominantly due to an increase in traffic management income of £0.26M and the capitalisation of highway costs of £0.45M from revenue to capital. There also has been a favourable variance of £0.73M from the School Travel Service as a result of further transformation savings being delivered through optimisation of routes to schools and the introduction of a dynamic purchasing system.



Resident Services Month 6



	Working Budget 2024/25 £M	Forecast Outturn Month 6 £M	Forecast Variance Month 6 £M		Movement Month 5 to Month 6 £M	
City Services	22.07	22.28	0.21	A	(0.42)	F ↑
City Services - Commercial Services	0.87	0.92	0.04	A	0.00	
City Services - District Operating Areas	5.27	5.27	0.00		(0.37)	F ↓
City Services - Management & Compliance	0.54	0.54	(0.01)	F	0.01	A ↓
City Services - Waste Operations	16.23	16.19	(0.05)	F	0.01	A ↓
Fleet Trading Area	(0.93)	(0.85)	0.08	A	0.00	
Landscape Trading Area	0.09	0.22	0.14	A	(0.07)	F ↑
Customer Experience	0.49	0.47	(0.02)	F	0.00	
Customer Experience	0.49	0.47	(0.02)	F	0.00	
Emergency Preparedness, Planning & Response	0.13	0.13	0.00		0.00	
Emergency Planning	0.13	0.13	0.00		0.00	
Environment	(7.91)	(8.10)	(0.19)	F	0.23	A ↓
CPRES - Bereavement Services	0.59	0.59	0.00		(0.44)	F ↑
CPRES - Environmental Health & Scientific Services	1.64	1.48	(0.16)	F	0.00	
CPRES - Licensing	(0.06)	(0.05)	0.01	A	0.00	
CPRES - Parking & Itchen Bridge	(10.43)	(10.43)	0.00		0.47	A ↓
CPRES - Port Health	(0.78)	(0.78)	0.00		0.25	A ↓
CPRES - Private Sector Housing	0.41	0.42	0.01	A	0.00	
CPRES - Registration Services	(0.19)	(0.19)	0.00		(0.01)	F ↑
Green Cities	0.63	0.58	(0.05)	F	(0.02)	F ↑
Health & Safety	0.29	0.30	0.01	A	(0.02)	F ↑
Housing	5.31	5.31	0.00		0.00	
DFG Support	(0.01)	(0.01)	0.00		0.00	
Housing Needs	5.17	5.17	0.00		0.00	
Social Fund & Property	0.18	0.18	0.00		0.00	
Travellers Sites	(0.04)	(0.04)	0.00		0.00	
Resident Services	2.80	2.80	0.00		0.00	
Leisure Contracts	2.69	2.69	0.00		0.00	
Leisure Strategy	0.11	0.11	0.00		0.00	
Service Centre	3.43	3.40	(0.03)	F	(0.02)	F ↑
Customer Services	3.43	3.40	(0.03)	F	(0.02)	F ↑
Total Resident Services	26.32	26.30	(0.02)	F	(0.21)	F ↑

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Resident Services: a forecast underspend of £0.02M.

There is a favourable movement of £0.21M from Month 5. This is predominately due to an increase in Itchen Bridge forecast income based on receipts to date. The Deficit Recovery Plan for resident services has been agreed and has enabled pressures in the service to be covered by forecast favourable positions. Adverse variances of £0.44M on Bereavement Services, £0.37M on District Operating Teams and £0.21M on Landscapes have been covered by favourable variances on Parking and Itchen Bridge income of £0.63M and Port Health income of £0.25M. Budgets have been updated in Month 6 to reflect the changes.



	Working Budget 2024/25 £M	Forecast Outturn Month 6 £M	Forecast Variance Month 6 £M		Movement Month 5 to Month 6 £M
Data, Intelligence & Insight	1.18	1.12	(0.06)	F	0.00
Data & Intelligence	1.18	1.12	(0.06)	F	0.00
Marketing & Communications	0.99	0.92	(0.07)	F	0.00
Corporate Communications	0.99	0.92	(0.07)	F	0.00
Projects & Change	1.42	1.42	0.00		0.00
Projects, Policy & Performance	1.42	1.42	0.00		0.00
Strategy & Performance	1.34	1.32	(0.03)	F	0.00
Strategic Management of the Council	1.34	1.32	(0.03)	F	0.00
Total Strategy & Performance	4.94	4.79	(0.16)	F	0.00

Strategy & Performance: a forecast underspend of £0.16M.

There is a nil movement from Month 5. The overall favourable variance comprises of £0.12M linked to salary underspends due to vacancies in the Data team, Chief Executive's team and Communications. Plus £0.04M of additional income in Communications and Data & Digital.



	Budget £M	Forecast £M	Variance £M	
Directorates:				
Children & Learning	19.71	14.14	(5.57)	F
Community Wellbeing	4.25	4.25	0.00	
Enabling Services	4.65	3.47	(1.18)	F
Growth & Prosperity	55.60	46.71	(8.89)	F
Resident Services	18.91	17.92	(0.99)	F
Strategy & Performance	8.13	8.13	0.00	
Total General Fund	111.24	94.61	(16.63)	F
HRA	61.23	60.17	(1.06)	F
Net Council Expenditure	172.47	154.78	(17.69)	F
Financed by:				
Council Resources - Borrowing (GF)	17.24	10.54	(6.71)	F
Council Resources - Borrowing (HRA)	30.05	28.26	(1.79)	F
Council Resources - Capital Receipts	12.41	11.94	(0.48)	F
Contributions	9.88	8.09	(1.79)	F
Grants	75.78	67.65	(8.13)	F
Council Resources - DRF	2.25	2.25	0.00	
MRA	24.86	26.06	1.20	A
Total Financing	172.47	154.78	(17.69)	F

General Fund

The General Fund capital programme is reporting a favourable variance of £16.63M.

The major project variances are:

Slippage:

- 3rd Childrens Residential Home £1.80M
- Great Oaks (Green Lane Site) £0.50M
- Client Case Management System £0.50M
- Cycling £1.13M
- Public Transport £0.64M
- Local Electric Vehicle Infrastructure (LEVI) £0.80M
- Hoglands Skate Park £0.27M
- Play Areas £0.44M
- SANGS Improvements Works £0.30M

Underspends:

- CareDirector £0.68M
- Belgrave Industrial Estate Roof £0.27M
- Valentine School (non essential works) £0.39M

HRA

The HRA capital programme is reporting a favourable variance of £1.06M.

The major project variances are:

Slippage:

- Townhill Park Regeneration £1.01M
- Fire Safety £0.55M
- New Homes £1.10M

Under/Overspends:

- Roofing £0.40M Underspend
- Lift Refurbishment £0.41M Overspend
- Sprinkler Work £0.64M Overspend
- Wyndham Court Refurbishment £0.60M Overspend
- Structural Inspections £0.60M Overspend

	GF £M	HRA £M	Total £M
Variance Analysis:			
Slippage for Ren tention Payments			
Rephasing of Works	0.60	0.00	0.60
Deficit Budget	0.44	2.26	2.70
Funding No Longer Available	0.00	0.00	0.00
Surplus Budget	(1.84)	(0.55)	(2.39)
Slippage of Works	(15.83)	(2.76)	(18.59)
Total Variance	(16.63)	(1.06)	(17.69)

General Fund Earmarked Reserves (excluding Schools Balances)

	Balance As At 01/04/2024 £M	Forecast Balance As At 31/03/2025 £M	Movement 2024/25 £M			Forecast Balance As At 31/03/2026 £M	Movement 2025/26 £M		
Medium Term Financial Risk Reserve	9.72	8.91	(0.81)	A	↓	10.47	1.56	F	↑
Organisational Redesign Reserve	2.50	2.95	0.45	F	↑	2.95	0.00		
Transformation & Improvement Reserve	4.66	6.05	1.39	F	↑	5.96	(0.10)	A	↓
Revenue Contributions to Capital	1.00	0.92	(0.08)	A	↓	0.92	0.00		
Social Care Demand Risk Reserve	2.00	2.20	0.20	F	↑	2.20	0.00		
Revenue Grants Reserve	4.21	0.00	(4.21)	A	↓	0.00	0.00		
Investment Risk Reserve	0.80	1.20	0.40	F	↑	1.60	0.40	F	↑
Directorate Carry Forwards	0.00	0.00	0.00			0.00	0.00		
PFI Sinking Fund	4.35	4.11	(0.24)	A	↓	3.67	(0.43)	A	↓
Insurance Reserve	2.20	1.50	(0.70)	A	↓	1.50	0.00		
On Street Parking	2.48	0.54	(1.94)	A	↓	0.02	(0.52)	A	↓
DSG Reserve	3.99	5.19	1.20	F	↑	6.44	1.25	F	↑
Other Reserves	2.69	1.65	(1.03)	A	↓	1.42	(0.23)	A	↓
Total Earmarked Reserves	40.58	35.22	(5.36)	A	↓	37.15	1.92	F	↑
General Fund Balance	10.07	12.00	1.93	F	↑	12.00	0.00		
Total GF Reserves (excl. Schools)	50.65	47.22	(3.43)	A	↓	49.15	1.92	F	↑

There is a forecast balance of £8.91M on the Medium Term Financial Risk (MTFR) Reserve at the end of 2024/25, assuming the forecast in-year surplus is used to reduce the Exceptional Financial Support requirement and not added to the reserve. An increase in the General Fund Balance to £12.0M was included in the 2024/25 budget.



	Council Tax £M	Business Rates £M	Total £M
Distribution of previous year's estimated surplus/(contribution towards estimated deficit)	(1.18)	6.61	5.43
Net income and expenditure for 2024/25	0.48	(2.74)	(2.26)
(Surplus)/Deficit for the year	(0.70)	3.86	3.17
(Surplus)/Deficit brought forward from 2023/24	1.24	(8.42)	(7.19)
Overall (Surplus)/Deficit Carried Forward	0.54	(4.56)	(4.02)
SCC Share of (Surplus)/Deficit	0.45	(2.23)	(1.78)

For the Collection Fund as a whole there is a forecast cumulative surplus of £4.02M to be carried forward into 2025/26, from an improvement of £1.76M in the 2023/24 outturn position and a £2.26M forecast net surplus for 2024/25.

The £2.26M forecast net surplus for 2024/25 comprises a £2.74M surplus for business rates offset by a £0.48M deficit for council tax. The business rates surplus is due to an increase in rateable values and a reduction in business rates reliefs and the estimate for non collection. The forecast deficit for council tax relates to an increase in the estimate for non-collection, offset by a reduction in local council tax support costs.

SCC's share of the forecast cumulative surplus is £1.78M. In addition to this there is a £0.08M adverse variance on estimated government grant income for business rates reliefs, due to a reduction in funded reliefs, which sits outside of the Collection Fund.



Housing Revenue Account Month 6



	Working Budget 2024/25 £M	Forecast Outturn Month 6 £M	Forecast Variance Month 6 £M		Movement Month 5 to Month 6 £M
Expenditure					
Responsive Repairs	18.10	18.10	0.00		0.00
Cyclical Maintenance	6.99	6.99	0.00		0.00
Rents Payable	0.45	0.45	0.00		0.00
Debt Management	0.09	0.09	0.00		0.00
Supervision & Management	29.80	30.02	0.23 A		(0.36) F ↑
Interest & Principal Repayments	6.46	6.46	0.00		0.00
Depreciation	22.35	18.12	(4.23) F		0.00
Direct Revenue Financing of Capital	0.54	4.77	4.23 A		0.37 A ↓
Gross Expenditure	84.78	85.00	0.22 A		0.00
Income					
Dwelling Rents	(80.29)	(80.22)	0.07 A		0.00
Other Rents	(1.21)	(1.21)	0.00		0.00
Service Charge Income	(2.53)	(2.53)	0.00		0.00
Leaseholder Service Charges	(1.14)	(1.39)	(0.25) F		0.00
Interest Received	(0.11)	(0.15)	(0.04) F		0.00
Total Income	(85.27)	(85.49)	(0.22) F		0.00
Balances					
Working Balance B/Fwd	(2.59)	(2.59)			
(Surplus)/deficit for year	(0.50)	(0.50)	0.00		0.00
Working Balance C/Fwd	(3.09)	(3.09)			

Page 2

Landlord Controlled Heating Account

	2023/24 Outturn £M	Month 6 Forecast £M
Balance B/fwd	3.58	2.35
Costs incurred Jan-Mar 23	2.02	0.00
Less accruals 22/23	(2.81)	0.00
Rent collected ytd	(7.57)	(7.90)
Leaseholder contribution	(0.47)	(0.51)
Contribution to bad debt provision	0.20	(0.20)
Costs incurred YTD	7.39	8.00
Balance C/fwd	2.35	1.74

HRA POSITION: a balanced position is forecast.

The overall forecast is in line with the business plan position. There is a favourable position forecast on depreciation based on the reduced asset values recognised in the 2023/24 accounts. There is an off-setting increase in direct revenue financing to ensure the capital programme is not underfunded as a result. Additional insurance premium costs of £0.25M are covered by increased service charges to leaseholders. Adverse forecast on rents, Estate Regeneration and bad debt are covered by favourable forecasts on staffing.

The landlord-controlled heating account deficit brought forward from 2023/24 is £2.35M, and, based on anticipated cost for 2024/25 and additional income from charge increases, is expected to reduce to £1.74M. Modelling will take place to assess the impact on planned future price setting.



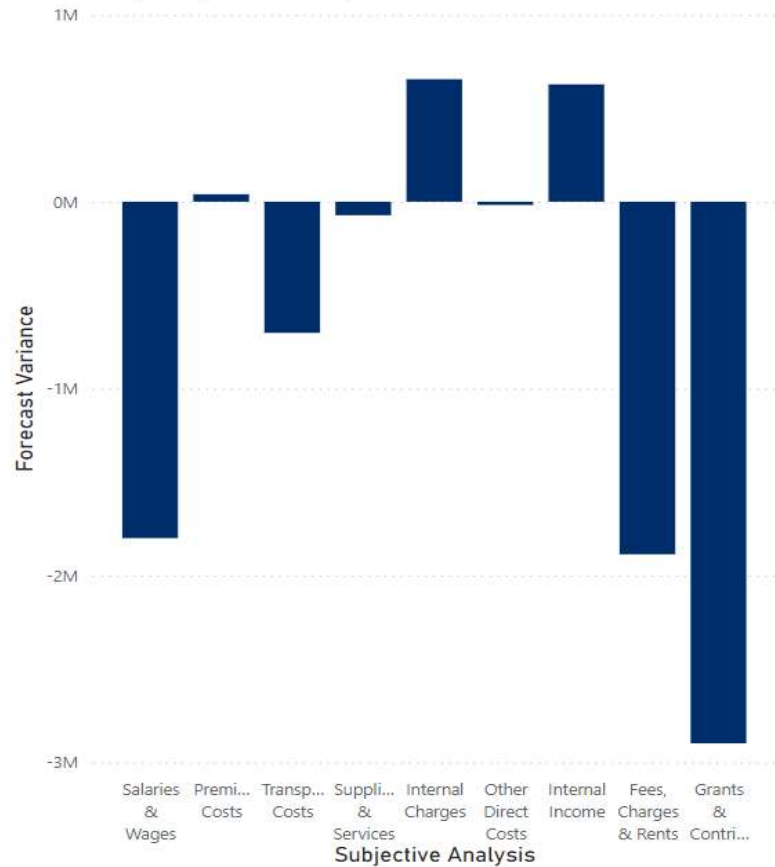
Dedicated Schools Grant	Working Budget 2024-25 £M	Forecast Outturn Month 6 £M	Forecast Variance Month 6 £M	Movement Month 5 to Month 6 £M
Schools			A ●	0.00
High Needs			A ●	1.20 A ↓
Early Years			A ●	0.00
Central Services			A ●	0.00
In Year Balance				1.20 A ↓
Balance B/Fwd held in DSG adjustment reserve			A ●	(11.09) F ↑
Balance B/Fwd held in DSG usable reserve			A ●	3.99 A ↓
Net DSG deficit B/Fwd				(7.11) F ↑
Total DSG Balance				(5.91) F ↑

Schools Balances	Budget 2024/25 Deficit	Budget 2024/25 Surplus	Budget 2024/25 Total
Primary			
Net Budget	£2.91M	(£2.06M)	£0.85M
No. of Schools	11	20	31
% of Schools	35%	65%	100%
Secondary			
Net Budget	£0.00M	(£4.86M)	(£4.86M)
No. of Schools	0	6	6
% of Schools	0%	100%	100%
Special			
Net Budget	£1.43M	(£0.27M)	£1.16M
No. of Schools	2	3	5
% of Schools	40%	60%	100%
Total			
Net Budget	£4.34M	(£7.20M)	(£2.85M)
No. of Schools	13	29	42
% of Schools	31%	69%	100%

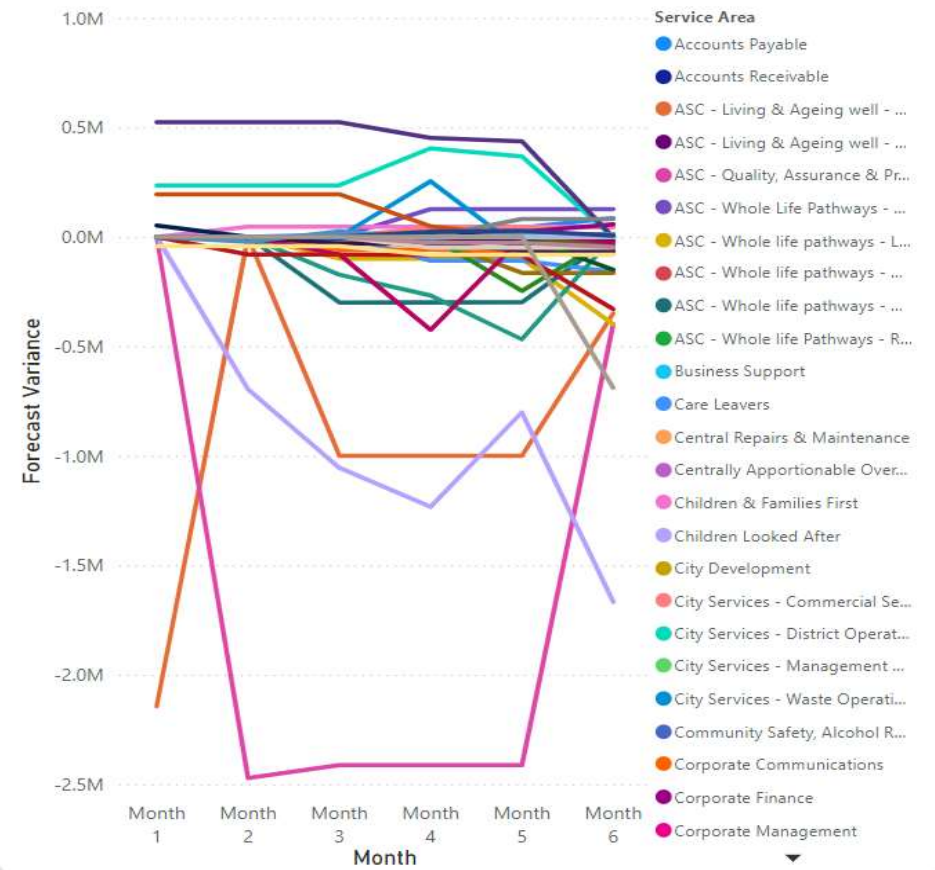
The DSG deficit reduced by £3.99M to £7.11M in 2023/24 and a further reduction of £1.20M is currently forecast for 2024/25. Schools budget data for 2024/25 indicates there are 13 schools with a deficit balance and where necessary deficit recovery plans are being prepared.

- Adults &...
- Children & Learning
- Compliance & Leisure
- Communities & Safer City
- Economic Development
- Environment & Transport

Variance by Subjective Analysis -



Variance Trend -





Clear Filters

Month 6



Portfolio Position Month 6



Adults &...

Children & Learning

Compliance & Leisure

Communities & Safer City

Economic Development

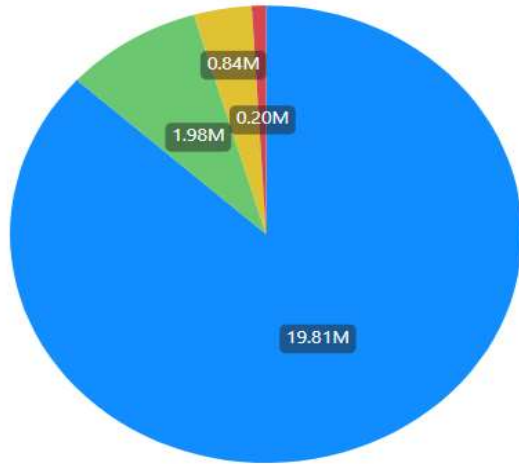
Environment & Transport

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Portfolio	Working Budget 2024/25 £'000	Forecast Outturn Month 6 £'000	Forecast Variance Month 6 £'000	Movement Month 5 to Month 6 £'000
▲				
▣ Adults & Health	93,472	91,952	(1,520)	2,463
▣ Children & Learning	71,160	68,218	(2,942)	(1,844)
▣ Compliance & Leisure	4,425	4,276	(149)	(215)
▣ Communities & Safer City	2,704	2,621	(82)	0
▣ Economic Development	7,498	7,507	9	10
▣ Environment & Transport	22,147	21,595	(552)	(280)
▣ Finance & Corporate Services	32,651	32,002	(649)	(371)
▣ Green City & Net Zero	5,900	5,850	(49)	(390)
▣ Housing Operations	5,531	5,540	10	0
▣ Leader	5,997	5,870	(127)	(8)
▣ Central Expenditure Items	27,111	20,037	(7,074)	(3,753)
▣ General Funding	(239,319)	(239,370)	(52)	0
▣ Exceptional Financial Support (EFS)	(39,276)	(26,098)	13,178	4,389
Total	1	0	(1)	0

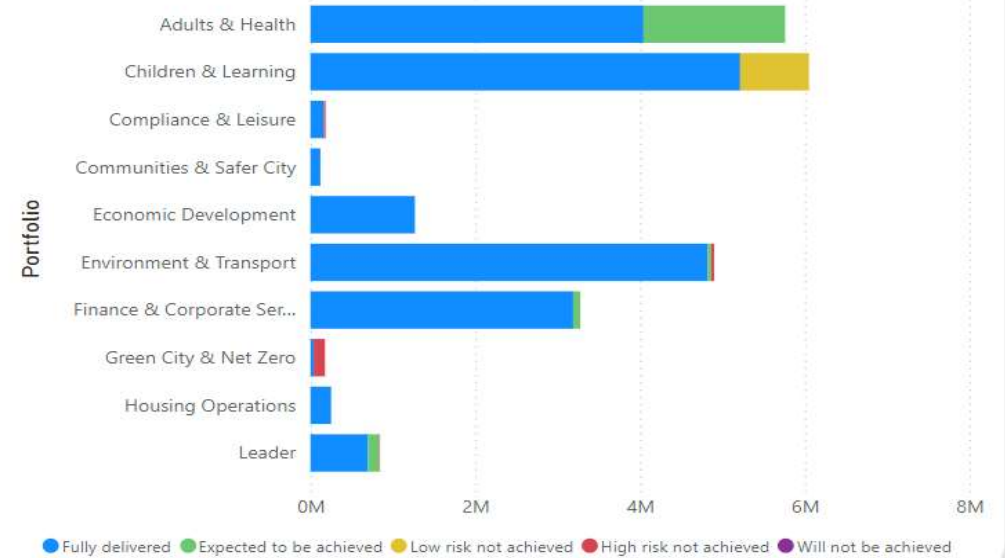


Savings Targets 2024/25 RAG Rated



● Fully delivered ● Expected to be achieved ● Low risk not achieved ● High risk not achieved ● Will not be achieved

Savings Targets per Portfolio



● Fully delivered ● Expected to be achieved ● Low risk not achieved ● High risk not achieved ● Will not be achieved

Please select a Portfolio to drillthrough

Key Issues

The current rate of non-achievement of savings is 1% or £0.20M forecast not to be achieved (Red & Purple). A Deficit Recovery Plan has been implemented in Resident Services to mitigate the impact of non-achievement of savings.



Revenue Monitoring

The forecast outturn at Month 5 is a favourable variance of £8.79M underspent. This is made up of a favourable Directorate variance of £5.42M, £3.32M for centrally held budgets and £0.05M in centrally held funding. This is a £1.36M improvement on the Month 4 position which forecast a £7.43M favourable variance. £2.38M of budget for sustainable savings was transferred from Directorates to centrally held budgets in Month 5.

The main favourable variances are in the following areas:

- Children & Learning (£1.10M favourable) with the main positive variance being in children looked after (CLA) of £0.80M. This is after £1.06M of sustainable savings have been taken centrally.
- Community Wellbeing (£4.07M favourable) with the main positive variance in package costs (£3.75M). The transfer of £3.75M of sustainable savings to contingency is subject to Council approval in September.
- Enabling Services (£0.19M favourable) mainly due to staffing vacancies (£0.23M).
- Growth and Prosperity (£0.09M favourable) with several small favourable variances being reduced by adverse variances in other areas, after £1.05M of sustainable savings have been taken centrally.
- Resident Services (£0.19M adverse). The main positive variances are for car parking income (£0.47M) and Port Health (£0.25M), this is after £0.27M of sustainable savings have been taken centrally. Adverse variances in other areas cancel out the favourable variances retained.
- Centrally held budgets (£3.32M favourable) comprising £2.38M of sustainable savings transferred from directorates and a £0.94M favourable variance for Capital Asset Management.

The main adverse variances are in Resident Services:

- Bereavement Services (£0.44M), City Services (£0.34M), and Landscaping Services (£0.21M)

The improvement in the forecast position since Month 4 is largely due to:

- Children & Learning – savings from the staffing restructure within Children's Social Care (£0.50M).
- Resident Services – reduced waste disposal costs within City Services (£0.31M), increased parking income (£0.20M) and increased Port Health income from new shipping lines (£0.25M).

Exceptional Financial Support (EFS)

All services should continue to aim to under-spend in 2024/25 to minimise the reliance on Exceptional Financial Support (EFS). The annual revenue cost of using borrowing to fund the 2024/25 budget shortfall of £39.28M (via the EFS facility) is £3.6M. If the favourable forecast variance of £8.79M is sustained, the borrowing costs will be £0.8M per annum lower at £2.8M.

Budget Adjustments

As set out in the Business Planning and Budgeting Framework sustained favourable budget variances will be transferred from service budgets to contingency. £2.38M of sustained Directorate favourable variances reported at Month 4 were transferred to contingency in Month 5 and a further £3.75M will be transferred in Month 6, subject to Council approval. There are no additional sustainable variances to report this month.

Savings Delivery

The savings targets built into 2024/25 budgets is £24.64M. £21.26M of the savings are reported as "delivered" and a further £2.38M are "expected to be delivered". Mitigations have been put in place in Children & Learning which move £0.61M of savings from at risk (red savings) to low risk (amber) savings, with £0.84M of low risk savings in total now being closely monitored. £0.17M of at risk savings remain, mainly within City Services.

Deficit Recovery Plans

Deficit Recovery Plans are being developed in the following areas: Bereavement Services (£0.44M), City Services (£0.34M) and Landscaping Services (0.20M).

Dedicated Schools Grant (DSG) and School Balances

The DSG deficit reduced by £3.99M to £7.11M in 2023/24 and a further reduction of £1.20M is currently forecast for 2024/25. Schools budget data for 2024/25 indicates there are 13 schools with a deficit balance and where necessary deficit recovery plans are being prepared.

Reserves

The General Fund reserve is forecast to be £12.00M at year end 2024/25, and Earmarked Reserves (excluding schools' balances) at £34.79M.

Housing Revenue Account (HRA)

The HRA is forecasting a balanced position at Month 5, with a reduction in depreciation being balanced by an increase in direct revenue financing of the capital programme. The Landlord Controlled Heating Account carried a £2.35M deficit into 2024/25, and this is now expected to reduce to £0.72M by year end.

Capital Programme

The next capital programme update will be reported at Quarter 2

Accountability Statements

Accountability Statements have now been signed by 97% of budget holders (145 of 150). Budget holders who have not or refuse to sign without good reason will have their budget management responsibilities withdrawn. Instead, all expenditure against these budgets will need to be signed off by the relevant Executive Director and CFO



	Working Budget 2024/25 £M	Forecast Outturn Month 5 £M	Forecast Variance Month 5 £M	
Directorates:				
Children & Learning	61.31	60.21	(1.10)	F
Community Wellbeing	98.86	94.80	(4.07)	F
Enabling Services	26.13	25.93	(0.19)	F
Growth & Prosperity	37.69	37.61	(0.09)	F
Resident Services	26.74	26.92	0.19	A
Strategy & Performance	4.94	4.79	(0.16)	F
Total Directorates	255.68	250.26	(5.42)	F
Levies & Contributions	0.10	0.10	0.00	
Contribution to General Fund Balance	1.93	1.93	0.00	
Capital Asset Management	12.86	11.92	(0.94)	F
Other Expenditure & Income	8.03	5.65	(2.38)	F
Net Council Expenditure before EFS	278.60	269.86	(8.74)	F
Financed by:				
Council Tax	(120.44)	(120.44)	0.00	
Business Rates	(54.45)	(54.45)	0.00	
Non-Specific Government Grants & Other Funding	(64.43)	(64.48)	(0.05)	F
Total Funding	(239.32)	(239.37)	(0.05)	F
Net Over/(Underspend) before EFS	39.28	30.49	(8.79)	F
Exceptional Financial Support (EFS)	(39.28)	(30.49)		
Net Over/(Underspend)	0.00	0.00		

General Fund Month 5 Commentary

Overall forecast position is £8.79M underspent, a favourable movement of £1.36M from Month 4

Children & Learning: a forecast underspend of £1.10M.

The main elements of the overall £1.10M favourable variance are for staffing (£0.50M) and care packages (£0.30M) within Children Looked After and £0.36M of favourable variances in other areas. There are some pressures and adverse variances within the Directorate that reduce the favourable variance, including on no recourse to public fund expenditure (£0.31M).

Community Wellbeing: a forecast underspend of £4.07M.

The overall £4.07M favourable variance is largely due to forecast costs of care packages being £3.81M less than planned, after allowing for provider uplifts and winter pressures. £3.75M of sustainable savings will be taken centrally in Month 6, subject to Council approval.

Enabling Services: a forecast underspend of £0.19M.

The £0.19M favourable variance is mainly due to staffing vacancies.

Growth & Prosperity: a forecast underspend of £0.09M.

The favourable variance of £0.09M is made up of favourable variances of £0.20M on energy costs, £0.14M on staffing from vacancies and staff recharges, along with £0.05M additional income. There are adverse variances of £0.30M on investment property based on forecast income from leases.

Resident Services: a forecast overspend of £0.19M.

The £0.19M overall adverse variance is due to adverse variances for Bereavement Services (£0.44M), City Services (£0.34M) and Landscaping (£0.21M), mitigated by favourable variances for off-street parking (£0.47M), Port Health (£0.25M) and Environmental Health (£0.16M).

Strategy & Performance: a forecast underspend of £0.16M.

The £0.16M favourable variance is mainly due to staffing vacancies.



Month 4 Adjusted Variance Vs Month 5



	Forecast Variance Month 4 £M		Sustainable Savings Removed £M	Adjusted Variance Month 4 £M		Forecast Variance Month 5 £M		Movement Adjusted Month 4 to Month 5 £M	
Directorates:									
Children & Learning	(1.51)	F	1.06	(0.45)	F	(1.10)	F	(0.64)	F ↑
Community Wellbeing	(4.07)	F	0.00	(4.07)	F	(4.07)	F	0.00	
Enabling Services	(0.29)	F	0.00	(0.29)	F	(0.19)	F	0.10	A ↓
Growth & Prosperity	(1.07)	F	1.05	(0.02)	F	(0.09)	F	(0.07)	F ↑
Resident Services	0.63	A	0.27	0.90	A	0.19	A	(0.71)	F ↑
Strategy & Performance	(0.12)	F	0.00	(0.12)	F	(0.16)	F	(0.03)	F ↑
Total Directorates	(6.43)	F	2.38	(4.05)	F	(5.42)	F	(1.36)	F ↑
Levies & Contributions	0.00		0.00	0.00		0.00		0.00	
Contribution to General Fund Balance	0.00		0.00	0.00		0.00		0.00	
Capital Asset Management	(0.94)	F	0.00	(0.94)	F	(0.94)	F	0.00	
Other Expenditure & Income	0.00		(2.38)	(2.38)	F	(2.38)	F	0.00	
Total Council Expenditure before EFS	(7.37)	F	0.00	(7.37)	F	(8.74)	F	(1.36)	F ↑
Financed by:									
Council Tax	0.00		0.00	0.00		0.00		0.00	
Business Rates	0.00		0.00	0.00		0.00		0.00	
Non-Specific Government Grants & Other Funding	(0.05)	F	0.00	(0.05)	F	(0.05)	F	0.00	
Total Funding	(0.05)	F	0.00	(0.05)	F	(0.05)	F	0.00	
Net Over/(Underspend) before EFS	(7.43)	F	0.00	(7.43)	F	(8.79)	F	(1.36)	F ↑

NB: The Month 4 forecast variance has been adjusted to reflect the transfer of £2.38M of sustainable savings from Directorate budgets to contingency following Cabinet approval.

Children & Learning:

£1.06M of sustainable savings have been taken centrally in Month 5 and there are a further £0.64M of favourable movements from Month 4 mainly due to £0.50M of staffing savings within Children Looked After.

Community & Wellbeing:

There is no movement from Month 4.

Enabling Services:

There is an adverse movement of £0.10M from Month 4.

Growth & Prosperity:

£1.05M of sustainable savings have been taken centrally in Month 5 and there are a further £0.07M of favourable movements from Month 4.

Resident Services:

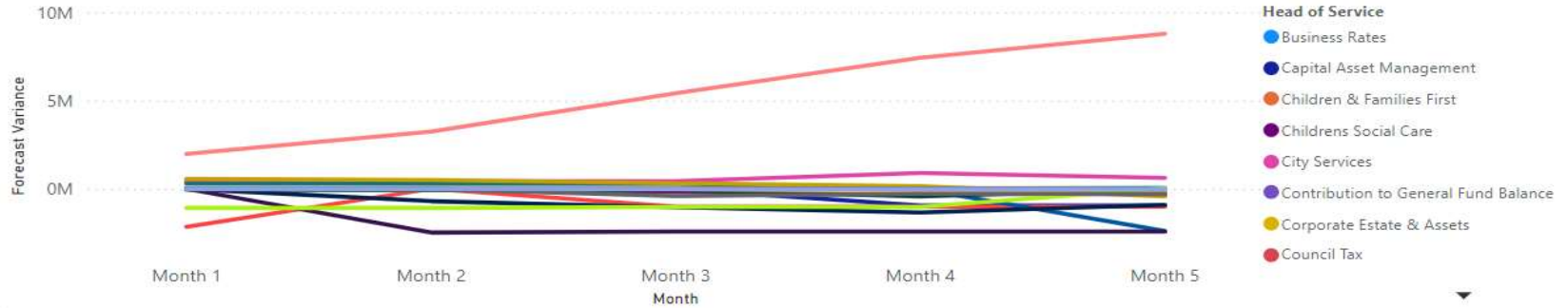
£0.27M of sustainable savings have been taken centrally in Month 5 and there are a further £0.71M of favourable movements from Month 4, mainly due to reduced waste disposal costs within City Services (£0.31M), increased parking income (£0.20M) and increased Port Health income from new shipping lines (£0.25M).

Strategy & Performance:

There is a favourable movement of £0.03M from Month 4.

- Children & Learning
- Community Wellbeing
- Enabling Services
- Growth & Prosperity
- Resident Services
- Strategy & Performance

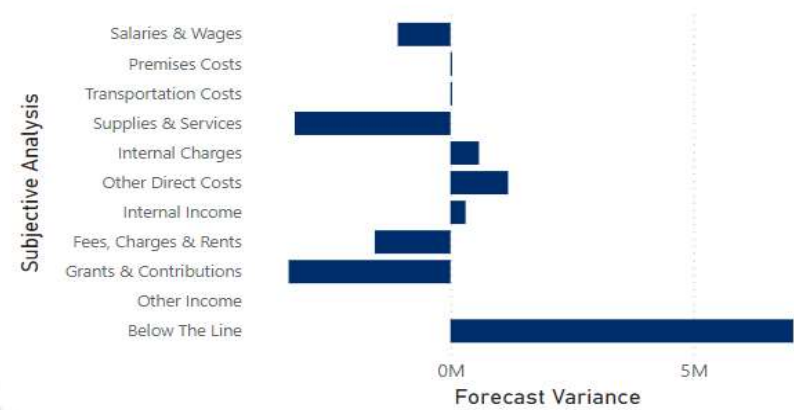
Variance Trend -



Variance to Budget -

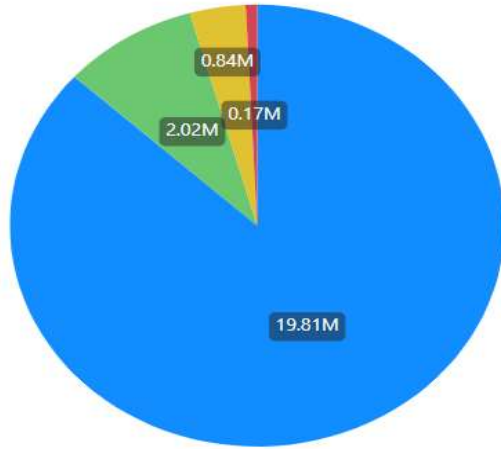


Variance by Subjective Analysis -



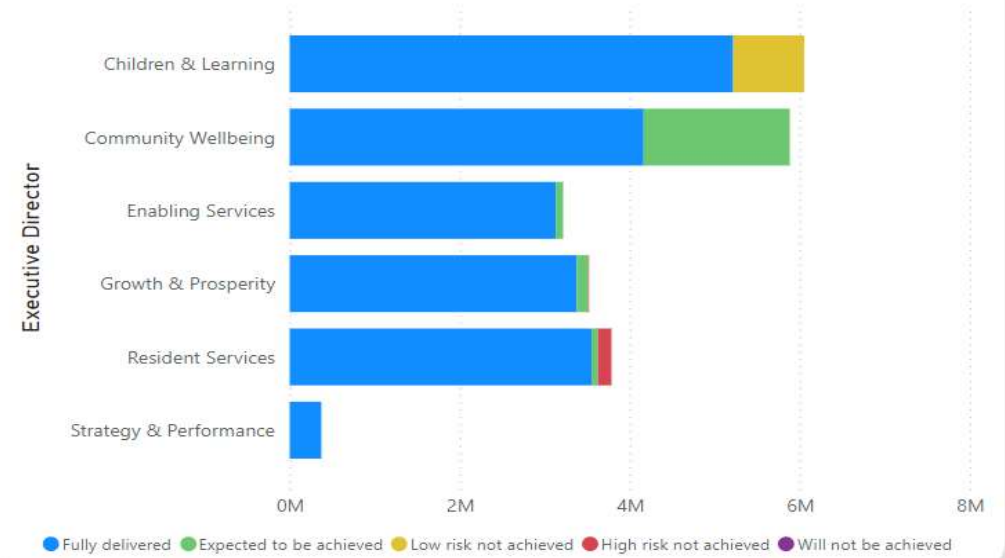


Savings Targets 2024/25 RAG Rated



● Fully delivered ● Expected to be achieved ● Low risk not achieved ● High risk not achieved ● Will not be achieved

Savings Targets per Directorate



● Fully delivered ● Expected to be achieved ● Low risk not achieved ● High risk not achieved ● Will not be achieved

Please select a Directorate to drillthrough

Key Issues

The current rate of non-achievement of savings is 1% or £0.17M forecast not to be achieved (Red & Purple). A Deficit Recovery Plan is being developed in respect of the high risk of non-achievement of savings in Resident Services.



Summary of variations to Budget (£M)

Executive Director	Client Packages and Placement costs	Coroner costs	Employee and Agency Costs	Energy	Fuel	Income	Legal costs	Non Achievement of savings	Other	Property Investment	Service Review of ICU	Total
Children & Learning	(0.71)	0.00	(0.55)	0.00	0.00	0.00	(0.10)	0.00	0.26	0.00	0.00	(1.10)
Community Wellbeing	(3.75)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(0.08)	0.00	(0.23)	(4.07)
Enabling Services	0.00	0.00	(0.18)	0.00	0.00	(0.05)	0.00	0.00	0.04	0.00	0.00	(0.19)
Growth & Prosperity	0.00	0.00	(0.14)	(0.20)	0.00	0.03	0.00	0.01	(0.09)	0.30	0.00	(0.09)
Resident Services	0.00	0.28	0.69	0.00	0.12	(1.08)	0.00	0.16	0.02	0.00	0.00	0.19
Strategy & Performance	0.00	0.00	(0.09)	0.00	0.00	(0.04)	0.00	0.00	(0.03)	0.00	0.00	(0.16)
Total	(4.46)	0.28	(0.27)	(0.20)	0.12	(1.14)	(0.10)	0.17	0.12	0.30	(0.23)	(5.42)

Within directorates there are favourable variances for client packages and placements £4.46M, £1.14M for increased income and £0.80M for other factors. The main adverse variances are for property investment income shortfalls £0.30M and Coroner costs £0.28M, with £0.24M for other factors. The £5.42M net favourable variance is after £2.38M of sustainable savings have been taken centrally. £1.02M of Transformation Savings reported at Month 4 have now been taken centrally as part of the £2.38M. Additional transformation savings are in progress and will be listed in future months when values are confirmed.



	Working Budget 2024/25 £M	Forecast Outturn Month 5 £M	Forecast Variance Month 5 £M		Movement Month 4 to Month 5 £M	
Children & Families First	3.68	3.73	0.05	A	0.00	
Children & Families First	3.68	3.73	0.05	A	0.00	
Childrens Social Care	3.10	3.00	(0.10)	F	0.00	
Divisional Management	2.18	2.18	0.00		0.00	
ICU - Children's Services	0.38	0.38	0.00		0.00	
Legal (Children's)	0.54	0.44	(0.10)	F	0.00	
Education	4.09	4.11	0.01	A	0.02	A ↓
DSG Central School Services Block	(0.06)	(0.06)	0.00		0.00	
DSG Early Years Block	0.00	0.00	0.00		0.00	
DSG High Needs Block Education	2.50	2.50	0.00		0.00	
DSG Schools Block	0.00	0.00	0.00		0.00	
Education - Asset Management	0.84	0.84	0.00		0.00	
Education & Learning	0.82	0.83	0.01	A	0.02	A ↓
Quality Assurance	2.65	2.61	(0.04)	F	(0.04)	F ↑
Quality Assurance Business Unit	2.65	2.61	(0.04)	F	(0.04)	F ↑
SEND	(1.45)	(1.50)	(0.05)	F	0.00	
DSG High Needs Block SEND	(2.50)	(2.50)	0.00		0.00	
Education - High Needs	1.04	0.99	(0.05)	F	0.00	
Pathways Through Care	34.14	33.23	(0.91)	F	0.43	A ↓
Care Leavers	1.07	0.96	(0.11)	F	0.00	
Children Looked After	33.07	32.27	(0.80)	F	0.43	A ↓
Resources	11.85	11.80	(0.06)	F	0.00	
Jigsaw	5.45	5.46	0.00		0.00	
Safeguarding	6.40	6.34	(0.06)	F	0.00	
Young Peoples Service	3.24	3.24	0.00		0.00	
Young Peoples Service	2.35	2.35	0.00		0.00	
Youth Offending	0.89	0.89	0.00		0.00	
Total Children & Learning	61.31	60.21	(1.10)	F	0.41	A ↓

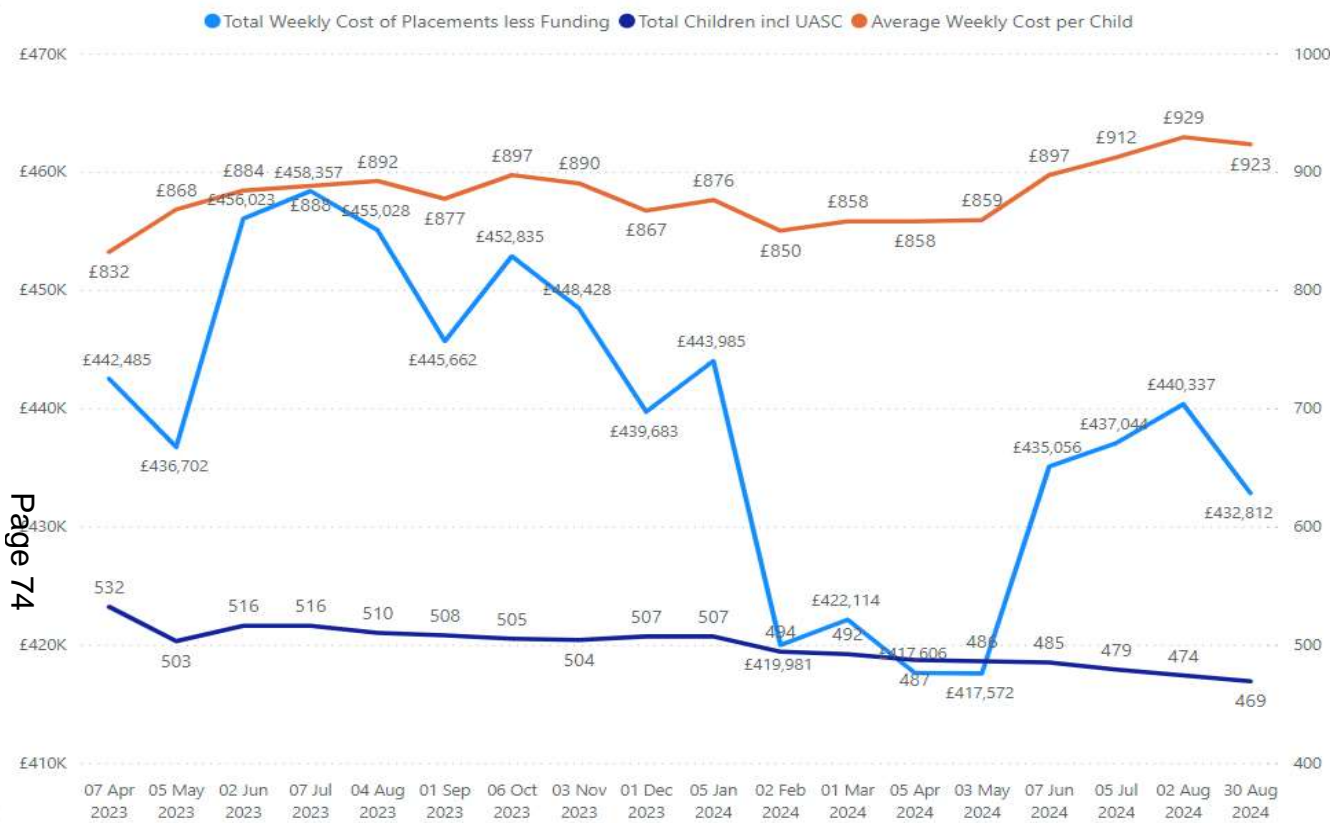
Children & Learning: a forecast underspend of £1.10M.

£1.06M of sustainable savings have been taken centrally in Month 5, which results in the adverse movement of £0.41M shown. After adjusting for the savings removed there is a favourable movement of £0.64M from Month 4. There is a current favourable variance of £1.10M at Month 5 due to £0.08M on Residential placements, £0.08M for Independent Foster Carers and £0.15M for Unaccompanied Asylum Seeking Children (including over 18s), £0.36M and £0.14M of staff savings within Children in Care Teams and Adoption & Foster Care Teams respectively within Children Looked After. The Children Looked After savings are net of the £1.06M sustainable savings budget reduction. There is £0.12M on Care Leavers as client numbers are less than budgeted. There is a £0.06M favourable variance in Safeguarding due to a forecast reduction in supplies and services spend. There is a £0.1M favourable variance for Legal costs being less than budgeted. However, there is also a £0.05M adverse variance in Children & Families First due to a £0.31M adverse forecast on No Recourse to Public Funds accommodation expenditure, and a favourable variance relating to an additional £0.26M of Supporting Families grant funding above budget, due in part to increased expected payment by results totals for the year. There is also a £0.06M favourable variance in Education High Needs due to the net impact of staffing vacancies and partial offset of pay award pressures.

The £0.64M favourable movement since month 4, after adjusting for the removal of £1.06M sustainable savings from Children Looked After, is mainly due to £0.5M staffing savings being forecast as a result of the staffing restructure, with savings related to vacancies, agency staffing reductions, and all posts being budgeted at top of scale point banding within specified grade with the restructure leading to new post entrants being at or near bottom of scale point banding. There is also a £0.08M favourable movement in Independent Foster Carers and £0.08M in Residential placements package costs post the £1.06M budget reduction highlighted above. There's also adverse £0.1M of smaller movements elsewhere.



Children Looked After Numbers



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Total weekly cost of placements less funding

Over the past 18 months the weekly cost reduced up to the end of May by around 6%, but has subsequently increased and started to plateau. Some of this relates to cost uplifts, however some of this relates to a recent increase in high needs/cost clients.

Numbers of Children

Over the past 18 months the numbers of children in care have reduced by over 10%.

Average cost per child

The average cost per child did reduce in the final quarter of the last financial year, but as per the total weekly costs this has started to increase and is linked to the same reasons as the total weekly costs.



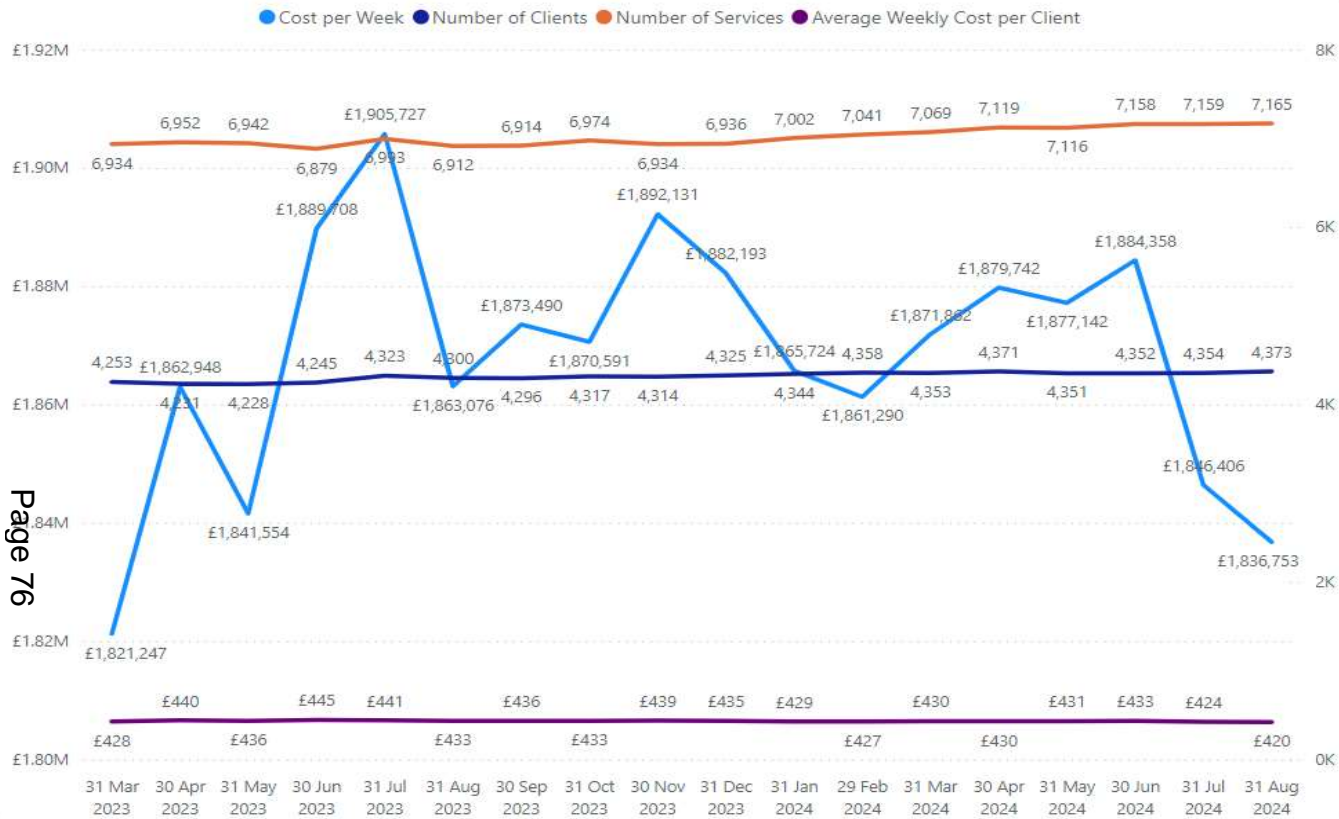
	Working Budget 2024/25 £M	Forecast Outturn Month 5 £M	Forecast Variance Month 5 £M		Movement Month 4 to Month 5 £M
Integration	18.45	18.15	(0.30)	F	0.00
ICU - Provider Relationships	16.19	15.96	(0.23)	F	0.00
ICU - System Redesign	2.25	2.19	(0.07)	F	0.00
Living & Ageing Well	32.89	31.89	(1.00)	F	0.00
ASC - Living & Ageing Well - Cost of care	22.39	21.39	(1.00)	F	0.00
ASC - Living & Ageing Well - Resourcing	10.50	10.50	0.00		0.00
Public Health	0.00	0.00	0.00		0.00
Public Health - Health Improvement	1.89	1.89	0.00		0.00
Public Health - Health Protection and Surveillance	10.21	10.21	0.00		0.00
Public Health - Management & Overheads	(16.11)	(16.11)	0.00		0.00
Public Health - Non-ringfenced	0.00	0.00	0.00		0.00
Public Health - Population Healthcare	4.01	4.01	0.00		0.00
Quality, Governance & Professional Development	(6.09)	(8.50)	(2.41)	F	0.00
ASC - Quality, Assurance & Professional Development	(6.09)	(8.50)	(2.41)	F	0.00
Stronger Communities	1.64	1.55	(0.08)	F	0.00
Community Safety, Alcohol Related Crime, CCTV	0.31	0.31	0.00		0.00
Domestic Violence	0.37	0.37	0.00		0.00
Grants to Voluntary Organisations	0.53	0.45	(0.08)	F	0.00
Stronger Communities	0.43	0.43	0.00		0.00
Whole Life Pathways	51.98	51.71	(0.27)	F	0.00
ASC - Whole Life Pathways - Directly Delivered Services	2.40	2.52	0.13	A	0.00
ASC - Whole Life Pathways - LD Cost of care	26.39	26.29	(0.10)	F	0.00
ASC - Whole Life Pathways - MH Cost of care	11.53	11.53	0.00		0.00
ASC - Whole Life Pathways - Other Cost of care	7.66	7.36	(0.30)	F	0.00
ASC - Whole Life Pathways - Resourcing	4.01	4.01	0.00		0.00
Total Community Wellbeing	98.86	94.80	(4.07)	F	0.00

Community Wellbeing: a forecast underspend of £4.07M.

There is no movement for Community Wellbeing compared to Month 4. The overall £4.07M favourable variance is largely due to a favourable variance of £3.81M as forecast total costs of care packages are currently less than planned. Other favourable variances include £0.08M on Grants to Voluntary Organisations due to an in-year reduction of grant awards, £0.23M on ICU - Provider Relationships due to improved income assumptions and meeting costs with grant funding and £0.07M on ICU - System Redesign due to slippage in planned service changes. There is a £0.13M adverse variance on ASC - Whole Life Pathways - Directly Delivered Services due to use of overtime and agency to support 1 to 1 care and cover sickness absence. £3.75M of sustainable savings will be taken centrally in Month 6, subject to Council approval.



Adult Client Package Numbers



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Number of Clients

The total number of Adults placements has increased by around 100 placements since the end of the 2022-23 financial year, an increase of around 2.25%. However, numbers have been relatively stable since January 2024, holding at around 4,350 clients with current authorised services.

Average Weekly Cost per Client

Average weekly costs per client have generally been between £425 per week and £450 per week for that time period, but we have seen a general downward trend in the total weekly cost for current authorised services since July 2023. This is due to ongoing work undertaken by the service, including resolution of legacy issues arising from the Discharge to Assess process.

N.B.

Figures are subject to change once the position has been finalised



	Working Budget 2024/25 £M	Forecast Outturn Month 5 £M	Forecast Variance Month 5 £M		Movement Month 4 to Month 5 £M	
Digital	11.30	11.21	(0.08)	F ●	0.00	
Digital Services	11.30	11.21	(0.08)	F ●	0.00	
Enabling Services	1.35	1.35	0.00	●	0.00	
Corporate Management	1.11	1.11	0.00	●	0.00	
Internal Audit	0.24	0.24	0.00	●	0.00	
Finance	(3.05)	(2.99)	0.06	A ●	0.06	A ↓
Centrally Apportionable Overheads	(7.67)	(7.67)	0.00	●	0.00	
Corporate Finance	2.28	2.30	0.02	A ●	0.02	A ↓
Net Housing Benefit Payments	0.00	0.00	0.00	●	0.00	
Pension & Redundancy Costs	2.34	2.38	0.04	A ●	0.04	A ↓
Human Resources & Organisational Development	3.39	3.39	0.00	●	0.00	
HR Services	3.39	3.39	0.00	●	0.00	
Income & Expenditure	5.94	5.88	(0.06)	F ●	(0.06)	F ↑
Accounts Payable	0.60	0.64	0.04	A ●	0.04	A ↓
Accounts Receivable	2.27	2.24	(0.03)	F ●	(0.03)	F ↑
Local Taxation & Benefits Services	3.06	3.00	(0.07)	F ●	(0.07)	F ↑
Legal & Governance	4.31	4.31	0.00	●	0.09	A ↓
Democratic Representation & Managemen	2.30	2.30	0.00	●	0.00	
Registration of Electors and Elections Costs	0.53	0.53	0.00	●	0.00	
Risk Management	1.48	1.48	0.00	●	0.09	A ↓
Legal Partnership	1.45	1.45	0.00	●	0.00	
Land Charges	(0.14)	(0.14)	0.00	●	0.00	
Legal Services & Customer Relations	1.59	1.59	0.00	●	0.00	
Supplier Management	1.44	1.33	(0.11)	F ●	0.00	
Supplier Management Services	1.44	1.33	(0.11)	F ●	0.00	
Total Enabling Services	26.13	25.93	(0.19)	F ●	0.10	A ↓

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Enabling Services: a forecast underspend of £0.19M.

There is a adverse movement of £0.10M from Month 4. The overall variance comprises a favourable variance of £0.23M due to vacancies; £0.04M of additional income for Supplier Management and Finance and a £0.04M favourable variance due to Care Director maintenance underspends. There is a pressure of £0.08M for additional bank charges and £0.04M for a pension adjustment correction. The adverse movement relates to salary costs identified which relate to previously vacant posts.



	Working Budget 2024/25 £M	Forecast Outturn Month 5 £M	Forecast Variance Month 5 £M		Movement Month 4 to Month 5 £M	
Corporate Estate & Assets	5.15	5.10	(0.05)	F	0.00	
Central Repairs & Maintenance	3.01	3.01	0.00		0.00	
Energy Team	0.13	0.13	0.00		0.00	
Property Portfolio Management	(6.97)	(6.67)	0.30	A	0.00	
Property Services	8.11	7.76	(0.35)	F	0.00	
Facilities	0.87	0.87	0.00		0.00	
Culture & Tourism	3.66	3.64	(0.02)	F	(0.07)	F ↑
Cultural Services	1.72	1.73	0.00		(0.04)	F ↑
Libraries	1.93	1.91	(0.03)	F	(0.03)	F ↑
Economic Development & Regeneration	1.35	1.30	(0.05)	F	0.00	
City Development	0.76	0.71	(0.05)	F	0.00	
Economic Development	0.20	0.20	0.00		0.00	
Skills & Employment Support	0.39	0.39	0.00		0.00	
Growth & Prosperity	0.22	0.22	0.00		0.00	
Directorate Management	0.22	0.22	0.00		0.00	
Transport & Planning	27.30	27.34	0.04	A	1.05	A ↓
Flood Risk Management	0.15	0.15	0.00		0.00	
Highways Contracts	10.05	10.05	0.00		0.00	
Home To School Transport	10.74	10.74	0.00		0.75	A ↓
Planning	0.77	0.87	0.10	A	0.00	
Transportation	5.59	5.53	(0.06)	F	0.30	A ↓
Total Growth & Prosperity	37.69	37.61	(0.09)	F	0.98	A ↓

Growth & Prosperity: a forecast underspend of £0.09M.

£1.05M of sustainable savings have been taken centrally in Month 5, which results in the adverse £0.98M movement shown. After adjusting for the savings removed there is a favourable movement of £0.07M from Month 4. The overall favourable forecast of £0.09M is made up of favourable variances of £0.20M on energy costs, £0.14M on staffing from vacancies and staff recharges, along with £0.05M additional income. There are adverse variances of £0.30M on investment property based on forecast income from leases.



	Working Budget 2024/25 £M	Forecast Outturn Month 5 £M	Forecast Variance Month 5 £M		Movement Month 4 to Month 5 £M	
City Services	21.63	22.26	0.63	A	(0.28)	F ↑
City Services - Commercial Services	0.87	0.92	0.04	A	0.00	
City Services - District Operating Areas	4.90	5.27	0.37	A	(0.04)	F ↑
City Services - Management & Compliance	0.54	0.53	(0.01)	F	(0.01)	F ↑
City Services - Waste Operations	16.23	16.17	(0.06)	F	(0.31)	F ↓
Fleet Trading Area	(0.93)	(0.85)	0.08	A	0.08	A ↓
Landscape Trading Area	0.02	0.22	0.21	A	0.00	
Customer Experience	0.49	0.47	(0.02)	F	0.00	
Customer Experience	0.49	0.47	(0.02)	F	0.00	
Emergency Preparedness, Planning & Response	0.13	0.13	0.00		0.00	
Emergency Planning	0.13	0.13	0.00		0.00	
Environment	(7.05)	(7.47)	(0.42)	F	(0.58)	F ↑
CPRES - Bereavement Services	0.15	0.59	0.44	A	(0.02)	F ↑
CPRES - Environmental Health & Scientific Services	1.64	1.48	(0.16)	F	(0.15)	F ↑
CPRES - Licensing	(0.06)	(0.05)	0.01	A	0.00	
CPRES - Parking & Itchen Bridge	(9.36)	(9.83)	(0.47)	F	(0.20)	F ↑
CPRES - Port Health	(0.53)	(0.78)	(0.25)	F	(0.25)	F ↑
CPRES - Private Sector Housing	0.41	0.42	0.01	A	0.03	A ↓
CPRES - Registration Services	(0.19)	(0.18)	0.01	A	0.00	
Green Cities	0.61	0.58	(0.03)	F	0.00	
Health & Safety	0.29	0.32	0.03	A	0.00	
Housing	5.31	5.31	0.00		0.00	
DFG Support	(0.01)	(0.01)	0.00		0.00	
Housing Needs	5.17	5.17	0.00		0.00	
Social Fund & Property	0.18	0.18	0.00		0.00	
Travellers Sites	(0.04)	(0.04)	0.00		0.00	
Resident Services	2.80	2.80	0.00		0.00	
Leisure Contracts	2.69	2.69	0.00		0.00	
Leisure Strategy	0.11	0.11	0.00		0.00	
Service Centre	3.43	3.43	0.00		0.42	A ↓
Customer Services	3.43	3.43	0.00		0.42	A ↓
Total Resident Services	26.74	26.92	0.19	A	(0.44)	F ↑

Resident Services: a forecast overspend of £0.19M.

£0.27M of sustainable savings have been taken centrally in Month 5. After adjusting for the savings removed there is a favourable movement of £0.71M from Month 4. There is an overall adverse variance of £0.19M at Month 5. There is an adverse variance of £0.44M on Bereavement Services due to rising Coroner costs of £0.28M and a pressure on income at the Crematorium of £0.21M, partially reduced by increased burial income. There are at risk/unachievable savings of £0.30M in the District Operating Teams in City Services, along with pressures on staffing of £0.10M. Along with a £0.20M adverse variance in the Landscape service due to income shortfalls on recharges to capital (due to accounting rules on overhead recovery). There is a net favourable position in Waste where forecast disposal costs and income level are covering increases in agency costs and other service provision. There is a favourable variance of £0.47M on Off-street car parking based on receipts to date, and £0.25M in Port Health based on income from new shipping lines, and £0.16M in Environment Health due to vacancies and additional grant income.



	Working Budget 2024/25 £M	Forecast Outturn Month 5 £M	Forecast Variance Month 5 £M		Movement Month 4 to Month 5 £M	
Data, Intelligence & Insight	1.18	1.12	(0.06)	F	(0.03)	↑ F
Data & Intelligence	1.18	1.12	(0.06)	F	(0.03)	↑ F
Marketing & Communications	0.99	0.92	(0.07)	F	(0.01)	↑ F
Corporate Communications	0.99	0.92	(0.07)	F	(0.01)	↑ F
Projects & Change	1.42	1.42	0.00		0.00	
Projects, Policy & Performance	1.42	1.42	0.00		0.00	
Strategy & Performance	1.34	1.32	(0.03)	F	0.01	↓ A
Strategic Management of the Council	1.34	1.32	(0.03)	F	0.01	↓ A
Total Strategy & Performance	4.94	4.79	(0.16)	F	(0.03)	↑ F

Strategy & Performance: a forecast underspend of £0.16M.

There is a favourable movement of £0.03M from Month 4. The overall favourable variance comprises of £0.12M linked to salary underspends due to vacancies in Data team, Chief Executive's team and Communications. Plus £0.04M of additional income in Communications and Data & Digital. The favourable movement relates to additional salary underspends in Data & Digital.

General Fund Earmarked Reserves (excluding Schools Balances)

	Balance As At 01/04/2024 £M	Forecast Balance As At 31/03/2025 £M	Movement 2024/25 £M			Forecast Balance As At 31/03/2026 £M	Movement 2025/26 £M		
Medium Term Financial Risk Reserve	9.72	8.47	(1.25)	A	↓	10.47	2.00	F	↑
Organisational Redesign Reserve	2.50	2.95	0.45	F	↑	2.95	0.00		
Transformation & Improvement Reserve	4.66	6.05	1.39	F	↑	5.96	(0.10)	A	↓
Revenue Contributions to Capital	1.00	0.92	(0.08)	A	↓	0.92	0.00		
Social Care Demand Risk Reserve	2.00	2.20	0.20	F	↑	2.20	0.00		
Revenue Grants Reserve	4.21	0.00	(4.21)	A	↓	0.00	0.00		
Investment Risk Reserve	0.80	1.20	0.40	F	↑	1.60	0.40	F	↑
Directorate Carry Forwards	0.00	0.00	0.00			0.00	0.00		
PFI Sinking Fund	4.35	4.11	(0.24)	A	↓	3.67	(0.43)	A	↓
Insurance Reserve	2.20	1.50	(0.70)	A	↓	1.50	0.00		
On Street Parking	2.48	0.54	(1.94)	A	↓	0.02	(0.52)	A	↓
DSG Reserve	3.99	5.19	1.20	F	↑	6.44	1.25	F	↑
Other Reserves	2.69	1.65	(1.03)	A	↓	1.42	(0.23)	A	↓
Total Earmarked Reserves	40.58	34.79	(5.80)	A	↓	37.15	2.36	F	↑
General Fund Balance	10.07	12.00	1.93	F	↑	12.00	0.00		
Total GF Reserves (excl. Schools)	50.65	46.79	(3.86)	A	↓	49.15	2.36	F	↑

There is a forecast balance of £8.47M on the Medium Term Financial Risk (MTFR) Reserve at the end of 2024/25, assuming the forecast in-year surplus is used to reduce the Exceptional Financial Support requirement and not added to the reserve. An increase in the General Fund Balance to £12.0M was included in the 2024/25 budget.



	Council Tax £M	Business Rates £M	Total £M
Distribution of previous year's estimated surplus/(contribution towards estimated deficit)	(1.18)	6.61	5.43
Net income and expenditure for 2024/25	0.54	(2.49)	(1.95)
(Surplus)/Deficit for the year	(0.64)	4.12	3.48
(Surplus)/Deficit brought forward from 2023/24	1.24	(8.42)	(7.19)
Overall (Surplus)/Deficit Carried Forward	0.60	(4.30)	(3.71)
SCC Share of (Surplus)/Deficit	0.50	(2.11)	(1.61)

For the Collection Fund as a whole there is a forecast cumulative surplus of £3.71M to be carried forward into 2025/26, from an improvement of £1.76M in the 2023/24 outturn position and a £1.95M forecast net surplus for 2024/25.

The £1.95M forecast net surplus for 2024/25 comprises a £2.49M surplus for business rates offset by a £0.54M deficit for council tax. The business rates surplus is due to an increase in rateable values and a reduction in business rates reliefs and the estimate for non collection. The forecast deficit for council tax relates to an increase in the estimate for non-collection and an increase in discounts/exemptions, offset by a reduction in local council tax support costs.

SCC's share of the forecast cumulative surplus is £1.61M. In addition to this there is a £0.01M adverse variance on estimated government grant income for business rates reliefs, due to a reduction in funded reliefs, which sits outside of the Collection Fund.



Housing Revenue Account Month 5



	Working Budget 2024/25 £M	Forecast Outturn Month 5 £M	Forecast Variance Month 5 £M		Movement Month 4 to Month 5 £M
Expenditure					
Responsive Repairs	18.10	18.10	0.00	●	0.00
Cyclical Maintenance	6.99	6.99	0.00	●	0.00
Rents Payable	0.45	0.45	0.00	●	0.00
Debt Management	0.09	0.09	0.00	●	0.00
Supervision & Management	29.80	30.39	0.59	A ●	0.45 A ↓
Interest & Principal Repayments	6.46	6.46	0.00	●	0.00
Depreciation	22.35	18.12	(4.23)	F ●	0.00
Direct Revenue Financing of Capital	0.54	4.40	3.86	A ●	(0.27) F ↑
Gross Expenditure	84.78	85.00	0.22	A ●	0.18 A ↓
Income					
Dwelling Rents	(80.29)	(80.22)	0.07	A ●	0.07 A ↓
Other Rents	(1.21)	(1.21)	0.00	●	0.00
Service Charge Income	(2.53)	(2.53)	0.00	●	0.00
Leaseholder Service Charges	(1.14)	(1.39)	(0.25)	F ●	(0.25) F ↑
Interest Received	(0.11)	(0.15)	(0.04)	F ●	0.00
Total Income	(85.27)	(85.49)	(0.22)	F ●	(0.18) F ↑
Balances					
Working Balance B/Fwd	(2.59)	(2.59)			
(Surplus)/deficit for year	(0.50)	(0.50)	0.00	●	0.00
Working Balance C/Fwd	(3.09)	(3.09)			

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Landlord Controlled Heating Account

	2023/24 Outturn £M	Month 5 Forecast £M
Balance B/fwd	3.58	2.35
Costs incurred Jan-Mar 23	2.02	0.00
Less accruals 22/23	(2.81)	0.00
Rent collected ytd	(7.57)	(8.02)
Leaseholder contribution	(0.47)	(0.51)
Contribution to bad debt provision	0.20	(0.20)
Costs incurred YTD	7.39	7.10
Balance C/fwd	2.35	0.72

HRA POSITION: a balanced position is forecast.

The overall forecast is in line with the business plan position. There is a favourable position forecast on depreciation based on the reduced asset values recognised in the 2023/24 accounts. There is an off-setting increase in direct revenue financing to ensure the capital programme is not underfunded as a result. Additional insurance premium cost of £0.25M covered by increased service charges to leaseholders. Adverse forecast on rents of £0.07M based on the profiled rent to date.

The landlord-controlled heating account deficit brought forward from 2023/24 is £2.35M, and, based on anticipated cost for 2024/25 and additional income from charge increases, is expected to reduce to £0.72M. Modelling will take place to assess the impact on planned future price setting.



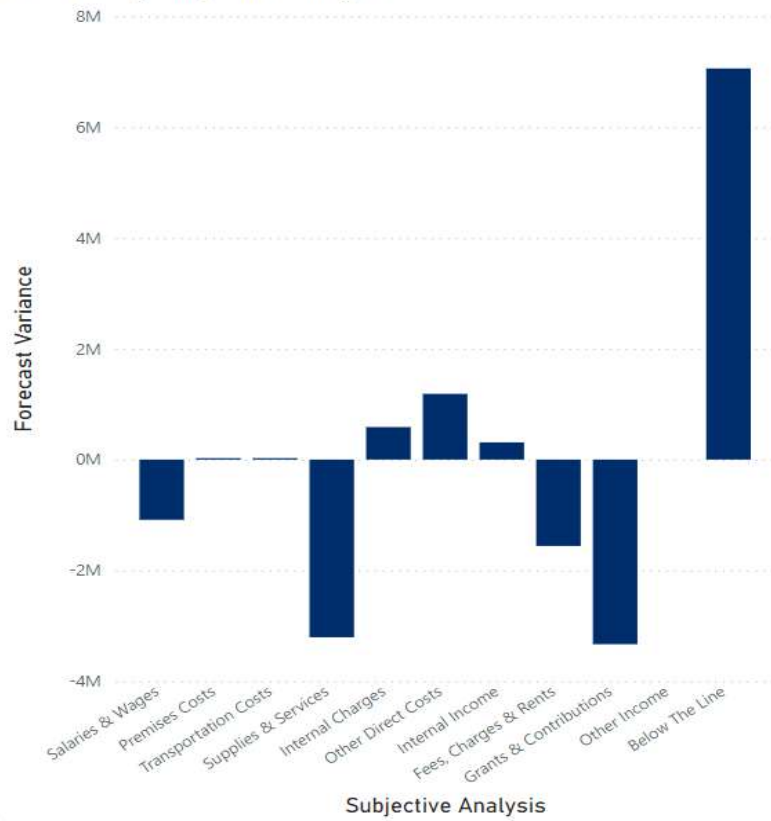
Dedicated Schools Grant	Working Budget 2024-25 £M	Forecast Outturn Month 5 £M	Forecast Variance Month 5 £M		Movement Month 4 to Month 5 £M
Schools	0.00	0.00	0.00		0.00
High Needs	0.00	(1.20)	(1.20)	F	0.00
Early Years	0.00	0.00	0.00		0.00
Central Services	0.00	0.00	0.00		0.00
In Year Balance	0.00	(1.20)	(1.20)	F	0.00
Balance B/Fwd held in DSG adjustment reserve	0.00	11.09	11.09	A	0.00
Balance B/Fwd held in DSG usable reserve	0.00	(3.99)	(3.99)	F	0.00
Net DSG deficit B/Fwd	0.00	7.11	7.11	A	0.00
Total DSG Balance	0.00	5.91	5.91	A	0.00

Schools Balances	Budget 2024/25 Deficit	Budget 2024/25 Surplus	Budget 2024/25 Total
Primary			
Net Budget	£2.91M	(£2.06M)	£0.85M
No. of Schools	11	20	31
% of Schools	35%	65%	100%
Secondary			
Net Budget	£0.00M	(£4.86M)	(£4.86M)
No. of Schools	0	6	6
% of Schools	0%	100%	100%
Special			
Net Budget	£1.43M	(£0.27M)	£1.16M
No. of Schools	2	3	5
% of Schools	40%	60%	100%
Total			
Net Budget	£4.34M	(£7.20M)	(£2.85M)
No. of Schools	13	29	42
% of Schools	31%	69%	100%

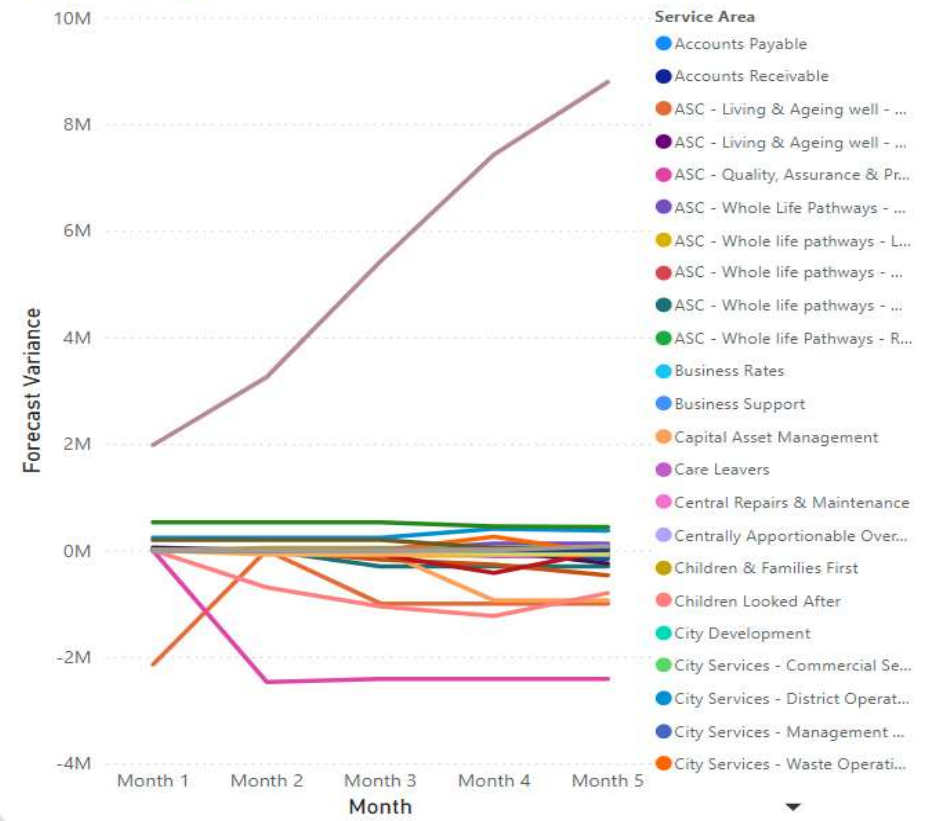
The DSG deficit reduced by £3.99M to £7.11M in 2023/24 and a further reduction of £1.20M is currently forecast for 2024/25. Schools budget data for 2024/25 indicates there are 13 schools with a deficit balance and where necessary deficit recovery plans are being prepared.

- Adults &...
- Children & Learning
- Compliance & Leisure
- Communities & Safer City
- Economic Development
- Environment & Transport

Variance by Subjective Analysis



Variance Trends



Adults &...

Children & Learning

Compliance & Leisure

Communities & Safer City

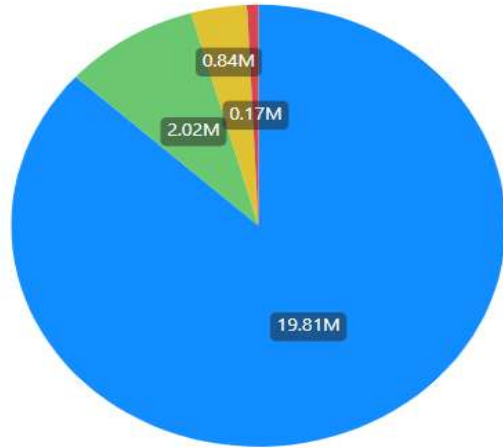
Economic Development

Environment & Transport

Portfolio	Working Budget 2024/25 £'000	Forecast Outturn Month 5 £'000	Forecast Variance Month 5 £'000	Movement Month 4 to Month 5 £'000
▲				
▣ Adults & Health	97,225	93,242	(3,983)	0
▣ Children & Learning	71,160	70,062	(1,098)	1,168
▣ Compliance & Leisure	4,235	4,301	66	(408)
▣ Communities & Safer City	2,704	2,621	(82)	0
▣ Economic Development	7,498	7,497	(1)	0
▣ Environment & Transport	23,166	22,894	(272)	(142)
▣ Finance & Corporate Services	32,651	32,374	(278)	484
▣ Green City & Net Zero	5,510	5,850	341	(36)
▣ Housing Operations	5,531	5,540	10	26
▣ Leader	5,997	5,878	(119)	(75)
▣ Central Expenditure Items	22,919	19,598	(3,321)	(2,381)
▣ General Funding	(239,319)	(239,370)	(52)	0
▣ Exceptional Financial Support (EFS)	(39,276)	(30,487)	8,789	1,362
Total	1	0	(1)	(1)

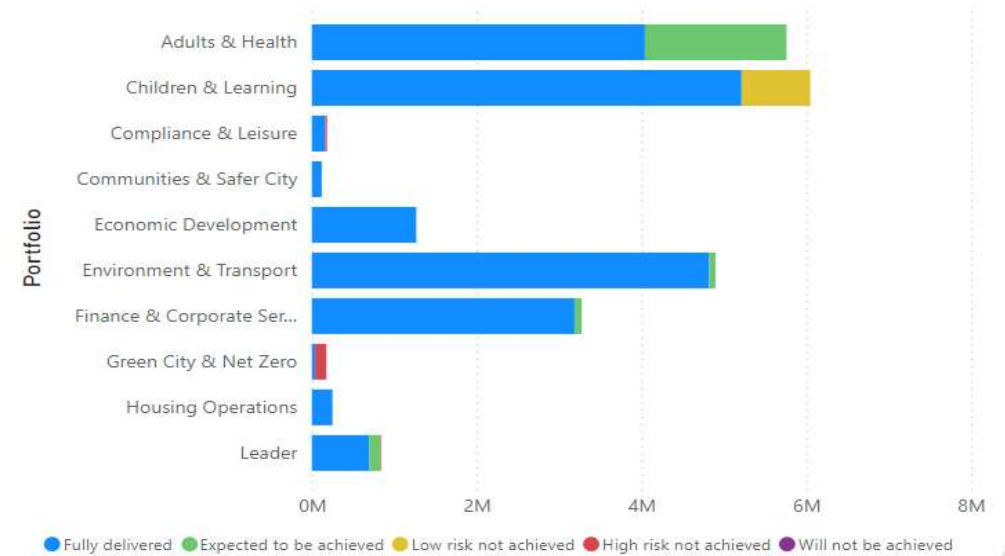


Savings Targets 2024/25 RAG Rated



● Fully delivered
 ● Expected to be achieved
 ● Low risk not achieved
 ● High risk not achieved
 ● Will not be achieved

Savings Targets per Portfolio



● Fully delivered
 ● Expected to be achieved
 ● Low risk not achieved
 ● High risk not achieved
 ● Will not be achieved

Please select a Portfolio to drillthrough

Key Issues

The current rate of non-achievement of savings is 1% or £0.17M forecast not to be achieved (Red & Purple). A Deficit Recovery Plan is being developed in respect of the high risk of non-achievement of savings in Resident Services.

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DECISION-MAKER:	CABINET		
SUBJECT:	TRANSFORMATION PROGRAMME UPDATE		
DATE OF DECISION:	29 OCTOBER 2024		
REPORT OF:	COUNCILLOR FIELKER LEADER OF THE COUNCIL		
<u>CONTACT DETAILS</u>			
Executive Director	Title	CHIEF EXECUTIVE	
	Name:	Andrew Travers	Tel: 023 8083 2943
	E-mail	andrew.travers@southampton.gov.uk	
Author:	Title	TRANSFORMATION DIRECTOR	
	Name:	James Wills-Fleming	Tel: 023 8083 2054
	E-mail	james.wills-fleming@southampton.gov.uk	
STATEMENT OF CONFIDENTIALITY			
None			
BRIEF SUMMARY			
<p>When Council set the Budget for 2024/25 on 6 March 2024, it was agreed that a comprehensive Transformation Programme be established as part of its plans to address the structural budget deficit. In July 2024 Cabinet approved a strategy and initial definition of the council’s “adapt grow thrive” Transformation Programme. This report, and main appendix “Transformation Update-October 2024”, sets out the progress made towards delivering the Transformation Programme, and the current status and expected outcomes of each Portfolio of activity within it.</p>			
RECOMMENDATIONS:			
	(i)	That Cabinet agrees the updates to the expected outcomes of the Portfolios of activities within the adapt grow thrive Transformation Programme, including the approval of Full Business Cases, as set out in the ‘key progress and next steps’ sections for each Portfolio, within the main appendix – “Transformation Update-October 2024”.	
	(ii)	agrees the £9m of expected savings from the delivery of transformation activities for 2024/25, supported by updated business cases set out within the main appendix – “Transformation Update-October 2024”	
	(iii)	agrees the approach to staff engagement and consultation set out within the main appendix – “Transformation Update-October 2024”	
REASONS FOR REPORT RECOMMENDATIONS			
1.	To enable Cabinet to review the progress made in delivering the council’s comprehensive, organisation-wide, “adapt grow thrive” transformation programme.		

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
2.	To not update Cabinet on the adapt grow thrive Transformation Programme. This was rejected due to the critical nature of the programme in supporting the council achieve financial sustainability and deliver much-needed reform of services.
DETAIL (Including consultation carried out)	
3.	To address the council's structural budget deficit for the 2025/26 financial year, and beyond, we are focussed on delivering transformation across the organisation through a single comprehensive Transformation Programme called "adapt grow thrive"
4.	The full content and delivery of the programme was initially defined through seven Portfolios containing a total of 28 Outline Business Cases (OBCs). These working documents were produced by all service areas and were summarised in the Transformation Update report approved by Cabinet in July 2024.
5.	The July Cabinet report set out the intention to provide regular future updates on the progress made across the Transformation Programme to Cabinet, aligned to the main quarterly budget reporting schedule. This report provides such an update, with the next Transformation update anticipated to be presented to Cabinet in January/February 2025.
6.	Since the July Cabinet report was approved, good progress has been made in further developing and delivering against these initial outline business cases and the main appendix – "Transformation Update-October 2024" – sets out the current status of each Portfolio and Programmes of activity within it.
7.	The main appendix also sets out the currently expected financial benefits expected to be delivered through the programme.
8.	All business cases have been further developed, with a number now considered Full Business Cases (FBCs), meaning that the activities and financial benefits have been defined and are now being delivered. This is set out in the 'key progress and next steps' sections for each Portfolio within the main appendix.
9.	Overall, the Transformation Programme has identified c£50m of financial savings opportunities across the Medium Term Financial Strategy (MTFS) period. c£9m of this is expected to be delivered in 24/25, with c£5m already delivered towards this. An additional £24.7m is expected to be saved in 25/26, bringing the expected cumulative savings delivered for 25/26 to £33.7m. A full summary of the expected financial savings is included in the main appendix.
10.	As our transformation plans have been further developed, we have started to identify the areas where the introduction of improved working practices means we can deliver services more efficiently, potentially resulting in a reduction in the required number of establishment posts.
11.	At this time, we estimate a range of potential establishment post reductions of 136-168 Full-Time Equivalent (FTE) posts as a result of the improvement activity contained within the Transformation Programme. This number includes posts that are currently vacant. This is against an overall establishment of approximately 3,100 FTE. Where currently understood, the number of currently vacant vs. occupied posts has been assessed. Based on

	current information, this gives a potential reduction of between 67-99 FTE occupied posts. It is important to note that these figures are all indicative at this time and will require further work to validate. This is set out in more detail in the main appendix.
12.	The main appendix also sets out our approach to employee engagement and consultation. Our engagement will focus on connecting and reconnecting employees to our plans and how they can contribute through co-design and feedback.
13.	<p>All consultations will be compliant with the council’s policies and procedures to ensure that meaningful consultation takes place and that all employees are given the time and opportunity to engage with their managers and directors and share their views on proposed changes. Our approach to this complex and extended period of change is as follows:</p> <ul style="list-style-type: none"> • The workforce and TU representatives will be kept informed and have the opportunity to discuss the organisation wide changes. • Individual directorate consultations will start at different times, and these will be required to provide an ESIA (Equality Safety Impact Assessment). • Employees at risk of redundancy will be given the opportunity to access redeployment opportunities and supported during the process. • An HR1 form will be completed to notify the government of potential redundancies and is required at least 45 days before the first dismissal redundancy notice is served. • A S188 (Trade Union Labour Relations Act) letter will be issued to the recognised trade unions of any proposed redundancies of 20 or more employees within a 90-day period. With consultation at both an organisation and directorate level.

RESOURCE IMPLICATIONS

Capital/Revenue

14.	<p>The report sets out £49.7M of savings over the medium term. This is an improved position from the July report and will go a significant way to ensuring the council is sustainable in the medium term. The Medium-Term Financial Strategy Quarter 2 report, elsewhere on the agenda, takes this position into account.</p> <p>In order to support and ensure delivery of the Council’s transformation programme further resource is required, across all areas. The table below details the current estimated cost.</p> <table border="1"> <thead> <tr> <th></th> <th>2024/25 £M</th> <th>2025/26 £M</th> </tr> </thead> <tbody> <tr> <td>Forecast expenditure:</td> <td></td> <td></td> </tr> <tr> <td>Transformation Team Resource Requirements</td> <td>3.6</td> <td>3.9</td> </tr> <tr> <td>Enabling Services additional resource to support the programme</td> <td>1.4</td> <td>2.6</td> </tr> <tr> <td>Consultant support requirements (including Newton Europe)</td> <td>7.1</td> <td>5.0</td> </tr> <tr> <td>Total forecast expenditure</td> <td>12.1</td> <td>11.5</td> </tr> </tbody> </table> <p>The expenditure on the adapt grow thrive Programme can be classified as transformation spend that will result in savings, therefore there are 3 potential routes to funding this expenditure.</p> <ol style="list-style-type: none"> 1. To utilise the allocation given within exceptional financial support should this be confirmed as available by government £10.6M 		2024/25 £M	2025/26 £M	Forecast expenditure:			Transformation Team Resource Requirements	3.6	3.9	Enabling Services additional resource to support the programme	1.4	2.6	Consultant support requirements (including Newton Europe)	7.1	5.0	Total forecast expenditure	12.1	11.5
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Consultant support requirements (including Newton Europe)	7.1	5.0																	
Total forecast expenditure	12.1	11.5																	

	<p>2. To utilise the transformation reserve £4.66M</p> <p>3. To fund from capital receipts flexibilities – amount subject to receipts being available</p> <p>The 2024/25 budget has been established and all costs are closely monitored.</p>
<u>Property/Other</u>	
15.	There are no specific new property implications arising from this report. Any property implications required to deliver the Transformation Programme will be defined through the individual business cases.
16.	Cabinet have previously agreed the Phase 1 Disposal list being delivered under the Asset Development and Disposal Programme (ADDP).
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
17.	S1 Localism Act 2011, S101 Local Government Act 1972 and discrete legislation referred to as appropriate in each OBC and FBC
<u>Other Legal Implications:</u>	
18.	None
RISK MANAGEMENT IMPLICATIONS	
19.	Failure to deliver the required actions and associated transformation programme within the required timeframe would prevent the council from setting a balanced budget 2025-26 and pose a material risk to our aspiration to be a modern sustainable council. The establishment of the programme is also a key aspect of the EFS “minded to” decision. This risk is being managed on the Corporate Risk register, with the programme governance and structure as set out in this report and associated appendices acting as key mitigations to prevent this risk from materialising. Reporting to Cabinet on the overall budget position is provided through the regular Budget/MTFS updates.
POLICY FRAMEWORK IMPLICATIONS	
20.	None specifically but our approach to organisation structures is to ensure that the impact on current and future workforce is assessed in line with policy and employment law to reduce any risk to the organisation. Enable and support the organisation to assess and take advantage of opportunities that will arise, putting us ahead of the curve and support the creation of a modern, agile organisation. Any changes to work practices, digitalisation or otherwise will be assessed strategically from a people perspective with a view to evolving the workforce to take advantage of improvements, ensuring that learning is in place and transformation including reduction in employee numbers is supported.
KEY DECISION?	No
WARDS/COMMUNITIES AFFECTED:	ALL
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Transformation Update-October 2024

Documents In Members' Rooms	
1.	None
<p>Equality Impact Assessment</p> <p>As a local authority, we are required by the Equality Act 2010 to comply with the Public Sector Equality Duty. This means that we need to carry out an equality analysis of our services and any proposed changes.</p> <p>For workforce related analysis, consideration has been given to the complexity and timelines of all the transformation projects resulting in the following approach being taken:</p> <ul style="list-style-type: none"> • Complete an organisation wide equality analysis which will be the baseline going forward and used for the transformation programme. Further equality analysis will be conducted and compared against the baseline at key milestones of the transformation programme. • Individual projects will be accountable for managing any opportunities and mitigations. • The People and Culture programme will be accountable for reporting and overseeing the analysis. HR will support the projects and look across the whole system in order to maximise opportunities. • A review of Equality Strategy is underway and any recommended ambitions/targets will be included in future reporting. <p>Further ESIA's relating to specific programmes and projects will be drafted as required.</p>	
<p>Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.</p>	
	yes
<p>Data Protection Impact Assessment</p> <p>It is expected that many of the programmes set out in this report will require DPIAs to be carried out.</p> <p>A full assessment of this requirement will be carried out as part of developing the programmes through to the next stage of business case approval and/or as they move to implementation. Each programme will be responsible for ensuring the required DPIA is in place to the satisfaction of the Data Protection Officer, and this will be monitored and managed through the programme and portfolio governance and assurance processes.</p>	
<p>Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.</p>	
	yes
<p>Other Background Documents</p> <p>Other Background documents available for inspection at:</p>	
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	None

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adapt | grow | thrive

Transforming Southampton City Council

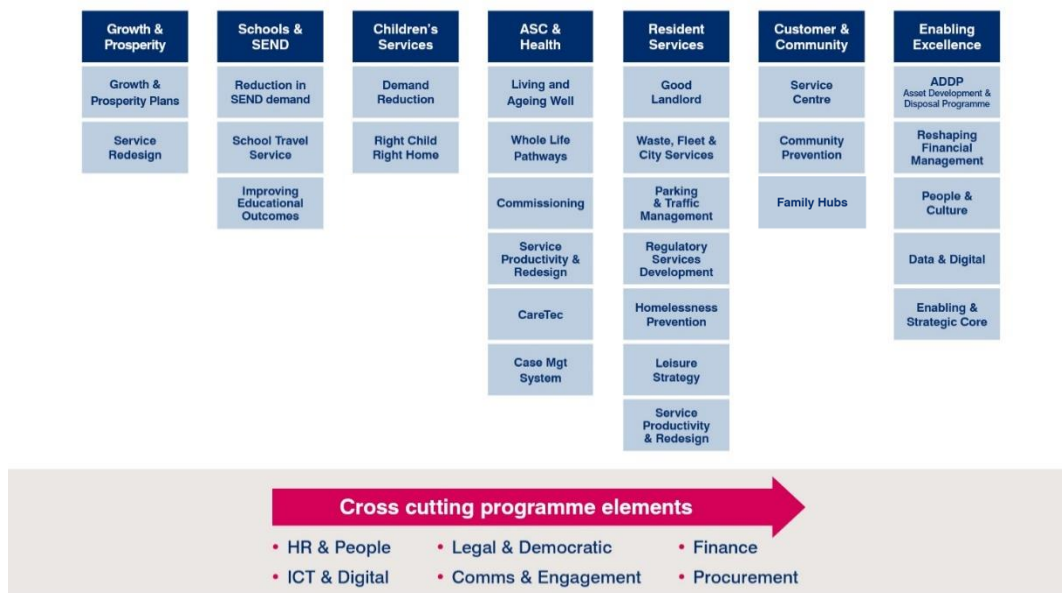
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Executive summary

To address the range of challenges that Southampton City Council (SCC) faces, including a significant structural budget deficit, we are delivering change across the organisation through a single Transformation Programme called **adapt | grow | thrive**.

As set out in July of this year, the content and delivery of the programme is organised within seven Portfolios, containing a total of 28 programmes of activities



Each Portfolio's overall savings expectation have been revised since July, following the further development of individual business cases. As part of the governance process, each Portfolio reports overall performance and progress monthly into the Transformation Board, including an overall 'RAG' (Red, Amber, Green) rating. The revised savings expectations for each Portfolio, along with its current overall RAG status, is summarised in the table below. Further information is given in the "Current Portfolio Status" section of this report.

Portfolio Name	Current Expected Saving	Original Expected Saving	Current Overall Portfolio Rating
Adult Social Care & Health	£17.25m	£14.65m	Green
Children's Services	£8.4m	£7.9m	Green
Customer & Community	£2.0m	£1.0m	Red
Enabling Excellence	£2.84m	£4.0m	Amber
Growth & Prosperity	£3.75m	£2.0m	Amber
Resident Services	£11.77m	£11.3m	Amber
Schools & SEND	£3.67m	£1.8m	Amber
	£49.68m	£42.65m	

As our transformation plans have been further developed, we have started to identify the areas where the introduction of improved working practices means we can deliver services more efficiently, potentially resulting in a reduction in the required number of establishment posts and people that the council employs. At this time, we estimate a range of potential establishment post reductions of 136-168 Full Time Equivalent (FTE) posts. This number includes posts that are currently vacant. This is against an overall establishment of approximately 3,100 FTE. Where currently understood, the number of currently vacant vs. occupied posts has been assessed. Based on current information, this gives a potential reduction of between 67-99 FTE occupied posts. This is set out in more detail in the "Workforce Implications" section of this report.

Overall savings opportunities totalling c£50m have now been identified across the Medium-Term Financial Strategy (MTFS) period. We have also revised the high-level RAG assessment of the overall savings expectations for the Programme, factoring in current levels of delivery confidence based on the development and delivery status of each programme.

Portfolio	Expected Saving	Finance Confidence £m		
		Green	Amber	Red
ASC & Health	£17.25m	£17.25m	£0.0m	£0.0m
Children's Services	£8.4m	£8.4m	£0.0m	£0.0m
Customer & Community	£2.0m	£0.39m	£0.09m	£1.52m
Enabling Excellence	£2.82m	£2.12m	£0.0m	£0.7m
Growth & Prosperity	£3.75m	£2.04m	£0.0m	£1.72m
Resident Services	£11.77m	£2.48m	£7.28m	£2.0m
Schools & SEND	£3.67m	£3.67m	£0.0m	£0.0m
Total	£49.66m	£36.35m	£7.37m	£5.94m

July Position	£42.65m	£23.08m	£11.9m	£7.67m
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We also recognise that this is a multi-year programme and as such, not all savings will be delivered at the same time, in a single year. Our current assessment of how the financial benefits of the programme will be realised over time is as follows and is set out in more detail in the “Expected Savings” section of this report.

Financial Year (Green & Amber) £m	24/25	25/26	26/27	27/28	28/29
Total Savings Identified (Cumulative)	£9.02m	£33.67m	£41.25m	£43.42m	£43.72m
Annual Incremental Total	£9.02m	£24.65m	£7.58m	£2.17m	£0.3m

July Position – Total Savings (Cumulative)	£7.3m	£32.1m	£39.4m	£41.2m	£41.6m
July Position – Annual Incremental Total	£7.3m	£24.8m	£7.3m	£1.8m	£0.4m

Based on the projects and programmes set out across our Transformation Programme we believe we have identified a path to closing the structural budget deficit, with work already well underway and delivering savings this year.

Introduction

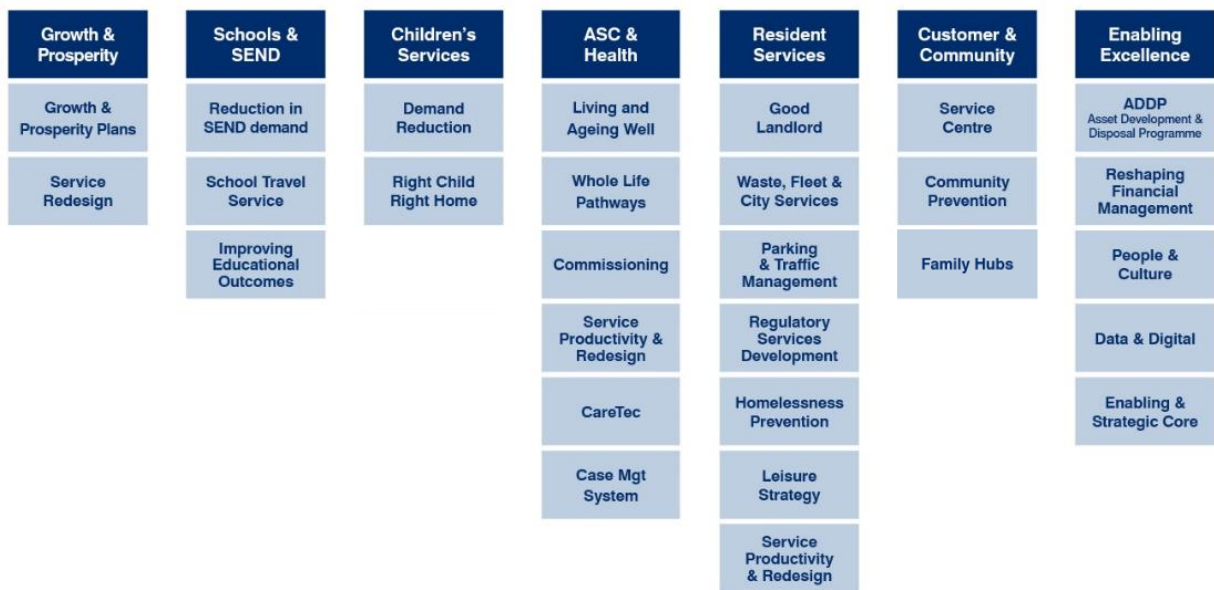
This report sets out the current status of our council-wide Transformation Programme, **adapt | grow | thrive**, including the key progress and next steps expected. It also sets out the updated financial benefits now expected to be delivered and provides an initial view of the potential impact this could have on the number of establishment posts within the council.

Programme Overview

Portfolio Structure

As set out in the Transformation Update report that was presented to Cabinet in July of this year, the programme is organised across seven service-focussed Portfolios, supported by cross-cutting supporting workstreams, around areas such as HR & People, Procurement, and ICT & Digital support.

The content and delivery of the programme is defined through 28 business cases. The overall make-up of the programme remains unchanged since July, although a small number of changes between the Portfolios have been made, which are summarised in the “Current Portfolio Status” section of this report. All business cases have been further developed since July, with a number now considered Full Business Cases (FBCs), meaning that the activities and financial benefits have been defined and are now being delivered. These developments are set out in the “Current Portfolio Status” section below.



Cross cutting programme elements

- HR & People
- Legal & Democratic
- Finance
- ICT & Digital
- Comms & Engagement
- Procurement

Expected Savings

Overall savings opportunities totalling c£50m have now been identified across the MTFS period. Updated financial assessments of the programme business cases has been completed and following this we have revised the overall savings expectations of each Portfolio. We have also revised the high-level Red, Amber, Green (RAG) assessment of the overall savings expectations for the Programme, factoring in current levels of delivery confidence based on the development and delivery status of each programme. This shows a significant increase in the value of 'Green' rated savings when compared to the July position.

We also recognise that this is a multi-year programme and as such, not all savings will be delivered at the same time, in a single year. Based on the financial analysis as part of each business case, we have profiled our expected savings over the financial years 2024/25 to 2028/29. This will be used to inform our Medium-Term Financial Strategy (MTFS).

This information is summarised below, and these assessments and forecast profile will be closely monitored and updated through the Programme governance, with monthly updates provided to the Transformation Board, alongside quarterly reporting to Cabinet as part of the Budget reporting process.

Based on the projects and programmes set out across our Transformation Programme we believe we have identified a path to closing the structural budget deficit, with work already well underway and delivering savings this year.

Savings by Portfolio

Each Portfolio had an overall savings expectation set in July based on the programmes of activity defined within them, which have now been updated to reflect the additional work carried out as follows:

Portfolio Name	Current Expected Saving	Previous Expected Saving
Adult Social Care & Health	£17.25m	£14.65m
Children's Services	£8.4m	£7.9m
Customer & Community	£2.0m	£1.0m
Enabling Excellence	£2.84m	£4.0m
Growth & Prosperity	£3.75m	£2.0m
Resident Services	£11.77m	£11.3m*
Schools & SEND	£3.67m	£1.8m*
	£49.68m	£42.65m

*The Resident Services and Schools & SEND Portfolios also include activity that aims to positively contribute to the council's financial position in relation to the Housing Revenue Account (HRA), and Dedicated Schools Grant (DSG), respectively.

It is important to note that as these programmes of activity are further developed and as benefits are realised, we may need to further adjust individual savings expectations and re-align savings expectations across portfolios to ensure that we are still achieving our overall saving objectives.

Overall Programme Assessment

We have rated the overall confidence level of achievement of expected savings across each Portfolio using Red, Amber, Green (RAG) ratings, defined in the table and key below. This assessment has identified that we currently have a good level of confidence over a large portion of our expected savings (Green & Amber). This is supported by the fact that a number of the programmes are now delivering savings in the current financial year (2024/25). We expect our overall assessment to improve further as we move into delivery activity on more of our programmes.

The assessment of current programmes has also identified that a smaller number of the business cases do not contain enough detailed information for us to confidentially validate the delivery of the expected savings meaning these have been categorised as 'Red' at this time. We expect this position to improve over the coming months as we complete further work to develop these business cases.

Portfolio	Expected Saving	Finance Confidence £m		
ASC & Health	£17.25m	£17.25m	£0.0m	£0.0m
Children's Services	£8.4m	£8.4m	£0.0m	£0.0m
Customer & Community	£2.0m	£0.39m	£0.09m	£1.52m
Enabling Excellence	£2.82m	£2.12m	£0.0m	£0.7m
Growth & Prosperity	£3.75m	£2.04m	£0.0m	£1.72m
Resident Services	£11.77m	£2.48m	£7.28m	£2.0m
Schools & SEND	£3.67m	£3.67m	£0.0m	£0.0m
Total	£49.66m	£36.35m	£7.37m	£5.94m

July Position	£42.65m	£23.08m	£11.9m	£7.67m
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	High delivery confidence - delivering benefits already and/or will be supported by external partner
	Saving identified - less delivery assurance and/or requires acceleration of existing plans
	Saving not yet validated with high enough degree of confidence - further business case development required

Savings Profile 24/25-28/29

The table below shows our current assumptions around how the financial benefits of the programme will be realised over time, based on our current level of confidence. This profile represents a 'medium optimism' scenario, including all savings rated Green and Amber but **excluding all those rated Red**. Based on this we can positively project that we will meet and exceed the original £42.65m target over the MTFs period, including c£9m of early delivery in this financial year (24/25). Both of these are an improvement on the position given in July.

Financial Year (Green & Amber) £m	24/25	25/26	26/27	27/28	28/29
ASC & Health	£2.9m	£13.8m	£17.25m	£17.25m	£17.25m
Children's Services	£2.9m	£6.7m	£8.4m	£8.4m	£8.4m
Customer & Community	£0.31m	£0.45m	£0.47m	£0.48m	£0.48m
Enabling Excellence	£0.44m	£1.72m	£2.12m	£2.12m	£2.12m
Growth & Prosperity	£0.83m	£1.28m	£1.85m	£2.04m	£2.04m
Resident Services	£0.33m	£7.15m	£7.96m	£9.47m	£9.77m
Schools & SEND	£1.32m	£2.56m	£3.21m	£3.67m	£3.67m
Total Savings Identified (Cumulative)	£9.02m	£33.67m	£41.25m	£43.42m	£43.72m
Annual Incremental Total	£9.02m	£24.65m	£7.58m	£2.17m	£0.3m

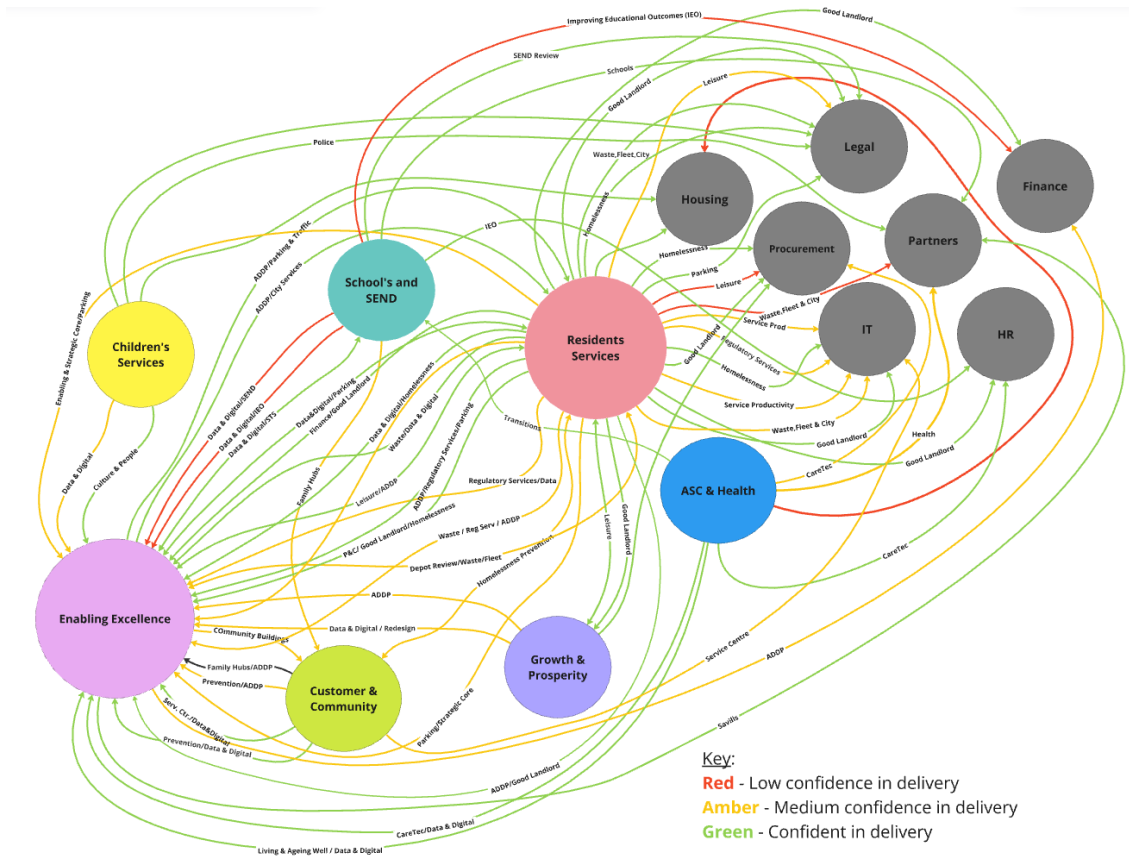
July Position - Total Savings (Cumulative)	£7.3m	£32.1m	£39.4m	£41.2m	£41.6m
July Position - Annual Incremental Total	£7.3m	£24.8m	£7.3m	£1.8m	£0.4m

Resources & Transformation Partner

Since July, further steps have been taken to strengthen the transformation delivery and assurance capacity and capability of the council, with additional programme-level resources now in place, alongside targeted external support in key areas. Recognising that we can't deliver the scale of change required to deliver our ambition, within the necessary timescales, by ourselves, we have recently appointed transformation and change specialist 'Newton' as the council's Transformation Partner. Newton's scope was set out in a report to Cabinet in September and will focus on delivering the main areas of transformation in Adults and Children's Social Care, alongside broader programme-wide support to ensure that we achieve our overall objectives. Working alongside our internal capability, this will ensure that all elements of the programme have the required capacity and capability to support delivery.

Dependencies

With a programme as broad and wide-ranging as ours, very little change activity can be successfully delivered in isolation without consideration of its impact on other work happening across the programme and wider organisation. A significant number of dependencies exist between all of our programmes, these are both within and between portfolios, and out into operational activities. An illustrative representation of these is shown below:



These dependencies are being identified, managed and tracked through the programme governance arrangements and it is the role of the adapt | grow | thrive Transformation Board to regularly review key dependencies and ensure that mitigating actions in place to manage the impact of the dependencies are being effective.

Risk Management

Risks and Issues are managed in accordance with the council's risk management approach. Risks are assessed based upon their likely impact and the probability of them occurring, with mitigating actions put in place to reduce these. Risks & Issues are regularly reviewed at all levels of the Programme's governance and are escalated as required through the Board structure.

Workforce Implications

Establishment Post Reductions

As our transformation plans have been further developed, we have started to identify the areas where the introduction of improved working practices means we can deliver services more efficiently, potentially resulting in a reduction in the required number of establishment posts and people that the council employs. Due to the timeframe over which the potential changes to the workforce will occur, we will:

- Inform and discuss with the workforce and TU representatives the organisation-wide changes expected **over the next two years** (covering the period October 2024 – March 2026), to cover all known establishment post reductions and signpost any in the future
- Develop one approach to consultation and talent management which is inclusive, supports redeployment, skills development and mitigates risk of redundancies and destabilising the workforce
- Initiate individual directorate consultations on any restructures/post reductions as required during this two-year period, with an expectation that some will be concluded by the end of the 2024/25 financial year

At this time, we estimate a range of potential establishment post reductions of 136-168 Full Time Equivalent (FTE) posts. This is against an overall establishment of approximately 3,100 FTE. This number includes posts that are currently vacant. Where currently understood, the number of currently vacant vs. occupied posts has been assessed. Based on current information, this gives a potential reduction of between 67-99 FTE occupied posts. The table below summarises the potential post reductions by individual programme. It is important to note that these figures are all indicative at this time and will require further work to validate and all be subject to individual consultation and engagement processes.

Project	Potential Total Post Reduction Range		Potential Vacant Post Included	Potential Occupied Post Reduction Range	
	FTE			FTE	FTE
Adult Social Care Service Productivity & Redesign*	55	65	39	16	26
Growth & Prosperity Service Redesign	2	2	2	0	0
Waste, Fleet & City Services	7	8	6	1	2
Regulatory Services Development	8	13	2	6	11
Resident Services Productivity & Redesign	22	33	10	12	23
Family Hubs (Early Years Support)	23	25	0	23	25
Service Centre	15	16	10	5	6
Enabling & Strategic Core	4	6	0	4	6
	136	168	69	67	99

*ASC Service Productivity & Redesign includes 24FTE (19 FTE vacant) already delivered in earlier phase of transformation

The table above includes some changes that have already taken place under earlier phases of the current transformation programme, some that are either underway or expected to commence and complete this financial year, and some that will happen over the course of the next two years. The precise timing of each set of changes will be developed and agreed as work progresses to finalise the proposed changes.

Approach to Employee Engagement

Briefings for employees about the transformation strategy has been on-going since the beginning of the programme, creating opportunities to engage and listen to feedback. This will continue with an additional focus on how we continually connect and reconnect our employees to our purpose, to the city, engaging with the changes through co-design, recognising the importance of inclusivity and valuing contribution.

Approach to Consultation

All consultations will be compliant with the council's policies and procedures to ensure that meaningful consultation takes place and that all employees are given the time and opportunity to engage with their managers and directors and share their views on proposed changes. Our approach to this complex and extended period of change is as follows:

- The workforce and TU representatives will be kept informed and have the opportunity to discuss the organisation-wide changes.
- Individual directorate consultations will start at different times, and these will be required to provide an ESIA (Equality Safety Impact Assessment).
- Employees at risk of redundancy will be given the opportunity to access redeployment opportunities and supported during the process.
- An HR1 form will be completed to notify the government of potential redundancies and is required at least 45 days before the first redundancy notice is served.
- A S188 (Trade Union Labour Relations Act) letter will be issued to the recognised trade unions of any proposed redundancies of 20 or more employees within a 90-day period. With consultation at both an organisation and directorate level.
- The council is mindful that its annual business planning process is underway, therefore, any potential impact to the workforce or post reductions relating to the business planning process have not been factored into the figures in the above table.

Current Portfolio Status

This section sets out the current position of each of the seven portfolios within the Transformation Programme. This includes an overall 'RAG' assessment of the Portfolio based on the most recent reporting cycle, and the updated savings expectations of each project/programme within the portfolios. Key next steps are also captured, setting out expected delivery progress and future updates to business cases.

Adult Social Care & Health

There are currently six key programmes of activity within the Adults Social Care & Health (ASC) portfolio. **The portfolio has a revised overall savings expectation of £17.25m.** The six programmes, with individual savings expectations (where applicable), are as follows:

Programme Name	Current Expected Saving	Original Expected Saving
Service Redesign and Productivity	£3.1m	£2.9m
Living and Ageing Well	£8.85m	£7.45m
Whole Life Pathway	£3.6m	£2.8m
Commissioning	£1.7m	£1.5m
CareTec	n/a	n/a
Case Management System Replacement	n/a	n/a
TOTAL	£17.25m	£14.65m

ASC & Health improvements & savings will be delivered by:

- **Improving the uptake and effectiveness of Reablement** to support better outcomes and increase the number of people benefiting from Reablement. We will increase the number of people who have access to reablement to support better recovery. We will ensure people we work with have clear goals so their time with the reablement service is more effective
- **Providing the right support at the right time** before needs escalate. We will improve the first conversation we have to find resolutions earlier linking people with support available, including in the community. We will point people to information and tools available on our webpages. Where appropriate we will support people to learn new skills
- **Ensuring people are in settings that are the least restrictive with the right level of support.** Where appropriate we will change placements where there is a better fit option i.e. supporting people to return home with a package of care or from residential care to an extra care setting
- **Right-sizing packages of care** to maximise independence. We will review packages of care to ensure the level of care fits each person's needs
- **Process and practice improvements** enabling us to reduce the size of our establishment
- **Managing supplier costs.** We will manage the market, stopping automatic uplifts and instead taking a data led approach to negotiate these with our suppliers, ensuring we have a sustainable and vibrant care market to purchase from
- **Using Technology Enabled Care** to support people to live at home for longer. This ranges from Assistive Technology which can support safe movement around the home or help a person to wash or prepare food independently to activity monitors which help assess a level of need

Key progress and next steps

The ASC & Health Portfolio (ASC) Portfolio is currently rated as GREEN.

Full Business Cases (FBC) have now been approved for Living & Aging Well, Whole Life Pathway, and Commissioning, which are well-defined and in delivery with support from Newton. Financial benefits are already being realised in relation to these business cases, resulting in the ability to reduce service budgets accordingly. The need to manage the dependencies between each of these programmes, including the potential risk around competing requirements for resource is being managed. The continuing delivery of these programmes will be monitored and managed through programme governance.

The remaining programmes within the Portfolio remain at Outline Business Case (OBC) stage, with further work required to finalise the scope, benefits and/or delivery plans. The ASC Service Redesign and Productivity programme is expected to move to Full Business Case later this year, with implementation still on track to deliver the expected benefits. This will include an updated assessment of the potential reduction in the number of posts required. The need to ensure that the current Case Management System is successfully replaced is recognised as both a key enabler, and risk, to the wider transformation activity in the service. The specification and procurement process to deliver the new system is well-underway and is being closely monitored alongside the other service improvement activities.

Children's Services

There are now two key programmes of activity within the Children's Services portfolio – the “Early Years Support & Prevention (Family Hubs)” business case has been moved to the Customer & Community Portfolio. **The portfolio has a revised overall savings expectation of £8.4m.** The two programmes, with individual savings expectations, are as follows:

Programme Name	Current Expected Saving	Original Expected Saving
Demand Reduction	£4m	£2.8m
Right Child, Right Home	£4.4m	£4.1m
TOTAL	£8.4m	£6.9m

Children's Services improvements & savings will be delivered by:

- **Reducing the number of children entering care from 180 to 140 in 2024/25 and from 140 to 100 in 25/26** due to improved support for children and families to keep them safely in their family networks. Embedding the Family Safeguarding Model, working with teams across the council and our partners to put the right support around our families to prevent children needing to come into care
- **An additional 45 children achieving permanent placements** via Special Guardianship Orders and family reunification by end of 2025/26
- **Maximising the use of SCC's own residential and fostering placements** for children and young people as opposed to those provided by private companies. We will be addressing blockers identified by our in-house foster carers to improve placement availability
- **Reducing our use of independent fostering agency placements down to 26% (currently 51%) by FY 25/26.** We are launching 2 new children's homes in 2025 and aim to increase our newly approved foster carers by 20% within the next 2 years
- **Reduce the number of children in residential care placements from 37 to 31.** Supporting our children to be placed in the most suitable form of care for them and where possible to 'step across' from residential into a foster care arrangement or similar. A full review of all cases is underway and formal panels arranged for regular case discussions to progress identified children into the right placements

Key progress and next steps:

The Children's Services Portfolio is currently rated as GREEN

Full Business Cases (FBC) have now been approved for Right Child, Right Home, and Managing Demand, which are well-defined and in delivery with support from Newton. Financial benefits are already being realised, resulting in the ability to reduce service budgets accordingly. Key risks associated with these programmes, such as the pressure on capacity within the Service to deliver and support the changes, are being managed. The continuing delivery of these programmes will be monitored and managed through programme governance.

Schools & SEND

There are three key programmes of activity within the Schools & SEND portfolio. **The portfolio has a revised overall savings expectation of £3.67m.** The three programmes, with individual savings expectations (where applicable), are as follows:

Programme Name	Current Expected Saving	Original Expected Saving
Managing SEND Demand	n/a	n/a
Improving Educational Outcomes	n/a	n/a
School Travel Service	£3.67m	£1.8m
TOTAL	£3.67m	£1.8m

Schools & SEND Improvements & Savings will be delivered by:

- **Improving Educational Outcomes - We will work with schools to deliver a reduction in exclusions, absences and increase attainment in children across the city.** We will complete a service redesign (including a restructure) and make changes to how the service is delivered (i.e. officers working across all measures, not just one).
- **Reducing the number of EHCPs required** by introducing tools to schools to support earlier identification of need to enable the right support to be introduced before crisis is reached. Implementation of the cluster funding model.
- **Reducing the number of School Travel Service routes (using route optimisation software) required to transport children to and from schools and colleges by 10-15%.** Introduction and utilisation of a new purchasing system to improve process and increase competition between suppliers. Revisions to the School Travel Policy to ensure it is clearer and introduce more innovative ways of providing services. An overall review of the service ways of working to ensure it is consistent with clear, streamlined processes being followed.

Key progress and next steps:

The Schools & SEND Portfolio is currently rated as AMBER.

The School Travel Service Programme is rated as Green and a Full Business Case (FBC) has now been approved, with financial benefits already being realised, resulting in the ability to reduce service budgets accordingly. A revised policy is now out for consultation and a new procurement system is in place. Routes have been tendered and mobilised for new school term along with route optimisation and the programme is expected to fully deliver its increased savings expectation. The continuing delivery of this programme will be monitored and managed through programme governance.

Further work is in progress to develop the business case for Improving Educational Outcomes, and it is still expected that the redesigned service will be in place by April 2025.

Managing SEND Demand is dependent on consultation and engagement taking place with schools on our SEND Cluster Model, which is taking place this academic term and next (Autumn and Spring). Risks around the quality of existing data and the potential increasing EHCP demand is being managed and will be factored into an updated business case.

Customer & Community

There are now three key programmes of activity within the Customer & Community portfolio following the addition of the “Early Years Support & Prevention (Family Hubs)” business case, previously contained within the Children’s Services Portfolio. **The portfolio has a revised overall savings expectation of £2m.** The three programmes, with individual savings expectations (where applicable), are as follows:

Programme Name	Current Expected Saving	Original Expected Saving
Community Prevention	n/a	n/a
Early Years Support & Prevention (Family Hubs)	£1m	£1m
Service Centre	£1m	£1m
TOTAL	£2m	£2m

Customer & Community Improvements & Savings will be delivered by:

- **Reducing staffing levels and costs associated with our Service Centre** by reviewing the future core offer of the Service Centre and stopping activity that does not align with this offer. Consideration of system automations, reviewing current phone services and where customers can be redirected to a digital alternative, and identifying further opportunities for the centralisation of administration tasks.
- **Reducing the demand for council services across the community by better aligning prevention opportunities within the community.** Identifying cohorts of individuals who are at higher risk; Working with communities to reduce the risk of ill health and care needs; Working alongside people, in partnership with our health colleagues, to help people self-care and support those around them and better utilise digital approaches to access the services they may need.
- **Reviewing our Early Years Support and Prevention offer** to ensure we offer targeted services in the right locations, including through a restructured Family Hubs service.

Key progress and next steps:

The Customer & Community Portfolio is currently rated as RED.

Further work is underway to develop the Early Years Support & Prevention (Family Hubs) Outline Business Case to ensure it better aligns with our prevention agenda, whilst delivering the expected financial savings, with an updated business case expected later this year.

The Service Centre programme is delivering a portion of its expected savings, but further work is required to give delivery confidence for the full expected amount. The Outline Business Case will be updated to reflect the additional planning underway to ensure that the pace of the required change across the organisation to support the centralised Service Centre model is balanced against the need to maintain acceptable service levels.

Enabling Excellence

There are five key programmes of activity within the Enabling Excellence portfolio. **The portfolio has a revised overall savings expectation of £2.82m**, this includes the reallocation of £1.75m of savings expectation from ADDP to the Growth & Prosperity Portfolio. The five programmes, with individual savings expectations (where applicable), are as follows:

Programme Name	Current Expected Saving	Original Expected Saving
Reshaping Financial Mgmt.	n/a	n/a
Data & Digital	n/a	n/a
Enabling & Strategic Core	£2.57m	£2m
People & Culture	n/a	n/a
Asset Development & Disposal Programme (ADDP)	£0.25m*	£2m*
TOTAL	£2.82m	£4m

*£1.75m reallocated to the Growth & Prosperity Portfolio

Enabling Excellence Improvements & Savings will be delivered by:

- **Reducing our spend with Third Party Suppliers** by stopping contracts that don't add value; consolidating expenditure by utilising existing contracts; renegotiating contracts to more favourable terms where possible.
- **Maximising automation and self-serve opportunities within our teams** to improve turnaround times and reduce resources required through automating of bank reconciliation process; maximising electronic customer payments.
- **Reducing the number of IT systems we use**
- **Improve our data quality and how we use it**
- **Automating our HR starters, leavers & movers processes** to improve real-time data and reduce resources required
- **Reviewing of our organisation-wide People Related expenditure** in line with other similar sized councils through reducing Bank Holiday overtime allowance; removing weekend overtime enhancements
- **Realising capital receipts and reducing on-going asset maintenance costs** through the Asset Development & Disposal Programme
- **Reviewing vacancies and reducing establishment posts** where function can be covered elsewhere

Key progress and next steps

The Enabling Excellence Portfolio is currently rated as AMBER.

Good progress has been made to identify the required savings expectation, with an updated Outline Business Case produced and plans progressing to give an increased delivery confidence level. Additional resource and support has been allocated to the Asset Development and Disposal Programme (ADDP) to mitigate the risk of not achieving the required delivery of capital receipts.

Growth & Prosperity

There are two key programmes of activity within the Growth and Prosperity portfolio. **The portfolio has a revised overall savings expectation of £3.75m**, which includes the addition of £1.75m of savings expectation previously associated with the Asset Development & Disposal Programme (ADDP). The two programmes, with individual savings expectations (where applicable), are as follows:

Programme Name	Current Expected Saving	Original Expected Saving
Growth & Prosperity Plans	n/a	n/a
Service Redesign & Productivity	£3.75m*	£2m*
TOTAL	£3.75m	£2m

Growth & Prosperity Improvements & Savings will be delivered by:

- **A full strategic service redesign** to ensure that the service is geared towards delivering our Growth and Prosperity plans
- **Reducing Concessionary Fares budget**, in-line with current and projected usage and costs, without any impact to those residents who benefit from the scheme
- **Reducing energy costs** through the roll-out of LED street lighting
- **Reducing the overall cost of managing and maintaining our assets** by leading a comprehensive review of asset usage across the organisation, and the support cost requirements associated with these
- **Stepping down culture grants and reducing and removing Festivals & Events grant as previously agreed and communicated**
- **Reducing revenue expenditure by capitalising highways works costs** previously thought of as revenue costs, in line with accounting guidelines
- **Reviewing vacancies and reducing establishment posts** where function can be covered elsewhere

Key progress and next steps

The Growth and Prosperity Portfolio is currently rated as AMBER.

Good progress has been made to identify shorter-term opportunities to contribute to the immediate need for savings. Further work is required to support the wider organisation to identify and deliver savings associated with the operation and maintenance of council assets.

Over the coming 6 months, we will be developing a Growth and Prosperity Plan (GPP) to drive the work of the service. This will be informed by, and developed in conjunction with, the sub-regional Solent growth and prosperity strategy to ensure it aligns with a wide range of strategic outcomes identified in the strategy. It will also bring together the various strategies that drive the work of the Growth and Prosperity Directorate. It is critical that the council is organised and resourced in such a way to ensure the sustainable delivery of those long-term ambitions, while at the same time ensuring the work is contributing to the aims of the transformation programme. The review and redesign of the Growth and Prosperity directorate will see services operate more strategically and critically in a more integrated way, to create opportunities for cost savings and in working more in partnership with other upper tier local authorities across the sub-region to deliver the growth agenda.

Resident Services

There are seven key programmes of activity within the Resident Services portfolio. **The portfolio has a revised overall savings expectation of £11.77m.** This programme also aims to support an improvement in the council's financial position as it relates to the Housing Revenue Account (HRA). The seven programmes, with individual savings expectations (where applicable), are as follows:

Programme Name	Current Expected Saving	Original Expected Saving
Waste, Fleet & City Services	£2m	£2m
Good Landlord	HRA	HRA
Homelessness Prevention	£3.23m	£3m
Parking & Traffic Management	£2.24m	£2m
Regulatory Services Development	£0.5m	£0.5m
Leisure Strategy	£2.5m	£2.5m
Productivity & Redesign	£1.3m	£1.3m
TOTAL	£11.77m	£11.3m

Resident Services Improvements & Savings will be delivered by:

- **A full strategic service redesign** re-defining the target operating model of the service, decommissioning redundant systems to streamline operations, and, where appropriate, reviewing vacancies, agency usage, and reducing the number of establishment posts
- **Becoming a Good Landlord** through the creation of a high performing, efficient, housing service focused on delivering excellent customer experiences and decent homes
- **Working to prevent homelessness** by developing a sustainable and effective operating model for homelessness services based on local needs, combining technological solutions with specialist casework, focused on prevention & support
- **Transforming our Waste, Fleet, and City Services** by improving performance & efficiency, increasing activity and efficiency in commercial city services, and optimising fleet operations by reducing downtime and maintenance disruptions, reducing vehicle repair costs
- **Modernising our leisure facilities and offer** reducing the number of sites that we directly deliver services from, reducing service operating costs, moving from a cost-heavy model to an income-generating service
- **Redesigning our Regulatory Services** by implementing service changes, adopting technological solutions to focus staff on value-adding processes and customer engagement, and considering the discontinuing of non-statutory service provision
- **Enhancing parking & traffic management**, improving public transport reliability, optimising parking solutions, and supporting the transition to electric vehicles. Increasing PCN collection rates and recognising increased revenue from parking, resident permits & the Itchen bridge toll

Key progress and next steps

The Resident Services Portfolio is currently rated as AMBER.

A Full Business Case (FBC) has now been approved for Parking & Traffic Management, with financial benefits already being realised, resulting in the ability to reduce service budgets accordingly. Progress continues to be made on the Leisure Strategy, with an updated business case expected later this year.

Further Work is underway to improve the delivery confidence of key programmes of activity with savings expectations currently rated amber or red, which are those associated with Service Productivity & Redesign, Homelessness Prevention, Regulatory Services Development, and Waste, Fleet & City Services, the last of which is now being supported by specialist external resource. Updated business cases are expected later this year, which will ensure that service delivery and compliance risks are mitigated and will include an updated assessment of the potential reduction in the number of posts required where applicable.

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DECISION-MAKER:	CABINET		
SUBJECT:	COUNCIL RIGHT TO BUY RECEIPT PROPOSALS AND APPROVAL TO SPEND		
DATE OF DECISION:	29 OCTOBER 2024		
REPORT OF:	COUNCILLOR FRAMPTON CABINET MEMBER FOR HOUSING		
<u>CONTACT DETAILS</u>			
Executive Director	Title	Executive Director of Resident Services	
	Name:	Debbie Ward	Tel: 023 80833351
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	E-mail	fiona.astin@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY	
NOT APPLICABLE	
BRIEF SUMMARY	
This report sets out the current flexibilities that have been introduced for Right to Buy (RTB) receipt rules for expenditure, and the Council's proposals and guiding principles for a pilot programme to use those flexibilities to acquire properties during the 2024/25 and 2025/26 financial years.	
RECOMMENDATIONS FOR CABINET:	
(i)	That Cabinet approve the expenditure of up to £5m of the Right to Buy receipts collected in 2019/20 on a pilot programme of property purchases under the temporary flexibilities granted by Government during the 2024/25 and 2025/26 financial years.
(ii)	That Cabinet grant delegated powers to the Director of Housing after consultation with and the Executive Director of Enabling Services, Executive Director of Growth and Prosperity, the Director of Legal and Governance and the Cabinet Member for Housing, to agree and approve the detail of the pilot programme of purchases in line with the details set out in this paper.
REASONS FOR REPORT RECOMMENDATIONS	
1.	To utilise the Council's pooled Right to Buy Receipts, taking advantage of the temporary flexibilities granted by Government, to acquire properties to help alleviate housing need in Southampton.
2.	To allow sufficient delegated authority to enable properties to be secured efficiently and mitigate the risk of delays beyond the spend deadline which would trigger payment of Right to Buy monies with interest to government.
3.	This pilot programme has the potential do deliver estimated savings of £657k per annum, based on the purchase of 24 properties saving £27,375 per annum each. If the pilot programme is successful, there is potential to seek further

	approval(s) from Council or Cabinet to extend the programme and delivery greater savings.
4.	This proposal would help to reduce the annual expenditure on emergency accommodation, increase the Council's affordable housing stock, improve the quality of service provided and move towards delivering services within the confines of the cash limited budget.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
5.	The Council could decide not to spend its pooled Right to Buy Receipts. Any Right to Buy Receipts not utilised need to be paid to Ministry of Housing, Communities and Local Government (MHCLG) with interest within the annual deadlines set out. Given that the Council has an extensive housing waiting list and unprecedented demand for emergency homeless families' accommodation, this would be a missed opportunity to meet a small proportion of that need.
DETAIL (Including consultation carried out)	
6.	Since 2019-2020, the number of homeless households approaching the council as homeless has surged by 64%, with a further 14% rise in the past 12 months. This escalation, compounded by economic disruptions, has resulted in a 61% increase in households requiring emergency accommodation. The current demand for housing in the city far exceeds the available supply. This heightened demand, shows no sign of slowing, is significantly impacting the council's ability to prevent homelessness, and, where it cannot be prevented, making it a rare, brief, and non-recurrent experience. This has led to the current operating model at the Council becoming financially unsustainable.

7. Housing Need in Southampton

The housing register in Southampton as at 10 September 2024 stands at 8,186, made up as follows:

- 1 bed – 4,617 (this includes approx. 1,500 eligible for age designated accommodation)
- 2 bed – 1,675
- 3 bed – 1,587
- 4+ bed – 307

The increasing demand placed requires the Council to modify the existing delivery model, which includes maximising financial resources and strategic investments to expand the availability of emergency accommodation to address the growing demand effectively. This is one of 3 work programmes set out in the homelessness prevention transformation programme.

The average waiting times for people on the Housing Register by property sizes are as follows (correct as at June 2024):-

Property size	Waiting time (with no priority)	Waiting time (with priority)
1 bed	4.3 years	2.8 years
2 bed	4.9 years	2.4 years
3 bed	11.5 years	9 years
4 bed +	12.6 years	10.1 years

8. The vast majority of Council tenants have the Right to Buy their property within a set of rules and a set discount formula. The money the Council receives from Right to Buy sales is held by the Council (pooled Right to Buy receipts), which has the opportunity to spend it on re-providing affordable homes. If they do not do so within set time limits, they are required to pay the money to MHCLG with interest.

9. There are also a set of rules and an agreement between Councils and MHCLG which govern how the money is spent. Flexibilities have recently been introduced to these rules which are covered in Section 14 of this paper. This paper proposes to that the Council use the current Right to Buy Monies flexibilities to invest in additional affordable housing provision. This would help to reduce the annual expenditure on emergency accommodation, increase the Council's affordable housing stock, improve the quality of service provided and move towards delivering services within the confines of the cash limited budget.

10. Bed and Breakfast (B&B) accommodation is used by the Council out of necessity when it has no other accommodation available to accommodate families to whom it owes a legal duty to house. B&B is acknowledged to be an unsuitable form of temporary accommodation for families. Legally B&B is only allowed to

	<p>be used for homeless families in an emergency, and even then, for no longer than 6 weeks. Apart from being very expensive in itself, with an average cost of £27,375 per annum per property, there is an ongoing risk of the Council being required by the Housing Ombudsman to compensate families in B&B over 6 weeks financially, which would further add to costs.</p>						
11.	<p>Homelessness has a profound human cost, particularly for families living temporarily in B&B accommodation. These environments often lack the space, privacy, and stability needed for children to thrive. The uncertainty and disruption can lead to emotional distress, affecting their mental health, education and development. Frequent moves and cramped conditions can leave children feeling isolated, struggling to form friendships, and falling behind in school. This instability can also strain family relationships, exacerbating the stress already felt by parents trying to navigate an uncertain future.</p>						
12.	<p>The council currently has:-</p> <table border="1" data-bbox="292 792 1133 956"> <thead> <tr> <th>Number of Households</th> <th>Type of Accommodation</th> </tr> </thead> <tbody> <tr> <td>172</td> <td>Temporary Accommodation</td> </tr> <tr> <td>150</td> <td>Emergency Accommodation</td> </tr> </tbody> </table> <p>Those 150 households in emergency accommodation are waiting for a move into temporary accommodation.</p>	Number of Households	Type of Accommodation	172	Temporary Accommodation	150	Emergency Accommodation
Number of Households	Type of Accommodation						
172	Temporary Accommodation						
150	Emergency Accommodation						
13.	<p>If approved, the proposals in this paper would help to alleviate housing need from the Housing Register, and provide better quality emergency facilities for homeless families, assist the Council in meeting its legal duties, and reduce the costs of using B&Bs and nightly paid accommodation.</p>						
14.	<p><u>Temporary Flexibilities for the Spend of Right to Buy Receipts</u></p> <p>The Council received a letter from MHCLG dated 30/07/24 (a copy of that letter can be found at Appendix 1 to this report) confirming that they were immediately introducing temporary flexibilities to how Right to Buy receipts can be spent which would apply to the financial years 2024/25 and 2025/26:-</p> <ul style="list-style-type: none"> • Local authorities can now use up to 100% of their retained receipts to fund replacement affordable housing, a significant increase from the previous 50%. • The Government has confirmed that Right to Buy receipts may be used alongside S.106 contributions. • The cap on the percentage of replacements delivered as acquisitions each year (which has been capped at various percentages over the years, but most recently at 50%) has been lifted and it is for the authority to decide the percentage of retained Right to Buy receipts they will use to fund purchases rather than new build. <p>MHCLG issued updated guidance entitled “Retained Right to Buy receipts and their use for replacement supply” on the same date.</p>						

	They undertook to update the retention agreements made with local authorities under Section 11(6) of the Local Government Act 2003 over the summer to reflect these changes and an updated agreement would be issued to local authorities. The Council has not received this as yet.																																
15.	<p>Retained receipts can be used to supply:</p> <ul style="list-style-type: none"> • Homes for social or affordable rent • Homes for shared ownership sale • Homes for sale as First Homes <p>There is no requirement for replacement homes to be of the same type, size, location, or tenure as the homes they replace.</p>																																
16.	<p>Southampton City Council currently holds the following Right to Buy receipts. If these are not spent by the specified year, they are payable to MHCLG along with interest calculated using a set formula.</p> <table border="1"> <thead> <tr> <th>Year of receipt</th> <th>Year repayable</th> <th>Amount to repay</th> <th>Interest cost estimate</th> </tr> <tr> <td></td> <td></td> <th>£M</th> <th>£M</th> </tr> </thead> <tbody> <tr> <td>2019/20</td> <td>2024/25</td> <td>5.515</td> <td>1.498</td> </tr> <tr> <td>2020/21</td> <td>2025/26</td> <td>1.515</td> <td>0.706</td> </tr> <tr> <td>2021/22</td> <td>2026/27</td> <td>3.310</td> <td>1.274</td> </tr> <tr> <td>2022/23</td> <td>2027/28</td> <td>5.406</td> <td>2.135</td> </tr> <tr> <td>2023/24</td> <td>2028/29</td> <td>2.342</td> <td>1.261</td> </tr> <tr> <td>Total</td> <td></td> <td>18.086</td> <td>6.874</td> </tr> </tbody> </table> <p>The Council can spend the above monies during the financial years 2024/25 and 2025/26 using the current flexibilities. The Government has signalled that there will be further reforms to Right to Buy in due course, although they do not intend to abolish it completely (see Appendix 1).</p> <p>This report seeks approval to spend up to £5m of the Right to Buy monies accumulated in 2019/20 (the row shaded in green in the table above).</p>	Year of receipt	Year repayable	Amount to repay	Interest cost estimate			£M	£M	2019/20	2024/25	5.515	1.498	2020/21	2025/26	1.515	0.706	2021/22	2026/27	3.310	1.274	2022/23	2027/28	5.406	2.135	2023/24	2028/29	2.342	1.261	Total		18.086	6.874
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17.	<p><u>What Right to Buy Receipts Can be Spent On</u></p> <p>Please see Appendix 2 to this paper, which sets out exactly what the Right to Buy monies can be spent on, taken directly from the relevant guidance. This is split out under the heads of Acquisition, Works and On Costs.</p> <p>N.B. With the temporary flexibilities introduced, this means that the Council can recover 100% of the above costs associated with acquiring properties.</p>																																

	<p>The Council's current Retention Agreement states that monies can only be regarded as spent if the works or services for which the money has been (or is about to be) paid have actually been carried out. Otherwise, the money cannot be included in the total. A contractual commitment to spend the resources is not sufficient. Depending on the progress of any property purchases, it may be necessary to approach MHCLG to seek waivers. If, for example, there are some properties at an advanced stage in the purchase process but are unlikely to be able to complete before the end of March 2025 for any reason, MHCLG would be approached to seek consent to retain the relevant amount of Right to Buy monies to complete the purchases beyond the usual deadline date.</p>
18.	<p><u>Acquisition Strategy</u></p> <p>It is proposed that the Council maximise the number of properties it can acquire in the timescale and given the budget available from the Right to Buy funds it holds. Therefore, if the average property price was £200k, plus an allowance of 15% for on costs and bringing each property up to standard, the Council could purchase up to 24 properties with £5m.</p> <p>This pilot programme has the potential do deliver estimated savings of £657k per annum, based on the purchase of 24 properties saving £27,375 per annum each. If the pilot programme is successful, there is potential to seek further approval(s) to extend the programme and delivery greater savings.</p> <p>The number of properties that can be purchased will also be dependent on the number of suitable properties on the market, and which properties can be acquired in the timescale given the legal works involved.</p>
19.	<p><u>Types of properties proposed for purchase</u></p> <p>In order to have the best chance of securing properties within the time available, the approach would need to involve the purchase of batches of newly built properties. If these were flats, it would need to be an entire block to avoid the complications of leaseholds where the Council is not in control of the whole building. The resource and timescale involved in the purchase of a number of individual properties would be significant and not achievable in this financial year.</p> <p>The approach to the purchases will need to respond to what is available on the market.</p> <p>Whilst the strong preference is for newly built properties as set out above, the following other types of properties could also be considered in the longer term over the two years if necessary:</p> <ul style="list-style-type: none"> • Ex-local authority flats in blocks where the Council owns the freehold • Ex-local authority houses • Modern second-hand houses preferably built since 1990 (or 1970 at the earliest)

	<ul style="list-style-type: none"> • Modern second-hand flats preferably built since 1990 (or 1970 at the earliest, provided that the Council can acquire the entire block if it does not already own the freehold) • Properties that have been identified by the Council as Empty Homes <p>Ideally, all properties should be acquired within 4 miles of Southampton City Council Civic Centre as the crow flies. However, should suitable property availability prove difficult, this range could be extended to enable suitable purchases, at the discretion of the Director of Housing. This is because the Council is permitted to buy properties outside of its boundaries, but it is prudent to limit how far beyond those boundaries properties are purchased for efficiency of management and maintenance.</p> <p>All eligible expenditure to be on homes must be “for the benefit of the authority’s area”. This does not mean that the homes must be physically in the authority’s area or owned by the authority, but if they are not in its area, then the Authority must either own the properties or have nomination rights over them.</p> <p>All properties to be acquired should be within 85% of Nationally Described Space Standards (NDSS) where possible. These are guidance for floor area sizes for new dwellings built in England.</p> <p>Properties will be assessed for their location in relation to access to schools (primary and secondary), supermarkets, public transport, doctors’ surgeries and playground / amenity space.</p>				
20.	<p><u>Properties to be avoided:</u></p> <ul style="list-style-type: none"> • Properties that cannot be exchanged and completed before the relevant end of March purchase deadline date. • Properties that are in a ‘chain’ of transactions (to avoid risk of unacceptable completion delays) • Properties with tenants in occupation (to avoid risk of unacceptable completion with vacant possession delays) • Flats in blocks where the Council does not already own the freehold (unless the Council can acquire the entire block) • Properties which cannot be brought up to Decent Homes standards within a maintenance spend of £25k (to maximise the number of properties that can be acquired) • Properties with an EPC rating of lower than C, or that cannot be brought up a minimum C rating without the need for extensive or prohibitively expensive works. 				
21.	<p>The aim will be to purchase a mix of bedroom sizes, the below provides an indication of the aspirations as set out by the Service Lead for Housing Needs and Welfare:</p> <table border="1" data-bbox="292 1980 633 2085"> <tr> <td>1 bedroom</td> <td>10%</td> </tr> <tr> <td>2 bedroom</td> <td>80%</td> </tr> </table>	1 bedroom	10%	2 bedroom	80%
1 bedroom	10%				
2 bedroom	80%				

	3 bedroom	10%																						
	<p>However, this mix may be altered to suit circumstances as the programme progresses. It may be necessary to buy properties for General Needs use, then substitute the equivalent number of properties from the Council's existing General Needs stock for Temporary Homelessness use. This will be at the discretion of the Director of Housing.</p>																							
22.	A clear process will be devised in order to ensure that the properties purchased are properly inspected and conveyancing instructed at the appropriate time. The project will be managed by a consultant working in the Corporate Estate and Assets Team.																							
23.	In all cases, the consultant working in the Corporate Estate and Assets Team will visit properties to assess their suitability before considering whether any offer should be made.																							
24.	The consultant will make the offers on the properties, with those offers will be subject to the necessary due diligence, which may need to be commissioned outside the authority.																							
25.	<p><u>Project Programme</u></p> <p><u>If approved, the aim would be to allow a programme of property purchases to commence as soon as possible after the Cabinet meeting on 29/10/24 (allowing for call-in of decision).</u></p> <table border="1"> <thead> <tr> <th colspan="5">OUTLINE TIMETABLE FOR PROPOSALS TO SPEND RIGHT TO BUY RECEIPTS</th> </tr> <tr> <th></th> <th>Date Start</th> <th>Date Finish</th> <th>Task</th> <th>Detail</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>As soon as possible after the Council's decision on this paper (allowing for any call-in of decision)</td> <td>28/11/24</td> <td>Preparation for purchases</td> <td> <ul style="list-style-type: none"> • Desktop review of properties available for purchase • Initial visits by the consultant to properties with potential to meet the Council's requirements </td> </tr> <tr> <td>2</td> <td>As soon as possible after the Council's decision on this</td> <td>28/11/24</td> <td>Securing suitable external resources to expedite project</td> <td> Procure / appoint the following external resources: <ul style="list-style-type: none"> • Red Book valuations • Conveyancing services </td> </tr> </tbody> </table>				OUTLINE TIMETABLE FOR PROPOSALS TO SPEND RIGHT TO BUY RECEIPTS						Date Start	Date Finish	Task	Detail	1	As soon as possible after the Council's decision on this paper (allowing for any call-in of decision)	28/11/24	Preparation for purchases	<ul style="list-style-type: none"> • Desktop review of properties available for purchase • Initial visits by the consultant to properties with potential to meet the Council's requirements 	2	As soon as possible after the Council's decision on this	28/11/24	Securing suitable external resources to expedite project	Procure / appoint the following external resources: <ul style="list-style-type: none"> • Red Book valuations • Conveyancing services
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		paper (allowing for call-in of decision)			<ul style="list-style-type: none"> Property inspections
	3	28/11/24	20/12/24	Property inspections and valuations of properties	<ul style="list-style-type: none"> Instruct inspections and valuations of suitable properties as and when initial offers accepted. Revise offers in line with inspections and valuations if necessary.
	4	02/12/24	20/12/24	Conveyancing instructed on properties	Issue conveyancing instructions to Legal Services as and when each offer is accepted.
	5	06/01/25	31/03/25	Purchase completions of First Tranche properties	Property purchases complete up until funding deadline

RESOURCE IMPLICATIONS

Capital/Revenue

26. The capital costs of purchasing the properties, the association on costs of those purchases, and the cost of any repairs required to bring them up to a lettable standard are all eligible to be paid for from the Council's pooled Right to Buy monies. The Council's criteria of 'Purposeful Investment' will be applied when reviewing the proposed acquisitions. This is to ensure each purchase is focused on delivering the optimum value for money for the council.

27. Given that the capital costs are all covered by the Council's pooled Right to Buy monies, there will be no on-going financing costs associated with the acquisitions. The Council can let the acquired properties out at either Social Rents or Affordable Rents. The rental income generated will cover the additional management and maintenance costs of the acquired properties creating a net operational benefit. The financial impact of the acquisitions will be incorporated into the next iteration of the HRA business plan for 2025/26 onwards.

28. It is estimated that every property purchase that ultimately goes on to release property that could be used as temporary accommodation for homeless families would generate an ongoing saving of £27,375 per year to the General Fund, which links to the Homelessness Transformation programme.

Property/Other

29. Given the necessity to meet tight deadlines on this project, the availability of internal resources has been considered. The conclusion is that it will be

	necessary to access external resources for several areas of the process as outlined below. The cost of these resources can be covered from the pooled RTB receipts.
30.	Legal Services have confirmed that it may be necessary to seek external support for the purchase transactions. A framework agreement is available and prices are being sought by Legal Services. Further, the Council's Service Manager for Procurement has confirmed that there are alternative framework agreements that can be accessed quickly for such services should that be necessary.
31.	Red Book Valuations – the Council has recently undertaken a procurement exercise to obtain this service, and it has been confirmed that the framework wording is suitable to cover this project. An exploratory conversation with the successful provider has established that they have the capacity to handle this project in a timely fashion without detriment to the main purpose of the framework, which is to deal with land and property disposals.
32.	Property Inspections – these could also be provided via the same framework as the Red Book Valuations set out above. The provider has confirmed that these too can be delivered without detriment to the land and property disposals programme.
33.	If the Red Book Valuations and Property Inspections cannot be provided through the new framework for any reason, then the separate procurement of these services could pose a significant risk to the successful delivery of the project, as there are insufficient internal resources available to carry them out internally.
34.	Officers are currently seeking clarity from the framework provider(s) as to their ability to undertake property inspections and red book valuations without any detriment to the land and property disposal programme. If this presents problems, then the Council's Service Manager for Procurement is aware of this project and will be approached to assist in identifying an alternative solution, and has already confirmed that a suitable framework already exists for the provision of site inspection services.
35.	The overall project will be managed by the Corporate Estate and Assets Division, delivering the project to, and in consultation with, the Directorate of Wellbeing and Housing. The project will be delivered by a consultant reporting to the Estate Regeneration and Development Services Manager.
36.	If they are not already, the properties purchased will need to be brought up to a lettable standard after purchase and before first lets. The Asset Management team will be involved in deciding what works are necessary, and meeting Decent Homes standards will be a priority in preparing any work specification.
37.	The properties will be held within the Housing Revenue Account and will be managed by Housing Management. Compliance will be dealt with by the Councils Asset Management Team.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
38.	The Council's power to acquire property for housing purposes is pursuant to Section 17 Housing Act 1985. The Council also has the right of first refusal to purchase a RTB property for the first 10 years after the sale pursuant to Section 156A HA 1985.

39.	RTB receipts must be applied in accordance with relevant legislation and guidance and particularly the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (as amended) and the terms of any retention agreement reached under section 11(6) of the Local Government Act 2003 modifying the applicability of the regulations.
40.	<p>Under Section 11(6) of the Local Government Act 2003, local authorities are required to spend retained Right to Buy receipts within three years, and for the receipts to fund no more than 30%* of the cost of a replacement unit. Where a local authority is unable to spend receipts within three years they have to be returned to the MHCLG, together with interest (currently 4% above base rate). However, the Government has immediately introduced temporary flexibilities for how Right to Buy receipts can be spent which would apply to the financial years 2024/25 and 2025/26.</p> <p>*This percentage has changed from time to time, and according to the letter from MHCLG at Appendix 1, had most recently been set at 50%.</p>
41.	The council has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness-the best value duty.
42.	Under Section 3 of the Local Government Act 1972 the Council has the power to do anything incidental to the exercising of any of its functions.
43.	The general power of competence under section 1 of the Localism Act 2011 gives local authorities a broad range of powers "to do anything that individuals generally may do" subject to limits within other legislation.
<u>Other Legal Implications:</u>	
	N/A
RISK MANAGEMENT IMPLICATIONS	
44.	The main risk is that the Council will not be able to acquire sufficient properties to spend all available Right to Buy receipts within the deadlines, which would trigger the need to pay the monies to MHCLG with interest. This will be challenging, and will depend on what suitable properties are available and how quickly purchases are able to progress. The intention will be to identify, have offers accepted and instruct conveyancing work by Christmas 2024 in order to have the best chance of completing the purchases by 31 March 2025 (seeking a suitable extension from MHCLG if required).
45.	<p>Risk Items:</p> <ol style="list-style-type: none"> 1. Lack of suitable properties available 2. Works needed are excessive 3. The properties available do not meet the Council's criteria 4. Tenants are not able to move out in the timescale 5. Agreement cannot be reached on a price 6. Legal progress cannot be completed in the timescales 7. The timescales involved in the appointment of additional resources

POLICY FRAMEWORK IMPLICATIONS	
46.	Southampton City Council Corporate Plan (2022-2030 updated 2024) sets out a commitment to deliver safe and stable home environments recognising a safe place to call home should be a fundamental right for everyone. The acquisition programme will support this objective by providing residents of Southampton who have no place to call home a safe, good quality interim offer of accommodation which will provide the foundation from which they can begin to rebuild their lives.
47.	The Council's Homelessness and Rough Sleeping Strategy (2024-2029) sets out a vision- "A city where everyone has a safe place to call home" Where homelessness cannot be prevented it is imperative that the council can intervene with a suitable good quality and affordable accommodation option.

KEY DECISION?	Yes
WARDS/COMMUNITIES AFFECTED:	ALL
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Letter from MHCLG regarding 30 July 2024 regarding "Right to Buy receipts: increased flexibilities"
2.	What Right to Buy receipts can be spent on (extract from relevant guidance)
3.	Equality and Safety Impact Assessment (ESIA)

Documents In Members' Rooms

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



Ministry of Housing,
Communities &
Local Government

Emma Payne
Director of Social Housing

**Ministry of Housing, Communities & Local
Government**
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SW1P 4DF

www.gov.uk/mhclg

To Section 151 Officers of Stock-Holding
Housing Authorities

Tel: 0303 4443725
Email: Emma.Payne@communities.gov.uk

Copies to operational contacts at the local
authorities

30 July 2024

Right to Buy receipts: increased flexibilities

Dear colleague

I am writing to provide further details on the increased flexibilities on the use of Right to Buy receipts which were announced today by the Deputy Prime Minister, as part of [the announcement in Parliament on housing and planning](#).

As the Deputy Prime Minister set out, the Government has started to review the increased Right to Buy discounts introduced in 2012 and will bring forward secondary legislation to implement changes in the autumn. There will also be a wider review of the Right to Buy, including looking at eligibility criteria and protections for new homes, on which the Government will bring forward a consultation, also in the autumn.

The Government has from today increased the flexibilities that apply to how local authorities can use their Right to Buy receipts.

For the two financial years 2024-2025 and 2025-2026:

- **The maximum permitted contribution from Right to Buy receipts to replacement affordable housing will increase from 50% to 100%.**
- **Right to Buy receipts will be permitted to be used with section 106 contributions.**
- **The cap on the percentage of replacements delivered as acquisitions each year (currently 50%) will be lifted.**

These measures are in response to long-standing requests from local authorities for more freedom in the use of their Right to Buy receipts. They will apply to the use of receipts from 2019-20, enabling local authorities to use their existing stock of receipts to bring forward replacements more quickly.

The flexibilities will be in place for an initial 24 months, subject to review. We would encourage you to make the best use of these flexibilities to maximise Right to Buy replacements, to achieve the right balance between acquisitions and new builds, and to obtain the best value for money.

Increase in Right to Buy receipts contributions to 100%

This provision will enable local authorities to fund up to 100% of the cost of a replacement home from Right to Buy receipts. It will be at the discretion of local authorities to decide the levels of receipts contribution for their replacement programmes and to consider how to make best use of the receipts, together with additional funding, including borrowing, to maximise replacements.

Use of Right to Buy receipts with Section 106

Up to now expenditure supported by grants or financial concessions made under section 106 of the Town and Country Planning Act 1990 was not permitted to be used with additional Right to Buy receipts. However, for 2024-2025 and 2025-2026 the receipts may (a) fund acquisitions discounted under section 106 agreements and (b) be combined with section 106 grants to fund replacement social housing.

Lifting the Acquisition Cap

The cap on the percentage of replacements that can be acquisitions was introduced from 1 April 2022 on a phased basis, and was frozen at 50% until 2025-26. Now we are announcing that the cap on acquisitions will be taken off altogether for two years.

The provision will mean that local authorities have more freedom to acquire properties for replacement affordable housing, to enable replacements to be delivered more quickly. Local authorities will want to consider locally the best balance between acquisitions and new builds.

Review

The impact of the three provisions described above on the delivery of replacement affordable housing will be monitored and reviewed at the end of the two-year period.

Data Collection

None of the three provisions will require regulatory change. The increase in the maximum permitted contribution of Right to Buy receipts will require changes to the calculations in the annual pooling 'data' return. Full details on these changes will be sent in due course.

Next Steps

Updated guidance on retained Right to Buy receipts and their use for replacement supply will be made available to operational leads and will also be updated on Gov.uk.

We will update the agreements made with local authorities under Section 11(6) of the Local Government Act 2003 over the summer to reflect these changes and an updated agreement will be issued to local authorities.

Any receipts not spent will continue to be returned to MHCLG for distribution as grants for the provision of new affordable housing. These grants are distributed by Homes England and the Greater London Authority as part of the Affordable Homes Programme.

Copies of this letter have been sent to the operational contacts in each stock-holding housing authority.

If you have any further questions on the changes, or wish to pick up with me or with my colleagues, please contact ross.buchanan@levellingup.gov.uk (0303 444 3725).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Emma Payne', written in a cursive style.

Emma Payne
Director of Social Housing

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APPENDIX 2

What Right to Buy Receipts Can be Spent On (taken directly from the relevant guidance)

(a) Acquisition—

- i. Purchase price of land / site.
- ii. Stamp Duty Land Tax payable on the purchase of the land / site.

(b) Works—

- i. Main works contract costs (excluding any costs defined as “on costs”).
- ii. Major site development works. These include piling, soil stabilisation, road / sewer construction, and major demolition.
- iii. Statutory agreements, associated bonds, and Party Wall awards (including all fees and charges directly attributable to such works).
- iv. Additional costs associated with complying with archaeological works and Party Wall awards (including all fees, charges, and claims attributable to such works).
- v. Irrecoverable VAT on the above.

(c) On costs—

- i. Legal fees and disbursements.
- ii. Net gains / losses via interest charges on development period loans.
- iii. Building society or other valuation and administration fees.
- iv. Fees for building control and planning permission.
- v. Fees and charges associated with compliance with any legal requirement that it is necessary to meet before the property may be occupied.
- vi. In-house or external consultants’ fees, disbursements and expenses (where the development contract is a “design and build” contract (in respect of which, see Note 1)).
- vii. Insurance premiums including building warrant and defects / liability insurance (except contract insurance included in works costs).
- viii. Contract performance bond premiums.
- ix. Borrowing administration charges (including associated legal and valuation fees).

- x. An appropriate proportion of the development and administration costs of the Authority or the body in receipt of funding from the Authority.
- xi. Irrecoverable VAT on the above.



Equality and Safety Impact Assessment

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

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

Name or Brief Description of Proposal	COUNCIL RIGHT TO BUY RECEIPT PROPOSALS AND APPROVAL TO SPEND
Brief Service Profile (including number of customers)	
<p>The Government has introduced temporary flexibilities for the expenditure of Right to Buy Receipts which can be applied during 2024/25 and 2025/26. These allow the Council to apply Right to Buy Receipts to cover 100% of the cost of acquiring additional properties to the Council’s affordable housing stock.</p> <p>This paper seeks consent to use those flexibilities for a programme of property purchases to provide additional properties to alleviate Housing Register and Temporary Homeless accommodation pressures.</p> <p>Based on an assumption of an average property purchase cost of £200k, plus a 15% on cost allowance, the Council could buy up to 78 properties under this initiative. This would impact on up to 78 households through provision of additional affordable accommodation.</p>	
Summary of Impact and Issues	
<p>The Council has a very long Housing Register (people waiting for affordable accommodation), which stands at 8,186 households as at 10/09/24.</p> <p>There is also currently an unprecedented level of demand for temporary accommodation, with 172 households in temporary accommodation and 195 in emergency accommodation, with around 150 households awaiting offers of long-term housing before they can transition out. This equates to approximately 120 families in B&B or nightly paid accommodation.</p> <p>This level of housing need has a devastating impact on those families waiting for accommodation, particularly those in emergency accommodation.</p> <p>Also, B&B or nightly paid accommodation is very expensive for the Council to</p>	

provide, and can only legally be used for a maximum of 6 weeks for any given family.

Unspent Right to Buy Receipts have to be paid to MHCLG with interest if they are not spent within set time limits. The Council currently holds £5.515m which will have to be paid to MHCLG along with £1.498m interest if it is not spent by 31/03/25.

Potential Positive Impacts

Using the Right to Buy Receipts to provide additional affordable accommodation will provide much-needed accommodation to meet housing need in the city.

If the monies are successfully spent in full, it will avoid the need to pay £1.498m in interest to MHCLG for the first year of the project, with further interest to be saved in future years if the money is spent.

The use of the temporary flexibilities for the expenditure of Right to Buy Receipts is especially attractive, as currently the Council can apply the Receipts to 100% of the costs of providing replacement properties (usually, only a much lower percentage of the costs can be applied).

The ability to reduce the use of B&B or nightly paid accommodation results in considerable savings for the Council. It also improves the options available to families in need of emergency accommodation, having a positive impact on the lives of those families.

Although this programme of purchases would only have a very minor impact on the availability of affordable housing stock in the city, given the length of the Housing Register, any additional properties are helpful to meet need.

Responsible Service Manager	Sue Jones
Date	08.10.24
Approved by Senior Manager	
Date	

Potential Impact

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
Age	N/A	
Disability	N/A	
Gender Reassignment	N/A	
Marriage and Civil Partnership	N/A	
Pregnancy and Maternity	N/A	
Race	N/A	
Religion or	N/A	

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
Belief		
Sex	N/A	
Sexual Orientation	N/A	
Community Safety	N/A	N/A
Poverty	The provision of additional affordable homes should have a positive impact on those families to whom they are allocated.	All properties purchased under this programme will provide affordable housing.
Health & Wellbeing	<p>The provision of better options for emergency family accommodation will offer improved health & wellbeing outcomes for families.</p> <p>The provision of additional affordable accommodation with security of tenure will have a positive impact on people to whom they are allocated.</p>	<p>A number of the properties to be purchased under this programme will be used to provide additional emergency family accommodation.</p> <p>All properties will add to the city's affordable housing stock.</p>
Other Significant Impacts	N/A	N/A

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DECISION-MAKER:	CABINET		
SUBJECT:	COLLECTIONS DEVELOPMENT POLICY 2024-2029		
DATE OF DECISION:	29 October 2024		
REPORT OF:	COUNCILLOR FIELKER LEADER OF THE COUNCIL		
<u>CONTACT DETAILS</u>			
Executive Director	Title	Executive Director – Growth & Prosperity	
	Name:	Stephen Haynes	Tel: <input type="text"/>
	E-mail	stephen.haynes@southampton.gov.uk	
Author:	Title	Head of Culture & Tourism	
	Name:	Carolyn Abel	Tel: <input type="text"/>
	E-mail	carolyn.abel@southampton.gov.uk	
STATEMENT OF CONFIDENTIALITY			
N/A			
BRIEF SUMMARY			
<p>The purpose of this report is to request that the Museums & Archives Collections Development Policy (in Culture & Tourism Division) is formally adopted by Cabinet. It forms a key component of Arts Council England’s (ACE) national Accreditation Scheme which requires the governing body to approve and adopt the policy.</p> <p>The Collections Development Policy (CDP) sets out the governing framework and criteria for developing the maritime, archive, local history, archaeology and fine art collections and the process of acquisitions and disposal over the next five years.</p>			
RECOMMENDATIONS:			
	(i)	To approve the Museums and Archives Collection Development Policy 2024–2029 (see Appendix 1) within the Culture & Tourism Division, as the collections development and acquisition and disposals policy for artefacts and material held in trust for the public by Southampton City Council (SCC).	
	(ii)	To approve delegated authority to the Head of Service to revise the policy if required, following consultation with the Cabinet Member.	
REASONS FOR REPORT RECOMMENDATIONS			
1.	A Council approved Collections Development Policy is an essential requirement of ACE’s Accreditation Scheme for Museums. A separate Accreditation scheme governing archives is administered by The National Archives. Without Accreditation, Council eligibility for funding from ACE, National Lottery Heritage Fund and other lottery, trust and foundation grant-giving sources would be significantly restricted.		
2.	The CDP will guide the work of the Culture & Tourism team where it is required to rationalise current holdings or add new material to its collections that reflect the identity of a modern, diverse, inclusive city. Culture & Tourism provides public access to these important learning resources, using them to		

	engage and inspire residents and visitors to the city through exhibitions, events, learning programmes and national and international loans.
3.	The Policy provides a robust framework in any scenario in which collections may need to be rationalised, managed and relocated to alternative premises arising from considerations around assets and potential regeneration in the city. The approach to Asset Development and Disposal Programme (ADDP) was set out in the Cabinet and Council Report in March 2024. The CDP also provides assurance to Members and the public that national standards are employed.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
4.	The alternative options considered were to retain the existing approved Council Collections Development Policy 2018-2023 or to have no policy at all. These options were rejected because the current policy has expired and: <ul style="list-style-type: none"> (i) An up-to-date policy is required to secure Accreditation status and to reflect our public offer and engagement programmes. (ii) In anticipation of any potential relocation of collections to more suitable facilities, then a robust policy is required to adhere to national standards and guidelines. (iii) Accreditation and the CDP unlocks access to external funding streams as part of minimum standards and provides reassurance to residents that we are caring for collections within the resources available.
DETAIL (Including consultation carried out)	
5.	<p>ACE runs the national Accreditation Scheme which is the UK industry standard for museums and galleries. It seeks to ensure “museums manage their collections properly, engage with visitors, and are governed appropriately by encouraging all museums and galleries to meet an agreed standard in:</p> <ul style="list-style-type: none"> - How they’re run - How they manage their collections - How they engage with their users” <p>Ordinarily a review takes place every 5 years when accredited organisations are invited to submit an Accreditation return to ACE. The Council last retained its Accreditation in 2018 on adoption of the previous iteration of the CDP. During the pandemic the scheme was paused which has created a backlog in the system. The Service anticipates that it will be invited to submit an Accreditation return in 2024/2025 and into 2025/26.</p> <p>Given the scale of detailed work, alongside SCC’s organisational and service capacity, a programme of work has been developed to deliver this over the next 12 months. The CDP is a key document that requires formal adoption hence beginning this process now. Other areas of work, which will be updated via appropriate governance routes, include audience development planning, approaches to environmental sustainability, venue accessibility audit, review of documentation, collections care and conservation plans and policies (see Appendix 2).</p>
6.	The CDP sets out the parameters in terms of the responsibilities of the governing body, the principle of sound curatorial reasons for the acquisition and disposal of collections, the presumption against financially-motivated

	(i.e. sale) disposal and due diligence with regard to valid title for acquisitions whether by purchase, gift, bequest or exchange.
7.	<p>To retain Accreditation, SCC must ensure it applies ACE's standard guidelines. These state that the governing body may only consider financially-motivated disposal of collections in exceptional circumstances and it can be demonstrated that the following conditions have been met:</p> <ul style="list-style-type: none"> • the disposal will significantly improve the long-term public benefit derived from the remaining collection • the disposal will not be undertaken to generate short-term revenue (for example to meet a budget deficit) • the disposal will be undertaken as a last resort after other sources of funding have been thoroughly explored • extensive prior consultation with sector bodies has been undertaken • the item under consideration lies outside the museum's established core collection
8.	<p>The CDP describes the history and evolution of the collections held in trust by SCC and an overview of the current collections which includes two nationally important (Designated) collections. The collections cover the following areas:</p> <ul style="list-style-type: none"> • Archaeology (Designated) • Fine Art (Designated) • Maritime & Local History • Archives including oral history
9.	<p>The Fine Art Collection is specifically governed by the terms of the Chipperfield Bequest, in which Members are Trustees of the Bequest which includes sustaining the collections and the purpose-built Art Gallery building. To avoid potential conflicts of interest and to ensure the terms of the Bequest are adhered to, the Chipperfield Advisory Committee provide oversight and guidance to the Council.</p>
10.	<p>It also outlines future collecting priorities and the themes and priorities for rationalisation and disposal, referring to the professional and ethical framework that guides this process and authorisation process for agreeing acquisitions. This gives due consideration to other legislative and regulatory frameworks such as guidance on dealing with human remains, biological and geological material and UNESCO 1970 Convention on Illicit Import, Export and Transfer of Ownership of Cultural Property (and subsequent ratifications).</p>
11.	<p>The CDP recognises SCC's responsibility to work within the parameters of the Museum Association's Code of Ethics when considering acquisition and disposal.</p> <p>www.museumsassociation.org/campaigns/ethics/code-of-ethics/</p>
12.	<p>The CDP has been developed in consultation with the Council's curatorial team and wider museums team and the Chipperfield Advisory Committee. Wider stakeholders are identified for consultation as part of the acquisitions and disposal process and reference is made to the Collections Development Policy of other museum and heritage organisations.</p>
13.	<p>This Policy will be essential in guiding Culture & Tourism in taking forward its work as part of strategic business and operational planning and wider Council initiatives including masterplanning and regeneration, and</p>

	destination and tourism development. The Division plays a crucial role in supporting the Council's Corporate Plan particularly around Prevention and the Growth and Prosperity agendas, as well as regional and sub-regional economic, skills and cultural plans.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
14.	<p>There are ongoing capital and revenue implications for the storage and long-term care of the collections held in trust for the city. The controllable revenue budget for Museums & Archives set for 24/25 is £1.84m which is included within the Culture & Tourism Division (Growth & Prosperity Directorate) budget of £3.66m.</p> <p>This budget includes the cost of facilities, proactive and remedial conservation and retaining the relevant skills and expertise to support those activities, alongside the costs of making these accessible to the public through venues (SeaCity Museum, Tudor House and Art Gallery), lifelong learning programme, events and exhibitions and loans to other public institutions locally, regionally, nationally and internationally.</p>
15.	There is a £3m capital allocation in the current Medium Term Financial Strategy allocated to the refurbishment of the Art Gallery Roof, with a grant investment of £2.23m secured from the Department for Culture, Media and Sport's Museum Estate Development Fund, administered by Arts Council England. The Art Gallery was eligible for this grant funding as a direct result of Accreditation.
16.	The Policy itself will not have a material impact on those existing financial obligations. However, it sets the standards by which the Council operates and cares for the collections it holds. Supporting these standards will require ongoing resource commitment from the Council. Future budget considerations around reducing these resources will need to consider the ability of the Council to the meet the Policy, sustain this provision and meet Accreditation standards.
<u>Property/Other</u>	
17.	The Policy assumes the Council will continue to provide safe, secure and appropriate storage for the range of the collections held in trust by the Council for residents. The Council's Strategic Asset Management Plan, the Service's (Arts & Heritage) Asset Management Plan and the ADDP report highlighted the opportunities for improving the storage of the city's nationally and regionally significant collections. There are likely to be implications for the location of current storage facilities arising from considerations around assets and potential regeneration in the city which will need to be borne in mind.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
18.	Pursuant to the Public Libraries and Museums Act 1964, a local authority may provide and maintain museums and art galleries within its area and may do all such things as may be necessary or expedient for or in connection with the provision of maintenance thereof.

19.	The Chipperfield Advisory Committee is an advisory committee to Council pursuant to section 102(4) of the Local Government Act 1972, with terms of reference which include the provision of reports to Council (as Trustees) as necessary and at least annually in relation to the use of the Trust's collection, patronage, use of works loaned to other organisations, details of purchases made, and work of the academy.
Other Legal Implications:	
20.	Items owned by the Chipperfield Trust must be kept and maintained in accordance with the terms of the Trust's Scheme. Any other items held by the Art Gallery must be held in accordance with any conditions or agreements that may apply to those individual items. A failure to do so may result in legal or regulatory action being initiated by interested parties. The Governing Document was a Will proved on 26th July 1916 and was amended by scheme changes sealed 12th September 2012.
21.	The Charity is a Trust, with Southampton City Council Elected Members as the sole corporate trustee.
22.	On election to the Council, all Southampton City Councillors become a Trustee of the Chipperfield Bequest (Art Gallery) Trust.
23.	A Collections Development Policy is a requirement of Arts Council England, which is the strategic public body tasked by the DCMS to develop and implement national museums policy and to distribute DCMS museums funding to non-national museums. Items owned by the Council on trust must be kept, maintained and disposed of in accordance with the terms of the relevant trust's Scheme. A failure to do so may result in legal or regulatory action being initiated by interested parties.
RISK MANAGEMENT IMPLICATIONS	
24.	Risk - Failure to comply with the Accreditation Scheme's national standards and ethical framework may result in reputational issues for SCC and consequent impact on the ability to attract external funding. Mitigation – Policy developed in line with the Accreditation Scheme template and guidelines, which sets out clearly the governance process for acquisitions and disposal. Cabinet/ Council aware of its obligations.
25.	Risk – Reduction of resources to Culture & Tourism Division are likely to impact on its ability to comply with Accreditation, the terms of Bequests and duty to care for the collections on behalf of residents and ability to support the Prevention and Growth and Prosperity agendas of the Council. Mitigation – Culture & Tourism represented as part of a range of strategies, including the Corporate Plan. Developing sustainability plans as part of the Medium Term Financial Strategy including increasing income generation, seeking internal and external freedoms to support sustainability and secure external funding to support project delivery where resources permit.
27.	Risk – Lose the curatorial and conservation expertise to support collections care and the Exhibitions and Learning team to support public access due to sustained underinvestment in these teams and stringent income streams. Mitigation – Manage workloads and programmes, add value through external fundraising, support wellbeing of teams, review as part of Directorate redesign and resourcing.

POLICY FRAMEWORK IMPLICATIONS	
28.	Corporate Plan (update 2024), Cultural Strategy 2021-2031, Destination Management Plan 2021-2031, Festivals and Events Strategy 2023, Economic Strategy 2021-2031

KEY DECISION?	Yes
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WARDS/COMMUNITIES AFFECTED:	All
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SUPPORTING DOCUMENTATION

Appendices

1.	Collections Development Policy 2024-2029
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2.	Accreditation Development Programme
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Documents In Members' Rooms

1.	N/A
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Equality Impact Assessment

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

Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.	No
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Other Background Documents

Other Background documents available for inspection at:

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1. None	



Accreditation

Collections Development Policy



Name of museum: Southampton City Council Culture & Tourism Services: Tudor House Museum & Gardens, Southampton City Art Gallery, SeaCity Museum and associated collections stores

Name of governing body: Southampton City Council

Date on which this policy was approved by governing body: **DATE TO BE ADDED ON APPROVAL**

Policy review procedure: The Collections Development Policy will be published and reviewed from time to time, at least once every five years.

Date at which this policy is due for review: **DATE TO BE ADDED ON APPROVAL**

Arts Council England (ACE) will be notified of any changes to the Collections Development Policy, and the implications of any such changes for the future of collections.

1. Relationship to other relevant policies/plans of the organisation:

- 1.1. The museums' statement of purpose is:
To build and promote a thriving business, which showcases and preserves the remarkable collections and assets held in trust for the people of Southampton.
- 1.2. The collections of the Archives are included within this Collections Development Policy, although they are operationally managed by another part of the Culture & Tourism Service. The same principles and approaches apply to preserving the history and heritage of the city.
- 1.3. The governing body will ensure that both acquisition and disposal are carried out openly and with transparency.
- 1.4. By definition, the museums have a long-term purpose and hold collections in trust for the benefit of the public in relation to its stated objectives. The governing body therefore accepts the principle that sound curatorial reasons must be established before consideration is given to any acquisition to the collection, or the disposal of any items in the museums' collection.
- 1.5. Acquisitions outside the current stated policy will only be made in exceptional circumstances.
- 1.6. The museums recognises their responsibility, when acquiring additions to its collections, to ensure that care of collections, documentation arrangements and use of collections will meet the requirements of the Museum Accreditation Standard. This includes using SPECTRUM primary procedures for collections management. It will take into account limitations on collecting imposed by such factors as staffing, storage and care of collection arrangements.
- 1.7. The museums will undertake due diligence and make every effort not to acquire, whether by purchase, gift, bequest or exchange, any object or specimen unless the governing body or responsible officer is satisfied that the museum can acquire a valid title to the item in question.

1.8. In exceptional cases, disposal may be motivated principally by financial reasons. The method of disposal will therefore be by sale and the procedures outlined below will be followed. In cases where disposal is motivated by financial reasons, the governing body will not undertake disposal unless it can be demonstrated that all the following exceptional circumstances are met in full:

- the disposal will significantly improve the long-term public benefit derived from the remaining collection
- the disposal will not be undertaken to generate short-term revenue (for example to meet a budget deficit)
- the disposal will be undertaken as a last resort after other sources of funding have been thoroughly explored
- extensive prior consultation with sector bodies has been undertaken
- the item under consideration lies outside the museum's established core collection

2. History of the Collections

2.1 History of the Archaeology Collection

The archaeology collections have their origins in the collections of Tudor House Museum, established as the city's first museum in 1912. The early collections were very eclectic, representing a general interest in things historic or curious as well as those with particular local connections. They included prehistoric axeheads and Roman and Saxon material recovered from building sites in the town. These collections also included ancient Egyptian material and ethnographic objects brought back to the city by travellers and explorers. The shape of these early collections was much influenced by the museum's first Honorary Curator, R.E. Nicholas, who donated items from his own collections, and persuaded many others to follow suit.

Systematic excavation began in the 1930s with early work at Bitterne Manor, the site of Roman Clausentum, and increasing momentum developed on bombed sites in the Old Town in the 1950s and 1960s. These excavations produced large quantities of Saxon and medieval material, providing a nationally significant resource for the study of everyday life in the medieval town and its Saxon predecessor, Hamwic. A new Museum of Archaeology was opened at God's House Tower in 1961 to showcase these important collections, and this museum became the recognised repository for all archaeological material produced in the city. This museum closed in 2011 and the collections transferred to other Council sites. The building is now occupied by 'a space arts' and opened as a new arts and heritage centre in 2019.

As the pace of development has increased, so have opportunities for excavation and recording. Since 1990, planning regulations has enabled archaeological recording on hundreds of sites across the city, increasing the range and scope of material and broadening our understanding of the city's past. These collections now comprise over half a million items, and their national significance was officially recognised in 1998 when they were awarded Designated status, positioning them within the country's top ten archaeological collections outside London. Arts Council England's publication on Designated Outstanding collections (2014) states "The size and range of the archaeology collections reflect the importance of Southampton in the past and at present, and the 50 years of systematic archaeological investigations in the city."

2.2 History of the Fine Art Collection

Southampton's fine art collection, currently comprising 5,000 works of art and "Designated" by the Government in 1998 as possessing pre-eminent national significance, is the finest public collection of art south of London. Robert Chipperfield, councillor, and JP laid the foundation in 1911, bequeathing money to build an art gallery and a separate trust fund for the purchase of a growing art collection. He stipulated that the advice of the Director of the National Gallery should be sought in the use of his fund.

In 1933 that role was taken up by Kenneth Clark. He wrote a succinct and focussed acquisition policy, still broadly adhered to today: a small collection of old masters, a representative collection of 19th century work, a collection of drawings and watercolours and a growing collection of modern works in oils. In 1925 F.W Smith, a councillor involved in the new gallery project bequeathed a further fund for the purchase of paintings.

A professional curator, Loraine Conran, was appointed when the new gallery opened to the public in 1939. It was his successor, Maurice Palmer, whose extensive, consistent and visionary purchasing over 20 years developed the collection into the rounded form it has today. The historic part of the collection was built up from the 1930s to 1975. Then the high cost of Monet's *The Church at Vetheuil* necessitated a change of direction. From that time the priority switched to the purchase of work by rising star British contemporary artists. The adviser also changed to a senior Tate curator knowledgeable in the field.

The collection has been almost entirely built up with private bequest funds, gifts and bequests of artwork. In 1963, gallery owner and dealer, Arthur Jeffress bequeathed 99 works to Southampton, many rare and significant, and in 2002 Dr David Brown (the gallery's first Tate, modern adviser) bequeathed 220 modern works of art including 15 works by St Ives artist Roger Hilton. The Orris Bequest Fund was added in 1998 and the Dr David and Liza Brown Bequest Fund in 2002 (administered by the Art Fund). More recently, over 100 prints, drawings and paintings were acquired through the Schlee bequest in 2013. The gallery also benefits from gifts from individual artists of their own work, reflecting the high regard in which the collection is held. Outside organisations such as the Art Fund, the Contemporary Art Society, the Pilgrim Trust and the Dannatt Trust as well as the Friends of Southampton Museums and Galleries have also supported the Gallery through important gifts.

2.3 History of the Maritime and Local History collection

Like the archaeology collections, the maritime and local history collections have their origins in the collections of Tudor House Museum, which opened in 1912 as the city's first museum. The early collections were wide-ranging and eclectic and included natural history specimens, archaeology and 'curios' as well as artefacts relating to the city's maritime and local history. A number of items were transferred to the museum from other Council departments, such as two banners from local volunteer regiments, dating from about 1802 and the town stocks, transferred in 1912 from the Town Clerk's Department. A significant number of items were acquired from William Burrough Hill, a local collector and auctioneer. Among these were a collection of 63 watercolours by William Cooper, depicting the Old Town in the 1890s, immediately before extensive slum clearance took place.

The collections developed, primarily through passive collecting (donations and bequests), but included significant items, such as the ceremonial sword belonging to *Titanic's* late Captain Smith, which was donated by his wife and daughter. The significance of the rich maritime holdings was reflected in the opening of a new Maritime Museum in 1964 to showcase this

aspect of Southampton's history. The museum was located in a former medieval wool house near the Town Quay (currently occupied by the Dancing Man Brewery).

The 1980s and 1990s saw extensive collecting of maritime and local history material. Southampton was changing rapidly with industry and manufacturing being replaced with retail and leisure. Groups of industrial and maritime artefacts were collected from several closing businesses, including Pirelli Cable Works and the Vosper Thornycroft Shipyard. Other significant donations were received during this period, including a collection of more than 300 historic dresses and costume accessories, donated by Miss Cozens, a local collector.

In 2012, a new maritime museum was opened in the former Law Courts and Central Police Station. The displays in the new SeaCity Museum showcase the existing rich and varied maritime and local history collections.

Between 2018 and 2022, as part of the museum service's ACE-funded National Portfolio Organisation project, extensive work was undertaken to widen the diversity represented in the collections. This included contemporary collecting projects focusing on for example, Southampton's LGBT community and the effects of Covid on local people.

2.4 History of the Archive collection

During the early 20th century there had been increasing pressure from citizens and historians throughout the country worried about a lack of access to and safe provision for written historical material. In Southampton the main demonstration of the interest in local archives came via the newly formed Southampton Record Society under the editorship of Professor Fossy John Cobb Hearnshaw. Based at the now University of Southampton, it began publishing editions of early borough records – starting with Court Leet records, borrowing material from the then Audit House and working on them at home. Southampton opened its Record Office in 1953 to the public staffed by one archivist and having only a handful of researchers a year. At that time the collections were small and included only the records of the local authority and its predecessor bodies; collections, staff and visitors were all housed in one windowless, basement room.

Now the collections have greatly expanded to include material from private individuals, public bodies, institutions, societies, churches and other sources. They are consulted by individuals from Southampton, and further afield, who visit the archives to pursue their interest in family history, educational projects, social, economic and maritime history. This commitment to Southampton's history was one of the grounds on which Southampton petitioned for and was awarded City Status in 1964. The reasons for the successful application included the 'importance of the town in the shipping world' ... 'public spirit'.... 'maintenance of historical records and customs, and the existence of a true sense of citizenship'. Special mention was also made of the 'long history of public administration and the efficiency of municipal services' – still reflected today in the provision of a records management service to the authority to improve and maintain this efficiency and to meet demands of legislation.

In 2008 the collection of the Southampton Oral History Unit was given to the Archives. The collection originates from a project begun in 1983 to record the life histories of Southampton people. Further projects included memories of the city's African-Caribbean community, women in World War 1, and dock workers. This direct voice of the recent past complemented written and object collections and by 1986 oral history was an accepted part of the approach to documenting the recent past. The archive collections hold 800 recordings and over 5,000

related photographs documenting the lives of seafarers, shipyard workers, *Titanic* survivors, and local communities.

3. An Overview of Current Collections

3.1 Overview: Archaeology

The archaeology collection contains material recovered from the city and its environs from the 19th century onwards. This includes a range of material collected prior to the beginnings of formal excavation programmes in the 1950s. This material, much collected by enthusiastic local people, such as the Rev Edmund Kell, and William Dale, includes large numbers of prehistoric stone and flint objects, Roman coins, pottery and metal objects, an eclectic range of Saxon and medieval objects, all from the city, as well as material from other parts of southern England and from abroad. Much of this material is of poor provenance but provides important evidence of early archaeological recording and is a rich source of stories from all periods of Southampton's past.

The major element of the archaeology collection consists of the archives from over 1600 formal archaeological investigations (excavations, watching briefs, building and photographic surveys) carried out within the city since the 1950s. These archives include plans, photographs, paper and digital records as well as environmental samples and the artefacts themselves.

These collections are extensive, and provide unique, in-depth evidence of the domestic, industrial and trading activities of the Saxon and medieval towns. The Saxon town is one of the best preserved in the country, with roads, alleys, houses, rubbish pits and wells recorded, and large amounts of associated finds. The medieval town has significant standing remains and important archaeological evidence from the late Saxon period onwards. The collections are rich in imported objects, demonstrating the town's importance as an international trading centre and port, and domestic objects and industrial waste which reflect the everyday life and technological achievements of its inhabitants. The range of domestic and imported goods, particularly pottery and glass, from the households of the wealthy cosmopolitan merchant class of medieval Southampton is exemplary. The pottery collections are particularly important, including a broad range of local and imported wares, which are of international significance.

However, new research and fieldwork, since the introduction of planning control work in 1990, has broadened the range of the collections. There is increasing material showing prehistoric activity in the city. Prehistoric worked flints and pottery sherds have been found across the city, associated with ditches, pits and other features. Our knowledge of the Roman town of Clausentum has been increased by new discoveries, such as a warehouse of Samian pottery from France which was destroyed by fire in the late 2nd century. An important late 3rd century hoard of over 3000 Roman coins, found during building work in 2007, was acquired through the Treasure process in 2011.

Southampton's growing role in international trade from the Tudor period onwards is reflected by artefacts linked to the Americas, the Mediterranean, and Africa. The collection includes much pottery from late 18th century rubbish pits when Southampton re-invented itself as a spa town and hosted genteel visitors such as Jane Austen and her family. Local industries included the servicing of commercial shipping, and sugar refining. These archives broaden the range of the collections and the stories they can tell.

The object collections are accompanied and complimented by extensive archive collections; the records generated by the process of excavation. These records are of international significance, as they provide the academic depth which makes detailed research on the collections possible. These records include site records, reports and publication texts, photographs, plans and drawings, and increasing amounts of digital data, such as text documents, digital photographs, databases and GIS and ACAD data.

The collections are well-documented and appear in many local, national and international publications. They are a source of data for researchers from all over the world.

The archaeological collections also include individual objects of archaeological significance found in the city by gardeners, builders and metal detectorists. In addition, there is a small collection of ancient Egyptian material, some of which was collected by Flinders Petrie; an internationally renowned ancient Nubian statue of the black pharaoh Taharqa, and a small collection of ethnographic material, collected by people from Southampton travelling or working abroad in the 19th and early 20th centuries. This material reflected the collecting habits of individuals at the time and needs to be treated with sensitivity towards today's communities.

3.2 Overview: Fine Art

The art historian, John Thompson has stated that the story of western art from the Renaissance to the present day can be told using Southampton's collection. The earliest work in the collection, Allegretto de Nuzio's *Coronation of the Virgin*, is from the mid-fourteenth century.

The smaller old-master element of the collection has good clusters of work of the Renaissance, Baroque (notably Dutch 17th century), British 18th century and French and British 19th century (including Impressionism and Pre-Raphaelitism).

The core of the collection is built around British 20th century and contemporary art. Within that are four strong clusters: the Camden Town Group and related British Post-Impressionism (one of the best world-wide outside the Tate), Surrealists, St Ives School and Contemporary post 1976 (over 30 Turner Prize winners and nominees). The collection includes oil paintings, works on paper, sculpture, studio ceramics, wall-drawings and film/video work.

3.3 Overview: Maritime & Local History

The maritime and local history collection contains objects, pictures, drawings, photographs, ephemera, film, video, oral history recordings and archives that have strong associations with the maritime and local history of Southampton and Southampton Water.

These include

- Maritime souvenirs and about 4,500 items of maritime ephemera, including menus, wine lists, deck plans, advertising brochures, ship-board newspapers, activity programmes as well as 47 posters, the earliest dating from 1893
- Items illustrating the story of Southampton as an eighteenth century spa town, including a sedan chair
- Unique holdings of material relating to the *Titanic* disaster, with a particular focus on the crew of this ship and the Southampton aspects of this global story

- Several thousand items of costume and costume accessories, most with a local connection, but also many of a maritime nature, such as merchant navy uniforms
- A number of photographic collections of ships and docks related to Southampton, including the ABP collection (c. 40,000 photographs, mostly of Southampton), the Mitchell, Phillips and Kennaway collections (c. 4,500 negatives and photographs) as well as many photograph albums, including both maritime and local photographs
- A range of artworks, including a collection of several thousand maritime watercolours and drawings by local artist Arthur Cozens (1880-1947) and many hundred topographical prints
- 300 ship models, including a 7 meter-long model of Cunard's Queen Mary as well as a small number of bone models, made during the Napoleonic Wars by French prisoners of war
- Maritime furniture and other liner interiors, including marquetry panels from Mauretania and Queen Elizabeth
- Several hundred ships' plans, engineering drawings and other material from local shipyards Day & Summers, Vosper Thornycroft, British Power Boat Company and Camper & Nicholson
- Collections relating to the shipping lines Royal Mail Line and Shaw Savill. Both include primarily ephemera and souvenirs, as well as various other items such as photographs and costume
- Artefacts relating to domestic life in Southampton, including toys and needlework tools
- A reference library, comprising approximately 1000 volumes, relating to ships and shipping

3.4 Overview: Archives

The archives collection contains material about Southampton and its people and from further afield. It includes a wide range of written records for Southampton's history, development and governance from 1199 to the present day, for example:

- Southampton City Council's own archives and those of its predecessors
- Archives of statutory bodies operating in Southampton
- Public Records offered under the terms of the Public Records Acts 1958-67 relating to Southampton and its interests
- Southampton manorial and tithe documents offered under the Manorial Documents Rule 1960 and Tithe Act 1936
- Ecclesiastical records for Southampton parishes under the Parochial Registers and Records Measure 1978 and a 1966 agreement with the Diocese of Winchester
- Archives of individuals, organisations, businesses, institutions germane to the history of Southampton
- Extensive oral history collections which capture the personal stories of people who served in the merchant navy, worked in the docks and passed through the City as gateway to empire

The archive does not usually collect records outside Southampton's boundaries, with one notable exception of relevance to the city – the Central Index of Merchant Seamen 1918-1941 which covers all British registered ships.

4. Themes and Priorities for Future Collecting

4.1 Future Collecting: Archaeology

We will continue to collect the full archaeological archives created during systematic archaeological investigations carried out in Southampton, subject to the established process of assessment, to ensure that only archaeologically significant material is retained for the permanent collections. The Council is designated through the planning process as the appropriate recipient body for the archives from all developer-led archaeological investigations within the city.

We will also collect individual provenanced finds of archaeological interest found within the city boundaries, including items of treasure as defined by the 1996 Treasure Act.

4.2 Future Collecting: Fine Art

We will continue to acquire progressive contemporary art in all media (often within two years of their making) by artists, notably rising stars, who are universally deemed to be advancing British art practice. As a priority, we will continue to increase the depth and breadth of diversity of representation of artists within the collection. At all times, close regard will be paid to the artistic merit and quality of all works acquired, continuing the founding tradition of creating a nationally significant collection for the people of Southampton and accessible to the nation.

We will continue to make funding applications to provide matched funding to the Chipperfield and other bequest funds for the purchase of works. We will also continue to respond to opportunities to enhance strengths in the historic elements of the collection, especially British 20th and 21st century art and existing clusters such as Surrealism. We will collect works that can contribute significantly to the gallery's future exhibition programme and consider acquisitions by leading artists given one-person exhibitions at the gallery.

4.3 Future Collecting: Maritime & Local History

We will continue to collect maritime material from Southampton and Southampton Water and local material from Southampton, adopting a thematic, interdisciplinary approach, to build on existing strengths and fill in identified gaps.

Identified themes include:

- A better representation of all Southampton's communities
- Contemporary lives
- Everyday lives and personal histories
- Southampton as a gateway – movements of goods and people
- The development of Southampton – from town to city through the ages
- Mariners' lives

Our active collecting activity will encourage community participation and will be focussed on projects that supports long-term exhibition and access projects – e.g. Southampton Stories website and exhibition at SeaCity Museum, Tudor House.

Dispersal and disposal of items will take place across collection areas which are not integral to the core purpose of the collections and the wider mission of the service. An ongoing collection review will inform this process.

4.4 Future Collecting: Archives

We will continue to collect relevant Southampton City Council and predecessor archives, those of relevant statutory bodies, Public Records, manorial and tithe documents, ecclesiastical and organisational/ business records as they become available.

We will also develop a proactive thematic and interdisciplinary approach for collecting as part of a collection development project that will also consider the maritime and local history collection.

For maritime, social history and archive collections, we will invite and encourage community participation in collecting activity and support the development of key strategic projects.

5. Themes and Priorities for Rationalisation and Disposal

- 5.1 The museums recognise that the principles on which priorities for rationalisation and disposal are determined will be through a formal review process that identifies which collections are included and excluded from the review. The outcome of review and any subsequent rationalisation will not reduce the quality or significance of the collection and will result in a more useable, well managed collection.
- 5.2 The procedures used will meet professional standards. The process will be documented, open and transparent. There will be clear communication with key stakeholders about the outcomes and the process.
- 5.3 Responsible, curatorially-motivated disposal will take place to increase public benefit derived from museum collections and to prepare the collections for a move to new storage subject to the Council's overall review of Assets and available resources to implement changes.
- 5.4 All rationalisation and disposal of items from the collections held by the Culture & Tourism Service will be undertaken in strict accordance with the Disposal Procedures in Section 16 of this policy.
- 5.5 Each collection area will continue to be reviewed to identify priority areas for rationalisation and disposal. Particular attention will be given to the following areas as detailed below.

5.5.1 Archaeology

Rationalisation of the archaeology bulk collections has already seen the recent recording and discard of archaeologically insignificant marine and terrestrial shell. Other materials will be identified for similar processing in discussion with specialists and resources are being sought to carry out this work. Potential material for rationalisation and discard includes unworked stone, ceramic building material

5.5.2 Fine Art

The last major review of the fine art collection was carried out in 2009. Each work of art was classified against the existing collecting policy. The categories were:

- 1) Highly significant
- 2) Significant to core collection
- 3) Of low significance to the core collection

Within the 3rd category (low significance), some works, such as duplicates, were identified as potential candidates for disposal, but a further review has not been undertaken. Any disposals from the fine art collection have to be approved by the Chipperfield Advisory Committee, who will make their recommendations to the Chipperfield Trustees (Councillors).

5.5.3 Archives

The following categories for rationalisation and disposal have been identified for Archives:

- Duplicate and non-Southampton books
- Multiple duplicates of printed material
- Some Council departmental records (notably Treasurer's records and Town Clerk's files)
- Distribution of material without a Southampton connection to more suitable repositories

5.5.4 Maritime and Local History

The following categories for rationalisation and disposal have been identified for the Maritime and Local History collection:

- Items in a poor condition that cannot reasonably be conserved or which pose a risk to other items in the collection
- Natural history specimens with no data
- Items with specific curatorial requirements which would be better met in other collections or by other institutions
- Any loaned items which are not required for current research or exhibitions

6 Legal and Ethical Framework for Acquisition and Disposal of Items

- 6.1 The museums recognises their responsibility to work within the parameters of the Museum Association's Code of Ethics when considering acquisition and disposal.
www.museumsassociation.org/campaigns/ethics/code-of-ethics/

7 Collecting Policies of Other Museums

- 7.1 The museums will take account of the collecting policies of other museums and other organisations collecting in the same or related areas or subject fields. It will consult with these organisations where conflicts of interest may arise or to define areas of specialism, to avoid unnecessary duplication and waste of resources.
- 7.2 Specific reference is made to the following museum(s)/organisation(s) but may include wider stakeholders with linked or associated resources in the city and beyond, with relationships leading to potential collaborations and partnerships:

Tate
National Gallery
National Maritime Museum and UK Maritime Collection Strategy
Solent Sky Museum
Hampshire Cultural Trust
Hampshire Record Office
Portsmouth Museums and Records Service

National Museum of the Royal Navy group of museums
St. Barbe Museum, Lymington
Russell-Cotes Museum and Art Gallery, Bournemouth
Borough of Poole Museum Service
The National Archives
Black Archives South
University of Southampton Archives

8 Archival holdings (see above, Sections 2, 3, 4 and 5)

9 Acquisition

- 9.1 Southampton City Council recognises its responsibility, in acquiring additions to its collections, to ensure that care of collections, documentation arrangements and use of collections will meet the requirements of the Accreditation Standard. It will take into account limitations on collecting imposed by such factors as staffing, storage and care of collection arrangements.
- 9.2 When material is offered for acquisition that falls outside of our collecting policy we will refer, when possible, the potential donor, vendor to an appropriate alternative museum.
- 9.3 The policy for agreeing acquisitions is:

All potential acquisitions are subject to a process of assessment before acquisition can be agreed.

For archaeological fieldwork archives, a collections assessment is undertaken. Each archive is considered individually, and only archaeologically significant material is retained for permanent archiving. This process is carried out by the Archaeology Curator, in liaison with the contracting unit, and is written into the Council's Standards for Deposition. Acquisitions are approved by the Collections & Exhibitions Manager, unless there are cost or storage implications, in which case they would go to the Head of Culture & Tourism for approval.

For acquisitions not coming through planning control work, an assessment process is conducted. Each potential archaeology, maritime, local history or archive acquisition is considered against a range of issues, including collecting policy, storage, the condition of the acquisition and conservation implications, and display and research potential. The current strengths and existing gaps in the collection, as well as the items' potential to enhance the stories told by the existing collection are all considered. Acquisitions are agreed at Collections Team Meetings and approved by the Collections & Exhibitions Manager. Acquisitions with significant cost or storage implications require approval from the Head of Culture & Tourism.

For the fine art collection the Tate Gallery continues to be our National Advisor on acquisitions using Chipperfield Bequest funds. In December 2012 the Council set up the Chipperfield Bequest Advisory Committee to advise the Trustees of the Chipperfield Art Gallery and School of Art charity (who are also Councillors of the Council) on acquisitions to the fine art collection, including all potential purchases, gifts and bequests as well as giving advice on other Art Gallery related matters. The Trustees have delegated their power to acquire work to the Head of Culture & Tourism for works under £125,000 in value. The committee consists of appointed members of the public with considerable

knowledge and experience of the visual arts, gallery management and local cultural affairs. Council officers and the Tate advisor will report to the committee as required.

- 9.4 The museums will not acquire any object or specimen unless satisfied that the object or specimen has not been acquired in, or exported from, its country of origin (or any intermediate country in which it may have been legally owned) in violation of that country's laws. (For the purposes of this paragraph 'country of origin' includes the United Kingdom).
- 9.5 In accordance with the provisions of the UNESCO 1970 Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property, which the UK ratified with effect from 1 November 2002, and the Dealing in Cultural Objects (Offences) Act 2003, the museums will reject any items that have been illicitly traded. The governing body will be guided by the national guidance on the responsible acquisition of cultural property issued by the Department for Culture, Media and Sport (DCMS) in 2005.

10 Human remains

- 10.1 As the museums holds or intends to acquire human remains from any period, it will follow the procedures in the 'Guidance for the care of human remains in museums' issued by DCMS in 2005.

11 Biological and geological material

- 11.1 So far as biological and geological material is concerned, the museums will not acquire by any direct or indirect means any specimen that has been collected, sold or otherwise transferred in contravention of any national or international wildlife protection or natural history conservation law or treaty of the United Kingdom or any other country, except with the express consent of an appropriate outside authority.

12 Archaeological Material

- 12.1 The museums will not acquire archaeological material (including excavated ceramics) in any case where the governing body or responsible officer has any suspicion that the circumstances of their recovery involved a failure to follow the appropriate legal procedures.
- 12.2 In England, Wales and Northern Ireland the procedures include reporting finds to the landowner or occupier of the land and to the proper authorities in the case of possible treasure (i.e. the Coroner for Treasure) as set out in the Treasure Act 1996 (as amended by the Coroners & Justice Act 2009).

13 Exceptions

- 13.1 Any exceptions to the above clauses will only be because the museums are:
- acting as an externally approved repository of last resort for material of local (UK) origin
 - acting with the permission of authorities with the requisite jurisdiction in the country of origin

In these cases the museums will be open and transparent in the way decisions are made and will act only with the express consent of an appropriate outside authority. The museums will document when these exceptions occur.

14 Spoliation

- 14.1 The museums will use the statement of principles 'Spoliation of Works of Art during the Nazi, Holocaust and World War II period', issued for non-national museums in 1999 by the Museums and Galleries Commission.

15 The Repatriation and Restitution of Objects and Human Remains

- 15.1 The museums' governing body, acting on the advice of the museums' professional staff, if any, may take a decision to return human remains (unless covered by the 'Guidance for the care of human remains in museums' issued by DCMS in 2005), objects or specimens to a country or people of origin. The museums will take such decisions on a case by case basis; within its legal position and taking into account all ethical implications and available guidance. This will mean that the procedures described in 16.1-5 will be followed but the remaining procedures are not appropriate.
- 15.2 The disposal of human remains from museums in England, Northern Ireland and Wales will follow the procedures in the 'Guidance for the care of human remains in museums'.

16 Disposal procedures

- 16.1 All disposals will be undertaken with reference to the SPECTRUM Primary Procedures on disposal.
- 16.2 The governing body will confirm that it is legally free to dispose of an item. Agreements on disposal made with donors will also be taken into account.
- 16.3 When disposal of a museum object is being considered, the museums will establish if it was acquired with the aid of an external funding organisation. In such cases, any conditions attached to the original grant will be followed. This may include repayment of the original grant and a proportion of the proceeds if the item is disposed of by sale.
- 16.4 When disposal is motivated by curatorial reasons the procedures outlined below will be followed and the method of disposal may be by gift, sale, exchange or as a last resort - destruction.
- 16.5 The decision to dispose of material from the collections will be taken by the governing body only after full consideration of the reasons for disposal. Other factors including public benefit, the implications for the museums' collections and collections held by museums and other organisations collecting the same material or in related fields will be considered. Expert advice will be obtained and the views of stakeholders such as donors, researchers, local and source communities and others served by the museums will also be sought.
- 16.6 A decision to dispose of a specimen or object, whether by gift, exchange, sale or destruction (in the case of an item too badly damaged or deteriorated to be of any use for the purposes of the collections or for reasons of health and safety), will be the responsibility of the governing body of the museums acting on the advice of

professional curatorial staff, if any, and not of the curator or manager of the collection acting alone.

- 16.7 Once a decision to dispose of material in the collection has been taken, priority will be given to retaining it within the public domain. It will therefore be offered in the first instance, by gift or sale, directly to other Accredited museums likely to be interested in its acquisition.
- 16.8 If the material is not acquired by any Accredited museum to which it was offered as a gift or for sale, then the museum community at large will be advised of the intention to dispose of the material normally through a notice on the Museums Association's Find an Object web listing service, an announcement in the Museums Association's Museums Journal or in other specialist publications and websites.
- 16.9 The announcement relating to gift or sale will indicate the number and nature of specimens or objects involved, and the basis on which the material will be transferred to another institution. Preference will be given to expressions of interest from other Accredited museums. A period of at least two months will be allowed for an interest in acquiring the material to be expressed. At the end of this period, if no expressions of interest have been received, the museum may consider disposing of the material to other interested individuals and organisations giving priority to organisations in the public domain.
- 16.10 Any monies received by the museum governing body from the disposal of items will be applied solely and directly for the benefit of the collections. This normally means the purchase of further acquisitions. In exceptional cases, improvements relating to the care of collections in order to meet or exceed Accreditation requirements relating to the risk of damage to and deterioration of the collections may be justifiable. Any monies received in compensation for the damage, loss or destruction of items will be applied in the same way. Advice on those cases where the monies are intended to be used for the care of collections will be sought from Arts Council England.
- 16.11 The proceeds of a sale will be allocated so it can be demonstrated that they are spent in a manner compatible with the requirements of the Accreditation standard. Money must be restricted to the long-term sustainability, use and development of the collection.
- 16.12 Full records will be kept of all decisions on disposals and the items involved and proper arrangements made for the preservation and/or transfer, as appropriate, of the documentation relating to the items concerned, including photographic records where practicable in accordance with SPECTRUM Procedure on deaccession and disposal.

Disposal by exchange

- 16.13 The nature of disposal by exchange means that the museums will not necessarily be in a position to exchange the material with another Accredited museum. The governing body will therefore ensure that issues relating to accountability and impartiality are carefully considered to avoid undue influence on its decision-making process.
- 16.13.1 In cases where the governing body wishes for sound curatorial reasons to exchange material directly with Accredited or non-Accredited museums, with other organisations or with individuals, the procedures in paragraphs 16.1-5 will apply.

- 16.13.2 If the exchange is proposed to be made with a specific Accredited museum, other Accredited museums which collect in the same or related areas will be directly notified of the proposal and their comments will be requested.
- 16.13.3 If the exchange is proposed with a non-Accredited museum, with another type of organisation or with an individual, the museum will place a notice on the Museums Association's Find an Object web listing service, or make an announcement in the Museums Association's Museums Journal or in other specialist publications and websites (if appropriate).
- 16.13.4 Both the notification and announcement must provide information on the number and nature of the specimens or objects involved both in the museum's collection and those intended to be acquired in exchange. A period of at least two months must be allowed for comments to be received. At the end of this period, the governing body must consider the comments before a final decision on the exchange is made.

Disposal by destruction

- 16.14 If it is not possible to dispose of an object through transfer or sale, the governing body may decide to destroy it.
- 16.15 It is acceptable to destroy material of low intrinsic significance (duplicate mass-produced articles or common specimens which lack significant provenance) where no alternative method of disposal can be found.
- 16.16 Destruction is also an acceptable method of disposal in cases where an object is in extremely poor condition, has high associated health and safety risks or is part of an approved destructive testing request identified in an organisation's research policy.
- 16.17 Where necessary, specialist advice will be sought to establish the appropriate method of destruction. Health and safety risk assessments will be carried out by trained staff where required.
- 16.18 The destruction of objects should be witnessed by an appropriate member of the museum workforce. In circumstances where this is not possible, e.g. the destruction of controlled substances, a police certificate should be obtained and kept in the relevant object history file.

End.

APPENDIX 2

CULTURE & TOURISM SERVICE – ACCREDITATION ACTIVITY OVERVIEW

The Accreditation Scheme (administered by Arts Council England) is a set of nationally agreed standards to ensure all museums are sustainable, focused and trusted, inspiring the confidence of the public and funding and governing bodies.

It ensures that museums manage their collections properly, engage with visitors and are governed appropriately by encouraging agreed standards in:

- How museums are run
- How they manage their collections
- How they engage with their users

Accreditation covers the entire range of a museum’s activity and governance, with key areas listed below. The assessment requires evidence that all of these areas are adequately addressed and, where necessary, that relevant Plans or Policies are in place, with approvals at the relevant governance level.

Governance and workforce	<ul style="list-style-type: none"> • Mission Statement • Constitution • Effective structure for governance and management • Professional workforce, with relevant training and development • Succession planning • Organisational approach to sustainability • Forward/Business Plan • Financial sustainability
Management of risk	<ul style="list-style-type: none"> • Evidence of secure occupancy of premises • Appropriate and effective security arrangements • Appropriate and workable emergency planning
Collections	<ul style="list-style-type: none"> • Demonstration of ownership • An approved Collections Development Policy • An approved Documentation Plan and Policy, with clear evidence that Spectrum documentation procedures are followed for the management of the collection • An approved Collections Care and Conservation Plan and Policy
Accessibility	<ul style="list-style-type: none"> • Venues must take into account users’ needs, guided by an access statement • Museums must have adequate and accessible facilities, clearly communicated to visitors • Maintain accessible displays and exhibitions • Provision for research and engagement • Access improvement plan
Audiences	<ul style="list-style-type: none"> • Maintain a programme of exhibitions and programmes • Provide stimulating learning and discovery experiences • Effective communication with users and potential users • Evaluation and analysis of information to assess user’s needs • Understand which audiences are users and non-users • Develop strategies to retain and develop new audiences • Culture of customer care

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DECISION-MAKER:	Cabinet
SUBJECT:	Green Infrastructure Strategy Delivery Plan
DATE OF DECISION:	29 October 2024
REPORT OF:	COUNCILLOR SAVAGE CABINET MEMBER FOR GREEN CITY AND NET ZERO

<u>CONTACT DETAILS</u>			
Executive Director	Title	Executive Director – Resident Services	
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STATEMENT OF CONFIDENTIALITY

NOT APPLICABLE

BRIEF SUMMARY

In order to deliver the commitments of the Corporate Plan and the Green City Plan and meet our enhanced Biodiversity Duty under the Environment Act, 2021, SCC adopted two new strategies in January 2024, a Green Infrastructure (GI) Strategy and a Biodiversity Strategy.

Our GI and Biodiversity Strategies, together with our Climate Change and Net Zero Strategy, help address our aim for Southampton to be more resilient to the effects of climate change, the effects of which are particularly felt within a city setting with its hard landscape, sealed surfaces and higher temperatures. The main current drivers of GI loss in Southampton include pressure from increased development/sealed surfaces, absence of and/or poorly designed GI in new development, pollution, increased recreation/public access related pressure leading to erosion and damage, and, inappropriate/lack of management of habitats. Over time, the city’s GI has become more fragmented. Small-scale, incremental encroachment on incidental spaces (such as road verges) is eroding the network.

These strategies outline how the council will play its part in transforming its own activities in terms of land management and spatial planning. They also set out how improved GI and biodiversity will make the city more resilient to the effects of climate change and improve the health, wellbeing and prosperity of Southampton. The strategies explain the importance of green and blue (waterbodies) infrastructure and biodiversity and set out objectives for improvement, timescales, and the expected outcomes.

To implement these two new strategies, Delivery Plans are needed. The Delivery Plans provide information on specific goals, the actions needed to achieve those goals, the lead officers responsible and the timeframes involved.

The GI Strategy Delivery Plan has been drafted and is now ready to be adopted. The Delivery Plan for the Biodiversity Strategy is still to be drafted; this will be in the form of an updated Biodiversity Action Plan (BAP). The expectation is that the BAP will be presented to Cabinet in 2025, for adoption.

RECOMMENDATIONS:

	(i)	Adopt the Green Infrastructure Strategy Delivery Plan
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REASONS FOR REPORT RECOMMENDATIONS

1.	<p>The GI Strategy, adopted in January 2024, addresses the Council’s existing commitments in the Green City Plan 2030 and the Corporate Plan 2022/30; it also sets out how SCC will meet its enhanced biodiversity duty and statutory obligations under the Environment Act, 2021.</p> <p>Adoption of the GI Strategy Delivery Plan will require collaborative working across the council and will encourage stakeholders, including business, conservation groups and public sector organisations to work together to deliver a shared outcome, making Southampton a cleaner, greener, healthier and a more sustainable environment for people and wildlife.</p> <p>The GI Strategy Delivery Plan is required to provide a clear set of goals, list the lead officers responsible in delivering those goals and set the timeframes we are working to. The plan will also enable us to monitor our progress on the implementation of the GI Strategy.</p>
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ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2.	<p>In the absence of a GI Strategy Delivery Plan or where there is a delay in its introduction, the council will be unable to demonstrate how it intends to deliver the GI Strategy, the goals set out in the Corporate Plan or the Green City Plan and how it is meeting its enhanced biodiversity duty under the Environment Act, 2021. Penalties for failing to deliver on these plans and strategies are unknown, however, there is a risk of reputational damage in addition to incurring higher future costs in adapting to the impacts of climate change and coping with the continued loss of GI across the city.</p>
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DETAIL (Including consultation carried out)

3.	<p>Our GI and Biodiversity Strategies, together with our Climate Change and Net Zero Strategy, help address our aim for Southampton to be more resilient to the effects of climate change, the effects of which are particularly felt within a city setting with its hard landscape, sealed surfaces and higher temperatures. The main current drivers of GI loss in Southampton include pressure from increased development/sealed surfaces, absence of and/or poorly designed GI in new development, pollution, increased public pressure resulting in damage and erosion, and inappropriate management of habitats. Over time, the city’s GI has become more fragmented. Small-scale, incremental encroachment on incidental spaces for example road verges, is eroding the</p>
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	network. Equally, our network of semi-natural habitat is under threat through direct loss and degradation (Geodata, 2021).
4.	As a council, it is important that we understand the value of GI and the role it plays in providing a healthier, more resilient city. We need to ensure the city's existing GI is protected from further loss and that the quality and extent of our GI improves. The GI Strategy Delivery Plan sets out how we, as a council, can achieve these goals.
5.	The concept of a Green Grid (interconnected GI) for Southampton underwent external consultation in March 2022. The GI Strategy was subsequently developed and underwent internal and external consultation in 2023. The GI Strategy Delivery Plan has since been prepared following consultation from a number of council Service Areas including Commercial Services, Public Health, Highways, Transport, Planning, Environment & Sustainability and Estates & Assets and based on the feedback from external consultation. The process of internal consultation took place between January and June 2024 and ensured the relevant Service Leads understood the need for the GI Strategy, were happy with the goals and the actions needed, and that the GI Delivery Plan was achievable.
6.	<p>The Delivery Plan is split into three “Themes”.</p> <ul style="list-style-type: none"> ▪ Theme 1 – understanding the financial and environmental value of our green and blue assets, protecting those assets from inappropriately designed/ located development and ensuring our green and blue assets are managed as they should be. ▪ Theme 2 – improving and extending our green and blue infrastructure, making it more accessible for people, well maintained and offers the right facilities. Ensuring the city is adapting to climate change. ▪ Theme 3 –extending and creating more green infrastructure, re-connecting broken links in the Green Grid and working with Hampshire County Council on the Hampshire-wide Local Nature Recovery Strategy.
7.	Implementation of the GI Strategy commenced soon after it was adopted in January 2024, but the GI Delivery Plan is the necessary document to provide a clear set of goals, list the lead officers responsible for delivering those goals and sets the timeframes we are working to. The plan will also enable us to develop KPI's and projects that are needed to help us monitor our progress.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
8.	The GI Strategy has already been adopted by the council and there are no additional financial implications in terms of developing the Delivery Plan. The Delivery Plan has been produced in-house and does not, itself, generate a requirement for additional resources.
	Many of the actions in GI Strategy Delivery Plan do not pose any new financial commitments as they can be delivered within existing resources. The actions in the Delivery Plan will need to be implemented by different teams across the Council working together collaboratively. Some actions will require additional funding for example, new equipment to better manage GI or improved signage and facilities within greenspaces. As part of the delivery

	<p>process, these actions will be subject to financial assessment to establish the costs and benefits. A finance plan will be developed to identify appropriate funding sources, including external funding opportunities. Where actions require funding from the Council, this will be built into the relevant service business plan and required budgets will be established through the standard budget planning process. This could be revenue or capital budgets depending on the requirements of the relevant action. Enclosure 3 highlights the actions that are likely to require additional funding. This will be sought from external funders where possible in the first instance.</p>
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Property/Other

9.	<p>The Strategy does not establish any new resource or financial commitments in relation to the actions that will subsequently need to be delivered. As part of the delivery process, those actions will be subject to the usual project management and decision-making process and include an assessment of costs and benefits. In many cases the measures being pursued promise to offer significant opportunities for both SCC and the city such as climate adaptation and a healthier city for wildlife and people.</p>
10.	<p>Successful delivery of the GI Strategy requires collaborative working across the council. Internal consultation has taken place with those service areas involved with delivery.</p>

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

11.	<p>s.1 Localism Act 2011 allows the Council to do anything deemed necessary or desirable to deliver or support its functions and duties providing that action is not otherwise prohibited by statute (the general power of competence). The preparation and delivery of the GI Strategy is authorised by virtue of s.1.</p>
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Other Legal Implications:

12.	<p>The GI Strategy Delivery Plan contains actions which will assist with the delivery Hampshire’s Local Nature Recovery Strategy (LNRS) which is being developed by Hampshire County Council to meet the Enhanced Biodiversity Duty as part of the Environment Act, 2021.</p>
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RISK MANAGEMENT IMPLICATIONS

13.	<p>In the absence of a GI Strategy Delivery Plan or where there is a delay in its introduction, the council will be unable to demonstrate how it intends to meet its statutory duty under the Environment Act 2021 (improving air and water quality, making space for nature), how it will implement its adopted GI Strategy, how it will meet the goals set out in the Corporate Plan and the Green City Plan. Failure to deliver on these plans and strategies also poses a risk to the council’s reputation, in addition to, incurring higher future costs in adapting to the impacts of climate change and coping with the continued loss/degradation of green and blue infrastructure across the city.</p>
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POLICY FRAMEWORK IMPLICATIONS

14.	<p>The GI Strategy Delivery Plan will assist with implementation of the Corporate Plan 2022/30 (updated in 2024) and satisfy actions identified in the Green City Plan. The GI Strategy will form part of an integrated policy framework that will ultimately replace the Green City Plan and ensure the council is able to demonstrate an ongoing commitment to addressing the challenges of</p>
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	climate change and loss of green infrastructure by creating a cleaner, greener, healthier and more sustainable city. The GI Strategy Delivery Plan will also contribute towards the delivery of other council strategies i.e. Climate Change and Net Zero Strategy.
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KEY DECISION?	Yes
WARDS/COMMUNITIES AFFECTED:	ALL
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Green Infrastructure Strategy Delivery Plan
2.	Equality and Safety Impact Assessment

Documents In Members' Rooms

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

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Green Infrastructure Strategy Delivery Plan 2024 to 2030

This is the Delivery Plan to accompany the [Green Infrastructure Strategy](#) which was adopted by Southampton City Council in January 2024

THEME 1: CREATE AND EXTEND THE GI

Ref.	Project/activity	Lead officer	Collaboration with	Funding needed Y/N	RAG	Start date	End date	Suggested partners
Objective 1: Secure resources for new and improved GI								
1.1.1	Develop a “grant ready” project list and a funding plan, identify and prioritise projects needed to enhance, extend and connect the green and blue infrastructure (GI) across the city to form a network, a green grid.	Nick Yeats – Development & Commercial Services Manager	Landscape Development Officers, Service Manager Environment & Sustainability, Transport & Planning	Y	R	2025	2030	
1.1.2	Actively seek and apply for grant funding through all available funding routes and providers e.g. Land tax credits, heritage lottery, Veolia Environmental Trust	Abigail Roberts - External Funding Manager	Rangers, Ecologist, Landscape Development Officers	N	G	2024	2030	
1.1.3	Work with Hampshire County Council (HCC) to map elements of the Green Grid within the Hampshire Local Nature Recovery Strategy (LNRS)	Lindsay McCulloch - Service Manager Environment & Sustainability	Planning Ecologist	Y	G	2024	2025	HCC
1.1.4	Agree nature recovery priorities for Southampton	Lindsay McCulloch - Service Manager Environment & Sustainability	Ecologist	N	A	2024	2025	
1.1.5	Identify opportunities for off-site Biodiversity Net Gain (BNG) delivery on council land	Lindsay McCulloch - Service Manager Environment & Sustainability	Planning Ecologist	Y	A	2024	2030	
1.1.6	Maintain and improve GI along roads (ie. verge management), embed GI in transport schemes (aiming for no less than 10% increase in GI)	Sam Munslow - Ecologist	Planning Ecologist, Landscape, Operations Teams, Transport & Planning, Highways/Balfour Beatty	N	A	2024	2030	

1.1.7	Investigate other sources of “green funding” such as CIL money, S106 and BNG contributions and Countryside Stewardship	Lindsay McCulloch - Service Manager Environment & Sustainability	External Funding Manager	N	A	2024	2030	
1.1.8	Identify ways of increasing well-designed GI via planning conditions	Planning Ecologist	Transport & Planning	N	A	2025	2030	

THEME 2: IMPROVE AND ENHANCE GI

Ref.	Project/activity	Lead officer	Collaboration with	Funding needed Y/N	RAG	Start date	End date	Suggested partners	
Objective 1: Ensure all residents are within 5 minutes’ walk of a green space									
Page 168	2.1.1	Establish criteria of what constitutes a green space (size, quality, benefits it provides) and ensure planning policy includes the requirement for development to contribute to the delivery of additional greenspace	Lindsay McCulloch - Service Manager Environment & Sustainability	Public Health, Landscape Development Officers, Planning Ecologist, Community Campaigns Officer	N	A	2026	2030	
	2.1.2	Map existing GI – where it is and what it is (linked to Natural Capital Assessment work)	Lindsay McCulloch - Service Manager Environment & Sustainability	Consultancy, Public Health, Sustainability Team	Y	A	2025	2026	HCC (Local Nature Recovery Strategy)
	2.1.3	Establish where additional GI is needed to ensure people are within a 5-minute walk of green space	Lindsay McCulloch - Service Manager Environment & Sustainability	Transport & Planning, Public Health, Community Campaigns Officer	N	A	2025	2025	Physical Activity Alliance
	2.1.4	Prioritise GI links to reduce inequalities in opportunities for active travel and healthy lifestyle	Lindsay McCulloch - Service Manager Environment & Sustainability	Transport & Planning, Sustainable Transport, Public Health, Stronger Communities, Ecologist, Rangers, Community Campaigns Officer	N	A	2025	2030	SNPC
	2.1.5	Increase our understanding of why disadvantaged communities don’t use local green spaces	Lindsay McCulloch - Service Manager Environment & Sustainability	Public Health, Stronger Communities	Y	A			UoS

2.1.6	Trial a parklet and/or mobile green space	Nicky Yeats – Development & Commercial Services Manager	Transport & Planning, Rangers, Community Campaigns Officer	Y	R	2025	2025	SNPC
2.1.7	Assist with HELP agreement process. Review success of areas “taken on” by residents via HELP agreements (ie. planters)	Dawn Bannatyne – Lead Ranger	Operations Managers, Housing	N	G	2024	2030	SNPC
2.1.8	Work with Southampton National Park City (SNPC) to achieve National Park City status by 2025	Nick Yeats – Development & Commercial Services Manager	Rangers, Community Campaigns Officer, Ecologist	N	G	2024	2025	SNPC
2.1.9	Identify projects and delivery mechanisms that SNPC can help with (including people and funding) to enhance and connect GI	Nick Yeats – Development & Commercial Services Manager	Rangers, Community Campaigns Officer, Ecologist	N	G	2024	2030	SNPC
Objective 2: Increase LNR provision								
2.2.0	Identify and designate additional Local Nature Reserves (LNR), aiming to achieve the recommended standard of 1ha of LNR per 1,000 population	Sam Munslow - Ecologist	Rangers, Service Manager Environment & Sustainability, Operations Managers, Development & Commercial Services Manager	N	G	2024	2030	SNPC, SNHS
Page 169								
Objective 3: Ensure our green spaces are of good quality and accessible to all								
2.2.1	Our parks and greenways will be regularly audited against Green Flag Management Criteria and will be managed appropriately to provide safe, good quality and accessible green spaces for all	Nick Yeats – Development & Commercial Services Manager	Landscape Development Officers, Operations Managers, Rangers, Ecologist	N	G	2024	2030	
2.2.2	Continue to regularly audit parks to record existing conditions/facilities/ infrastructure and created costed action plans to ensure continued accessibility and safety	Nick Yeats – Development & Commercial Services Manager	Rangers, Landscape Development Officer	N	G	2024	2030	
2.2.3	Carry out regular biodiversity audits of our greenways and SINC's to record habitat composition and condition. We will monitor and record the effects of ongoing habitat management	Sam Munslow – Ecologist	Rangers	N	G	2024	2030	
2.2.4	As part of greenway auditing, we will produce an up to date inventory of all works needed, with costs, so projects are “grant ready” as funding opportunities arise	Sam Munslow – Ecologist	Landscape Development Officer, Rangers	N	A	2024	2030	

2.2.5	Ensure all our signage/furniture follows the SCC standard palette, so our green spaces are easily identifiable as being council managed spaces	Nick Yeats – Development & Commercial Services Manager	Landscape Development Officer, Rangers, Comms	Y	G	2024	2030	
2.2.6	Increase the amount and improve the quality of interpretation signage and waymarkers	Nick Yeats – Development & Commercial Services Manager	Operations Managers, Landscape Development Officers, Rangers, Comms	Y	R	2024	2030	
2.2.7	Revisit our guidance on respecting our green spaces, including the greenways and the Common, encouraging a sense of “ownership” and respect for local spaces	Nick Yeats – Development & Commercial Services Manager	Landscape Development Officers, Rangers, Comms, Ecologist, Operations Managers, Community Campaigns Officer	N	A	2025	2025	
2.2.8	Develop information on the accessibility of blue and green spaces, with routes to show walking/cycling/public transport – enhanced Sat Nav mapping opportunities to walk through green/blue routes. Integrate and audit SoMap to reflect walking / cycling routes on leisure layers etc.	Nick Yeats – Development & Commercial Services Manager	Landscape Development Officers, Rangers, Transport & Planning, Community Campaigns Officer, Public Health, Sustainable Transport, Community Cohesion & Diversity Officer	Y	R	2025	2030	Go Jauntly, Physical Activity Alliance
2.2.9	Promote our parks and greenways on our website and ensure all relevant information (ie. access, facilities, volunteering opportunities and events) is included and kept up to date	Nick Yeats - Development & Commercial Services Manager	Landscape Development Officers, Rangers, Sustainable Transport, Comms	N	G	2024	2030	
2.3.0	Develop a SCC webpage for all things relating to “greening the city”, explaining how everyone can play their part and contribute, irrespective of size of area. Review and update contents on SCC Green City and Parks web pages	Sam Munslow – Ecologist	Rangers, Community Campaigns, Comms	N	A	2024	2030	SNPC, HIWWT
2.3.1	Develop annual events and activities calendar to encourage use of greenspaces, promote “greening” ideas	Dawn Bannatyne – Lead Ranger	Community Campaigns Officer, Neighbourhood Wardens, Public Health, Sustainable Transport, Comms	N	A	2025	2030	SNPC, HIWWT, Physical Activity Alliance

2.3.2	Continue to work with schools across the city to encourage and help them to become Eco Schools and/or as biodiverse / sustainable as possible / involvement in Citizen Science projects	Sam Munslow – Ecologist	Rangers, Healthy & Sustainable Schools Team, School Grounds Team	N	G	2024	2030	Friends Groups
2.3.3	Develop communication about importance of GI (including health risks associated with a lack of GI and the benefits of increasing its provision). Encourage all city users to have more GI on their land (eg. residents/ businesses/places of worship)	Becky Wilkinson - Public Health	Sustainability Team, Ecologist, Rangers, Community Campaigns Officer, Comms	N	A	2025	2030	Energize Me
2.3.4	Continue to support and work with existing Friends groups (ie. grant application assistance and training) and encourage and help new groups to become established	Dawn Bannatyne – Lead Ranger	Operations Managers, Community Campaigns Officer	Y	G	2024	2030	SNPC, Friends Groups
2.3.5	Develop a Young Ranger group of volunteers	Dawn Bannatyne – Lead Ranger	Ecologist, Community Campaigns Officer	N	G	2024	2025	Barton Peveril College
2.3.6	Continue to develop a team of volunteers to help deliver actions in the GI and Biodiversity Strategies. Record and monitor the work carried out	Sara Tschersich - Community Campaigns Officer	Rangers, Ecologist, Stronger Communities	N	G	2024	2030	
Objective 4: Improve Biodiversity								
2.3.7 Page 171	Implement our Biodiversity Strategy via an updated Southampton Biodiversity Action Plan (BAP)	Sam Munslow - Ecologist	Service Manager Environment & Sustainability, all relevant services within SCC, Rangers, Community Campaigns Officer	N	A	2025	2030	SNPC, HIWWT, SNHS, Regional/ Local Conservation Groups (ie. ARC, PTES, Hants Swifts)
Objective 5: Climate Change Adaptation								
2.3.8	Implement SCC Climate Change Strategy	Jess Lewis - Sustainability Team	Service Manager Environment & Sustainability, all relevant services within SCC	Y	G	2024	2030	
2.3.9	Identify buildings where GI can be retrofitted, especially those close to roads/within Air Quality Management Areas (AQMA's)	Lindsay McCulloch - Service Manager Environment and Sustainability	Sustainability Team, Planning Ecologist, Property Services, Air Quality Officer	N	A	2025	2030	

2.4.0	Safeguard climate change adaptation land from sale	Lindsay McCulloch - Service Manager Environment & Sustainability	Planning Ecologist, Property Team, Transport & Planning, Sustainability Team, Economic Development Team	N	A	2024	2030	
2.4.1	Identify land with capacity to provide additional climate change adaptation measures (ie. rain gardens, SuDS, underground rainwater holding tanks)	Jess Lewis - Sustainability Team, Strategic Planning	Flood Risk Officer, Transport & Planning, Highways/Balfour Beatty	N	A	2025	2030	
2.4.2	All future development applications and transport schemes will use Green Space Factor tool to achieve greening targets and will also deliver no less than 10% BNG	Amber Trueman - Strategic Planning	Sustainability Officer, Planning Ecologist, Transport & Planning, Highways/Balfour Beatty	N	G	2024	2030	
2.4.3	All development will include well designed GI to deliver climate change adaptation	Darren Shorter – Urban Design Manager	Sustainability Team, Transport & Planning, Development, Highways/Balfour Beatty	N	A	2024	2030	
2.4.4	Increase tree planting (focusing on areas where most needed for shading/water interception/AQ/public health), using appropriate species	Will Taylor – Arboricultural Manager	Ecologist, Transport & Planning, Sustainability Team, Landscape Team	Y	R	2024	2030	
2.4.5	Introduce community street tree projects	Sam Munslow - Ecologist	Development & Commercial Services Manager, Trees Team	Y	R	2026	2030	SNPC
2.4.6	Review current land management practices adjacent to water courses and identify opportunities for increasing water interception capacity	Sam Foulds - Flood Risk Officer	Service Manager Environment & Sustainability	N	A	2024	2030	
2.4.7	Ensure SuDS are incorporated into new development, including highways and transport schemes	Sam Foulds - Flood Risk Officer	Highways/Balfour Beatty, Transport & Planning	N	A	2024	2030	

THEME 3: PROTECTING OUR ASSETS

Ref	Action	Lead officer	Collaboration with	Funding needed Y/N	RAG	Start date	End date	Suggested partners
Objective 1: Protect GI from inappropriate development								
3.1.1	Continue to work formally with existing partners to ensure SCC are working in collaboration with/are aware of all relevant projects/plans across the city who/which could help with delivery of this plan	TBA	All relevant officers across SCC	N	A	2024	2030	To be developed – ie. EA, SW, Southampton Airport, Ports Authority, relevant land owners
3.1.2	Planning policies, designed to protect GI, will be included in the new Local Plan (Southampton City Vision). The Green Grid (GG) strategic map will also be included and relevant elements of the Local Nature Recovery Strategy	Lindsay McCulloch - Service Manager Environment & Sustainability)	Planning Ecologist, Transport & Planning, Urban Design	N	A	2025	2026	
3.1.3	Prepare a GI Technical Note, setting out requirements for the protection and enhancement of the GG, to act as supplementary technical guidance to the GI protection policies in the new Local Plan (citing best practice guidance such as NE GI Frameworks Principles and Building with Nature)	Lindsay McCulloch - Service Manager Environment & Sustainability	Planning Ecologist, Transport & Planning, Urban Design	N	A	2025	2026	
3.1.4	Review our planning policy in relation to dropped kerbs with a view to reducing loss of verges and front gardens	Amber Trueman - Strategic Planning	Transport & Planning, Highways/Balfour Beatty	N	A	2025	2026	
3.1.5	Develop and implement a Pesticide Policy, reducing our use of pesticides and herbicides wherever possible, including designing out the need for pesticides. The policy must be adopted into highways schemes and new development and landscape designs	Dave Tyrie – Head of City Services	Sustainability team, Highways Service Partnership, Procurement & Landscape Operations	Y	R	2025	2025	
3.1.6	Develop and implement planning policy in relation to trees, ensuring right tree right place and “2 for 1” tree replacement, this policy will be	Will Taylor – Arboricultural Manager	Sustainability Team, Transport & Planning	N	A	2025	2025	

	included in the new Local Plan and will be supported by a Trees Technical Note to provide guidance for developers							
3.1.7	Review and update the council's Design and Planting Principles documents (for internal adoption) to ensure green spaces are well designed and contain appropriate species of trees and plants	Nick Yeats - Development & Commercial Services Manager	Landscape Development Officers, Arboricultural Manager	N	A	2025	2026	
Objective 2: Protect GI through appropriate management								
3.1.8	Work towards ensuring all SCC owned components of the GG receive appropriate habitat management to bring them up to favourable conservation status	Sam Munslow - Ecologist	Rangers, all relevant services within SCC (including: Housing, Schools, Trees, Cemeteries/ Maintenance, Highways teams/Balfour Beatty)	N	G	2024	2030	
3.1.9	Continue to roll out internal biodiversity/wildlife related staff training to ensure all relevant teams are trained in GI management and have appropriate level of awareness of protected species/habitat legislation. Include wildlife legislation training in all staff inductions	Sam Munslow - Ecologist	All relevant services within SCC (including: Housing, Schools, Trees, Cemeteries/ Maintenance, Highways/Balfour Beatty, Learning Development, Recruitment Team, HR Data Officer, HR Business Partner)	N	G	2024	2025	
3.2.0	Continue to deliver tool-box talks and provide on-site supervision for council work. Continue to encourage collaborative cross-council working and to ensure good practice in GI management/legal species protection is adhered to within the council's day-to-day activities	Sam Munslow - Ecologist	Rangers, all relevant services within SCC (including: Housing, Schools, Trees, Cemeteries/ Maintenance, Highways/Balfour Beatty) Recruitment Team HR Data Officer HR Business Partner	N	G	2024	2025	

3.2.1	Develop and roll out biodiversity training for SCC sub-contractors. Ecological input into Risk Assessment Method Statement (RAMS) at design stage for SCC projects	Sam Munslow - Ecologist	Landscape & Play, Operations Managers, Property Division, Consultants, Council sub-contractors	N	G	2024	2025	
3.2.2	Involve Ecology and Sustainability Teams at tender stage to ensure supply chain and sub-contractors have correct credentials to work on SCC projects. Develop a standard set of quality questions to be used in all appropriate market exercises. Develop a new milestone sign off for project delivery plans, and sub £25k spends	Procurement	Ecologist, Sustainability Team, Fleet Management Team	N	A	2025	2025	
3.2.3	Form network of Biodiversity Champions across relevant services to raise awareness of importance of GI and encourage collaborative working within the council, helping to deliver our Biodiversity Duty and ensure we adhere to wildlife legislation	Sam Munslow - Ecologist	All relevant Services within SCC (Housing, Highways, Grounds Operatives, Estates & Assets, Sustainability team)	Y	G	2024	2025	
3.2.4	Undertake research to establish the Ecosystem Services benefits of ornamental species /cultivars. Use information to feed into planting plans and policy	Sam Munslow - Ecologist	Landscape Officers	N	A	2025	2027	UoS
3.2.5	Explore appropriate machinery to undertake correct management of more biodiverse green spaces (ie. cut and collect machinery, reciprocating cutting head)	Dawn Bannatyne – Lead Ranger	Ecologist, Operations Managers, Service Manager Environment & Sustainability, Procurement, Fleet Management, Finance (capital expenditure forecast)	Y	A	2024	2026	
3.2.6	Ensure all relevant teams are trained in GI management to benefit wildlife/people and in the use of new GI management equipment	Dawn Bannatyne – Lead Ranger	Ecologist, Operations Managers	N	A	2024	2030	
3.2.7	Ensure management prescriptions are correct for all our semi-natural greenspaces, management plans are in place and information accurately recorded on SoMap (ie. grassland mowing regimes, hedgerow/woodland management, greenways, SINCS, SSSI's)	Sam Munslow - Ecologist	Rangers, Service Manager Environment & Sustainability, Operations Managers, Ground Maintenance Teams (various teams)	N	G	2024	2025	
3.2.8	Ensure all parks and greenways have Green Flag management plans and appropriate access/infrastructure/facilities	Nick Yeats - Development & Commercial Services Manager	Ecologist, Landscape Development Officers, Operations Managers, Rangers	Y	G	2024	2030	SNPC

3.2.9	Protect, preserve and promote the River Itchen	Lindsay McCulloch - Service Manager Environment & Sustainability	Transport & Planning, Highways & Infrastructure	Y	G	2024	2030	EA, SW, River Itchen Forum
Objective 3: Develop an understanding of the financial value of GI								
3.3.0	Develop a Natural Capital Register and Ecosystem Services List. Undertake a Natural Capital Assessment	Lindsay McCulloch - Service Manager Environment & Sustainability	Consultancy, Public Health, Sustainability Team	Y	A	2025	2026	
3.3.1	Create a Natural Capital Plan based on protecting current Ecosystem Services provision and creation of enhanced level of protection	Lindsay McCulloch - Service Manager Environment & Sustainability	Consultancy, Sustainability Team, Public Health	Y	A	2026	2027	
3.3.2	Use results of Natural Capital Assessment to create business case to attract investment in GI (ie. cost of management/cost of extending and improving GI)	Lindsay McCulloch - Service Manager Environment & Sustainability	Consultancy, Sustainability Team	Y	A	2026	2027	
3.3.3	Undertake research into how Ecosystem Services delivery will be impacted by climate changes and population increases	Lindsay McCulloch - Service Manager Environment & Sustainability	Sustainability Team, Economic Development	N	A	2026	2030	UoS
3.3.4	Identify opportunities to employ Ecosystem Services to deliver benefits such as carbon offsetting	Lindsay McCulloch - Service Manager Environment & Sustainability	Sustainability Team	N	A	2026	2030	UoS
3.3.5	Monitor the benefits to biodiversity of existing and new GI	Lindsay McCulloch - Service Manager Environment & Sustainability	Community Campaigns Officer, Ecologist	N	A	2026	2030	UoS
3.3.6	Undertake local market research to establish if businesses find it more desirable to be located near to green spaces/green routes	Sam Munslow – Ecologist	Sustainable Travel Lead, Comms & Insights Team, Economic Development	N	A	2025	2025	UoS
3.3.7	Establish whether local businesses will sponsor/help fund existing/additional GI (including parklets)	Nawaz Khan - Economic Development & Regeneration	Business Improvement District (Go! Southampton)	Y	R	2025	2026	

RAG

Red – Funding needed

Amber – not in progress, funding may/may not be required

Green – in progress

Abbreviations

GI – green and blue infrastructure, SNPC – Southampton National Park City, SNHS – Southampton Natural History Society, HIWWT – Hampshire and Isle of Wight Wildlife Trust, HCC – Hampshire County Council, ARC – Amphibian and Reptile Conservation, PTES – People’s Trust for Endangered Species, Uos – University of Southampton, BNG – Biodiversity Net Gain, CIL – Community Infrastructure Levy, SINC – Site of Importance for Nature Conservation, SuDS – sustainable urban drainage system, Biodiversity Action Plan (BAP), RAMS – Risk Assessment Method Statement, AQMA – Air Quality Management Area, EA – Environment Agency, SW – Southern Water

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Equality and Safety Impact Assessment

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

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

Name or Brief Description of Proposal	Southampton City Council Green Infrastructure Strategy Delivery Plan
Brief Service Profile (including number of customers)	
<p>Two new strategies were adopted by Southampton City Council in January 2024, the Green Infrastructure (GI) Strategy and Biodiversity Strategy. These strategies are council’s response to the climate emergency and provide the framework to address the council’s statutory duty to halt the decline of biodiversity, protect and re-connect habitats, conserve, restore and enhance species populations and deliver connected GI in a response to the challenges posed by both climate change and the increase in the city’s population.</p> <p>The GI Strategy explains the importance of habitats and GI, the principles for achieving no net loss of habitat and retain and enhance biodiversity, what needs to be considered to achieve those goals and provides the framework for how the council can meet its enhanced Biodiversity Duty under the requirements of the Environment Act, 2021.</p> <p>The GI Strategy Delivery Plan provide more detail about specific targets we want to achieve, assigns actions for lead officers or teams and timeframes for meeting those actions. The GI Strategy Delivery Plan will be reviewed on an annual basis and the GI Strategy will be reviewed every three years.</p> <p>Our world is warming causing more extreme weather events and sea level rise. The scientific consensus is that human induced climate change has already started. The further warming of the atmosphere threatens our planet including our natural environment, but also human health and wellbeing.</p> <p>The consequences include increased flooding, more frequent and severe heat waves, water scarcity, more pollution, and loss of biodiversity. There will be a detrimental impact on people’s lives including health, and damage to homes and</p>	

businesses. Climate change is already having an impact, with parts of the UK reaching over 40°C in July 2022, the UK's hottest year on record.

Southampton is a bustling multi-cultural city with a growing prosperous economy and population. With continually evolving attractive investment opportunities bringing more people and businesses into the region, it is essential that social, economic, and environmental sustainability (sustainable development) is not lost for the sake of economic growth; a city lacking green infrastructure, and healthy ecosystems is not sustainable or climate change adaptable, in turn, risking future economic growth.

Summary of Impact and Issues

The GI Strategy Delivery Plan seeks to optimise the full range of benefits that our natural assets can offer. This includes offering outdoor amenity space, safe and attractive routes for travel, local flood management, improving local air quality, capturing carbon and providing habitat to support wildlife. The GI Strategy has been developed following a thorough process of internal and external engagement; the GI Strategy Delivery Plan has undergone rigorous internal consultation. This consultation will ensure our approach remains ambitious whilst also being achievable in scale and scope, striking the right balance for SCC and those service areas who have a more direct responsibility for delivering the actions needed to implement the strategy.

The costs and impacts of a failure to do anything in the face of climate change will be significant, and the primary role of the GI Strategy Delivery Plan is to help mitigate these impacts by taking action. There will be many positive co-benefits from the GI Strategy Delivery Plan such as better air quality, flood alleviation, improved wellbeing, improved habitats and species diversity/populations and a city more adapted to climate change.

The GI Strategy will affect the way that most council services operate, given the wide-ranging services which may be affected by loss and degradation of habitat, declines in species diversity and numbers, loss of GI and challenges faced by a changing climate. There may be impacts on the way people need to behave, so more inclusive participation is imperative. There will also be changes to planning and city infrastructure and technologies and any impacts of these on different groups of people.

Individual projects arising from the GI Strategy Delivery Plan may have unintended consequences. We have tried to future proof the GI Strategy Delivery Plan by being mindful of what these impacts may be however, individual projects which fall out of the GI Strategy Delivery Plan, may also require an assessment of impacts. The nature of the projects, improving the city for its residents by seeking to make it more resilient to climate change and providing better quality and more green space, however, are very unlikely to have a negative impact on the objectives set out in s149 of the Equality Act 2010.

Potential Impacts

The implementation of the strategies will have many environmental, social, and economic benefits such as equity and social cohesion, health and wellbeing, resilience, and citizen engagement. In the absence of a GI Strategy Delivery Plan or, where there is a delay in its introduction, the council will be unable to demonstrate how it intends to deliver its obligations under the strengthened Biodiversity Duty in

the Environment Act, 2021 or the goals set out in the Corporate Plan or the Green City Plan. Penalties for failing to deliver statutory duties are currently unclear, however, there is a risk of reputational damage in addition to incurring higher future costs in adapting to the impacts of climate change and coping with loss of GI and continued loss and degradation of habitats and wildlife.

Potential positive impacts against the objectives set out in s149 of the Equality Act 2010, however, are very likely.

Responsible Service Manager	Ian Collins
Date	16 th October 2024
Approved by Senior Manager	Debbie Ward
Date	16 th October 2024

Potential Impact

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
Age	No negative impact identified. Improved GI will make the city more resilient to the effects of climate and improve the health, wellbeing and prosperity of Southampton for everyone.	
Disability	No negative impact identified. Improvements to green spaces and encouraging more access to and the use of our green spaces will be beneficial for everyone, including those with mental and physical disabilities.	
Gender Reassignment	No negative impact identified. The GI Strategy Delivery Plan aims to encourage better use of our green spaces across the city, by everyone.	
Marriage and Civil Partnership	No negative impact identified. The GI Strategy Delivery Plan aims to encourage better use of our green spaces across the city, by everyone.	
Pregnancy and Maternity	No negative impact identified. The GI Strategy Delivery Plan aims	

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
	to encourage better use of our green spaces across the city, by everyone.	
Race	<p>No negative negative impact identified.</p> <p>Improvements to and promotion of our green spaces will put these spaces “on the map” and encourage everyone to visit who may currently not do so. We will continue to work collaboratively with the council’s Community Cohesion and Diversity Officer to achieve this goal.</p>	
Religion or Belief	<p>No negative impact identified.</p> <p>Improvements to and promotion of our green spaces will put these spaces “on the map” and encourage everyone to visit who may currently not do so. We will continue to work collaboratively with the council’s Community Cohesion and Diversity Officer to achieve this goal.</p>	
Sex	<p>No impact identified.</p> <p>The GI Strategy Delivery Plan aims to encourage better use of our green spaces across the city, by everyone.</p>	
Sexual Orientation	<p>No impact identified.</p> <p>The GI Strategy Delivery Plan aims to encourage better use of our green spaces across the city, by everyone.</p>	
Community Safety	<p>No negative impact identified.</p> <p>With improved access and better infrastructure within our green spaces, they will more widely used and in turn become safer places for all to visit.</p>	
Poverty	No impact identified.	

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
Health & Wellbeing	<p>No negative impact identified.</p> <p>Improvements in public health will be delivered as our green spaces become will become more accessible. People’s relationships with green space will increase and in turn, deliver benefits to physical and mental health and wellbeing.</p> <p>We will work more closely with Public Health colleagues to ensure strategies which enhance health and wellbeing, through improving opportunities for exercise and contact with nature, improving air quality and improving green spaces for mental and physical wellbeing, align.</p>	
Other Significant Impacts	None identified.	

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DECISION-MAKER:	Cabinet
SUBJECT:	Annual Complaints Report (Ombudsman Complaints) 2024
DATE OF DECISION:	17 September 2024
REPORT OF:	Councillor Letts Deputy Leader and Cabinet Member for Finance & Corporate Services

<u>CONTACT DETAILS</u>			
Executive Director	Title	Executive Director for Enabling Services	
	Name:	Mel Creighton	Tel: 023 8083 3528
	E-mail	Mel.creighton@southampton.gov.uk	
Author:	Title	Head of Legal Partnerships	
	Name:	Sarita Riley	Tel: 023 8083 3218
	E-mail	Sarita.riley@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY	
N/A	
BRIEF SUMMARY	
A report to summarise the complaints referred to the Local Government & Social Care Ombudsman ('LGSCO') and Housing Ombudsman ('HO') for the complaints year ending 31 st March 2024, performance against comparators and learning from key complaints.	
RECOMMENDATIONS:	
(i)	To consider the complaints outcomes for 2023/24 and to instruct officers to consider these findings when reviewing service delivery and improvement plans for 2024 onwards.
(ii)	To re-confirm Housing Services as the service area designated under the complaints policy for which stage 2 complaints are considered by the Council's independent complaints team within Enabling Services and offered additional advice, training and assistance for the period 2024-26 in order to assist the service area on its improvement journey.
REASONS FOR REPORT RECOMMENDATIONS	
1.	While Councils aspire to get things right first time, every time, we recognise that mistakes can happen. It is important that mistakes (faults) are recognised and used to improve our services and to identify and resolve performance issues wherever possible to drive up service improvement and customer satisfaction. The overall percentage of complaints that are not resolved on initial contact with the Council is low. Complaints that progress through the Council's complaints processes and result in investigation by the LGSCO and

	HO remain a very small proportion of the complaints received demonstrating a good service improvement and learning from complaints ethos within the Council. It is nonetheless important for senior leaders within the Council to understand where failures have resulted in Ombudsman referrals and findings and to ensure that the Council uses complaints data to understand where services can be improved.
2.	The Council's Complaints Policy allows for one additional service area (in addition to Children's Services statutory complaints) to be designated as needing more intensive support from the Council's independent complaints team in Enabling Services. Since April 2024, that Service area has been Housing and it is recommended that continues for at least a further 18 months as this remains the area with the highest number of unresolved complaints at Ombudsman stage and reflects the Council's commitment to addressing the significant impact housing services has on the Council's values and priorities.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
3.	N/A
DETAIL (Including consultation carried out)	
4.	Historically, complaints outcomes and Annual LGSCO Letters have been reported to Governance Committee. In January 2024 changes to the Council's Complaints Policy were approved to reduce the number of complaint stages within the policy and to give greater ownership and accountability for complaint outcomes to service areas by making them responsible for investigating and resolving complaints (at all stages) and building learning from complaints into service area improvement plans. This change allowed the Council's independent complaints team (based within the Legal Partnership in Enabling Services) to focus on advice, assistance and training to service areas to improve their complaints handling and to focus on the time consuming and complex children's services statutory complaints processes. Stage 1 complaints are addressed at frontline service level. Stage 2 (final stage) complaints are addressed by a Senior Manager / Director for the Service. If unresolved at that point a customer may refer the matter to the LGSCO or HO.
5.	In order to provide an appropriate level of challenge and 'critical friend' support it was decided to identify one service area every 2 years for more intensive support and for whom the independent team would undertake stage 2 investigations (normally those carried out by the Senior Manager / Director for the service area after initial complaints responses have failed to secure a resolution). The first area identified for support, and which it is recommended continues for the time being, is Housing Services.
6.	For housing complaints, the LGSCO will investigate those relating to corporate management of housing services or where the complaint does not relate to the landlord function of the Council (homelessness etc). Tenant generated complaints are investigated by the Housing Ombudsman.
LGSCO Complaints 2023-24:	
7.	The full details of the LGSCO Annual letter reporting on complaints received are set out in appendix 1.
8.	68 Complaints were received (61 not upheld) by area were as follows: <ul style="list-style-type: none"> • 11 Adult Social Care

	<ul style="list-style-type: none"> • 5 Corporate (taxation etc) • 20 Education / Children’s Social Care • 14 Environment / Public Protection • 3 Highways & Transport • 9 Housing Management • 6 Planning
9.	<p>The LGSCO carried out eight investigations, of which seven were upheld (88%) as follows:</p> <ul style="list-style-type: none"> • 5 Education and Children’s • 1 Housing • 1 Corporate (allotments)
10.	<p>While this figure may seem high, it is worth noting that 61 of 68 complaints were either not investigated after initial inquiries or were not upheld / did not merit an investigation. In each of the cases that were upheld, the Council had already upheld or partially upheld the complaint at stage 2 and the complainant referred the matter to the LGSCO as they were dissatisfied with the remedy they were offered. These figures compare very favourably with our comparator authorities as they represent an uphold rate of 2.8 decisions per 100,000 residents (compared to 4.6 decisions per 100,000 in similar unitary authorities). The service improvements the Council agreed to implement to remedy these complaints are set out in appendix 1.</p>
11.	<p>This is reflected in the ‘satisfactory remedy’ section of the annual letter which confirmed that only one of the seven upheld complaints was adequately remedied by the Council (an apology was offered in all cases, but compensation was not). The Council is not an outlier in this regard (14% compared to 13% elsewhere) but it does reflect the need to work with service areas to identify the correct remedy to offer where complaints are upheld earlier in the complaints process. Sometimes ‘saying sorry’ is simply not enough. The guiding principle followed by the LGSCO is to ‘put the complainant back in the position they would have been in had the Council’s fault not occurred’. This doesn’t always mean offering compensation, but sometimes we do need to recognise the time and trouble a person has been put to in making and pursuing a valid complaint and consider non-monetary remedies (e.g. where multiple parking tickets have been issued incorrectly, consider giving the complainant a season ticket for parking for a suitable period as a remedy or where alternative education provision has been missed, consider funding a tutor to ‘catch up’ learning).</p>
12.	<p>The Council has a strong relationship with the LGSCO and works hard to ensure their findings are something the Council can, and should, implement. This is reflected in the 100% compliance rate with their findings on complaints.</p>
	<p>HO Complaints 2023-24:</p>
13.	<p>The Housing Ombudsman deals with complaints from or relating to Council tenants and the landlord functions of the Council. The Housing Ombudsman was established by the Secretary of State for Communities and Local Government under the Housing Act 1996 and Council’s and other registered social landlords are required by law to be members of the Ombudsman Scheme. The Housing Ombudsman has similar powers to the LGSCO, albeit deriving from the powers of the Secretary of State and Housing Act. While</p>

	the Housing Ombudsman publishes an annual complaints review, they do not provide reporting data to individual Councils in the same way as the LGSCO does. We have pulled the following together from our own corporate data on complaints.
14.	The Housing Ombudsman has a statutory Complaints Handling Code which came into force on 1 st April 2024. The Council has assessed its complaints policies and processes against this Code and is compliant.
15.	The Council is not notified of the number of complaints referred to the Housing Ombudsman versus those they decide to investigate. Our figures for 2023-24 identify five proceeded to full investigation. Three of the complaints was upheld. One case related to noise / anti-social behaviour reported by one tenant against another. An order for £300 compensation was agreed together with an undertaking to apologise and review our guidance and training for officers on record keeping around the analysis of noise recordings and on ensuring it has proper regard to its ASB powers when it receives complaints (disconnect between housing services and noise nuisance services identified). A second case related to damp and mould and delays remedying that. A total of £2,857.70 compensation was payable in that case, together with orders to rectify the condition of the property. The remaining case related to a failure in a heating system with £450 compensation and repairs ordered.
16.	It should be noted that the Housing Ombudsman was dealing with a significant backlog of repairs post covid and referrals to the Council were consistently low until April 2024. We had already identified a growing area of concern, despite the figures set out above, based on the number of legal disrepair claims we were receiving. This has been borne out by the part year figures for 2024. From April of this year (and will be reported in full in the next annual report) we have 18 Housing Ombudsman cases in the first five months of 2024. That is more than triple the annual complaints from last year with 8 months of the reporting year still to go.
17.	A requirement for all housing staff to undertake the online complaints learning has been agreed by Senior Managers and is in the process of being rolled out across the summer to all housing staff. Further, more targeted training delivered by the complaints team in Enabling Services was planned for the summer, however this has had to be postponed to the Autumn due to the unforeseen death in service of the Council's complaints manager and the need to triage resources to complaint investigation while the very small team recovers from this loss. Complaint investigation has been supplemented by other members of the Legal Partnership team, including the Head of Legal Services Partnership (who acts as the Council's ombudsman link officer) while we support the remaining member of the complaints team during this time and carry out recruitment activity to bring the team back up to capacity.
18.	Housing Services are working with the Council's complaints team to identify trends in complaints and service improvements plans (focused initially on dealing with repairs and cross departmental working and communication, ownership of complaints within housing and improving communication with complainants and tenants more generally. A complaint review panel has been established in the service area to oversee learning from complaints and track, monitor and report on trends in housing complaints and consideration is being given to creating a post within housing that acts as a single point of

	contact for complaints handling and evidence collation (a position trialled and working well in both Adults and Childrens Services).
19.	The Housing Ombudsman has recently published several special investigation reports that will need to be built into learning by the Council's Housing Services. These include a spotlight report on 'Repairing Trust' issued on 1 st August 2024 relating to the national issues being faced by Council's in dealing with housing repair backlogs and disrepair claims, a special investigation into Lewisham Council due to the very high failure rate of maladministration in that Council and spotlight reports on 'Damp and Mould, noise complaints, and complaint handling processes. Reviewing and considering these will be built into the housing service improvement plan and the work of the newly established complaints review panel in housing.
	Council (stage 1 and 2 Complaints):
20.	Detailed monitoring and learning from these complaints are not available for the 2023-24 year as we have only moved to the new complaints system from 1 st April 2024. Service areas are not yet fully recording complaints on LAGAN (the Council's current complaints recording system) and it is proposed to report in more detail on the operation of service area ownership of complaints in the next annual report. Headline figures for Members information is as follows.
21.	<p>Total complaints received (stage 1) - 550.</p> <ul style="list-style-type: none"> • Adults Housing –405 (of which 341 Housing) • Childrens – 76 • Corporate – 1 • Gateway – 4 • Growth 21 (of which 7 Planning / 12 Transport) • Revs & Bens – 23 • Waste – 1 (note – we do NOT record missed bins as complaints)
22.	Service areas have not included any detail of payments made, compensation payable or remedies offered in relation to the above complaints or the percentage / number upheld.
23.	From the data available it can be reported that in 246 cases, an apology was given (suggesting at least 246 were upheld in whole or part), in 374 cases an explanation was offered to the complainant, in 146 cases the Council agreed to make repairs (at the Council's cost), in 4 cases it was agreed to repay outstanding amounts owed (overpayments) and in 1 case a compensation payment is recorded at stage 1 (but not how much or for what).
24.	<p>Total complaints received (stage 2) – 182:</p> <p>Details of complaints and learning is attached at appendix 2. Headlines are:</p> <ul style="list-style-type: none"> • 13 Partially Upheld / 22 Upheld <p>A total of £3010 compensation was offered to resolve complaints at stage 2 before progressing on to LGSCO / HO.</p>

	<p>Service area complaints at stage 2:</p> <ul style="list-style-type: none"> • 13 Adults' • 19 Childrens • 6 Education and schools • 10 Corporate • 8 Council Tax / Benefits • 6 Parking • 6 Highways • 4 Hospital Discharge • 8 Parks & Street Cleansing • 9 Planning • 10 Regulatory Services (Bereavement /Environmental Heath) • 4 Waste • 68 Housing (Repairs, Leasehold, Allocations, Supported Housing).
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
25.	Where a complaint is upheld a compensation payment may be ordered. Compensation amounts remain low and in line with previous years. A total of £4,532.70 was payable in 2023-24 (of which £3,582.70 relate to Housing Ombudsman matters). The cost of compensation payments agreed with the LGSCO and HO are borne by the service area in which the main default occurred. This is in addition to the £3,010 in remedies offered at stage 2 (internal) Council complaints.
26.	This does not capture the cost of remedying complaints to service areas (cost of repair, cost of replacement services etc) which the complaints service cannot monitor or track and which is reflected in service area budgets. These costs can be high (the average cost of a repair can range from £500 to £50k plus depending on the type and nature of the repair required, for Childrens and Education complaints the costs can be significant if they require additional service under a care plan, or a financial re-assessment for carers payment for adults etc. The overall cost to the Council of remedying faults remains an area of financial concern for service area budgets (as unplanned expenditure) that increases pressure on planned service budgets.
<u>Property/Other</u>	
27.	Housing disrepairs continue to be the highest area of upheld complaints relating to Council assets. An improvement plan is being progressed to address the backlog of disrepair within housing stock and will be the subject of separate reporting (including feedback from the recent Housing Regulator visit) in due course. Any Improvement Plan, and any change in the number and nature of complaints and disrepairs claims received, will be subject to and dependent upon approval of the Asset Management Strategy and identification of appropriate funding to invest in the improvement of housing stock condition.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	

28.	S.111 Local Government Act 1972 and s.1 Localism Act 2011 provide the framework under which the Council operates a complaints policy to assist in the delivery of its statutory and discretionary functions.
29.	The LGSCO operates under Royal Charter and is designated by the Crown under the Local Government Act 1974 (Part III) to investigate complaints against Councils and provide advice and guidance on good administrative practice. The LGSCO has the same powers as the High Court to compel the production of evidence and information to enable them to investigate complaints and issue their findings (which are publicly available on their website). The 1974 Act provides a process under which Councils voluntarily resolve complaints and, in the event they fail to do so, a statutory Order and publication process through full Council. Ultimately the LGSCO may take Court action to secure Directions to comply with their Orders and may publish 'Public Interest Reports' nationally where they find serious failings it in in the wider public interest to report on.
<u>Other Legal Implications:</u>	
30.	In investigating, responding to and reporting on complaints the Council has had regards to its duties under s149 Equalities Act 2010 (the 'Public Sector Equality Duty'), s.17 Crime & Disorder Act 1998, the Data Protection Act 2018 and the legislative framework under which we deliver our statutory services. A formal Equalities Impact Assessment is not required in relation to this 'information' report.
RISK MANAGEMENT IMPLICATIONS	
31.	The Council has a strong complaints reporting and learning from complaints framework. Complaint levels remain relatively low when considered alongside comparator data and the system of recording and responding to complaints is robust. Nonetheless, upheld complaints represent those times the Council has 'got it wrong' and there are reputational and financial consequences when this occurs. These are recorded in this report.
32.	The greatest area of financial costs and reputational risk to the Council remains housing disrepair claims. These are increasing and while resources are being identified and put in place to address these (including the legal claims for disrepair that have a separate legal route for challenge outside the complaints policy) it will take time to address the backlog of repairs required within financial and people resources available. It is primarily for this reason that Housing Services are recommended to remain the service area provided with additional complaints support for the next 18 months – 2 years.
POLICY FRAMEWORK IMPLICATIONS	
33.	Reporting on and learning from complaints supports the delivery of all council services and functions and directly feeds into service improvements under the Council's corporate plans and priorities.

KEY DECISION?	No
WARDS/COMMUNITIES AFFECTED:	N/A
<u>SUPPORTING DOCUMENTATION</u>	

Appendices		
1.	Annual LGSCO Letter and Report	
2.	Complaints Data – Stage 2	
Documents In Members' Rooms		
1.	N/A	
Equality Impact Assessment		
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.		No
Data Protection Impact Assessment		
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.		No
Other Background Documents		
Other Background documents available for inspection at:		
Title of Background Paper(s)		Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	N/A	
2.	N/A	

17 July 2024

By email

Mr Travers
Chief Executive
Southampton City Council

Dear Mr Travers

Annual Review letter 2023-24

I write to you with your annual summary of complaint statistics from the Local Government and Social Care Ombudsman for the year ending 31 March 2024. The information offers valuable insight about your organisation's approach to complaints, and I know you will consider it as part of your corporate governance processes. As such, I have sought to share this letter with the Leader of your Council and Chair of the appropriate Scrutiny Committee, to ensure effective ownership and oversight of complaint outcomes, which offer valuable opportunities to learn and improve. In addition, this year, we have encouraged Monitoring Officers to register to receive the letter directly, supporting their role to report the decisions we uphold to their council.

For most of the reporting year, Paul Najsarek steered the organisation during his tenure as interim Ombudsman, and I was delighted to take up the role of Ombudsman in February 2024. I look forward to working with you and colleagues across the local government sector to ensure we continue to harness the value of individual complaints and drive and promote systemic change and improvement across the local government landscape.

While I know this ambition will align with your own, I am aware of the difficult financial circumstances and service demands that make continuous improvement a challenging focus for the sector. However, we will continue to hold organisations to account through our investigations and recommend proportionate actions to remedy injustice. Despite the challenges, I have great confidence that you recognise the valuable contribution and insight complaints, and their swift resolution, offer to improve services for the public.

Complaint statistics

Our statistics focus on three key areas that help to assess your organisation's commitment to putting things right when they go wrong:

Complaints upheld - We uphold complaints when we find fault in an organisation's actions, including where the organisation accepted fault before we investigated. We include the total number of investigations completed to provide important context for the statistic. This year, we also provide the number of upheld complaints per 100,000 population.

Compliance with recommendations - We recommend ways for organisations to put things right when faults have caused injustice and monitor their compliance with our recommendations. Failure to comply is rare and a compliance rate below 100% is a cause for concern.

Satisfactory remedy provided by the authority - In these cases, the organisation upheld the complaint and we agreed with how it offered to put things right. We encourage the early resolution of complaints and give credit to organisations that accept fault and find appropriate ways to put things right.

Finally, we compare the three key annual statistics for your organisation with similar authorities to provide an average marker of performance. We do this for County Councils, District Councils, Metropolitan Boroughs, Unitary Councils, and London Boroughs.

Your annual data, and a copy of this letter, will be uploaded to our interactive map, [Your council's performance](#), on 24 July 2024. This useful tool places all our data and information about councils in one place. You can find the detail of the decisions we have made about your Council, read the public reports we have issued, and view the service improvements your Council has agreed to make as a result of our investigations, as well as previous annual review letters.

Supporting complaint and service improvement

In February, following a period of consultation, we launched the [Complaint Handling Code](#) for councils, setting out a clear process for responding to complaints effectively and fairly. It is aligned with the Code issued to housing authorities and landlords by the Housing Ombudsman Service and we encourage you to adopt the Code without undue delay. Twenty councils have volunteered to take part in an implementation pilot over the next two years that will develop further guidance and best practice.

The Code is issued to councils under our powers to provide guidance about good administrative practice. We expect councils to carefully consider the Code when developing policies and procedures and will begin considering it as part of our processes from April 2026 at the earliest.

The Code is considered good practice for all organisations we investigate (except where there are statutory complaint handling processes in place), and we may decide to issue it as guidance to other organisations in future.

Our successful complaint handling training programme continues to develop with new modules in Adult Social Care and Children's Services complaint handling available soon. All our courses include practical interactive workshops that help participants develop their complaint handling skills. We delivered 126 online workshops during the year, reaching more than 1,700 people. To find out more visit www.lgo.org.uk/training or get in touch at training@lgo.org.uk.

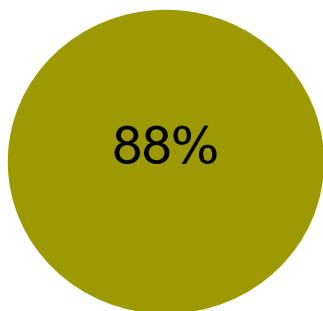
Returning to the theme of continuous improvement, we recognise the importance of reflecting on our own performance. With that in mind I encourage you to share your view of our organisation via this survey: <https://www.smartsurvey.co.uk/s/ombudsman/>. Your responses will help us to assess our impact and improve our offer to you. We want to gather a range of views and welcome multiple responses from organisations, so please do share the link with relevant colleagues.

Yours sincerely,



Amerdeep Somal
Local Government and Social Care Ombudsman
Chair, Commission for Local Administration in England

Complaints upheld



88% of complaints we investigated were upheld.

This compares to an average of **79%** in similar organisations.

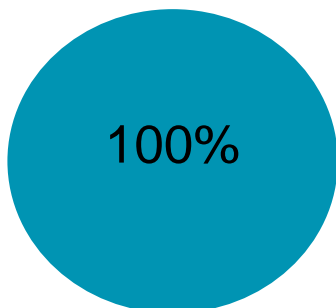
7
upheld decisions

This is 2.8 upheld decisions per 100,000 residents.

The average for authorities of this type is 4.6 upheld decisions per 100,000 residents.

Statistics are based on a total of **8** investigations for the period between 1 April 2023 to 31 March 2024

Compliance with Ombudsman recommendations



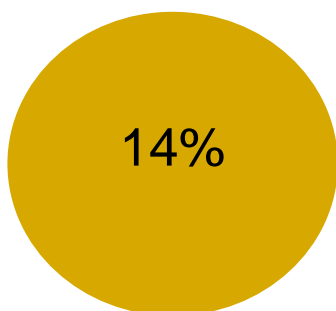
In **100%** of cases we were satisfied the organisation had successfully implemented our recommendations.

This compares to an average of **100%** in similar organisations.

Statistics are based on a total of **5** compliance outcomes for the period between 1 April 2023 to 31 March 2024

- Failure to comply with our recommendations is rare. An organisation with a compliance rate below 100% should scrutinise those complaints where it failed to comply and identify any learning.

Satisfactory remedy provided by the organisation



In **14%** of upheld cases we found the organisation had provided a satisfactory remedy before the complaint reached the Ombudsman.

This compares to an average of **13%** in similar organisations.

1
satisfactory remedy decision

Statistics are based on a total of **7** upheld decisions for the period between 1 April 2023 to 31 March 2024

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Agenda Item 14

Appendix 2

Reference	Authority	Category	Received
22017897	Southampton City Council	Environmental Services & Public Protection & Regulation	04/05/23
22018048	Southampton City Council	Corporate & Other Services	24/05/23
23000028	Southampton City Council	Education & Childrens Services	06/04/23
23000346	Southampton City Council	Education & Childrens Services	14/04/23
23000677	Southampton City Council	Environmental Services & Public Protection & Regulation	20/04/23
23000801	Southampton City Council	Environmental Services & Public Protection & Regulation	16/06/23
23001018	Southampton City Council	Education & Childrens Services	26/04/23
23001323	Southampton City Council	Adult Care Services	27/04/23
23002478	Southampton City Council	Adult Care Services	11/07/23
23002674	Southampton City Council	Adult Care Services	24/05/23
23003411	Southampton City Council	Planning & Development	12/06/23
23003687	Southampton City Council	Environmental Services & Public Protection & Regulation	19/06/23
23004086	Southampton City Council	Environmental Services & Public Protection & Regulation	03/07/23
23004134	Southampton City Council	Environmental Services & Public Protection & Regulation	19/06/23
23004240	Southampton City Council	Planning & Development	27/06/23
23004603	Southampton City Council	Adult Care Services	05/07/23
23004768	Southampton City Council	Adult Care Services	29/06/23
23005907	Southampton City Council	Housing	03/08/23
23006090	Southampton City Council	Adult Care Services	28/07/23
23006439	Southampton City Council	Highways & Transport	03/08/23
23006722	Southampton City Council	Education & Childrens Services	08/08/23
23006826	Southampton City Council	Housing	09/08/23
23006966	Southampton City Council	Corporate & Other Services	22/08/23
23007160	Southampton City Council	Education & Childrens Services	14/08/23
23007685	Southampton City Council	Environmental Services & Public Protection & Regulation	21/08/23
23008310	Southampton City Council	Adult Care Services	29/08/23
23008864	Southampton City Council	Highways & Transport	12/09/23
23008939	Southampton City Council	Corporate & Other Services	13/09/23
23009111	Southampton City Council	Corporate & Other Services	12/09/23
23009372	Southampton City Council	Education & Childrens Services	22/09/23
23009635	Southampton City Council	Housing	03/10/23
23009848	Southampton City Council	Environmental Services & Public Protection & Regulation	04/10/23
23009958	Southampton City Council	Housing	05/10/23
23010019	Southampton City Council	Education & Childrens Services	06/10/23
23010503	Southampton City Council	Corporate & Other Services	26/10/23
23010609	Southampton City Council	Housing	15/10/23
23011350	Southampton City Council	Education & Childrens Services	25/10/23
23011410	Southampton City Council	Education & Childrens Services	25/10/23
23011848	Southampton City Council	Environmental Services & Public Protection & Regulation	27/10/23
23012005	Southampton City Council	Adult Care Services	04/11/23
23018411	Southampton City Council	Environmental Services & Public Protection & Regulation	15/03/24
23012509	Southampton City Council	Environmental Services & Public Protection & Regulation	23/11/23
23013863	Southampton City Council	Housing	29/11/23
23014074	Southampton City Council	Education & Childrens Services	06/12/23
23014153	Southampton City Council	Education & Childrens Services	06/12/23
23014617	Southampton City Council	Adult Care Services	13/12/23
23015265	Southampton City Council	Planning & Development	02/02/24
23015436	Southampton City Council	Environmental Services & Public Protection & Regulation	08/01/24
23015448	Southampton City Council	Planning & Development	05/01/24
23015647	Southampton City Council	Housing	11/01/24
23015702	Southampton City Council	Education & Childrens Services	10/01/24
23015977	Southampton City Council	Housing	15/01/24
23016003	Southampton City Council	Education & Childrens Services	15/01/24
23016246	Southampton City Council	Adult Care Services	18/01/24
23016561	Southampton City Council	Housing	23/01/24
23017003	Southampton City Council	Planning & Development	30/01/24
23017151	Southampton City Council	Adult Care Services	22/03/24
23017179	Southampton City Council	Education & Childrens Services	01/02/24
23017353	Southampton City Council	Environmental Services & Public Protection & Regulation	02/02/24
23017701	Southampton City Council	Education & Childrens Services	08/02/24
23017741	Southampton City Council	Education & Childrens Services	09/02/24
23018508	Southampton City Council	Education & Childrens Services	21/02/24
23018683	Southampton City Council	Education & Childrens Services	23/02/24
23019913	Southampton City Council	Education & Childrens Services	08/03/24
23020201	Southampton City Council	Environmental Services & Public Protection & Regulation	14/03/24
23020654	Southampton City Council	Education & Childrens Services	25/03/24
23020675	Southampton City Council	Planning & Development	25/03/24
23020885	Southampton City Council	Highways & Transport	28/03/24

Reference	Authority	Category	Date/Ref	Decision	Decision Reason	Review	Review/Investment recommendations
2201043	Southampton City Council	Corporate & Other Services	21/04/23	Uplifted	fault & inj	Procedure or policy change/review.Provide information/notice to person affected	
2201511	Southampton City Council	Education & Childrens Services	10/10/22	Uplifted	fault & inj	Apology/Financial redress. Avoidable distress/tfime and trouble	
2201520	Southampton City Council	Education & Childrens Services	17/04/22	Closed after initial enquiries	Sub 8.1 court proceedings		
2201722	Southampton City Council	Environmental Services & Public Protection & Recovation	24/05/22	Closed after initial enquiries	Not warranted by alleged fault		
2201804	Southampton City Council	Corporate & Other Services	06/06/22	Closed after initial enquiries	Other reason not to investigate		
2200020	Southampton City Council	Education & Childrens Services	15/11/22	Uplifted	fault & inj	Apology/Financial redress. Avoidable distress/tfime and trouble/Provide services to person affected/Procedure or policy change/review	The Council has agreed to produce an action plan which sets out how the Council will ensure that delays to the delivery of children's social care support are not repeated in future.
2200046	Southampton City Council	Education & Childrens Services	11/04/22	Referred back for local resolution	Premature Decision - advice given		
2200077	Southampton City Council	Environmental Services & Public Protection & Recovation	06/07/22	Closed after initial enquiries	Not warranted by alleged fault		
2200091	Southampton City Council	Environmental Services & Public Protection & Recovation	06/07/22	Closed after initial enquiries	Not warranted by alleged fault	Apology/Financial redress. Avoidable distress/tfime and trouble/Financial redress. Loss of service/Provide training and/or guidance	The Council will remind staff they should not rely solely on school attendance records and referrals to its Medical Outreach Service to identify children or young people who need alternative educational provision. They should be prepared to act without delay if information from other sources, such as school meeting minutes or complaints from parents, suggest a child or young person is not receiving a suitable education.
2200101	Southampton City Council	Education & Childrens Services	26/10/22	Uplifted	fault & inj		
2200172	Southampton City Council	Adult Care Services	06/06/22	Closed after initial enquiries	Not warranted by alleged fault		
2200228	Southampton City Council	Adult Care Services	14/05/22	Closed after initial enquiries	Not a suitable person or representative		
2200274	Southampton City Council	Adult Care Services	14/05/22	Closed after initial enquiries	No worthwhile outcome achievable by investigation		
2200341	Southampton City Council	Planning & Development	04/07/22	Closed after initial enquiries	Not warranted by alleged fault		
2200387	Southampton City Council	Environmental Services & Public Protection & Recovation	18/06/22	Incomplete/Inupaid	Insufficient information to proceed and PA advised		
2203886	Southampton City Council	Environmental Services & Public Protection & Recovation	15/07/22	Referred back for local resolution	Premature Decision - advice given		
2200434	Southampton City Council	Environmental Services & Public Protection & Recovation	18/06/22	Referred back for local resolution	Premature Decision - advice given		
2200449	Southampton City Council	Planning & Development	13/11/22	Not upheld	no fault		
2200463	Southampton City Council	Adult Care Services	06/07/22	Referred back for local resolution	Premature Decision - advice given		
2200478	Southampton City Council	Adult Care Services	22/06/22	Referred back for local resolution	Premature Decision - advice given		
2200507	Southampton City Council	Housing	14/05/22	Closed after initial enquiries	Not warranted by alleged fault		
2200520	Southampton City Council	Adult Care Services	28/07/22	Referred back for local resolution	Premature Decision - advice given		
2200639	Southampton City Council	Housing & Tenancy	03/08/22	Referred back for local resolution	Premature Decision - advice given		
2218172	Southampton City Council	Education & Childrens Services	08/10/21	Incomplete/Inupaid	Insufficient information to proceed and PA advised		
2200620	Southampton City Council	Housing	22/02/22	Uplifted	fault & inj	Apology/Financial redress. Avoidable distress/tfime and trouble/Procedure or policy change/review	The Council will review its guidance and training for officers on record keeping around the analysis of noise recordings and on ensuring it has proper regard to its anti-social behaviour (ASB) powers when it receives complaints.
2200884	Southampton City Council	Corporate & Other Services	22/08/22	Referred back for local resolution	Premature Decision - advice given		
2200760	Southampton City Council	Education & Childrens Services	25/02/24	Uplifted	fault & inj	Apology/Financial redress. Avoidable distress/tfime and trouble/Financial redress. Loss of service/Procedure or policy change/review	The Council will, within one month, ensure social workers and managers are reminded of the need to determine the nature and details of a placement with a friend or relative at the outset of the placement, and carers are told what this means in terms of financial support and other support, remind social workers and managers that DBS checks should be carried out at the onset of a placement, remind social workers and managers of the need to carry out non-connected person assessments within the required timeframe.
2207289	Southampton City Council	Environmental Services & Public Protection & Recovation	21/08/22	Incomplete/Inupaid	Insufficient information to proceed and PA advised		
2200810	Southampton City Council	Adult Care Services	14/05/22	Closed after initial enquiries	Not a suitable person or representative		
2200884	Southampton City Council	Housing & Transport	14/05/22	Closed after initial enquiries	Not a suitable person or representative		
2200920	Southampton City Council	Corporate & Other Services	20/10/22	Closed after initial enquiries	Other reason not to investigate		
2200911	Southampton City Council	Corporate & Other Services	27/10/22	Closed after initial enquiries	Other reason not to investigate		
2200972	Southampton City Council	Education & Childrens Services	20/02/24	Uplifted	fault & inj, no further action/organisation already contacted		
2200934	Southampton City Council	Housing	03/10/22	Referred back for local resolution	Premature Decision - advice given		
2200984	Southampton City Council	Environmental Services & Public Protection & Recovation	08/10/22	Referred back for local resolution	Premature Decision - advice given		
2200984	Southampton City Council	Environmental Services & Public Protection & Recovation	08/10/22	Referred back for local resolution	Premature Decision - advice given		
2210018	Southampton City Council	Education & Childrens Services	26/10/22	Closed after initial enquiries	Not a suitable person or representative		
2210003	Southampton City Council	Corporate & Other Services	06/10/22	Referred back for local resolution	Premature Decision - advice given		
2210020	Southampton City Council	Housing	16/10/22	Advice given	Signpost - go to complaint handling		
2211350	Southampton City Council	Education & Childrens Services	25/10/22	Referred back for local resolution	Premature Decision - advice given		
2211414	Southampton City Council	Education & Childrens Services	26/10/22	Referred back for local resolution	Premature Decision - advice given		
2211488	Southampton City Council	Environmental Services & Public Protection & Recovation	15/11/22	Referred back for local resolution	Premature Decision - referred to Organisation		
2212044	Southampton City Council	Adult Care Services	14/12/22	Closed after initial enquiries	Not warranted by alleged fault		
2212079	Southampton City Council	Environmental Services & Public Protection & Recovation	08/11/22	Closed after initial enquiries	Other reason not to investigate		
2211981	Southampton City Council	Housing	09/11/22	Closed after initial enquiries	Not a suitable person or representative		
2212617	Southampton City Council	Adult Care Services	14/12/22	Closed after initial enquiries	Insufficient information to proceed and PA advised		
2212653	Southampton City Council	Planning & Development	12/03/24	Closed after initial enquiries	Not warranted by alleged fault		
2212436	Southampton City Council	Environmental Services & Public Protection & Recovation	19/02/24	Closed after initial enquiries	Other reason not to investigate		
2212448	Southampton City Council	Planning & Development	27/02/24	Referred back for local resolution	Premature Decision - advised		
2212477	Southampton City Council	Housing	11/01/24	Advice given	Signpost - go to complaint handling		
2212572	Southampton City Council	Education & Childrens Services	10/01/24	Referred back for local resolution	Premature Decision - advice given		
2212677	Southampton City Council	Housing	11/02/24	Closed after initial enquiries	Not warranted by alleged fault		
2212693	Southampton City Council	Education & Childrens Services	22/02/24	Advice given	Proactive complaint and decision		
2212694	Southampton City Council	Adult Care Services	18/01/24	Referred back for local resolution	Premature Decision - advice given		
2212691	Southampton City Council	Housing	18/01/24	Referred back for local resolution	Premature Decision - advice given		
2212712	Southampton City Council	Education & Childrens Services	18/01/24	Closed after initial enquiries	Not a suitable person or representative		
2212763	Southampton City Council	Environmental Services & Public Protection & Recovation	02/02/24	Referred back for local resolution	Premature Decision - advice given		
2212761	Southampton City Council	Education & Childrens Services	02/02/24	Referred back for local resolution	Premature Decision - advice given		
2212808	Southampton City Council	Education & Childrens Services	21/02/24	Referred back for local resolution	Premature Decision - advice given		
2212813	Southampton City Council	Education & Childrens Services	08/03/24	Referred back for local resolution	Premature Decision - advice given		
2200001	Southampton City Council	Environmental Services & Public Protection & Recovation	14/03/24	Referred back for local resolution	Premature Decision - advice given		

Reference	Authority	Category	Decided	Remedy	Remedy Target Date	Remedy Achieved Date	Satisfaction with Compliance
22007813	Southampton City Council	Education & Childrens Services	13/02/23	Apology Financial redress: Avoidable distress/time and trouble Financial redress: Loss of service Procedure or policy change/review	13/04/23	18/04/23	Remedy completed late
22011043	Southampton City Council	Corporate & Other Services	20/04/23	Procedure or policy change/review Provide information/advice to person affected	21/07/23	21/06/23	Remedy complete and satisfied
22015121	Southampton City Council	Education & Childrens Services	09/10/23	Apology Financial redress: Avoidable distress/time and trouble	07/11/23	06/11/23	Remedy complete and satisfied
23000028	Southampton City Council	Education & Childrens Services	15/11/23	Apology Financial redress: Avoidable distress/time and trouble Provide services to person affected Procedure or policy change/review	15/01/24	06/02/24	Remedy completed late
23001018	Southampton City Council	Education & Childrens Services	25/10/23	Apology Financial redress: Avoidable distress/time and trouble Financial redress: Loss of service Provide training and/or guidance	26/01/24	26/01/24	Remedy completed late

Explanatory notes

Cases received

Cases with a recorded received date between 1 April 2023 and 31 March 2024. Status as of 9 April 2024.

Cases decided

Cases with a recorded decision date between 1 April 2023 and 31 March 2024. Status as of 9 April 2024. Some cases may have been reopened since that date, with either a decision outcome pending or a new decision outcome recorded.

We report our decisions by the following outcomes:

Invalid or incomplete: We were not given enough information to consider the issue.

Advice given: We provided early advice or explained where to go for the right help.

Referred back for local resolution: We found the complaint was brought to us too early because the organisation involved was not given the chance to consider it first.

Closed after initial enquiries: We assessed the complaint but decided against completing an investigation. This might be because the law says we're not allowed to investigate it, or because it would not be an effective use of public funds if we did.

Upheld: We completed an investigation and found evidence of fault, or we found the organisation accepted fault early on.

Not upheld: We completed an investigation but did not find evidence of fault.

Compliance outcomes

Cases with a recorded remedy achieved date between 1 April 2023 and 31 March 2024. Status as of 15 May 2024. The relevant date is the date of compliance with the recommendations (for example, the date on an apology letter) rather than the date the evidence is provided to us. If we were notified after 15 May 2024 of a remedy achieved before 31 March 2024, this will not be included here.

Some cases may be marked as 'Remedy completed late' even when the remedy achieved date is before the remedy target date. This happens because the target date covers all remedies (service improvements and personal remedies). As service improvements often have a longer timescale for completion, we will mark a case as 'completed late' where this longer timescale is met, but the personal remedy was provided late.

DECISION-MAKER:	CABINET COUNCIL
SUBJECT:	COMMERCIAL WASTE - TRANSFER AND DISPOSAL SERVICES
DATE OF DECISION:	CABINET 29 OCTOBER 2024 COUNCIL 27 NOVEMBER 2024
REPORT OF:	COUNCILLOR KEOGH CABINET MEMBER FOR ENVIRONMENT & TRANSPORT

CONTACT DETAILS

Executive Director	Title	Executive Director - Resident Services		
	Name:	Debbie Ward	Tel:	023 8083 3351
	E-mail:	Debbie.Ward@southampton.gov.uk		
Author:	Title	Head of City Services		
	Name:	David Tyrie	Tel:	023 8083 2958
	E-mail:	David.Tyrie@southampton.gov.uk		

STATEMENT OF CONFIDENTIALITY

Appendix 2 of this report is not for publication by virtue of category 3 (Information relating to the financial or business affairs of any particular person (including the Authority holding that information) and category 7A (obligation of confidentiality) of paragraph 10.4 of Southampton City Council's ("the Council's") Access to Information Procedure Rules, as contained in the Council's Constitution.

It is not in the public interest to disclose this information as the report contains confidential and commercially sensitive information in relation to one of the Council's suppliers. It would prejudice the Council's ability to operate in a commercial environment and obtain best value in contract negotiations and would prejudice the Council's commercial relationships with third parties if they believed the Council would not honour obligations of confidentiality.

BRIEF SUMMARY

The Environmental Protection Act 1990 allows Southampton City Council to collect commercial waste from businesses from within the city, and a charge may be levied for this service. The council's Commercial Waste Service was established in the early 2000s. The council must have a solution in place which is compliant with the council's contract procedure rules, to enable disposal of the commercial waste collected. The current commercial waste transfer and disposal contract expires on 31 March 2025. This report seeks approval to commence a formal procurement exercise to secure a contract from 1 April 2025 under contract to receive and dispose of waste collected via the Commercial Waste Service.

RECOMMENDATIONS:		
CABINET		
	(i)	To approve a formal procurement process for a waste transfer and disposal contract for the transfer and disposal of commercial waste.
	(ii)	To delegate authority to the Executive Director - Resident Services to carry out the procurement process and to enter into a contract for the delivery of the service in accordance with the Contract Procedure Rules.
	(iii)	To authorise the Executive Director - Resident Services, following consultation with the Cabinet Member for Environment and Transport, to take all necessary actions to give effect to the recommendations of this report.
COUNCIL		
	(i)	Subject to approval of Cabinet recommendations above, to approve the financial envelope as set out in Appendix 2.
	(ii)	To allow the financial envelope to increase in line with any increase in business and therefore tonnage collected for the Commercial Waste Service, on the basis that the additional cost will be met via cost recovery mechanisms and additional revenue from the service.
	(iii)	To note the potential risks that could cause the level of cost to exceed the estimated budget because of lack of clarity around the government waste strategy and the likely impact on future contract disposal costs.
REASONS FOR REPORT RECOMMENDATIONS		
1.	Under the Environmental Protection Act 1990, waste collected by local authorities must be disposed of properly. The council is required to have a solution in place to dispose waste collected by the Commercial Waste Service in a safe and efficient way. The current commercial waste transfer and disposal contract expires on 31 March 2025. The council will have no route to transfer and dispose of waste collected by the Commercial Waste Service from 1 April 2025 which would result in service failure.	
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED		
2.	Do nothing. This option was rejected. The council will have no compliant route to transfer and dispose of waste collected by the Commercial Waste Service from 1 April 2025 after the current contract expires on 31 March 2025.	
3.	Extend the current contract with the current supplier. This option was rejected. There is no option under the current contract to compliantly extend the service with the current supplier further than 31 March 2025.	
DETAIL (Including consultation carried out)		
4.	The Environmental Protection Act 1990 allows Southampton City Council to collect commercial waste from businesses from within the city and a charge may be levied for this service. The council's Commercial Waste Service was established in the early 2000s, has 1,668 (July 2024) business customers in and around the Southampton area and directly employs 10 staff.	

5.	The waste collected by the Commercial Waste Service must be disposed of properly in a safe and efficient way in accordance with the Environmental Protection Act 1990 legislation, and therefore the council is required to have a contract in place with a supplier to provide this service. The council must also have a solution in place to dispose of the waste it creates itself.
6.	Businesses have a legal Duty of Care to store their waste safely and to dispose of it using a registered waste carrier. The council's Commercial Waste Service is a registered waste carrier.
7.	The current waste transfer and disposal contract expires on 31 March 2025, therefore a compliant procurement process must take place in advance of this date to appoint a supplier to transfer and dispose of waste from 1 April 2025 to ensure continuity.
8.	The undertaking of a formal procurement process in accordance with the Council Constitution 10 Part 4 - Contract Procedure Rules Rule 10 PCR Procedure shall be managed by the Procurement Team and approved by the Head of Contracting and Procurement to ensure the council achieves best value for money for a transfer and disposal service, as well as factoring in other considerations such as social value, the council's zero landfill aspirations whilst taking every opportunity for the supplier to recycle and reuse all available resources. The procurement under the PCR Procedure will also ensure compliance with the council's Financial and Contract Procedure Rules.
9.	Between the commencement of the current contract in April 2020 to the end of the current contract the Commercial Waste Services will have sent just over 50,000 tonnes of waste for transfer and disposal.
10	The net value of the waste transfer and disposal contract over the next five years is set out in Appendix 2. The income received from the Commercial Waste customers will be expected to cover the disposal cost as well as the collection and operating overheads.
11.	The council's current Commercial Waste Service provides collection and disposal services to businesses for General Waste, Dry Mixed Recyclables, Glass recyclables as well as services to SCC Housing for bulk waste collections, void property clearances and regular and ad-hoc chargeable work to private landlords and tenants for bulky items, including fridges as well as items which include hazardous waste and Persistent Organic Pollutants (POPs).
12.	It is worth noting that waste disposal costs are affected by global and national markets and is difficult to accurately forecast future unknowns and uncertainties. There is also the possibility of changes in scope within the waste sector, which would ultimately add financial pressures to the service.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
13.	Commercial Waste disposal revenue costs in 2024/25 are set out in Appendix 2.
14.	An increase in the number of trade waste customers would increase the disposal costs beyond the current budget, and this can be covered through

	the additional revenue raised from new customers, and ensuring fees are regularly reviewed.
15.	The impact of the national Resources and Waste Strategy for England (RAWS) is still unknown, but could significantly impact on waste disposal costs. Officers will continue to monitor these risks and will report on the impact through financial monitoring or other appropriate channels.
<u>Property/Other</u>	
16.	The commercial waste collected from businesses and customers by the council's Commercial Waste Service vehicles will not be stored on council property pending its transfer and disposal. Waste created by the council itself from council assets will be managed in accordance with the specific site rules of the individual site prior to collection from the Commercial Waste Service for transfer and disposal as required under Section 34 of the Environmental Protection Act 1990, whereby all businesses have a duty of care to keep waste secure and compliantly transfer and dispose of all their recyclable materials and commercial waste.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
17.	Under the Environmental Protection Act 1990 local authorities have a duty to arrange for the collection of household waste and, if requested, of commercial and industrial waste.
<u>Other Legal Implications:</u>	
18.	Under Simpler Recycling from 31 March 2025 businesses with 10 or more full time equivalent employees will have a further legal requirement to separate their waste and have a Dry Mixed Recycling bin and a Food recycling bin as they must recycle their food waste, glass, metal, plastic and cardboard in addition to disposal of their general waste.
19.	Procurement will be subject to compliance with the council's Contract Procedure Rules.
RISK MANAGEMENT IMPLICATIONS	
20.	Under the Environment Act 2021, more demanding action on waste is required and set out high level in the Resources and Waste Strategy for England (RAWS). This includes major Simpler Recycling reforms, including but not limited to weekly mandatory food waste collections, consistent collections, Deposit Return Scheme (DRS), Extended Producer Responsibility for Packaging (EPR), UK Emissions Trading Scheme (ETS), Persistent Organic Pollutants (POPs) and digital waste tracking.
21.	The impact of the above is expected to add extra financial pressures to businesses and to the council, which are currently hard to predict as they will relate to the unknown behaviour change of a population as the changes are implemented and rolled out across the UK.
22.	Businesses and non-household municipal premises will need to do more to understand what wastes they produce, how these wastes should be stored, collected and disposed of to be compliant with the new legislation.
23.	From 31 March 2025 the new regulations state that businesses with 10 or more full time equivalent employees will have a legal requirement to recycle

	their food waste, glass, metal, plastic and cardboard separately in addition to disposal of their general waste. This means that separate containers will have to be used to securely store waste at premises.
24.	Changes to the way businesses are required to manage their waste could have an impact on whether the council's Commercial Waste Service customers will be the most cost-effective solution for them from 31 March 2025.
POLICY FRAMEWORK IMPLICATIONS	
25.	Re-procurement of a commercial waste transfer and disposal contract will have no direct impact on the council's Policy Framework. However, it will support delivery of the council's goals, outcomes and objectives as set out in the Southampton City Council Corporate Plan (2022-2030) and 2024 update of the Corporate Plan
KEY DECISION?	Yes
WARDS/COMMUNITIES AFFECTED:	All Wards
<u>SUPPORTING DOCUMENTATION</u>	
None	
Appendices	
1.	Appendix 1. ESIA Procurement of a Commercial Waste Transfer and Disposal Contract.
2.	Appendix 2. Exempt Financial Information Procurement of a Commercial Waste Transfer and Disposal Contract
Documents In Members' Rooms	
1.	None
Equality Impact Assessment	
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	Yes
Data Protection Impact Assessment	
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.	No
Other Background Documents	
Appendix 2. Exempt Financial Information Procurement of a Commercial Waste Transfer and Disposal Contract	
Title of Background Paper	
Appendix 2. Exempt Financial Information Procurement of a Commercial Waste Transfer and Disposal Contract.	By virtue of Paragraph 3 of the Council Constitution 05 Part 4 - Access to Information Procedure Rules Part 10 Exclusion of Access by The Public to Meetings Clause 4. Category 3 Information relating to the financial or business affairs of any particular person (including the Authority holding that information).

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Equality and Safety Impact Assessment

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

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

Name or Brief Description of Proposal	Procurement of a Commercial Waste Transfer and Disposal Contract.
Brief Service Profile (including number of customers)	
<p>The Environmental Protection Act 1990 allows Southampton City Council to collect commercial waste from businesses from within the city, and a charge may be levied for this service. The council’s Commercial Waste Service was established in the early 2000s. The council must have a solution in place which is compliant with the council’s contract procedure rules, to enable disposal of the commercial waste collected. The current commercial waste transfer and disposal contract expires on 31 March 2025. This report seeks approval to commence a formal procurement exercise to secure a contract from 1 April 2025 under contract to receive and dispose of waste collected via the Commercial Waste Service.</p>	
Summary of Impact and Issues	
<p>The council’s City Services Commercial Waste Service wishes to undertake a formal and compliant procurement process for its waste transfer and disposal requirements in advance of the end of the current waste transfer and disposal contract which expires on 31 March 2025. Undertaking the procurement to appoint a supplier to deliver services from 1 April 2025 will avoid any service disruption to the council’s Commercial Waste Services. Due consideration will be given to the impact any arrangements may have from an equalities perspective when it comes to service delivery, however the re-procurement of the commercial waste transfer and disposal services contract is only relevant to business customers which pay for their commercial waste to be collected and disposed of by the council. Businesses are free to choose their commercial waste collection and disposal supplier from a range of certified suppliers within the area other than the council if they so wish.</p>	
Potential Positive Impacts	
<p>Under Simpler Recycling from 31 March 2025 businesses with 10 or more full time equivalent employees will have a legal requirement to separate their waste and have at least a further Dry Mixed Recycling bin and a Food Recycling bin as they must recycle their food waste, glass, metal, plastic and cardboard in addition to disposal of their general waste.</p>	
Responsible Service Manager	David Tyrie - Head of City Services
Date	16 September 2024
Approved by Senior Manager	Ian Collins - Director- Environment
Date	16 September 2024

Potential Impact

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
Age	It is expected there will be no impacts arising to age related to the re-procurement of the contract.	
Disability	It is expected there will be no impacts arising to disability related to the re-procurement of the contract.	
Gender Reassignment	It is expected there will be no impacts arising to Gender Reassignment related to the re-procurement of the contract.	
Care Experienced	It is expected there will be no impacts arising to Care Experienced related to the re-procurement of the contract.	
Marriage and Civil Partnership	It is expected there will be no impacts arising to Marriage and Civil Partnership related to the re-procurement of the contract.	
Pregnancy and Maternity	It is expected there will be no impacts arising to Pregnancy and Maternity related to the re-procurement of the contract.	
Race	It is expected there will be no impacts arising to race related to the re-procurement of the contract.	
Religion or Belief	It is expected there will be no impacts arising to Religion or Belief related to the re-procurement of the contract.	
Sex	It is expected there will be no impacts arising to sex related to the re-procurement of contract.	
Sexual Orientation	It is expected there will be no impacts arising to Sexual Orientation related to the re-procurement of the contract.	
Community Safety	It is expected there will be no impacts arising to Community Safety related to the re-procurement of the contract.	
Poverty	It is expected there will be no impacts arising to Poverty related to the re-procurement of the contract.	
Health & Wellbeing	It is expected there will be no impacts arising to Health & Wellbeing related to the re-procurement of the contract.	
Other Significant Impacts	The re-procurement of the commercial waste transfer and disposal services contract is only relevant to business customers which pay for their waste to be collected from their businesses in the city.	Businesses are free to choose their commercial waste collection and disposal supplier from a range of certified suppliers within the area, other than the council, if they so wish.

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DECISION-MAKER:	CABINET	
SUBJECT:	Lease restructure on West Quay Retail Park	
DATE OF DECISION:	29 th October 2024	
REPORT OF:	COUNCILLOR BOGLE, CABINET MEMBER FOR ECONOMIC DEVELOPMENT	
<u>CONTACT DETAILS</u>		
	Title	Executive Director for Growth and Prosperity
	Name:	Stephen Haynes
	E-mail:	Stephen.haynes@southampton.gov.uk
Author:	Title	Interim City Development Manager
	Name:	James Lazarus
	E-mail:	James.lazarus@southampton.gov.uk
STATEMENT OF CONFIDENTIALITY		
<p>Appendices 1 and 3 of this report contains information deemed to be exempt from general publication based on Category 3 of Paragraph 10.4 of the Council's Access to Information Procedure Rules. This includes details of commercial terms which have not yet been finalised between parties and which if disclosed, could put the Council or other parties at a commercial disadvantage.</p>		
BRIEF SUMMARY		
<p>The report advises Cabinet of the proposals to make variations to the existing lease of the West Quay Retail Park. The proposed changes aim to support the delivery of this key regeneration site which has been long been identified as a priority for regeneration through various master planning exercises in the area.</p>		
RECOMMENDATIONS:		
	(i)	To approve the proposed changes to the existing lease and recommendations set out in Confidential Appendix 1.
	(ii)	To delegate authority to the Chief Executive following consultation with the Leader and Executive Director of Growth and Prosperity to finalise the detailed terms of the agreements required and all other ancillary legal documentation to support the delivery of the redevelopment of the area.
REASONS FOR REPORT RECOMMENDATIONS		
1.	<p>As freehold landowner, the Council wishes to support the delivery of the redevelopment of West Quay Retail Park (Plan attached at Appendix 2) over a period of time for a mix of uses consistent with its ambitions for the good growth of the city. The lease currently restricts opportunities for redevelopment and therefore needs to be altered to allow the leaseholder to develop schemes other than retail. Due to the considerable size of the area in question and the staggered expiries of the various occupational leases, comprehensive development in one phase poses significant challenges to delivery, so the leaseholder, Aviva has proposed an indicative redevelopment programme over a ten-year period in a number of phases.</p>	

2.	Allowing changes to the lease as recommended in Appendix 1 acknowledges the impacts of macroeconomic challenges faced by construction projects over the past few years, gives the leaseholder certainty that it can undertake Development over a period of time, but also allows the Council to continue to actively monitor and support progress towards delivery of redevelopment in this area. The arrangements envisage delivery of an initial phase commencing in the next 12/24 months. The S.123 report that forms Appendix 3 suggests that the proposals represent better value to the Council than the existing status quo.
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ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3.	<p>Do nothing. The existing buildings are nearing the end of their economic life and require investment, however the market for “retail sheds” is weak at present and many of the operators who would occupy are in a poor financial state. There is therefore a risk that as leases expire units will remain vacant impacting on the level of the Council’s rent share which will reduce and also adding to the general decline of the area. Aviva have also indicated that without this restructure they would be unable to justify further investment in the site and/or buildings which would result in further decline.</p> <p>Take a surrender of the existing Headlease. This option would entail the Council acquiring the interest off Aviva. This option would involve a significant capital outlay and increase the Council’s exposure to risk as the condition of the buildings decline and the income falls away, together with the difficulties in dealing with a reluctant counter party.</p>
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DETAIL (Including consultation carried out)

4.	The Council is the freeholder of the West Quay Retail Park (see Appendix 2 – Site Plan), which comprises two terraces of retail warehouses, a separate unit on an island site (currently Mamas & Papas) and the coach station together with associated surface parking and access roads, located to the south of Southampton Central train station. The entire area is let on a single lease for a term of 150 years from 1 st October 1994.
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RESOURCE IMPLICATIONS

Capital/Revenue

5.	The details of the commercial terms are set out at Appendix 1.
6.	Aviva will pay SCC legal and surveyors fees in relation to these arrangements
7.	Details of capital receipts are set out in Appendix 1.

Property/Other

8.	The Council as freeholder will need to monitor Aviva’s progress in bringing forward their proposals; this is not envisaged to be significant. Over and above the estate management function, the City Development team will be need to monitor and comment on specific development proposals as and when they are presented.
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LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
9.	The Council powers to promote this development are Section 123 Local Government Act 1972 and Section 1 Localism Act 2011.
<u>Other Legal Implications:</u>	
10.	Not applicable.
RISK MANAGEMENT IMPLICATIONS	
11.	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. Whilst there is no guarantee that the site will be fully developed out as outlined there are some mitigations included in proposals which are outlined in Appendix 1.
12.	This scheme is subject to uncontrollable economic events which is normal for schemes with a long delivery timetable.
POLICY FRAMEWORK IMPLICATIONS	
13.	Redevelopment of the area supports many of the Council's strategic objectives around regeneration, environment, sustainability, Green City and economic development. The emerging Southampton Renaissance master planning work also recognises this site's potential to contribute to a vision for the City's future prosperity. The development proposals are consistent with the growth and regeneration ambitions for the City.

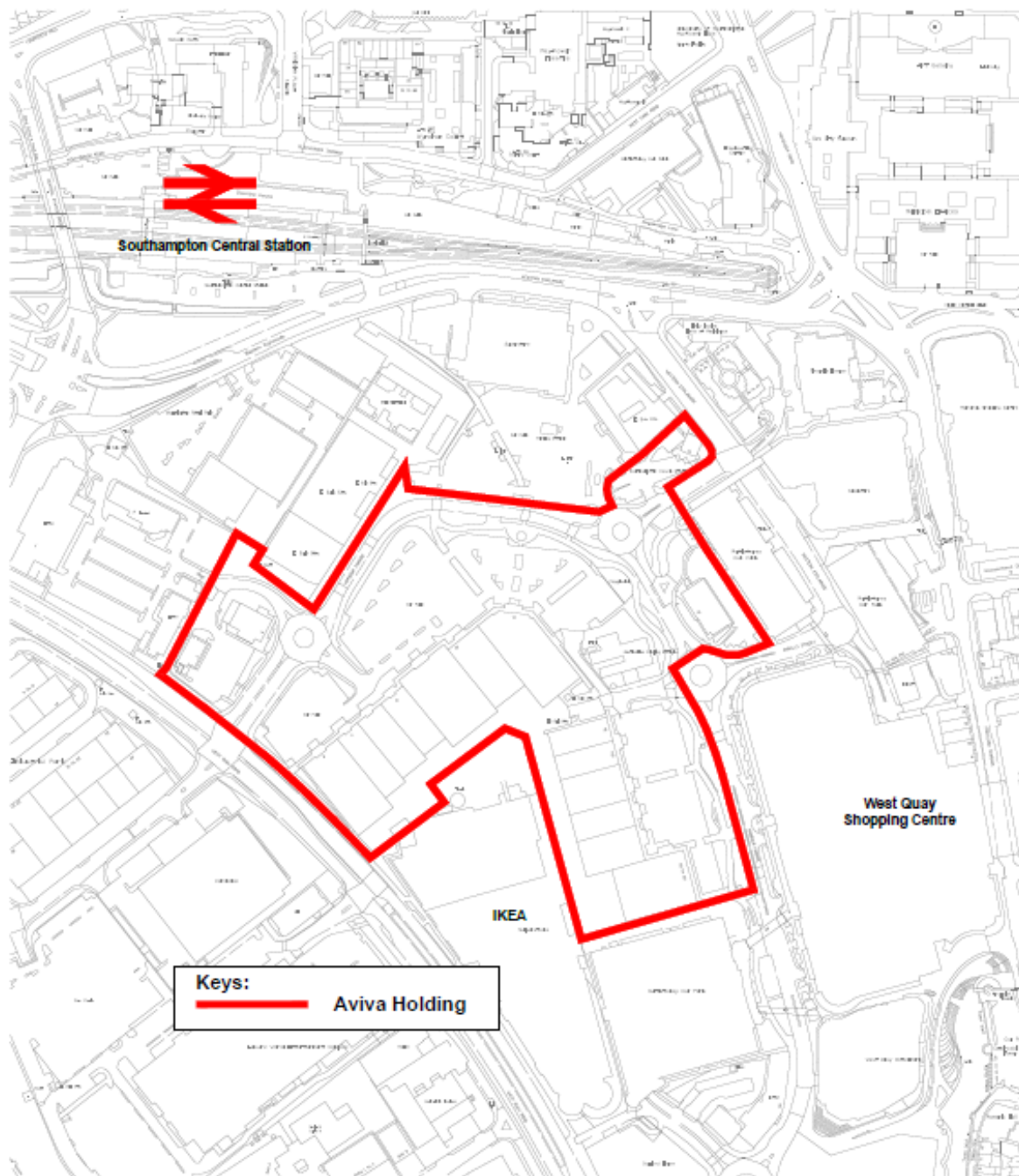
KEY DECISION?	Yes
WARDS/COMMUNITIES AFFECTED:	All
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Report on Commercial Terms Amendments (confidential)
2.	Site Plan
3.	S.123 report prepared by Independent Valuers (confidential)
Documents In Members' Rooms	
	None
Equality Impact Assessment	
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	No
Data Protection Impact Assessment	
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.	No
Other Background Documents	
Other Background documents available for inspection at:	

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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Appendix: 2



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