

CABINET

DOCUMENTS FOR THE MEMBERS ROOM

Monday, 15th February, 2010
at 2.00 pm

MEMBERS ROOM DOCUMENTS ATTACHED TO THE
LISTED REPORTS

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MEMBERS ROOM DOCUMENTS

11 3RD QUARTER BUDGET AND PERFORMANCE MONITORING FOR 2009/10

23 HIGHWAYS SERVICE PARTNERSHIP - APPROVAL TO CALL FOR FINAL TENDER

Friday, 5 February 2010

HEAD OF LEGAL , HR AND DEMOCRATIC SERVICES

Quarter 3 Monitoring of the Corporate Improvement Plan 2009/10

PI Description	Target	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Current Status	Perf since prev Qtr	Projected Outturn	Previous Year Outturn	Forecast Direction of Travel from 2008/09 to 2009/10	Current Quarter Comments	Frequency
Adult, Social Care & Health Portfolio												
Health & Community Care Division												
LAA 10a i Increase in the number of Pension Credit beneficiaries Without Stretch (LAA Local Indicator)	12180	11670	11620	11600		On Target	Declined	11650	11620	Improved	Data as at May 2009. Pension Credit beneficiaries' numbers have remained constant and the target will not be met. The Pension Service will meet its targets, which are based on maintaining beneficiary levels, taking account the 'drop off' rate. Performance is consistent with comparator cities where take up has remained constant or declined suggesting a take-up threshold has been reached. Over the three years of the LAA, the number of people eligible for Pension Credit has been reducing as more people retire with employer or private pensions. The LAA target was required to be set as an absolute figure rather than as a 'percentage of those eligible' and a combination of these factors has mitigated against such a 'total figure' based target ever being achievable as the three years has progressed. Southampton's level of beneficiaries at around 80% is one of the highest in the Southeast and nationally. Further research on causes is being undertaken.	QUARTERLY
LAA 4e ii Increase number of drug users in effective treatment (adult and young people) (LAA Local Indicator)	850			894		On Target	N/C	850	893	Declined	Figures related to the period September 2008 to August 2009. They relate to all clients over 18 in our treatment services over that period, who have been retained in treatment over 12 weeks and have not re-presented within the year.	QUARTERLY
LAA 4e iii Increase in the number of drug misusing offenders directed into treatment through the Drugs Interventions Programme (LAA Local Indicator)	120			133		On Target	N/C	120	134	Declined		QUARTERLY
LAA 4e iv Increase in proportion of illegal drug users remaining in effective treatment for 12+weeks (LAA	80			77		On Target	N/C	80	74	Improved	Figures relate to the period September 2008 to August 2009. They relate to all clients over 18 in our treatment services over that period, who have been retained in treatment over 12 weeks and have not re-presented within the year.	QUARTERLY

Quarter 3 Monitoring of the Corporate Improvement Plan 2009/10

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Local Indicator)												
LAA 9a i Number of vulnerable people who are supported to maintain independent living (NI142) (LAA Local Indicator)	99	98.7	96.5	97.3		On Target	Improved	97.3	98.7	Declined	Performance is on target. This data is entered retrospectively and relates to the 2nd quarter. Data for this indicator is always entered retrospectively as per DCLG instructions.	QUARTERLY
LAA 9a ii Increase in the number of Supporting People older person client receiving floating support in their own homes (LAA Local Indicator)	125	152	152	170		On Target	Improved	180	122	Improved	The target in Corvu is exceeded and the business unit now expect the projected outturn to be approximately 180.	QUARTERLY
LAA 9e iii Older people with mental health problems helped to live at home as a proportion of all those helped to live at home, in residential or nursing care (LAA Local Indicator)	73	70.16	69.95	71.49		On Target	Improved	72	72.13	Declined	Performance is on target.	QUARTERLY
NI 133 Percentage of new social care clients from whom the time from completion of assessment to provision of all services in the care package is less than or equal to 4 weeks	91	96.65	90	89.93		On Target	Declined	91	90.07	Improved	Performance is on target.	QUARTERLY
NI 136 The number of people aged 18 or over per 100000 population that are assisted directly through social services	3250	3174.45	3193.08	3088		Slight Variance	Declined	3100	3271.95	Declined	This indicator uses provisional Grant Funded Services data for November 2009. This data is currently being revised. An actual will be submitted at year end and is expected to be on target. 2% of the data has been estimated.	QUARTERLY

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NI 141 Number of Supporting People service users who have moved on from supported accommodation in a planned way as a percentage of the total service users who have left the service (LAA Designated Target)	66	67.8	80.9	76.4		On Target	Declined	76.4	63.9	Improved	Target exceeded. This data is entered retrospectively and relates to the 2nd quarter. Data for this indicator is always entered retrospectively as per DCLG instructions.	QUARTERLY
NI 142 The percentage of people receiving Supporting People Services who have established or are maintaining independent living	99	98.7	96.5	97.3		On Target	Improved	97.3	98.7	Declined	Performance is on target. This data is entered retrospectively and relates to the 2nd quarter. Data for this indicator is always entered retrospectively as per DCLG instructions.	QUARTERLY
NI 146 Percentage of adults with learning disabilities in employment at the time of their assessment or latest review	3.5	3.4	4.09	4.21		On Target	Improved	4.25	3.42	Improved	Target exceeded.	QUARTERLY
LAA 9b ii Increasing the number of people who hold their own care budgets who have individual budgets (LAA Local Indicator)	200	52	81	140		Slight Variance	Improved	150	25	Improved	There is a difference of view about the interpretation of the definition of numbers of people having their own care budgets with an individual budget. We meet the target if we consider this as the number of people having a care budget but do not meet it if we interpret the definition in the way defined by the national indicator. There has been considerable discussion nationally about this definition and when we set the target locally the interpretation was not clear.	QUARTERLY
LAA 9e iv Increase in the proportion of older people helped to live at home per 1,000 population aged 65 or	102.7	98.8	99.51	96.09		Slight Variance	Declined	98	97.53	Improved	Performance has dipped this quarter and is slightly off target. Performance is expected to improve and be on target by the end of the year.	QUARTERLY

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over (LAA Local Indicator)												
NI 125 Proportion of people aged 65 or over discharged from hospital to their own home or to a residential or nursing care home with the clear intention that they will move back to their own home (LAA Designated Target)	80	77.7	79.1	75.65		Slight Variance	Declined	80	80.72	Declined	This is the second year of reporting and it has been difficult to develop a consistent baseline. National metrics have emerged indicating the unitary average is 78.1%. The end of year outturn is expected to be just below the 5% threshold against the target of 80%.	QUARTERLY
NI 145 Percentage of adults with learning disabilities in settled accommodation at the time of their assessment or review	72	73.73	62.73	66.67		Slight Variance	Improved	68.4	71.23	Declined	The target of 72 was submitted in the first year of reporting and this has now been monitored alongside national figures. This is the second year of reporting and it has been difficult to develop a consistent baseline. National metrics have emerged indicating the unitary average is 70.5% with a national average of 65.2%. The end of year outturn is expected to be just below the 5% threshold against the target of 72%.	QUARTERLY
LAA 10a iii Increase in the number of successful referrals to the Warm Front scheme Without Stretch (LAA Local Indicator)	1597		319	797		Significant Variance	Improved		1130	N/C	There has been good progress in discussions with GOSE regarding the Warm Front data and baseline renegotiation. If successful, the risk assessment for delivery will become Amber. Efforts continue to achieve the Stretch target.	QUARTERLY
LAA 8b i Reduce the proportion of patients from BME communities detained under the Mental Health Act to ensure that it is more reflective of the overall population make up of the city (LAA Local Indicator)	14	21	23.8	20		Significant Variance	Improved	18	16	Declined	This figure is a cumulative from April and although this is above the target, this represents only 13 people this year. Four less people being admitted from BME communities would have placed this on target. The projected outturn is still expected to be 18. If no people from a BME community are detained in the next quarter, this indicator could be brought in on target. Data for December has not been included in the cumulative figure and will be added at year end.	QUARTERLY
LAA 9b i Increase the	1000	383	397	366		Significant	Declined	450	426	Improved	The Definition provided by the Department of	QUARTERLY

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number of people holding their own care budgets (including direct payments) (LAA Local Indicator)						Variance					Communities and Local Government includes all those people receipt of a community care service as well as carers in receipt of carers services. Many of these people (in fact the majority) do not receive a funded service but merely have a problem resolution as a result of advice and information. The target was set and agreed with GOSE with the denominator as the number of people who have taken up direct payments or have an individual budget as a proportion of those people receiving funded services. This significantly changes the potential achievement of the target. It is our view that the target was therefore wrongly set.	
NI 130 Number of adults, older people and carers receiving self directed support as a percentage of clients receiving community based services and carers receiving carer's specific services aged 18 or over (LAA Designated Target)	15		5.74	5.45		Significant Variance	Declined	5.5	236.17	Declined	The Definition provided by the Department of Communities and Local Government includes all those people receipt of a community care service as well as carers in receipt of carers services. Many of these people (in fact the majority) do not receive a funded service but merely have a problem resolution as a result of advice and information. The target was set and agreed with GOSE with the denominator as the number of people who have taken up direct payments or have an individual budget as a proportion of those people receiving funded services. This significantly changes the potential achievement of the target. It is our view that the target was therefore wrongly set.	QUARTERLY
NI 132 Percentage of new social care clients aged 18 or over where the time from first contact with social services to completion of assessment is four weeks or less	77	65.33	72.84	52.13		Significant Variance	Declined	55	70.84	Declined	This year has seen a sharp increase in OT & safeguarding referrals coupled with high vacancy management. A staff recruitment programme is in place and performance is expected to improve further by the end of the year but may be below the target. A budget pressure has been recognised in the proposed budget allocation for 2010/11 to allow for additional staff to improve this performance and an action plan has been agreed with milestones throughout the year.	QUARTERLY
Stretch Target 10 LAA 10a ii Increase in the number of Pension Credit beneficiaries	12510	11670	11620	11600		Significant Variance	Declined	11650	11620	Improved	Data as at May 2009. Pension Credit beneficiaries' numbers have remained constant and the target will not be met. The Pension Service will meet its targets, which are based on maintaining beneficiary levels,	QUARTERLY

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(LAA Stretch Target)											taking account the 'drop off' rate. Performance is consistent with comparator cities where take up has remained constant or declined suggesting a take-up threshold has been reached. Over the three years of the LAA, the number of people eligible for Pension Credit has been reducing as more people retire with employer or private pensions. The LAA target was required to be set as an absolute figure rather than as a 'percentage of those eligible' and a combination of these factors has mitigated against such a 'total figure' based target ever being achievable as the three years has progressed. Southampton's level of beneficiaries at around 80% is one of the highest in the Southeast and nationally. Further research on causes is being undertaken.	QUARTERLY
Stretch Target 10 LAA 10a iv Increase in the number of successful referrals to the Warm Front scheme (LAA Stretch Target)	1987		319	797		Significant Variance	Improved	1350	1130	Improved	There has been good progress in discussions with GOSE regarding the Warm Front data and baseline renegotiation. If successful, the risk assessment for delivery will become Amber. Efforts continue to achieve the Stretch target.	QUARTERLY
Children's Services Portfolio												
Neighbourhood Services Division												
NI199 Children and young peoples satisfaction with parks and play areas	42	42	42.1	42.1		On Target	No Change	42.1	42	Improved		QUARTERLY
Planning & Sustainability Division												
NI 198 Percentage of pupils travelling to school by car	21.8	22.3	22.3	22.3		On Target	No Change		22.3	N/C		QUARTERLY
Safeguarding Division												
LAA 3a ii An increase in the level of participation of disabled young people in consultations about the services they receive and activities they participate in	27	84	33	137		On Target	Improved	137	30	Improved		QUARTERLY

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(LAA Local Indicator)												
LAA 3a iii Increase in the number of children looked after or care leavers trained to become volunteer peer mentors (LAA Local Indicator)	15	10	14	19		On Target	Improved	19	14	Improved		QUARTERLY
LAA 3a iv Participation of children looked after in their reviews (LAA Local Indicator)	99	99	99	99		On Target	No Change	99	99	No Change		QUARTERLY
NI 103a Percentage of final statements of special education need issued within 26 weeks excluding exception cases	90	100	100	100		On Target	No Change	100	100	No Change		QUARTERLY
NI 103b Percentage of final statements of special education need issued within 26 weeks including exception cases	90	100	100	100		On Target	No Change	100	97.75	Improved		QUARTERLY
NI 50 Percentage of children who enjoy good relationships with their family and friends	64.8	59	59	59		On Target	No Change	64	59	Improved	Reported performance is for the academic year 2007/8 (Tellus3). 2009/10 performance from the Tellus4 pupil survey will not become available until Quarter 4 of 2009/10.	QUARTERLY
NI 51 Effectiveness of child and adolescent mental health (CAMHs) services	16	16	16	16		On Target	No Change	16	16	No Change		QUARTERLY
NI 54 Services for disabled children	60			60		On Target	N/C	60		N/C	The reported figure of 60 forms a baseline for this outcome indicator, which has been generated from a national survey of parents of children with disabilities and chronic health conditions about their views on the services they and their children receive. This compares to a national result of 61 and our statistical neighbours (similar authorities) of 61. Further analysis	QUARTERLY

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NI 58 Emotional and behavioural health of children looked after	15.2	15.8	15.8	15.8		On Target	No Change	15.8	15.1	Declined	of the information that lies beneath the baseline is being undertaken during quarter 4 to inform target setting for 2010/11 and beyond with managers and partners. This was a new indicator in 08/09, and measures the average emotional health of children looked after, represented by their score on an internationally accepted document, the Strengths and Difficulties Questionnaire. Higher scores indicate likely higher levels of emotional or behavioural problems. We are reporting the final figure for 2008/09, which was only received in Quarter One of this year. 2009/10 data are being collected this quarter and will become available in Quarter 4.	QUARTERLY
NI 61 Percentage of looked after children adopted who were placed for adoption within 12 months of the decision that they should be placed for adoption	76	50	60	100		On Target	Improved	72	61	Improved		QUARTERLY
NI 62 The Percentage of Children looked with three or more placements during the year	13	3	6	6.8		On Target	Declined	6.8	12.3	Improved		QUARTERLY
NI 63 Percentage of Children looked after for more than 2.5 years living continuously in the same placement for at least 2 years (LAA Designated Target)	65.9	67	76	74		On Target	Declined	76	74	Improved		QUARTERLY
NI 64 Percentage of children ceasing to be subject of a Child protection plan during the year ending 31	5	0	5.6	3		On Target	Improved	4.2	5	Improved		QUARTERLY

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March who had been the subject of a Child protection plan who had been subject of a plan continuously for 2 years or longer												
NI 65 Percentage of children becoming subject to a Child Protection Plan who had previously been the subject of a plan, or on the Child Protection Register	15	6	17	8.9		On Target	Improved	10.2	20	Improved		QUARTERLY
NI 67 Percentage of children with a Child Protection Plan whose case were reviewed within the required timescales	100	99.2	100	100		On Target	No Change	100	98.9	Improved		QUARTERLY
NI 68 Percentage of children referred to children's social services whose cases go on to initial assessments	80	115	132	88		On Target	Declined	93	81	Improved		QUARTERLY
NI 69 Percentage of children who have experienced bullying at least once or more in the past 12 months	49	51	51	51		On Target	No Change	49	51	Improved	Reported performance is for the academic year 2007/8 (Tellus3). 2009/10 performance from the Tellus4 pupil survey will not become available until Quarter 4 of 2009/10.	QUARTERLY
NI 71 Children who have run away from home/care overnight	8	8	8	8		On Target	No Change	8	6	Improved	Self assessment score from a maximum of 13 points.	QUARTERLY
NI 87 Percentage of secondary pupils missing 20% or more of the school year	9.9		7.7	7.7		On Target	No Change	7.7	8.4	Improved		QUARTERLY
The average of the percentages of	88	87	87	87		On Target	No Change	87	86	Improved		QUARTERLY

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children in care at 30 September who had been looked after continuously for at least 12 months, and who had their teeth checked by a dentist during the previous 12 months and had an annual health assessment during the previous 12 months (Former PAF C19)	99	99	99	99		On Target		99	99	No Change		QUARTERLY
The number of children and young people who communicated their views specifically for each of their statutory reviews as a percentage of the number of children and young people who had been looked after at March 31st for more than four weeks (Former PAF C63)	7.3	8.1	10.7	10		On Target	Declined	11.3	9	Improved		QUARTERLY

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NI 66 Percentage of children looked whose cases should have been reviewed within required timescales	90	98.6	92	85		Slight Variance	Declined	80	90	Declined	Performance on reviews within timescales has fallen this quarter. This was caused by a very significant increase in numbers of children newly looked after (almost twice as many as in previous years) and by the long-term sickness absence of one of the Independent Reviewing Officers. Extra capacity in the Reviewing Team has been provided for the next three months and the staff member who was ill will be back to work full-time from January. If one of a child's reviews is late, even if the following review is on time, this still counts as out of time for the purposes of the indicator, and therefore the earliest performance can be back on target is Quarter One, 2010/11.	QUARTERLY
PAFC24 The percentage of children in care for at least 12 months and were of school age who missed a total of at least 25 days of schooling for any reason during the previous school year (Former PAF C24)	16	10.8	20	18		Slight Variance	Improved	18	17	Declined	This is final performance for the academic year 2008/9. The attendance of Children Looked After (CLA) was much poorer in the summer term than in autumn and spring terms. This was due to a high proportion of these children in years ten and eleven with very complex needs. Since the start of the 2009/10 academic year the authority has set up a "virtual" school for CLA, with a nominated "virtual headteacher" in post to co-ordinate and champion the learning and progress of all CLA. Attendance monitoring has become more rigorous to support this. Measures include: a toolkit to support daily attendance monitoring of CLA in the City and daily Welfare Call for CLA attendance in out of city schools. The attendance group focuses on taking action on all patterns of poor attendance within three days. The attendance of this year's Year 11 children during their GCSE year will be an area of particular focus. The attendance of CLA for the 2009/10 academic year should be on track.	QUARTERLY
NI 114 Percentage of pupils who are permanently excluded from school during the academic year	0.11		0.16	0.16		Significant Variance	No Change	0.16	0.11	Declined	Permanent exclusions are still at a high level within the city. There are a number of reasons for this including the introduction of 2 new schools (Both Oasis Academies) which resulted in 35.5% (16) of the city's total number of permanent exclusions in their first academic year. Excluding the academies the target of 0.11% would have been met. Various strategies have been put in place to address this. Inclusion staff,	QUARTERLY

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											Specialist Behaviour Teams and Educational Psychologists, are working together to identify pupils at an earlier stage and prioritise provision for those most at risk of exclusion. Also with the addition of the BOSS (Better Outcomes for Southampton Students) board, the Local Authority and Secondary heads will work together to address key targets and concerns within the city. This figure is reported 2 terms in arrears.	
NI 147 Percentage of former care leavers aged 19 who were in suitable accommodation	85	81	67	61		Significant Variance	Declined	61	85	Declined	There has been a particular difficulty this quarter with a significant number of young people not maintaining contact with the Pathways team. This automatically results in them being recorded as not being in suitable accommodation (7 out of a cohort of 31). There has been significant short term staffing difficulties this quarter within the Pathways Team contributing to this: three staff have left, a further three are on maternity leave. Priority has been afforded by the team to young people in care under the age of 16. To address staffing capacity issues additional locum staff have been recruited. Attempts to recruit permanent staff continue. In addition, Personal Advisers will no longer case hold children under the age of 16 and will prioritise those over 18. Improved performance is unlikely to be shown until quarter 1 of 2010/11.	QUARTERLY
NI 148 Percentage of former care leavers in employment, education or training	60	62	32	48		Significant Variance	Improved	48	55	Declined	Many of the young people in group have complex needs and challenging behaviour. In addition, unemployment in the city is rising. The priority is now for all young people of school age to have a personal education plan and this is pursued by the virtual head teacher for children looked after who will also ensure much earlier intervention and raise aspiration. Youth support continue to meet with the Pathways Leaving Care team to consider further support strategies to raise aspirations and to engage with those who are having difficulty in motivating themselves to attend training or secure employment. The National Care Advisory Service have offered support to advise on strategies for support Care Leavers into employment and this offer will be accepted. While off target, there	QUARTERLY

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											have been significant increases since the last quarter (from 32% to 48%) and work will continue to prioritise this very vulnerable group of young people although it will be Quarter One 2010/11 before improvements can be seen.	
NI 59 Percentage of initial assessments for made within 7 working days of referral	60	9.8	21	21		Significant Variance	No Change	35	56	Declined	Timescales for Initial Assessments (IAs) are now counted in line with national and inspection guidance. This has led to a reduction in reported performance. An external audit of social work files identified the areas where changes were required, and an improvement programme is in place. There has also been a significant rise in referrals, Child Protection Plans and children looked after in the last year, increasing pressures across Safeguarding teams. Improvement in performance depends upon initiatives such as recruitment and retention, and capacity to review open cases and safely and promptly closing them when appropriate. These initiatives are resulting in some improvements and the service is reducing a backlog of assessments whilst improving the timeliness of new casework. For example, the number of IAs which are one month or more overdue has fallen from 247 in August 2009 to 33 at the end of December 2009. Despite some success in recruiting additional social workers, we still have 8.5 vacancies in the t	QUARTERLY
NI 60 Percentage of core assessments that were carried out within 35 working days of the initial assessment end (LAA Designated Target)	84	22	15	43		Significant Variance	Improved	43	78	Declined	Timescales for Core Assessments (CAs) are now counted in line with national and inspection guidance. This led to a reduction in reported performance. An external audit of social work files identified areas where changes were required, and an improvement programme is in place. There has also been a significant rise in referrals, Child Protection Plans and children looked after in the last year, increasing pressures across the service. Improvement in performance will depend upon initiatives such as recruitment and retention, training to ensure staff are fully aware of government guidance, and reviewing open cases. This makes it difficult to predict how quickly performance will be back on target, but the service aims to achieve this during 2010/11. The	QUARTERLY

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PAF C18/C81 LAA 4d v Reduction in the numbers of reprimands, final warning and convictions of Children Looked After (LAA Local Indicator)	2.7	3.4		4.3		Significant Variance	N/C	4.3	2.7	Declined	timeliness of core assessments is being reviewed daily through improved management reports, with monthly reports to Cabinet Members and Chief Officers. Improved management is showing an impact, with 50% of CAs being completed within timescales in December 2009.	QUARTERLY
School Standards Division												
LAA 1c v Increase in the percentage of schools achieving and maintaining National Healthy School Status. Without Stretch (LAA Local Indicator)	85		76.5	88		On Target	Improved	88	72	Improved		QUARTERLY
LAA 1c vii Increase in the percentage of 5-16 year olds in school sports partnerships engaged in two hours a week minimum on high quality PE and School sport within and beyond the curriculum (LAA Local Indicator)	170	168	168	184		On Target	Improved	168	84	Improved		QUARTERLY
LAA 2a iii Reduction in	5.8	5.95	5.95	5.88		On Target	Improved	5.88	6.02	Improved		QUARTERLY

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the percentage of half days missed due to absences in primary (BV46) schools maintained by the LEA (LAA Local Indicator)												
LAA 2b i Reduction in the difference between the percentage of Southampton pupils achieving 5+ GCSEs at A* to C (including English and Maths) compared with the national average. Without Stretch (LAA Local Indicator)	7.4			7.1		On Target	N/C		5.3	N/C		QUARTERLY
LAA 2b v Increase in the percentage of pupils achieving level 4+ in English at Key Stage 2 in named primary schools which are below the national floor target of 55% Without Stretch (LAA Local Indicator)	70		67.7	69.5		On Target	Improved	69.5	60.8	Improved		QUARTERLY
LAA 2b vii Increase in the percentage of pupils achieving level 4+ in Maths at Key Stage 2 in named primary schools which are below the national floor target of 55% Without Stretch (LAA Local Indicator)	66		70.5	71.1		On Target	Improved	71.1	63.4	Improved		QUARTERLY
NI 102a The percentage point gap between pupils eligible	22		23.1	18.2		On Target	Improved	18.2	24.3	Improved		QUARTERLY

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PI Description	Target	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Current Status	Perf since prev Qtr	Projected Outturn	Previous Year Outturn	Forecast Direction of Travel from 2008/09 to 2009/10	Current Quarter Comments	Frequency
for free school meals (fsm) achieving at least level 4 in English and Maths at KS2 and pupils ineligible for FSM achieving the same outcome												
NI 102b The percentage point gap between pupils eligible for FSM achieving 5 A*-C grades at GCSE including English and Maths at KS4 and pupils ineligible for FSM achieving the same outcome	22		22.7	22		On Target	Improved	22	23.7	Improved		YEARLY
NI 104 The percentage point gap between pupils who are identified as having special educational needs (SEN) achieving level 4 or above in both English and Maths at KS2 and pupils who have not been identified as having SEN	52		54.8	50		On Target	Improved	54.8	57.4	Improved		QUARTERLY
NI 107a Percentage point gap of pupils in a minority cohort who achieve at least level 4 in english and Maths at Key Stage 2 - Gypsy/Roma/Traveller of Irish Heritage	34		34	30.6		On Target	Improved	30.6	50.5	Improved		QUARTERLY
NI 107b Percentage point gap of pupils in a	9		9	4.4		On Target	Improved	4.4	12.6	Improved		QUARTERLY

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PI Description	Target	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Current Status	Perf since prev Qtr	Projected Outturn	Previous Year Outturn	Forecast Direction of Travel from 2008/09 to 2009/10	Current Quarter Comments	Frequency
minority cohort who achieve at least level 4 in English and Maths at Key Stage 2 - Any other White												
NI 107d Percentage point gap of pupils in a minority cohort who achieve at least level 4 in english and Maths at Key Stage 2 - Black African & White/Black African combined	0		0	-2		On Target	Improved	0	6.5	Improved		QUARTERLY
NI 107e Percentage point gap of pupils in a minority cohort who achieve at least level 4 in english and Maths at Key Stage 2 - Asian/Pakistani	0		-4	-2.77		On Target	Declined	-2.77	3.4	Improved		QUARTERLY
NI 108a Percentage of pupils in a cohort of Key Stage 4 pupils from a minority ethnic group containing more than 30 pupils who achieve 5 A* to C including English and Maths - Gypsy/Roma/Traveller of Irish Heritage	44.8		44.8	47.6		On Target	Improved	47.6	-8.2	Improved	This data does not include academies. Due to a change in the definition of the indicator targets were set using initial pupil level results from DCSF. Revised data showed poorer performance. Future targets informed by performance this year will be set for 2010/2011.	QUARTERLY
NI 108b Percentage of pupils in a cohort of Key Stage 4 pupils from a minority ethnic group containing more than 30 pupils who achieve 5 A* to C including English and Maths - Any other	12.6		12.6	14.3		On Target	Improved	14.3	4	Improved	This data does not include academies. Due to a change in the definition of the indicator targets were set using initial pupil level results from DCSF. Revised data showed poorer performance. Future targets informed by performance this year will be set for 2010/2011.	QUARTERLY

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PI Description	Target	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Current Status	Perf since prev Qtr	Projected Outturn	Previous Year Outturn	Forecast Direction of Travel from 2008/09 to 2009/10	Current Quarter Comments	Frequency
white												
NI 108c Percentage of pupils in a cohort of Key Stage 4 pupils from a minority ethnic group containing more than 30 pupils who achieve 5 A* to C including English and Maths - White/Black Caribbean	6.3		6.3	9.1		On Target	Declined	9.1	-9.7	Declined	This data does not include academies. Due to a change in the definition of the indicator targets were set using initial pupil level results from DCSF. Revised data showed poorer performance. Future targets informed by performance this year will be set for 2010/2011.	QUARTERLY
NI 108d Percentage of pupils in a cohort of Key Stage 4 pupils from a minority ethnic group containing more than 30 pupils who achieve 5 A* to C including English and Maths - Black African & White/Black African combined	9.7			9.7		On Target	N/C	9.7	-3.4	Improved	This data does not include academies. Due to a change in the definition of the indicator targets were set using initial pupil level results from DCSF. Revised data showed poorer performance. Future targets informed by performance this year will be set for 2010/2011.	QUARTERLY
NI 108e Percentage of pupils in a cohort of Key Stage 4 pupils from a minority ethnic group containing more than 30 pupils who achieve 5 A* to C including English and Maths - Asian Pakistani	0		-10.5	-7.7		On Target	Improved	-7.7	-18.8	Improved	This data does not include academies. Due to a change in the definition of the indicator targets were set using initial pupil level results from DCSF. Revised data showed poorer performance. Future targets informed by performance this year will be set for 2010/2011.	QUARTERLY
NI 109 Total number of Sure Start Children's Centres designated as a percentage of the total number of centres required to reach all under 5s	100	100	100	100		On Target	No Change	100	11	Improved		QUARTERLY

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PI Description	Target	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Current Status	Perf since prev Qtr	Projected Outturn	Previous Year Outturn	Forecast Direction of Travel from 2008/09 to 2009/10	Current Quarter Comments	Frequency
NI 52a Take up of school lunches - Primary Schools	30			34.3		On Target	N/C	30	34.3	Declined	Data reported is for the 2008/09 financial year. Performance data for 2009/10 will be collected in May 2010 and published in July 2010, Quarter 2 of the next financial year.	YEARLY
NI 52b Take up of School Lunches - Secondary Schools	35			33.3		On Target	N/C	35	33.3	Improved	Data reported is for the 2008/09 financial year. Performance data for 2009/10 will be collected in May 2010 and published in July 2010, Quarter 2 of the next financial year.	YEARLY
NI 72 Percentage of Children assessed against the Early Years Foundation Stage who achieve at least 78 points across all 13 scales with at least 6 in each of the scales in Personal Social and Emotional Development and Communication, Language and Literacy	43.6		47.9	47.9		On Target	No Change	47.9	41.7	Improved		QUARTERLY
NI 78 The number of schools in the local education authority where the number of pupils achieving 5 or more A* - C grades or equivalent including English and Maths at KS4 is less than 30%	2		2	1		On Target	Improved		5	N/C	Reported performance does not include Oasis Academy Lord's Hill and Oasis Academy Mayfield. Data for the Academies will become public during the 4th Quarter.	QUARTERLY
NI 84 Percentage of pupils achieving 2 or more A*-C grades in Science GCSEs or equivalent Key Stage 4	46		43	43.9		On Target	Improved		45.1	N/C	Reported performance does not include Oasis Academy Lord's Hill and Oasis Academy Mayfield. Data for the Academies will become public during the 4th Quarter.	QUARTERLY
NI89b The average amount of time spent by schools in special	20		13	13		On Target	No Change	13	0	Declined		QUARTERLY

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PI Description	Target	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Current Status	Perf since prev Qtr	Projected Outturn	Previous Year Outturn	Forecast Direction of Travel from 2008/09 to 2009/10	Current Quarter Comments	Frequency
measures												
PAF A2 - LAA 2b iv Increase in the percentage of young people leaving care aged 16 or over with at least one GCSE at grade A – G or a GNVQ (LAA Local Indicator)	62	48	65	65		On Target	No Change	65	62	Improved		YEARLY
Stretch Target 3 LAA 2b ii Reduction in the difference between the percentage of Southampton pupils achieving 5+ GCSEs at A* to C (including English and Maths) compared with the national average	6.9			7.1		On Target	N/C		5.3	N/C		QUARTERLY
LAA 2a i Increase in the percentage of 11 year olds achieving level four in English at key stage 2 (LAA Local Indicator)	79		72.8	74		Slight Variance	Improved	74	73	Improved	Reported performance will not be back on target before Quarter 2 in 2010 as Key Stage 2 tests are taken annually. Two successful pilot initiatives from 2009 "The Power of Reading" and "Guided Writing" are being implemented across a significant number of junior and primary schools. Performance against this indicator will also benefit from the impact of a range of leadership development initiatives.	QUARTERLY
LAA 2a ii Increase in the percentage of 11 year olds achieving level four in Maths at key stage 2 (LAA Local Indicator)	78		73.6	74		Slight Variance	Improved	74	74	No Change	Reported performance will not be back on target before Quarter 2 in 2010 as Key Stage 2 tests are taken annually. Two additional initiatives for 2010 involve an "Overcoming Barriers" project and a layered approach to intervention.	QUARTERLY
NI 105 The percentage point gap between pupils who are identified as having special educational needs	44.4		47.9	49.1		Slight Variance	Declined	47.9	49.1	Improved	The data recorded is for 2008 as 2009 data is not available in this quarter. We expect it to be released in July 2010. Performance against this outcome measure shows an increasing gap between children with SEN and other children. Work is progressing with schools over a more targeted and personalised curriculum that	QUARTERLY

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PI Description	Target	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Current Status	Perf since prev Qtr	Projected Outturn	Previous Year Outturn	Forecast Direction of Travel from 2008/09 to 2009/10	Current Quarter Comments	Frequency
who achieve 5 A*-C grades or equivalent including English and Maths at KS4 and pupils who have not been identified as having SEN											helps pupils with SEN to make good progress. A review of SEN city wide provision will help to improve the long term learning environment. The earliest this can be back on target is the academic year 2009/2010.	
NI 73 Percentage of pupils achieving level 4 or above in both English and Maths at Key Stage 2	74		63.7	64		Slight Variance	Improved	64	64.8	Declined	This information is based upon the revised data from the DCSF. NI73 cannot be back on target before Quarter 2 in 2010 as KS2 tests are taken annually. A comprehensive plan to improve performance in primary schools is in place with a particular focus on Leadership and Teaching & Learning. High performing schools in Southampton are partnering low attaining schools to ensure that high quality leadership in our best schools impacts more widely. In addition robust challenge is being given to senior leaders and governors in schools whose performance is weakest.	QUARTERLY
NI 75 Percentage of pupils achieving 5 or more A*-C grades at GCSE or equivalent including English and Maths	48.4		42.4	42.6		Slight Variance	Improved		42.3	N/C	Data is provisional but it is unlikely that the target will be met when validated data is available in January. Support is being targeted at all ten secondary schools, with a particular emphasis on learning and leadership in English and mathematics. Further curriculum development, including the introduction of diplomas, will also have a positive impact on this indicator.	QUARTERLY
NI 92 Percentage difference between the median Foundation Stage Profile and the mean score of the lowest-scoring 20% of children	33.1		35.5	35.5		Slight Variance	No Change	35.5	36	Improved	The earliest this can be on target is quarter 2 of 2010/11 as assessments are only made annually. A detailed plan for improving standards in the Foundation Stage is in place.	QUARTERLY
NI 93 The percentage of pupils making at least 2 levels progress in English between KS1 and KS2	85		75.9	75.9		Slight Variance	No Change	75.9	75.6	Improved	This data has not been released by the DCSF which means that we have no comparators. Data internally has not been recalculated for this quarter since there is likely to be little variance. NI 93 cannot be back on target before Quarter 2 in 2010 as KS2 tests are taken annually. Two successful pilot initiatives from 2009 - "The Power of Reading" and Guided Writing" are being implemented across a significant number of	QUARTERLY

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PI Description	Target	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Current Status	Perf since prev Qtr	Projected Outturn	Previous Year Outturn	Forecast Direction of Travel from 2008/09 to 2009/10	Current Quarter Comments	Frequency
NI 94 Percentage of pupils making at least 2 levels progress in Maths between tests at KS1 and KS2	80		74.4	74.4		Slight Variance	No Change	74.4	74.6	Declined	junior and primary schools. This indicator will also benefit from the impact of a range of leadership development initiatives.	QUARTERLY
Stretch Target 2 LAA 2b vii Increase in the percentage of pupils achieving level 4+ in Maths at Key Stage 2 in named primary schools which are below the national floor target of 55% (Stretch Target)	69		70.5	71.1		Slight Variance	Improved	71.1	63.4	Improved	This data has not been released by the DCSF which means that we have no comparators. Data internally has not been recalculated for this quarter since there is likely to be little variance. Performance cannot be back on target before Quarter 2 in 2010 as KS2 tests are taken annually. Two additional initiatives for 2010 involve an "Overcoming Barriers" project and a layered approach to intervention.	QUARTERLY
Stretch Target 4 LAA 1c vi Increase in the percentage of schools achieving and maintaining National Healthy School Status	97		76.5	88		Slight Variance	Improved	88	72	Improved	Target (69%) and intervention (58.65%) changed to national due to indicator actually being amber for reasons specified below.	QUARTERLY
NI 100 Percentage of	64		25	25		Significant	No	25	36	Declined	The Board received an update on this project on 7 Jan 2010. 88% of schools have now achieved NHSS. This is the result of the increased capacity of the team: 2 seconded teachers for 1 day per week respectively working alongside core team members. <ul style="list-style-type: none"> School Nutrition Worker now working with targeted schools to support them to meet HE criteria There are 10 remaining schools to achieve NHSS: these schools have named contacts within the Healthy Schools Team and support sessions have been arranged to ensure that schools are able to achieve NHSS by Dec 2010. Specific support has been arranged to support schools to implement Whole School Food and Nutrition Policies. Supply cover has been allocated to allow HS leads in schools to meet with named HS Team member to complete self-validation process. This represents a very small cohort of children (8) and	QUARTERLY

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PI Description	Target	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Current Status	Perf since prev Qtr	Projected Outturn	Previous Year Outturn	Forecast Direction of Travel from 2008/09 to 2009/10	Current Quarter Comments	Frequency
looked after children who have been in care for at least one year achieving level 4 in Maths at Key Stage 2						Variance	Change				all but one have Special Educational Needs. We now have a Virtual Headteacher in place who is developing a strategy to improve the attainment of children looked after. The earliest performance can be on target will be quarter 2 of 2010/11.	
NI 101 Percentage of children looked after in year 11 who were in care for at least one year achieving 5 A*-C GCSEs including English and Maths	18		13	4		Significant Variance	Declined	4	0	Improved	The 2008/9 cohort of children looked after in year eleven was quite small (29 children), many of whom had complex needs. Only one achieved 5 GCSEs at grades A*-C including English and maths. The authority now has a Virtual Headteacher in post, whose role it will be to take a more proactive role in the attainment, progress and attendance of children looked after.	QUARTERLY
NI 107c Percentage point gap of pupils in a minority cohort who achieve at least level 4 in English and Maths at Key Stage 2 - White/Black Caribbean	3		3	5.4		Significant Variance	Declined	5.4	2.3	Declined	This data does not include academies. Due to a change in the definition of the indicator targets were set using initial pupil level results from DCSF. Revised data showed poorer performance. Future targets informed by performance this year will be set for 2010/2011.	QUARTERLY
NI 76 Number of schools where the percentage of pupils achieving Level 4+ in both English and Maths at KS2 is less than 55%	4		11	10		Significant Variance	Improved	10	12	Improved	This is based upon the revised data from the performance tables. Performance against the stretch target cannot be back on target until Quarter 2 in 2010 as Key Stage 2 tests are carried out annually. A comprehensive plan to improve performance in Primary Schools is in place, with a focus on Leadership and Teaching and Learning. Five headteachers are undergoing training with National College of School Leadership to become Local Leaders in Education (LLE). Each will partner schools currently below the floor target.	QUARTERLY
NI 86 Percentage of secondary schools judged as having good (grade 1) or outstanding (grade 2) standards or behaviour by Ofsted	85		80	70		Significant Variance	Declined		80	N/C	Due to a change in definition, performance for this indicator no longer includes Special Schools and Academies that have not been open long enough to have a full inspection. This is likely to remain below target, as the three schools who are currently rated as "satisfactory" for behaviour by Ofsted are not due an inspection during this year and therefore will remain "satisfactory". These schools receive consultancy	QUARTERLY

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PI Description	Target	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Current Status	Perf since prev Qtr	Projected Outturn	Previous Year Outturn	Forecast Direction of Travel from 2008/09 to 2009/10	Current Quarter Comments	Frequency
NI 89a The number of schools which are in special measures	1	1	2	2		Significant Variance	No Change	2	1	Declined	support from Inclusion and School Standards staff in order to improve strategies for managing pupil behaviour and for engaging pupils through an innovative curriculum. It is unlikely to be on target until Quarter 3 2010-11. Sinclair Primary School was placed in Special Measures at the end of July and the average time nationally for a school to stay in Special measures is 21 months. A comprehensive Local Authority Statement of Action has been validated by OFSTED for both schools currently in Special Measures.	QUARTERLY
NI 99 Percentage of looked after children who have been in care for at least one year achieving level 4 in English at Key Stage 2	36		13	13		Significant Variance	No Change	13	36	Declined	This is a very small cohort of children (8) and all but one have Special Educational Needs. A Virtual Headteacher for children looked after is developing a strategy to improve attainment of children looked after. The earliest performance can be on target will be quarter 2 of 2010/11.	QUARTERLY
Stretch Target 2 LAA 2b vi Increase in the percentage of pupils achieving level 4+ in English at Key Stage 2 in named primary schools which are below the national floor target of 55% With Stretch	73		67.7	69.5		Significant Variance	Improved	69.5	60.8	Improved	Performance against the stretch target cannot be back on target until Quarter 2 in 2010/2011 as Key Stage 2 tests are carried out annually. The projected outturn will be confirmed during Quarter 3. A comprehensive plan to improve performance in Primary Schools is in place, with a focus on Leadership and Teaching and Learning. Five headteachers are undergoing training with National College of School Leadership to become Local Leaders in Education (LLE). Each will partner schools currently below the floor target.	QUARTERLY
Young People & Community Support Division												
LAA 3a i Increase in the level of volunteering by children and young people living in the city in Millennium Volunteers; Youth Achievement Awards; and Southampton Voluntary Services related programmes (LAA Local Indicator)	450	73	92	144		Significant Variance	Improved	450	430	Improved	The figure is below target for the following reasons - no awards have yet been made through the new web based D of E programme; a second open award centre has not been opened due to staff shortages with the essential qualifications and data from the other organisations and the locality teams has not yet been collected due to staff shortages. To rectify this, the minimum period of time to gain the D of E award is three months, the next quarter should therefore have new data from the web based D of E programme. A plan has been put in place to ensure that data is collected from various organisations and services to	QUARTERLY

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PI Description	Target	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Current Status	Perf since prev Qtr	Projected Outturn	Previous Year Outturn	Forecast Direction of Travel from 2008/09 to 2009/10	Current Quarter Comments	Frequency
											include the voluntary sector, Junior Neighbourhood Warden Scheme, locality teams and those participating in Southampton City Youth Parliament. It is anticipated that this will increase the number of recorded data on 14 – 16 year olds participating in voluntary activities.	
Young People and Community Support Division												
NI 22 Percentage of people who feel that parents taking enough responsibility for the behaviour of their children	21.4	21.4	21.4	21.4	21.4	On Target	No Change	21.4	21.4	No Change		QUARTERLY
Economic Development Portfolio												
Neighbourhood Services Division												
LAA 4b i Number of clients referred to the Independent Domestic Violence Advisory (IDVA) service (LAA Local Indicator)	300	72	147	244		On Target	Improved	300	272	Improved		QUARTERLY
LAA 4b ii Percentage of potential clearly identified victims of domestic violence engaged with the Independent Domestic Violence Advisory (IDVA) service (LAA Local Indicator)	69	74	64	69		On Target	Improved	69	67	Improved		QUARTERLY
LAA 4b iii Overall effectiveness of local authority services designed to help victims of domestic violence and prevent further domestic violence. (BV225) (LAA Local Indicator)	90	90.9	90.9	90.09		On Target	Declined	90.9	90.9	No Change	It is not possible to report against this indicator. It was proposed to remove this from the suite of SCP measures at the start of 09/10.	QUARTERLY

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PI Description	Target	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Current Status	Perf since prev Qtr	Projected Outturn	Previous Year Outturn	Forecast Direction of Travel from 2008/09 to 2009/10	Current Quarter Comments	Frequency
LAA 4b iv Reduce the percentage of repeat attendances at MARACS by IDVA clients (LAA Local Indicator)	33	45		33.6		On Target	N/C	33	30.5	Declined		QUARTERLY
LAA 4c i Increase in the percentage of adults saying that they feel safe in the city centre during the day (LAA Local Indicator)	86	86	86	86		On Target	No Change	86	86	No Change		QUARTERLY
LAA 4c ii Increase in the percentage of adults saying that they feel safe in the city centre after dark (LAA Local Indicator)	56	56	56	56		On Target	No Change	56	56	No Change		QUARTERLY
LAA 4c iii Increase in the percentage of young people saying that they feel safe in the city centre during the day (LAA Local Indicator)	83	83	83	83		On Target	No Change	83	83	No Change		QUARTERLY
LAA 4c iv Increase in the percentage of young people saying that they feel safe in the city centre after 6 pm (LAA Local Indicator)	34	34	34	34		On Target	No Change	34	34	No Change		QUARTERLY
LAA 4e i Reduce public perceptions of local drug dealing and drug use as a problem (MI (LAA Local Indicator)	34.6	34.6	34.6	34.6		On Target	No Change	34.6	34.6	No Change		QUARTERLY
LAA 5a i A reduction in the proportion of	40	27	14	31		On Target	Declined	40	43.5	Improved	Q3 data comprises 19 ASBO breaches of 52 open cases and 19 ABC breaches of 48 open cases.	QUARTERLY

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PI Description	Target	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Current Status	Perf since prev Qtr	Projected Outturn	Previous Year Outturn	Forecast Direction of Travel from 2008/09 to 2009/10	Current Quarter Comments	Frequency
people who breach an anti-social behaviour intervention (ASBO) (LAA Local Indicator)												
LAA 5a xvi Increased reporting of hate crime and harassment (LAA Local Indicator)	1625	378	643	990		On Target	Improved	1625	1595	Improved	Latest data includes incidents from SCC and the Police. Other external agencies only submit data at quarter 4 and it is anticipated that this will enable the end of year target to be achieved.	QUARTERLY
LAA 5b i Reduce the proportion of local residents who think that rubbish or litter is a problem in their area (LAA Local Indicator)	43	43	43	43		On Target	No Change	43	43	No Change		QUARTERLY
LAA 5b ii Reduce the proportion of local residents who think that teenagers hanging around in the street is a problem in their area (LAA Local Indicator)	57	57	57	57		On Target	No Change	57	57	No Change		QUARTERLY
LAA 5b iii Reduce the proportion of local residents who think that drunk or rowdy behaviour is a problem in their area (LAA Local Indicator)	45.5	45.5	45.5	45.5		On Target	No Change	45.5	45.5	No Change		QUARTERLY
LAA 5b iv Reduce the proportion of local residents who think that abandoned or burnt out cars/vehicles is a problem in their area (LAA Local Indicator)	10	10	10	10		On Target	No Change	10	10	No Change		QUARTERLY
LAA 5b v Reduce the proportion of local residents who think	46	46	46	46		On Target	No Change	46	46	No Change		QUARTERLY

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PI Description	Target	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Current Status	Perf since prev Qtr	Projected Outturn	Previous Year Outturn	Forecast Direction of Travel from 2008/09 to 2009/10	Current Quarter Comments	Frequency
that vandalism, graffiti, and other deliberate damage to property is a problem in their area (LAA Local Indicator)												
LAA 5b vi Reduce the proportion of local residents who think that drug use or drug dealing is a problem in their area (LAA Local Indicator)	34.6	34.6	34.6	34.6		On Target	No Change	34.6	34.6	No Change		QUARTERLY
LAA 5b vii Reduce percentage of Acceptable Behaviour Contracts (ABCs) that lead to ASBOs (LAA Local Indicator)	5	1.8	1.8	1.8		On Target	No Change	5	10	Improved	No change between data reported for Q2 and Q3 as no new ASBOs in period.	QUARTERLY
NI 17 Percentage of people stating that anti-social behaviours a problem	29.5	29.5	29.5	29.5		On Target	No Change	29.5	29.5	No Change		QUARTERLY
NI 21 Percentage of people who think that anti-social behaviour and crime are tackled effectively by the local authority and police (LAA Designated Target)	23	23	23	23		On Target	No Change	23	23	No Change		QUARTERLY
NI 27 Percentage of people who think that the police and local authority seek peoples views about anti-social behaviour and crime	21.4	21.4	21.4	21.4		On Target	No Change	21.4	21.4	No Change		QUARTERLY
NI 37 Percentage of people who feel that they are well informed	12.6	12.6		12.6		On Target	N/C	12.6	12.6	No Change		QUARTERLY

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PI Description	Target	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Current Status	Perf since prev Qtr	Projected Outturn	Previous Year Outturn	Forecast Direction of Travel from 2008/09 to 2009/10	Current Quarter Comments	Frequency
by local agencies about what they should do in the event of a large scale emergency												
NI 41 Percentage of people who think that there is a problem with people being drunk or rowdy in their area	45.5	45.5	45.5	45.5		On Target	No Change	45.5	45.5	No Change		QUARTERLY
NI 42 Percentage of people who think that there is a problem with people using or dealing drugs in their area	34.6	34.6	34.6	34.6		On Target	No Change	34.6	34.6	No Change		QUARTERLY
Young People & Community Support Division												
NI 13 Percentage of non-English speaking foreign nationals applying for English for speakers of other Languages courses	63.3		63.2	63.2		On Target	No Change	63.2		N/C	This preliminary figure is based on data from the Learning and Skills Council, with the following caveats: Data is based on location of provider rather than learner residence. The learner numbers are not broken down by age, so may include some delivery targeted at 14-19 year olds. Data for 08/09 will not be available until February 2010. Data is by academic rather than calendar year. The Home Office have extended the deadline for submission until January 2010. This is due to difficulties experienced by local authorities in identifying definitive requirements for this indicator in light of conflicting definition, guidance and data. This figure will be reviewed in consultation with the LSC and local providers and may be subject to change in the last quarter of 2009/10.	YEARLY
Environment & Transport Portfolio												

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Environmental Health & Consumer Protection												
EHCP6 Percentage of Registration Services customers seen within 10 minutes of appointed time	90	94	93	91.5		On Target	Declined		93	N/C		QUARTERLY
EHCP7 Percentage of Registration Services certificate applications dealt with (at the statutory fee) within 5 working days of receipt	90	98	99	97.5		On Target	Declined		99	N/C		QUARTERLY
EHCP8 Percentage of customers surveyed satisfied with Registration Services	95	96	98	98		On Target	No Change		99	N/C		QUARTERLY
NI 182 Percentage of business customers of regulatory services who respond that they have been treated fairly and/or the contact has been helpful	80	82	81	80		On Target	Declined		80	N/C		QUARTERLY
Highways & Parking Division												
BV218b Percentage of abandoned vehicles removed within 48 hours from the point at which the authority is legally entitled to remove the vehicle	87	88.4	93.7	92.5		On Target	Declined	91.7	86.9	Improved		QUARTERLY
HP1 % of incidents of dangerous damage to roads and pavements repaired or made safe within 24 hours of being reported or identified	80	66	75.71	97.91		On Target	Declined	80	8.38	Declined	Progress significantly improved in quarter 3. However recent extreme weather is likely to cause significant damage to roads and pavements in quarter 4.	QUARTERLY

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PI Description	Target	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Current Status	Perf since prev Qtr	Projected Outturn	Previous Year Outturn	Forecast Direction of Travel from 2008/09 to 2009/10	Current Quarter Comments	Frequency
The average number of days taken to repair a street lighting fault that is under the control of the local authority (Former Bv215a)	9	4.83	5.83	6.18		On Target	Declined		8.99	N/C		QUARTERLY
Planning & Sustainability Division												
LAA 1c ii The percentage of schools with travel plans completed (Until the modal share of travel to school data is available nationally i.e. decrease in the proportion of car journeys to school in favour of walking and cycling options (LAA Local Indicator)	100	100	100	100		On Target	No Change		100	N/C		QUARTERLY
LAA 7d i No of sustainable energy projects worked up in cooperation with local groups and schools (LAA Local Indicator)	5	3	18	18		On Target	No Change	19	11	Improved		QUARTERLY
LAA 7d ii No. of Home Energy Check (HEC) forms and phone calls to Energy Efficiency Advice Centre (LAA Local Indicator)	2484	367	737	2430		On Target	Improved	2484	2499	Declined	A large scale mail was undertaken in September to target carbon rich households. This resulted in a large number of HEC returns. Additional outreach work is planned for quarter 4 to give advice to the public, including an insulation roadshow in the city centre.	QUARTERLY
LAA 7d iii Reduction in annual tonnage of CO2 emissions that can be reliably said to be prevented through the sum of energy efficiency and on-site	648	629	997	1000		On Target	Improved	1000	611	Improved	Actual projects completed in quarter 3 are the same as in quarter 2 but the data has been corrected hence the 3 tonne difference in carbon savings. Stretch target has been achieved ahead of schedule, however all savings to date do need audit approval at the end of the financial year. Additional savings are expected in quarter 4 from non-SALIX projects within the property	QUARTERLY

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PI Description	Target	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Current Status	Perf since prev Qtr	Projected Outturn	Previous Year Outturn	Forecast Direction of Travel from 2008/09 to 2009/10	Current Quarter Comments	Frequency
renewable energy efficiency measures taken in SCC operational buildings during the LAA period. Without Stretch (LAA Local Indicator)											services division.	
LAA 7d vi Increase in the percentage of major applications including a water saving planning application (LAA Local Indicator)	100	100	100	100		On Target	No Change	100	100	No Change		QUARTERLY
LAA 7d vii Increase in the number of projects implemented to promote water use reduction in existing housing in the city (LAA Local Indicator)	1	1	1	1		On Target	No Change	1	1	No Change	The water efficiency project is being undertaken by Radian in partnership with the Environment Agency. The project involves research into how to address water efficiency in new build and existing homes. Recommendations have been made based on the first years findings, including that significant water savings are made when new homes are built to Code for Sustainable Homes Levels 3 and 4, and also in existing housing where homes are retro fitted with eco-beta dual flush toilet devices. Raising awareness on the importance of water conservation is also a key factor in success.	QUARTERLY
LAA 7d viii Increase in the number of feasibility studies carried out for identifying future district scale CHP opportunities (LAA Local Indicator)	2	6	7	7		On Target	No Change	7	2	Improved	Cumulative total of 7. Studies include: <ul style="list-style-type: none"> • Ocean Village • Woolston • Civic Centre • Heat station biomass • Bitterne Leisure Centre • PUSH city centre extension study • Gantry 	QUARTERLY
NI 157b Processing of planning applications as measured against targets for minor applications within 8 weeks	78	86.87	71.57	81.16		On Target	Improved	79.7	73.6	Improved	In line with target requirements (78% target).	QUARTERLY

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PI Description	Target	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Current Status	Perf since prev Qtr	Projected Outturn	Previous Year Outturn	Forecast Direction of Travel from 2008/09 to 2009/10	Current Quarter Comments	Frequency
NI 157c Processing of planning applications as measured against targets for other applications within 13 weeks	88	86.42	86.63	90.97		On Target	Improved	87.63	86.35	Improved	In line with target requirements (88% target).	QUARTERLY
NI 175a Percentage of the city's population within a 40 minute bus journey of the general hospital (LAA Designated Target)	86.1	100	100	100		On Target	No Change		84.5	N/C	Based on October 2009 Public Transport Data	QUARTERLY
NI 185 Percentage year on year reduction in CO2 emissions from Southampton City Council operations	1	0	0	1		On Target	Improved	1	0	Improved	This figure is an estimate only. National Indicator 185 is reported a quarter in arrears due to data collection procedures. 2009/10 data collection will be reported as an actual tonnage each quarter. The end of year total tonnes CO2 will then be compared to that of 2008/09 to give a percentage reduction. Projected outturn is to meet the target of a 1% reduction. Please note that Quarter 2 reporting data (actual Quarter 1) was revised in Quarter 3 following recalculation.	QUARTERLY
NI 186 Percentage reduction in CO2 emissions per person in the Southampton City Council area against the emissions in the baseline year (LAA Designated Target)	-4.5	1.72	-8.3	-8.3		On Target	No Change	-8.3	-1.72	Declined	NI186 figures are centrally collected and issued by DEFRA on an annual basis. DEFRA have updated their data (quarter 2) due to a continually evolving methodology with improved data quality. Significantly improved against the target.	QUARTERLY
NI 188 Adapting to climate change	2	1.5	1.5	1.5		On Target	No Change	2	1	Improved	Actions relating to climate change impacts risk management are underway to establish a strong position for achieving Level 2 by year end. These actions include: updating of the Strategic Risk Register with a risk around climate change adaptation (risk 11) with specific progress to date and future actions on the capacity of the city's infrastructure to adapt to extreme weather and climate event; work has begun on analysing latest UKCP09 climate change scenario data to understand the specific risks for the city and	QUARTERLY

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PI Description	Target	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Current Status	Perf since prev Qtr	Projected Outturn	Previous Year Outturn	Forecast Direction of Travel from 2008/09 to 2009/10	Current Quarter Comments	Frequency
											the sub-region; and the City Council was awarded a green flag in the CAA inspection for activities on sustainability.	
NI 189a Percentage of agreed actions to implement the Shoreline Management Plan	100	100	100	100		On Target	No Change	100	100	No Change	The Environment Agency has now agreed which actions the city council needs to take forward from the Catchment Flood Management Plan to comply with 2009/10 reporting against NI189a. These actions will be re-negotiated for 2010/11. Reporting for NI189b will be on progress against the timetable for SMP delivery.	QUARTERLY
NI 189b Percentage of agreed actions to implement the Catchment Flood Management Plan	100	100	100	100		On Target	No Change	100	100	No Change	The Environment Agency has now agreed which actions the city council needs to take forward from the Catchment Flood Management Plan to comply with 2009/10 reporting against NI189a. These actions will be re-negotiated for 2010/11. Reporting for NI189b will be on progress against the timetable for SMP delivery.	QUARTERLY
NI 194 The year on year measured reduction of primary PM10 (airborne particulates) and NOX (nitrous oxides) emission from local authority estate and operations	1	0	0	1		On Target	Declined	1	0	Declined	This figure is an estimate only. National Indicator 194 is reported a quarter in arrears due to data collection procedures. 2009/10 data collection will be reported as an actual Kg emissions each quarter. The end of year total Kg NOx and PM10 emissions will then be compared to that of 2008/09 to give a percentage reduction. Projected outturn is to meet the target of a 1% reduction. Please note that Quarter 2 reporting data (actual Quarter 1) was revised in Quarter 3 following recalculation. The quarter 3 cumulative total is 13,936Kg. The total figure is split as follows: 13,426Kg of NOx and 510Kg of PM10.	QUARTERLY
NI175b Percentage of the city's population within a 10 minute walk of a GP surgery (LAA Designated Target)	69.5	72	72	72		On Target	No Change		67	N/C	No change in GP surgery locations	QUARTERLY
Percentage of conservation areas in the local authority area with an up-to-date character appraisal (Former BV219b)	20	20	20	20		On Target	No Change	20	10	Improved		QUARTERLY
P53 Progress against	3	3	3	3		On Target	No		3	N/C	No change	QUARTERLY

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PI Description	Target	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Current Status	Perf since prev Qtr	Projected Outturn	Previous Year Outturn	Forecast Direction of Travel from 2008/09 to 2009/10	Current Quarter Comments	Frequency
the annual progress report (LTP)							Change					
Stretch Target 11 LAA 7d iv Reduction in annual tonnage of CO2 emissions that can be reliably said to be prevented through the sum of energy efficiency and on-site renewable energy efficiency measures taken in SCC operational buildings during the LAA period	938	629	997	1000		On Target	Improved	1000	611	Improved	Actual projects completed in quarter 3 are the same as in quarter 2 but the data has been corrected hence the 3 tonne difference in carbon savings. Stretch target has been achieved ahead of schedule, however all savings to date do need audit approval at the end of the financial year. Additional savings are expected in quarter 4 from non-SALIX projects within the property services division.	QUARTERLY
The number of planning appeal decisions allowed against the authority's decision to refuse on planning applications, as a percentage of the total number of planning appeals against refusals of planning applications (Former BV204)	30	41.66	15.38	5.88		On Target	Improved		36.59	N/C		QUARTERLY
NI 157a Processing of planning applications as measured against targets for major applications within 13 weeks	75	80	75	69.23		Slight Variance	Declined	74.19	73.24	Improved	The slight variance is due to a relatively small number of applications decided which makes the overall percentage look worse. A more flexible approach on negotiation of timescales for some key strategic applications has been taken, due to the economic recession. It is anticipated the figure will be close to our local target by year end, and will exceed the national target.	QUARTERLY
Waste & Fleet Transport Division												
Cost of household waste collection per household (former BV86)	51	51	49.09	49.65		On Target	Declined	49.65	48.98	Declined		QUARTERLY

Quarter 3 Monitoring of the Corporate Improvement Plan 2009/10

PI Description	Target	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Current Status	Perf since prev Qtr	Projected Outturn	Previous Year Outturn	Forecast Direction of Travel from 2008/09 to 2009/10	Current Quarter Comments	Frequency
LAA 7c i Reduction in the percentage of municipal waste landfilled (LAA Local Indicator)	22.1	19.68	17.04	17.02		On Target	Improved	16.71	19.17	Improved		QUARTERLY
LAA 7c ii Increase in the percentage of municipal waste recycled (LAA Local Indicator)	27.28	30.14	30.72	28.08		On Target	Declined	26.99	27.32	Declined		QUARTERLY
NI 191 Number of kilograms of residual household waste collected per household (LAA Designated Target)	742	177	349	520.1		On Target	Declined	688.8	697.2	Improved	Figures are cumulative	QUARTERLY
NI 193 Percentage of municipal waste which is sent to landfill	22.1	19.68	17.04	17.02		On Target	Improved	16.71	18.77	Improved		QUARTERLY
Number of kilograms of household waste collected per head of the population (Former BV84a)	420	108	207.3	303.5		On Target	Declined	396.5	409.83	Improved	Figures are cumulative.	QUARTERLY
Percentage of household waste that has been landfilled (Former BV82d(i))	18.33	20.54	18.51	18.1		On Target	Improved	17.42	19.37	Improved		QUARTERLY
Percentage of the total tonnage of household waste arisings that have been used to recover heat, power and other energy sources (Former BV82c(i))	54.1	49.53	52.47	55.18		On Target	Improved	56.97	53.77	Improved		QUARTERLY
The percentage of household waste sent by the Authority for composting or	8.5	11.96	12.83	10.08		On Target	Declined	8.92	8.46	Improved		QUARTERLY

Quarter 3 Monitoring of the Corporate Improvement Plan 2009/10

PI Description	Target	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Current Status	Perf since prev Qtr	Projected Outturn	Previous Year Outturn	Forecast Direction of Travel from 2008/09 to 2009/10	Current Quarter Comments	Frequency
treatment by anaerobic digestion (Former BV82b(i))												
WFT2 Number of collections missed per 100000 collections of household waste per quarter.	40	36	39	35		On Target	Improved	38	40	Improved		QUARTERLY
Cost of waste disposal per tonne of municipal waste (Former BV87)	73	75.5	75.48	77.99		Slight Variance	Declined	78	71.62	Declined	Disposal costs per tonne higher due to effects of the recession which has reduced tonnages. Disposal costs are made up of approx 50% fixed costs and 50% variable costs - the recession has only reduced the variable costs - fixed cost stay the same. Therefore with a tonnage reduction and only a variable cost reduction unit costs rise. A better indicator is disposal cost per resident, which is used by the audit commission, and in this indicator disposal costs are reducing.	QUARTERLY
NI 192 Percentage of household waste arising which have been sent by the authority for reuse recycling composting or anaerobic digestion	28.39	30.5	29.65	27.33		Slight Variance	Declined	26.4	27.8	Declined	The variance is mainly due to the reduction of recyclates, caused by the downturn in consumption of newspapers and magazines in the recession. There is also a seasonal reduction of composting in quarter 3 which will continue in quarter 4. The adverse weather conditions have impacted on the number of rounds of recycling collected which will affect the out-turn for both tonnage and percentage of recyclates in the project out-turn. It is likely that the out-turn will have a slight variance to target.	QUARTERLY
Percentage of household waste arisings which have been sent by the Authority for recycling (Former BV82a(i))	19.05	17.97	16.18	16.63		Slight Variance	Improved	16.7	18.77	Declined	Reduced tonnage and therefore percentage performance are due to: 1. Effects of recession on sale of newspapers and magazines. 2. Strategic decision by Southampton/Hampshire/Portsmouth to provide mixed wood bins at HWRC sites rather than clean wood which will double tonnages of wood diverted from landfill (thereby reducing costs). Clean wood used to go to recycling, mixed wood now goes to composting and energy recovery. Effects are to reduce recycling but to increase composting performance and energy recovery; overall performance (recycling + composting) will broadly stay the same, whilst it is	QUARTERLY

Quarter 3 Monitoring of the Corporate Improvement Plan 2009/10

PI Description	Target	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Current Status	Perf since prev Qtr	Projected Outturn	Previous Year Outturn	Forecast Direction of Travel from 2008/09 to 2009/10	Current Quarter Comments	Frequency
Total tonnage of household waste arisings sent by the Authority for recycling (Former BV82a(ii))	17505	4488	7871	11672		Slight Variance	Improved	15321	17844	Declined	<p>anticipated there will be a slight variance to target at the out-turn.</p> <p>Reduced tonnage and therefore percentage performance are due to: 1. Effects of recession on sale of newspapers and magazines. 2. Strategic decision by Southampton/Hampshire/Portsmouth to provide mixed wood bins at HWRC sites rather than clean wood which will double tonnages of wood diverted from landfill (thereby reducing costs). Clean wood used to go to recycling, mixed wood now goes to composting and energy recovery. Effects are to reduce recycling but to increase composting performance and energy recovery; overall performance (recycling + composting) will broadly stay the same. However, it is anticipated there will be a slight variance at out-turn to the target.</p>	QUARTERLY

**Housing & Local Services Portfolio
Decent Homes Division**

DHD6 Average time taken to re-let local authority housing	32	31.32	32.96	31.77		On Target	Improved	32	32.65	Improved	On target	QUARTERLY
DHD7 The average SAP rating of local authority-owned dwellings	71	69.46	69.43	69.2		On Target	Declined	71	69.57	Improved	On target	QUARTERLY
NI 158a Number of non decent council homes	900	2228	2568	2117		Slight Variance	Improved	1548	2044	Improved	In Q2 it was reported that the number of non-decent properties had increased as a result of large volumes of backlog property surveys being completed and recorded ahead of programme delivery. It was also stated that targets for the latter half of 2009/10 would not be achieved. The profiled targets for the remainder of the year were revised within the service and these have been exceeded following focussed activity (2117 properties remain non-decent against a Q3 revised target of 2308). The delivery of the decent homes programme is on track to achieve the 100% Decent Homes target by December 2010.	QUARTERLY
NI 158b Percentage of non decent council homes	7	13.01	15	12.49		Slight Variance	Improved	9	11.9	Improved	In Q2 it was reported that the number of non-decent properties had increased as a result of large volumes of backlog property surveys being completed and	QUARTERLY

Quarter 3 Monitoring of the Corporate Improvement Plan 2009/10

PI Description	Target	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Current Status	Perf since prev Qtr	Projected Outturn	Previous Year Outturn	Forecast Direction of Travel from 2008/09 to 2009/10	Current Quarter Comments	Frequency
Housing Management Division												
HMD3 Arrears of Housing Rent and other charges as a percentage of amount due	2.2	2.8	2.99	2.81		On Target	Improved	2.2	2.57	Improved		QUARTERLY
HMD5 Number of council tenants evicted as a result of rent arrears	60	8	13	17		On Target	Declined	28	59	Improved	The success of earlier interventions and a pre-court pilot has significantly reduced evictions to date. Higher level of engagement with traditionally hard to reach customers has also been achieved.	QUARTERLY
NI 160 Local Authority tenants' satisfaction with landlord services	78	76	76	76		On Target	No Change	76	76	No Change	Outturn based on 2008 Status Survey, next survey due 2010	QUARTERLY
HMD6 Former Tenant Arrears collected as a % of FT debt	9	2.39	4.33	6.05		Slight Variance	Improved	9	7.97	Improved	Review of older debt underway. Action plan being formulated to address key issues. A schedule of meetings are diarised with Accounts Receivable to monitor progress. Still expecting to hit year end target.	QUARTERLY
Housing Solutions Division												
NI 155 Total number of social rent housing and intermediate housing (LAA Designated Target)	330	42	83	149		On Target	Improved	240	372	Declined	The number of completions significantly exceeds the target of 30 units for Q3. This is mainly due to 36 units being completed on one scheme which had originally been profiled to complete in Q4. Council officers met with GOSE (at GOSE's invitation) to discuss reprofiling of LAA targets for 2009/10 as the 330 unit target will not be reached due to the impact of the recession. GOSE have now formally confirmed their acceptance of a reprofiled target of 240.	QUARTERLY
NI 156 Number of households living in temporary accommodation	133	133	132	133		On Target	Declined	133	132	Declined	On target.	QUARTERLY

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provided by the council under the homelessness legislation												
NI 187a Percentage of households on low income related benefits and low energy efficiency	9	9	9	9		On Target	No Change	9	9.23	Improved	2009/10 Performance reported in Q4 The surveys were sent out in early November 2009 and are now being collated and analysed. The results will be made available to Private Housing during quarter 4.	QUARTERLY
NI 187b proportion of households in receipt of income benefit and a high energy efficiency	35	35	35	35		On Target	No Change	35	34.9	Improved	2009/10 Performance reported in Q4 The surveys were sent out in early November 2009 and are now being collated and analysed. The results will be made available to Private Housing during quarter 4.	QUARTERLY
Neighbourhood Services Division												
Increase in the number of Green Flags (With Stretch LAA 12)	4	4	4	4		On Target	No Change	5	4	Improved	7 Green Flag applications have been submitted which combine with the pennant awards to achieve the stretch target total of 6.	QUARTERLY
LAA 5a xvii Reduce proportion of repeat victims of reported harassment incidents (LAA Local Indicator)	3	2.16	2.6	2.2		On Target	Improved	3	3	No Change		QUARTERLY
LAA 6c iii Recorded racial incidents: Percentage of incidents recorded by the authority that resulted in further action. (BV 175) (LAA Local Indicator)	100	100	100	100		On Target	No Change	100	100	No Change		QUARTERLY
LAA 7b i Increase in the number of Green Flags Without Stretch (LAA Local Indicator)	2	4	4	4		On Target	No Change	5	4	Improved		QUARTERLY
LAA 7b iii Increase in the number of Pennants Without Stretch (LAA Local	1	1	1	1		On Target	No Change	1	1	No Change		QUARTERLY

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Indicator)												
LAA 7b v Improvement in the Biodiversity across the city (73 sites listed): Increase in the number of sites stable or improving Without Stretch (LAA Local Indicator)	26	35	35	36		On Target	Improved	41	35	Improved	The dry summer prevented some improvement work being completed. Area teams have now been mobilised to help improve sites in the next quarter. 7 sites will be targeted to ensure we reach and possibly exceed the target.	QUARTERLY
LAA 7b vii Reduction in fly-tipping incidents across the city Without Stretch (LAA Local Indicator)	16591	3838	8214	11251		On Target	Declined	13900	15427	Improved	Plans are in place for the final quarter to ensure performance remains under the target and is consistently lower from then on.	QUARTERLY
NI 1 Percentage of people who believe people from different backgrounds get on well together in their local area	73.2	73.2		73.2		On Target	N/C	73.2	73.2	No Change		QUARTERLY
NI 138 Percentage of people aged 65 or over who are satisfied with both home and neighbourhood	78.8	78.8		78.8		On Target	N/C	78.8	78.8	No Change	Next Place Survey will be undertaken in 2010/11	QUARTERLY
NI 140 Percentage of people who say that they have been treated with respect and consideration by local services	70.7	71.1		71.1		On Target	N/C	71.1	71.1	No Change		QUARTERLY
NI 195a Improved street and environmental cleanliness levels of litter	5	3	3	3		On Target	No Change	5	3	Declined		QUARTERLY
NI 195b Improved street and environmental cleanliness levels of	7	6	6	4		On Target	Improved	7	4	Declined		QUARTERLY

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debris												
NI 195c Improved street and environmental cleanliness levels of graffiti	6	4	6	3		On Target	Improved	6	4	Declined		QUARTERLY
NI 195d Improved street and environmental cleanliness levels of fly posting	1	0	0	0		On Target	No Change	1	0	Declined		QUARTERLY
NI 196 Year on year change in total incidents of fly tipping dealt with compared with its year on year change in enforcement actions taken against fly-tipping	2	1	1	1		On Target	No Change	1	2	Improved	Achieving level 1 means that fly tipping has reduced alongside increased enforcement actions.	QUARTERLY
NI 197 Proportion of local sites where positive conservation management has been or is being implemented	15	15	15	15		On Target	No Change	15	15	No Change	Activity this year has focussed on the LAA outcomes with this element expected to improve once the LAA is implemented in 2010/11.	QUARTERLY
NI 2 Percentage of people who feel that they belong to their neighbourhood	47.7	47.7		47.7		On Target	N/C	47.7	47.7	No Change		QUARTERLY
NI 23 Percentage of people who think that there is problem in their local area with people not treating one another with respect	40	40		40		On Target	N/C	40	40	No Change		QUARTERLY
NI 3 The level of Civic participation in the local area	12.6	12.6		12.6		On Target	N/C	12.6	12.6	No Change		QUARTERLY

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NI 4 Percentage of people who feel they can influence decisions in their locality	28.4	27.9		27.9		On Target	N/C	27.9	27.9	No Change		QUARTERLY
NI 5 Percentage of people who are satisfied overall with the area as a place to live	74.5	73.7		73.7		On Target	N/C	73.7	73.7	No Change		QUARTERLY
NI 6 Percentage of people who take part in formal volunteering at least once a month	21.7	21.7	21.7	21.7		On Target	No Change	21.7	21.7	No Change		QUARTERLY
Stretch Target 12 LAA 7b iv Increase in the number of Pennants	2	1	1	1		On Target	No Change	1	1	No Change	The pennants combines with the Green Flag awards to achieve the stretch target total of 6. 7 flags applications have been submitted.	QUARTERLY
Stretch Target 12 LAA 7b vi Improvement in the Biodiversity across the city (73 sites listed): Increase in the number of sites stable or improving	41	35	35	36		Slight Variance	Improved	41	35	Improved	The dry summer prevented some improvement work being completed. Area teams have now been mobilised to help improve sites in the next quarter. 7 sites will be targeted to ensure we reach and possibly exceed the target.	QUARTERLY
Stretch Target 12 LAA 7b viii Reduction in fly-tipping incidents across the city	13972	3838	8214	11251		Slight Variance	Declined	13900	15427	Improved	Plans are in place for the final quarter to ensure performance remains under the target and is consistently lower from then on.	QUARTERLY
Leaders Portfolio												
Corporate Policy and Performance Division												
NI 179 Total net value of ongoing cash-releasing value for money gains that have impacted since the start of the 2008/09 Financial Year	4200	6500	7754	11500		On Target	Improved	11500	6500	Improved		QUARTERLY
Legal and Democratic Services Division												
LD2 Number of	0	0	0	0		On Target	No		0	N/C	Southampton City Council continues to deliver an	QUARTERLY

Quarter 3 Monitoring of the Corporate Improvement Plan 2009/10

PI Description	Target	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Current Status	Perf since prev Qtr	Projected Outturn	Previous Year Outturn	Forecast Direction of Travel from 2008/09 to 2009/10	Current Quarter Comments	Frequency
complaints to an Ombudsman classified as Maladministration							Change				exemplary record of zero complaints to the ombudsman considered maladministration. Monitoring continues throughout the year and the LGO annual report (June 2009) confirmed the Council's excellent records in this area, noting a continuous year on year improvement and praising the Council on its liaison with and approach to LGO/complaints. Reports to COMIT & Standards and Governance in late summer / early autumn 2010 will report on the 2009/10 annual letter. While not directly relevant to dealing with LGO complaints, since the last report a new compliments and complaints system has gone live across the Authority and the LGO has introduced a new system for dealing with premature complaints. We are yet to assess the impact of these significant changes, as data is only just becoming available in relation to performance and trends are not yet clear. It is likely however, that this will have an impact on the overall statistics for complaints that are referred to the O	
Leisure, Culture & Heritage Portfolio												
Leisure, Culture & Heritage Division												
NI 10 - Percentage of the local adult population who have visited a museum or gallery within the last year (via Sport England's Active People Survey)	53	51.9	51.9	51.9		On Target	No Change	53	51.9	Improved	This value is obtained from the Active People annual survey undertaken by Sport England. The data is not available until July at the earliest and there are currently no interim proxy measures available to assess progress on this measure.	QUARTERLY
NI 11 Percentage of the adult population that has engaged in the arts at least 3 times in the last year (via Sport England's Active People Survey)	40	38.8	38.8	38.8		On Target	No Change	40	38.8	Improved	This value is obtained from the Active People annual survey undertaken by Sport England. The data is not available until July at the earliest and there are currently no interim proxy measures available to assess progress on this measure.	QUARTERLY
NI 9 - Percentage of the local adult population who have used a public library	51.5	50.5	50.5	50.5		On Target	No Change	51.5	50.5	Improved	This value is obtained from the Active People annual survey undertaken by Sport England. The data is not available until July at the earliest and there are currently no interim proxy measures available to	QUARTERLY

Quarter 3 Monitoring of the Corporate Improvement Plan 2009/10

PI Description	Target	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Current Status	Perf since prev Qtr	Projected Outturn	Previous Year Outturn	Forecast Direction of Travel from 2008/09 to 2009/10	Current Quarter Comments	Frequency
service within the last year (via Sport England's Active People Survey)											assess progress on this measure.	
NI 8 - Percentage of adult participating in sport & active recreation (via Sport England's Active People Survey)	23.7	21.1	21.1	21.1		Slight Variance	No Change	23.7	21.1	Improved	This value is obtained from the Active People annual survey undertaken by Sport England. The data is not available until July at the earliest and there are currently no interim proxy measures available to assess progress on this measure.	QUARTERLY
Resources & Workforce Planning Portfolio												
Human Resources Division												
Percentage of the top paid 5% of staff who have a disability (excluding those in maintained schools) (Former BV11c)	1.5	1.26	1.26	1.66		On Target	Improved	1.5	1.36	Improved		QUARTERLY
Percentage of top-paid 5% of staff who are women (Former BV11a)	46	51.68	51.05	51.04		On Target	Declined	51	53.85	Declined		QUARTERLY
The number of working days/shifts lost to the Authority due to sickness absence (Former BV12)	8.5	1.5	2.83	5.92		On Target	Declined	8.5	10.11	Improved		QUARTERLY
The percentage of employees retiring early (excluding ill-health retirements) as a percentage of the total work force (Former BV14)	0	0	0	0		On Target	No Change	0	0	No Change		QUARTERLY
The percentage of local authority employees retiring on grounds of ill health as a percentage of the	0.25	0	0.02	0		On Target	Improved	0.1	0	Declined		QUARTERLY

Quarter 3 Monitoring of the Corporate Improvement Plan 2009/10

PI Description	Target	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Current Status	Perf since prev Qtr	Projected Outturn	Previous Year Outturn	Forecast Direction of Travel from 2008/09 to 2009/10	Current Quarter Comments	Frequency
total workforce (Former BV15)												
The percentage of local authority employees with a disability (Former BV16a)	2	2.28	2.23	2.2		On Target	Declined	2.2	2.33	Declined		QUARTERLY
The percentage of the top 5% of local authority staff who are from an ethnic minority (Former BV11b)	4.4	4.62	4.6	4.56		On Target	Declined	4.6	5.43	Declined		QUARTERLY
The percentage of local authority employees from ethnic minority communities (Former BV17a)	5	4.91	4.91	4.67		Slight Variance	Declined	4.5	4.95	Declined	A change to one or two employees has a significant impact on these figures.	QUARTERLY
Transactions & Customer Excellence Division												
CS1 calls to publicised numbers (other than call centres) answered by a member of staff within 20 seconds between the times of 8:30am and 5:00pm Monday to Friday	90	91.7	91.7	94.1		On Target	Improved	94	98.2	Declined		QUARTERLY
CS2 Calls to Call Centres answered by an agent within 2 minutes between the times of 8:30am and 5:00pm Monday to Friday	80	82.98	80.5	79.05		On Target	Declined	80	83.06	Declined		QUARTERLY
CS3 Answering letters - percentage of letters answered within 15 working days	92	94.1	95.8	92.6		On Target	Declined	92	93.2	Declined		QUARTERLY
NI 14 Percentage of customer contacts with council services that	40	27	17	20		On Target	Declined	21	23	Improved		QUARTERLY

Quarter 3 Monitoring of the Corporate Improvement Plan 2009/10

PI Description	Target	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Current Status	Perf since prev Qtr	Projected Outturn	Previous Year Outturn	Forecast Direction of Travel from 2008/09 to 2009/10	Current Quarter Comments	Frequency
are assessed as being avoidable												
NI 180 Number of changes of circumstances which affect customers HB/CTB entitlements that are identified and processed by the local authority per 1000 claimants	1.5	0.52	0.71	1.1		On Target	Improved	1.5	0.69	Improved		QUARTERLY
NI 181 Average time taken in calendar days to process all new claims and change events in Housing Benefit/Council Tax Benefit	16	15.74	14.89	13.68		On Target	Improved	16	11.59	Declined		QUARTERLY
The percentage of cases within a random sample for which the Authority's calculation of Housing and Council Tax Benefit (HB/CTB) is found to be correct (Former BV79a)	99	99.2	99.6	99.2		On Target	Declined	99	99.6	Declined		QUARTERLY
The percentage of council tax collected by the Authority in the year (Former BV9)	96.2	28.49	54.43	82.46		On Target	Improved	96.2	95.56	Improved		QUARTERLY
The percentage of national non-domestic rates collected in-year (Former BV10)	99.2	32.05	59.65	87.62		On Target	Improved	99.2	99.2	No Change		QUARTERLY
To measure average processing time taken across all new Housing and Council Tax Benefit (HB/CTB)	26	19.45	18.63	18.29		On Target	Improved	24	21.66	Declined		QUARTERLY

Quarter 3 Monitoring of the Corporate Improvement Plan 2009/10

PI Description	Target	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Current Status	Perf since prev Qtr	Projected Outturn	Previous Year Outturn	Forecast Direction of Travel from 2008/09 to 2009/10	Current Quarter Comments	Frequency
claims submitted to the Local Authority, for which the date of decision is within the financial year being reported (Former BV78a)												
Percentage of invoices for commercial goods & services paid by the Authority within 30 days of receipt or within the agreed payment terms (Former BV8)	95	92.15	88.37	89.1		Slight Variance	Improved	90	93.64	Declined	We are currently working with departments to identify areas where less than 30 day payment terms exist on a contractual basis. Once these have been identified all other suppliers will be set to 30 days. In addition, statistics have been provided to Departments to show where there are delays in either registering the invoice on the system or in the authorisation of the invoice.	QUARTERLY
The average processing time taken for all written notifications to the Local Authority of changes to a claimants circumstance that require a new decision on behalf of the Authority (Former BV78b)	10	14.93	13.92	12.53		Significant Variance	Improved	10	9.6	Declined	Quarter three actual performance of 9.94 days is within target. Ongoing plans are in place to improve performance and it is anticipated that the annual target will be achieved. Throughout quarter 4 the changes in circumstances caused by annual Council rent increases and the pension up-ratings significantly improve the average speed of processing.	QUARTERLY
Young People & Skills Portfolio												
Young People & Community Support Division												
LAA 2c v Increase the percentage of pupils at 16+ in Southampton schools progressing to Further Education and Training (LAA Local Indicator)	80			90.14		On Target	N/C	90.14	88.3	Improved		YEARLY
NI 110 Young people's participation in positive activities (LAA Designated Target)	74.4	67	67.4	67.4		On Target	No Change	74	67	Improved	The interim snapshot results show a 49% participation rate which is below the indicator target. This snapshot was conducted in summer which may affect participation rates, but there is no equivalent snapshot	QUARTERLY

Quarter 3 Monitoring of the Corporate Improvement Plan 2009/10

PI Description	Target	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Current Status	Perf since prev Qtr	Projected Outturn	Previous Year Outturn	Forecast Direction of Travel from 2008/09 to 2009/10	Current Quarter Comments	Frequency
NI 115 Percentage of young people reporting frequent misuse of drugs/volatile substances or alcohol or both (LAA Designated Target)	8.1	9.7	9.7	9.7		On Target	No Change	8.1	9.7	Improved	from 2008/09 to measure against. There has been a 50% increase in school participation in the TellUs4 Survey with 12 secondary school registrations, an involvement of 568 young people in Year 10 out of a possible 1413. To increase participation rates, we will work with schools to ensure we collect data on engagement in extended services, increase resources to deliver the UNICEF Rights Respecting programme, train 30 young people through the Youth4You programme, develop a new 'Positive Activities for Young People' commissioning framework and increase youth provision on Friday nights. Evidence that we are on target will be from the next Tellus survey and a snapshot conducted at the same time of year to provide robust comparative data.	QUARTERLY
NI 81 Percentage point gap in achievement of level 3	20	21.05	21.05	21.05		On Target	No Change	21.05	21.05	No Change	This is the reported figure for 07/08 (Academic year) 08/09 (financial year). The 09/10 figure will be available in Quarter 4 via the Tellus4 survey. From April 1st 2009 a new service has been commissioned to deliver services to young people at both Tier 3 and Tier 2. The Drugs Alcohol Support Health (DASH) service is delivered by a local partnership to ensure that young people can get prompt access to support and treatment if required. The DASH service has satellite drop-in sessions in most secondary schools and promotes the service throughout the city. A training programme for the youth and children's workforce will ensure that workers can appropriately assess and support young people with substance misuse issues. A range of partnership diversionary and education programmes are being delivered through the Youth Crime Action Plan including street based teams, Friday and Saturday night youth activities and special events raise awareness of alcohol issues.	QUARTERLY

Quarter 3 Monitoring of the Corporate Improvement Plan 2009/10

PI Description	Target	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Current Status	Perf since prev Qtr	Projected Outturn	Previous Year Outturn	Forecast Direction of Travel from 2008/09 to 2009/10	Current Quarter Comments	Frequency
qualifications at 19 between those young people in receipt of free school meals at academic age 15 and those who were not											the DCSF in February 2010.	
NI 82 Percentage of young people who were in receipt of free school meals at 15 who attain level 2 qualifications by the age of 19	47	46.02	46.02	46.02		On Target	No Change	46.02	23	Declined	No new data will be available this quarter. Data used for the Statistical First Release (SFR) on Level 2 and 3 attainment by young people will be published by the DCSF in February 2010.	QUARTERLY
NI 85a The number of entries for pupils aged 16-18 for A Level Physics	41		41	41		On Target	No Change	41	41	No Change	Performance reported is for academic year 2007/08. A target has been set for 2010/11 against the measure in line with national guidelines. 2008/09 (Academic year) performance will be reported in quarter 4.	YEARLY
NI 85b The number of entries for pupils aged 16-18 for A Level Chemistry	42		42	42		On Target	No Change	42	42	No Change	Performance reported is for academic year 2007/08. A target has been set for 2010/11 against the measure in line with national guidelines. 2008/09 (Academic year) performance will be reported in quarter 4.	YEARLY
NI 85c The number of entries for pupils aged 16-18 for A Level Maths	95		95	95		On Target	No Change	95	95	No Change	Performance reported is for academic year 2007/08. A target has been set for 2010/11 against the measure in line with national guidelines. 2008/09 (Academic year) performance will be reported in quarter 4.	YEARLY
NI 88 Percentage of schools providing access to the full core of extended services	85	71	87	89		On Target	Improved	89	63	Improved		QUARTERLY
NI 90 The number of active learner accounts indicating participation on a diploma programme	71		78	78		On Target	No Change	78	0	Improved		QUARTERLY
NI 117 The percentage of 16 to 18 year olds who are not in education, training or employment (NEET)	9.4	12.1	12.1	10		Slight Variance	Improved	9.9	9.4	Declined	The Q3 data position is 9.9% which compares to 9.6% in December 2008. Any variance is due to an increase in the number of 17 and 18 year olds becoming unemployed. A range of actions are being taken such as; a) January Guarantee initiative which provides additional capacity for NEET young people in	QUARTERLY

Quarter 3 Monitoring of the Corporate Improvement Plan 2009/10

PI Description	Target	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Current Status	Perf since prev Qtr	Projected Outturn	Previous Year Outturn	Forecast Direction of Travel from 2008/09 to 2009/10	Current Quarter Comments	Frequency
											education and training and includes Entry2Employment, pre-Entry2Employment, Apprenticeships and Foundation Learning pilot programmes. b) Partnership working with Jobcentreplus in order to understand the actual number of 18 year olds who are claiming benefits and ensure that they are able to access places in education and training. The September Guarantee out-turn for Y11 was 100% recorded and 94.2% with offers, which is an improvement on the 2008 out-turn of 89.8%. Year 12, 100% recorded and 81.7% with offers, there was no requirement to report for Y12 in 2008.	
NI 91 Percentage of young people aged 17 who are in full or part time education training or work based learning	83	76.5	77.4	76		Slight Variance	Declined	76	77.9	Declined	Data that has been published in the statistical first return in June 2009 of 76% relates to the calendar year 2007, the 2008 data is due for release in June 2010. Current performance data gained from CCIS indicates a participation rate for December 2009 of 75.6% for 17 year olds who are in education and training. This is outside of the variance of the final-out turn for 2009/10 which is predicted to be in the region of 83%. The January Guarantee initiative prioritises the participation of 17 year olds through the facilitation of additional places in Entry2Employment programmes and a Foundation Learning pilot.	QUARTERLY
LAA 2c i (NI 117) Decrease in the percentage of 16-18 year olds not in education, employment or training (NEET) Without Stretch (LAA Local Indicator)	8	12.1	12.1	10		Significant Variance	Improved	9.9	9.4	Declined	The Q3 data position is 9.9% which compares to 9.6% in December 2008. Any variance is due to an increase in the number of 17 and 18 year olds becoming unemployed. A range of actions are being taken such as; a) January Guarantee initiative which provides additional capacity for NEET young people in education and training and includes Entry2Employment, pre-Entry2Employment, Apprenticeships and Foundation Learning pilot programmes. b) Partnership working with Jobcentreplus in order to understand the actual number of 18 year olds who are claiming benefits and ensure that they are able to access places in education and training. The September Guarantee out-turn for 2009 for Y11 was 100% recorded and	QUARTERLY

Quarter 3 Monitoring of the Corporate Improvement Plan 2009/10

PI Description	Target	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Current Status	Perf since prev Qtr	Projected Outturn	Previous Year Outturn	Forecast Direction of Travel from 2008/09 to 2009/10	Current Quarter Comments	Frequency
LAA 2c iii Decrease in the percentage of 16-18 year olds whose destination is not known (NB Stretch Target Condition) (LAA Local Indicator)	5.4	6.5	6.2	8.3		Significant Variance	Declined	7	5.4	Declined	94.2% with offers, which is an improvement on the 2008 out-turn of 89.8%. Year 12, 100% recorded and 81.7% with offers, there was no requirement to report for Y12 in 2008. Actions implemented including caseload management and introduction of Tracking Support Officers have improved both reporting and awareness of the destination of young people. The final out-turn position for the DCSF monitoring period of November-January 2009/10 is predicted to be 7.0% with the current data position for LS7 is currently 8.3%. Activity will be focused in the collation of data and information sharing between the city providers in order to reduce this position.	QUARTERLY
Stretch Target 1 LAA 2c ii Decrease in the percentage of 16-18 year olds not in education, employment or training (NEET)	7.6	12.1	12.1	10		Significant Variance	Improved	9.9	9.4	Declined	The Q3 data position is 9.9% which compares to 9.6% in December 2008. Any variance is due to an increase in the number of 17 and 18 year olds becoming unemployed. A range of actions are being taken such as; a) January Guarantee initiative which provides additional capacity for NEET young people in education and training and includes Entry2Employment, pre-Entry2Employment, Apprenticeships and Foundation Learning pilot programmes. b) Partnership working with Jobcentreplus in order to understand the actual number of 18 year olds who are claiming benefits and ensure that they are able to access places in education and training. The September Guarantee out-turn for 2009 for Y11 was 100% recorded and 94.2% with offers, which is an improvement on the 2008 out-turn of 89.8%. Year 12, 100% recorded and 81.7% with offers, there was no requirement to report for Y12 in 2008.	QUARTERLY
Young People & Skills Portfolio Portfolio												
Young People & Community Support Division												
NI 106 The gap between the percentage of pupils who are eligible for free school meals at	17	17	17	17		On Target	No Change	17	16.7	Declined	Data for the 2007/08 period has been delayed and will be published by the Department for Business, Innovation and Skills during quarter 4.	QUARTERLY

Quarter 3 Monitoring of the Corporate Improvement Plan 2009/10

PI Description	Target	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Current Status	Perf since prev Qtr	Projected Outturn	Previous Year Outturn	Forecast Direction of Travel from 2008/09 to 2009/10	Current Quarter Comments	Frequency
15 and those who are not eligible progressing to higher education												

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
Adult Social Care & Health Portfolio						
Health & Community Care Division						
Develop effective joint commissioning and management of health care and wellbeing services through:-	A shared joint commissioning programme	Chris Hawker	April 2009	March 2010	G	This work has now been subsumed within the SCC/SCPCT reconfiguration project.
Implement the next phase in supporting people to enable them to take control of the funding used to meet their needs by developing new service models within health and social care which focus on "Putting People First".	Implementation of initial set of joint commissioning plans	Chris Hawker	April 2009	March 2010	G	This work has now been subsumed within the SCC/SCPCT reconfiguration project.
Implement the review of Supporting People services for older people to provide a wider range of services which meet local need.	Implement the next phase in supporting people to enable them to take control of the funding used to meet their needs by developing new service models within health and social care which focus on Putting People First	Jane Brentor	April 2009	March 2010	G	A project team is now working well to undertake the acceleration plan developed to improve our progress in delivering personalisation across the council and providing people with the option of having a personal budget to purchase their support. It is recognised that the local target may not be achieved but Southampton is on target to meet the national milestones.
Implement the review of Supporting People services for older people to provide a wider range of services which meet local need.	Implement the review of Supporting People services for older people to provide a wider range of services which meet local need	Jane Brentor	April 2009	March 2010	G	This review is part of a longer term project to provide better quality support and care to older people with links to commissioning, telecare and community services. A service providing support to older people in the community has been extended to 2011. By this time all Supporting People services to older people will have been reviewed and

3rd Quarter Report on Commitments in the Corporate Improvement Plan 2009/2010

Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
						recommissioned. This will lead to support provided across all tenures. A new Handyperson Service has been commissioned operating up to April 2011.
Improve the quality of invoicing customers for care services.	Improve the quality of invoicing customers for care services	Jane Brentor	April 2009	March 2010	R	Work is ongoing towards the implementation of the new version of the PARIS system. Several versions have been required and it is now clear that the version required to implement the new billing format will not be available until at least June 2010.
Increase the use of psychological therapies through primary care services in treating people with mental health problems including the increased use of psychological therapies and a shift in the focus of treatment programmes towards primary care.	Increase the use of psychological therapies through primary care services in treating people with mental health problems including the increased use of psychological therapies and a shift in the focus of treatment programmes towards primary care	Jane Brentor	April 2009	March 2010	G	The new provider has now started to deliver services in the city and is achieving the objective of increased levels of provision.
Meet the increasing challenge and complexity of safeguarding adults by developing joint operational teams with partners as well	Meet the increasing challenge and complexity of safeguarding adults by developing joint	Jane Brentor	April 2009	March 2010	G	Integrated teams were established on the 14th September and have now started delivering co-ordinated services. A SIPS team has been created to respond to safeguarding issues in institutional settings.

3rd Quarter Report on Commitments in the Corporate Improvement Plan 2009/2010

Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
as the further development of joint processes and staff training.	operational teams with partners as well as the further development of joint processes and staff training					
Reconfigure internal home care services to provide new models of support	Reconfigure internal home care services to provide new models of support	Jane Brentor	April 2009	March 2010	G	The project plan is progressing on target and a full report with recommendations was agreed by cabinet in October. Staff changes and training are on target to begin the new service on the 1/4/10
Review and improve as necessary current systems for safeguarding people from abuse.	Review and improve as necessary current systems for safeguarding people from abuse	Jane Brentor	April 2009	March 2010	G	Actions are on target within the inspection action plan to improve safeguarding management systems.

Children's Services Portfolio

Building Schools for the Future Division

Assessment meeting with Public Private Partnership Programme to plan BSF Programme "Gateways"	Assessment meeting with Public Private Partnership Programme to plan BSF Programme Gateways	Karl Limbert	April 2009	March 2010	G	Gate 0 passed.
BSF Project Initiation Document is fully developed and signed off by Project Board	BSF Project Initiation Document is fully developed and signed off by Project Board	Karl Limbert	April 2009	March 2010	G	

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
Continuing consultation with schools and other key partners in relation to major aspects of BSF proposals for Southampton	Continuing consultation with schools and other key partners in relation to major aspects of BSF proposals for Southampton	Karl Limbert	April 2009	March 2010	G	
Final Business Case for Southampton BSF proposals is signed off	Final Business Case for Southampton BSF proposals is signed off	Karl Limbert	April 2009	March 2010	G	
Outline Business Case for Southampton BSF proposals is signed off	Outline Business Case for Southampton BSF proposals is signed off	Karl Limbert	April 2009	March 2010	G	
Remit meeting with Partnership for Schools and DCSF successfully completed	Remit meeting with Partnership for Schools and DCSF successfully completed	Karl Limbert	April 2009	March 2010	G	Completed
Strategy for Change Part 1 document is signed off	Strategy for Change Part 1 document is signed off	Karl Limbert	April 2009	March 2010	G	Completed
Strategy for Change Part 2 document is signed off – DRAFT	Strategy for Change Part 2 document is signed off	Karl Limbert	April 2009	March 2010	G	Completed
Commissioning, Planning & Performance Division						
Improve customer care and complaints service and supporting schools to improve their response to	Improve customer care and complaints service and supporting schools to improve their	Sue Allan	April 2009	March 2010	G	

3rd Quarter Report on Commitments in the Corporate Improvement Plan 2009/2010

Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
complaints	response to complaints					
To contribute to the directorate, corporate and democratic planning and policy co-ordination	To contribute to the directorate, corporate and democratic planning and policy co-ordination	Sue Allan	April 2009	March 2010	G	
To ensure effective structure and organisation in order to meet the aims and objectives of the division and the Chief Executive's restructure	To ensure effective structure and organisation in order to meet the aims and objectives of the division and the Chief Executive's restructure	Sue Allan	April 2009	March 2010	G	
To ensure that every member of staff within CPP is supported through regular supervision, annual appraisals and agreed learning & development plans	To ensure that every member of staff within CPP is supported through regular supervision, annual appraisals and agreed learning & development plans	Sue Allan	April 2009	March 2010	G	
To implement the Joint Commissioning Strategy and ensure it is underpinned by robust contract management	To implement the Joint Commissioning Strategy and ensure it is underpinned by robust contract management	Sue Allan	April 2009	March 2010	G	
To monitor implementation of	To monitor	Sue Allan	April	March	G	

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
the Integrated Workforce Strategy	implementation of the Integrated Workforce Strategy		2009	2010		
To provide an effective information management and performance function for the directorate	To provide an effective information management and performance function for the directorate	Sue Allan	April 2009	March 2010	G	
To review and develop business support in order to provide a more co-ordinated service across whole directorate	To review and develop business support in order to provide a more co-ordinated service across whole directorate	Sue Allan	April 2009	March 2010	G	
To support the development of the Children's Trust to enable it to deliver the Children & Young People Plan through the Joint Commissioning Strategy and effectively manage performance	To support the development of the Children's Trust to enable it to deliver the Children & Young People Plan through the Joint Commissioning Strategy and effectively manage performance	Sue Allan	April 2009	March 2010	G	

Safeguarding Division

Establish new structure to improve outcomes for	Establish new structure to improve outcomes	Felicity Budgen	April 2009	March 2010	G	Completed.
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3rd Quarter Report on Commitments in the Corporate Improvement Plan 2009/2010

Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
children and deliver the business plan	for children and deliver the business plan					
To ensure fewer children and young people go missing from home, school and care	To ensure fewer children and young people go missing from home, school and care	Felicity Budgen	April 2009	March 2010	A	The development and implementation of the Joint Protocol for children missing from care had slipped. It has now been agreed across Hampshire and IOW Police authority. Children missing from school are tracked by the School Attendance and safeguarding Team. The strategic group is now in place to monitor and report on the actions to achieve improvement by the end of Quarter Four.
To establish locality teams across all professional groups within safeguarding	To establish locality teams across all professional groups within safeguarding	Felicity Budgen	April 2009	March 2010	G	On target for March 2010.
To improve outcomes for vulnerable children and young people	To improve outcomes for vulnerable children and young people	Felicity Budgen	April 2009	March 2010	A	The Behaviour and Attendance Partnership (BOSS) now meets regularly to place vulnerable children out of school and will begin to see progress by the end of Quarter 4. Three Common Assessment Panels have been established. The panels are improving the volume and coordination of early intervention and prevention services.
To improve school attendance	To improve school attendance	Felicity Budgen	April 2009	March 2010	A	Following a successful meeting with the National Strategy, it was confirmed that Southampton is now on target to meet the 2011 CYPP target for persistent absence.

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
To meet our set targets for all statutory timescales for assessments	To meet our set targets for all statutory timescales for assessments	Felicity Budgen	April 2009	March 2010	R	<p>Appointment of a virtual head teacher enables individual progress tracking of looked after children.</p> <p>The way that timescales for Initial Assessment are counted is now in accordance with the national and inspection guidance. This has led to a reduction in reported performance which is being addressed. An external audit of social work files was commissioned in 2009, which identified where changes are required and an improvement programme has now been put in place. This includes workshops for all front line staff, and a change to the way referrals are categorised. There has been a significant rise in the numbers of referrals received over the last year. Significant increases in the number of children and young people with Child Protection plans and the number of children in care over the same period has increased pressure on social workers. A return to performance against this measure nearer target levels by the end of Quarter 4 is dependent upon the success of a number of initiatives that have been put in place to increase social care capacity. These are being reviewed on an ongoing basis within the Children</p>

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
To promote the social, emotional and behavioural well being of children and young people	To promote the social, emotional and behavioural well being of children and young people	Felicity Budgen	April 2009	March 2010	G	
To provide earlier intervention for children and young people in need through effective joined up working to ensure that they are safe	To provide earlier intervention for children and young people in need through effective joined up working to ensure that they are safe	Felicity Budgen	April 2009	March 2010	A	The reconfiguration of teams on a locality basis will enable improved multi-agency working at lower levels by the end of Quarter 4. Planned service redesign has taken place. From April 2010 multi-disciplinary teams will function in three localities offering coordinated universal and targeted services to children and young people.
To reduce the number of permanent and fixed period exclusions	To reduce the number of permanent and fixed period exclusions	Felicity Budgen	April 2009	March 2010	A	Whilst fixed-term exclusions have reduced, permanent exclusions have remained the same as the previous year. An action plan is in place to improve training and support for schools and provide more targeted resources. Improvement will be evident by the end of Quarter Four.

School Standards Division

Food in Schools Legislation and supporting them to achieve them	Food in Schools Legislation and supporting them to achieve them	Paul Nugent	April 2009	March 2010	G	
Introduction of nutritional	Introduction of	Paul Nugent	April	March	G	

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
analysis of secondary schools meals	nutritional analysis of secondary schools meals		2009	2010		
Raising schools awareness of their obligations regarding	Raising schools awareness of their obligations regarding	Paul Nugent	April 2009	March 2010	G	
The CIS website to become the Children's Trust website	The CIS website to become the Children's Trust website	Paul Nugent	April 2009	March 2010	G	
To deliver action plan for Early Years and childcare places and workforce action plan.	To deliver action plan for Early Years and childcare places and workforce action plan	Paul Nugent	April 2009	March 2010	G	
To deliver Early Years and Children's Centres capital programme by 2011	To deliver Early Years and Children's Centres capital programme by 2011	Paul Nugent	April 2009	March 2010	G	
To designate three more children's centres and achieve full service offer in 6 Children's Centres	To designate three more children's centres and achieve full service offer in 6 Children's Centres	Paul Nugent	April 2009	March 2010	G	
To develop a 3 year raising attainment strategy	To develop a 3 year raising attainment strategy	Paul Nugent	April 2009	March 2010	G	
To develop working practices	To develop working practices	Paul Nugent	April 2009	March 2010	G	
To establish a clear divisional	To establish a clear	Paul Nugent	April	March	G	

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
structure and implement cultural change.	divisional structure and implement cultural change		2009	2010		
To implement the new admissions code.	To implement the new admissions code	Paul Nugent	April 2009	March 2010	A	Code implemented but an increase in number of complaints from parents and schools. Improvement will be evident by Q4.

Strategic Infrastructure & Capital Projects Division

Co-ordinate the delivery of the Children's Services Capital Programme across schools and other properties	Co-ordinate the delivery of the Children's Services Capital Programme across schools and other properties	Andrew Hind	April 2009	March 2010	G	
Co-ordinate the development of accommodation proposals in relation to locality working and the Service Property Review	Co-ordinate the development of accommodation proposals in relation to locality working and the Service Property Review	Andrew Hind	April 2009	March 2010	A	Options under development.
Deliver the Directorate's ICT strategy	Deliver the Directorate's ICT strategy	Andrew Hind	April 2009	March 2010	A	Portal now operational. ICT Board established. Scoping work on integration project now underway, improvements will be evident by Q4.
Implement learning portal and learning platform	Implement learning portal and learning	Andrew Hind	April 2009	March 2010	A	Portal now operational. ICT Board established. Scoping work on integration

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
proposals for children and young people attending local schools –	platform proposals for children and young people attending local schools					project underway, improvements will be evident by Q4.
Progress a review of Primary school places and provision in local schools	Progress a review of Primary school places and provision in local schools	Andrew Hind	April 2009	March 2010	G	
Progress a review of Special school provision in partnership with schools and other council services	Progress a review of Special school provision in partnership with schools and other council services	Andrew Hind	April 2009	March 2010	G	

Economic Development Portfolio

Economy Development and Regeneration Division

Develop and implement a Delivery Plan for the first year of the Local Regeneration Strategy and develop a Delivery Plan with partners for 2010/11	Develop and implement a Delivery Plan for the first year of the Local Regeneration Strategy and develop a Delivery Plan with partners for 2010/11	Dawn Baxendale	April 2009	March 2010	G	
Ensure the delivery of the Council's Accountable Body responsibilities for a range of regeneration programmes.	Ensure the delivery of the Council's Accountable Body responsibilities for a range of regeneration	Dawn Baxendale	April 2009	March 2010	G	

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
Implementation of the Southampton Economic Development Action Plan.	programmes Implementation of the Southampton Economic Development Action Plan	Tim Levenson	April 2009	March 2010	A	Workshops on Property, Enterprise and Image held. Enterprise & Innovation: 78% projects underway. Employment Land & Associated Infrastructure: 77% projects underway (recession is impacting). City Image: 100% projects underway.
Improving employability and reducing worklessness by delivering the SITES Business Plan including a range of initiatives around worklessness.	Improving employability and reducing worklessness by delivering the SITES Business Plan including a range of initiatives around worklessness	Dawn Baxendale	April 2009	March 2010	G	
Lead the Economy and Enterprise component of the Local Area Agreement including servicing the Economy Board and liaising with key agencies in pursuit of National Indicators	Lead the Economy and Enterprise component of the Local Area Agreement including servicing the Economy Board and Enterprise Board and liaising with key agencies in pursuit of National Indicators	Tim Levenson	April 2009	March 2010	G	Performance reported to Economy & Enterprise Board. 14 indicators on target: 5 showing slight variance, 3 significant variance (2 data sets report annually).
Maximising incomes and reducing the impact of child poverty	Maximising incomes and reducing the impact of child poverty	Dawn Baxendale	April 2009	March 2010	G	

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
North-South Spine - Achieve implementation of agreed programme as client	North-South Spine - Achieve implementation of agreed programme as client	Tim Levenson	April 2009	March 2010	G	Lower High Street completed.
Northern Above Bar - Former C&A:	Northern Above Bar - Former C&A - Monitor obligations under Development Agreement	Tim Levenson	April 2009	March 2010	G	Development on programme. Retail/cafe unit marketing to commence January 2010.
Northern Above Bar - Former Tyrrell & Green:	Northern Above Bar - Former Tyrrell & Green - achieve demolition and landscaping	Tim Levenson	April 2009	March 2010	G	Demolition well underway.
	Northern Above Bar - Former Tyrrell & Green - procure developer	Tim Levenson	April 2009	March 2010	G	Developer procured.
	Northern Above Bar - Former Tyrrell & Green - agree Heads of Terms for disposal	Tim Levenson	April 2009	March 2010	G	Heads of Terms agreed.
	Northern Above Bar - Former Tyrrell & Green - agree Development Agreement	Tim Levenson	April 2009	March 2010	G	Agreed draft form of Development Agreement with Grosvenor (provided to Arts Council as evidence of developer commitment).
	Northern Above Bar - Former Tyrrell & Green - facilitate Planning	Tim Levenson	April 2009	March 2010	G	Design development meetings/dialogue with developer's team to inform future planning application work.

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
	Application					
Royal Pier Waterfront: - Procure developer	Royal Pier Waterfront: - Procure developer	Tim Levenson	April 2009	March 2010	G	Property advisor appointed. Way forward with OJEU notice agreed.
Town Depot - Procure developer	Town Depot - Procure developer	Tim Levenson	April 2009	March 2010	G	All third party landowners/tenants written to. OJEU notice placed.
Watermark West Quay:	Watermark West Quay - manage obligations arising from Development Agreement, including enabling works	Tim Levenson	April 2009	March 2010	G	Development Agreement yet to be completed but good progress made with agreeing legal documentation.
	Watermark West Quay - facilitate submission of Reserved Matters Application	Tim Levenson	April 2009	March 2010	G	Anchor tenants need to be secured by Hammerson before Reserved Matters Application will come forward.
Health & Community Care Division						
To reduce hospital emergency admissions and impact on emergency services	To reduce hospital emergency admissions and impact on emergency services	Brian Parrott	April 2009	March 2010	G	A delayed discharge action plan has been agreed between SCC, NHSS and SUHT and will continue to be monitored via the joint commissioning arrangements. This work will be ongoing
Neighbourhood Services Division						
To improve safety in Neighbourhoods	To improve safety in Neighbourhoods	Jon Dyer-Slade	April 2009	March 2010	G	On target. Successful implementation of a range of measures to improve safety and increase engagement of local people in reducing crime in their neighbourhoods. Includes implementation of neighbourhood

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
						management model, review of Safe City Partnership and Community Payback scheme.
To reduce Alcohol Related violence in the night time economy	To reduce Alcohol Related violence in the night time economy	Jon Dyer-Slade	April 2009	March 2010	G	On target. This is a top priority for the council and partners with multiple new initiatives in 2009/10. Most recently the ICE (In Case of Emergency) bus has successfully been in operation over the festive season.
To reduce Criminal Damage, ASB, Arson	To reduce Criminal Damage, ASB, Arson	Jon Dyer-Slade	April 2009	March 2010	G	On target. Very successful summer campaign has been followed by development of You said... we did... ASB action feedback to residents. Ongoing multi-agency initiatives such as Youth Crime Action Plan and Safer Schools Partnership continue.

Safeguarding Division

To improve the safety of Children and Young People	To improve the safety of Children and Young People	Clive Webster	April 2009	March 2010	G	
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Environment & Transport Portfolio

Environment and Transport Policy and Performance Division

Co-ordinate cross-Directorate projects and initiatives to deliver service improvements (including efficiency, budget	Co-ordinate cross-Directorate projects and initiatives to deliver service	Frances Martin	April 2009	March 2010	G	Range of projects including Crematorium and Street Lighting PFI are on track. Town Depot programme timescales to be reviewed at a Project Board meeting on
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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
savings and VFM)	improvements (including efficiency, budget savings and VFM)					21st January 2010 following new procurement route decision.
Develop and provide an effective information and performance management culture for the Directorate, to achieve NI, LAA and CAA targets in particular providing the lead on the Use of Natural Resources KLOE.	Develop and provide an effective information and performance management culture for the Directorate, to achieve NI, LAA and CAA targets in particular providing the lead on the Use of Natural Resources KLOE	Frances Martin	April 2009	March 2010	G	Input to the Managing Performance and Area Assessment reports completed.
Develop the Directorates Workforce and Skills Action Plan to provide the capacity to lead on commissioning, partnership management, contract management, organisational change and talent management	Develop the Directorate's Workforce and Skills Action Plan to provide the capacity to lead on commissioning, partnership management, contract management, organisational change and talent management	Frances Martin	April 2009	March 2010	G	Input into the Corporate Skills audit has started. Priorities for Learning and Development and capacity have been identified.
Developing our intranet and internet pages to support	Developing our intranet and internet pages to	Frances Martin	April 2009	March 2010	G	The directorate is actively contributing the corporate web refresh project, which will

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
services and become more transactional as well as providing information on a locality basis	support services and become more transactional as well as providing information on a locality basis					deliver improved content and transactions for customers. Phase one of the locality project is complete - the project will be developed further as part of the web refresh.
Implement improvements to Project and Capital Programme management to ensure projects are delivered on time, of good quality and within budget.	Implement improvements to Project and Capital Programme management to ensure projects are delivered on time, of good quality and within budget	Frances Martin	April 2009	March 2010	G	Improved reporting now in place for Capital Programme management. Monthly meetings scheduled.
Relocation from Town Depot by 2011 including reviews of services, transformation ideas and efficiencies. Milestones include approval of options paper by Cabinet in September 2009.	Relocation from Town Depot by 2011 including reviews of services, transformation ideas and efficiencies. Milestones include approval of options paper by Cabinet in September 2009	Frances Martin	April 2009	March 2010	A	The purchase of Dockgate 20 completed and the Cabinet report agreed in November 2009. This outlined development options for the new depot, identified the services to be relocated to the new site together with an outline plan and associated costs. The planning application has been delayed and not submitted in Quarter 3. The Project Board will be meeting on 21st January 2010 to review programme timescales in light of an alternative procurement route decision.
Strengthening our communications and engagement with residents,	Strengthening our communications and engagement with	Frances Martin	April 2009	March 2010	G	Directorate Communications Plan approved. Directorate campaigns identified and plans being put in place for delivery.

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
customers and partners, to enhance our reputation	residents, customers and partners, to enhance our reputation					
Work with partners to deliver improved services and outcomes in particular the Southampton Partnership and Capita	Work with partners to deliver improved services and outcomes in particular the Southampton Partnership and Capita	Frances Martin	April 2009	March 2010	G	Regular meetings held with Capita. The Energy Board Partnership now strengthened and included as a sub-group of the LSP.
Environmental Health & Consumer Protection Division						
Continue to engage with local businesses and support a range of enforcement initiatives, developing the 'Open for Business' approach	Continue to engage with local businesses and support a range of enforcement initiatives, developing the Open for Business approach	Liz Marsh	April 2009	March 2010	G	The planned programme of City View articles continues and web pages have been reviewed by all teams. There was an 'open for business' presence during Customer Care Week, a Local Democracy event and a Business Link training event. A seminar was delivered for landlords and letting agents. Currently working with Economic Development with a view to increasing awareness of regulatory services within business advisor agencies.
Delivering improvements and changes to accommodation (including the move to the Regional Business Centre, reviewing the Kennels service, pest control and	Delivering improvements and changes to accommodation (including the move to the Regional Business	Liz Marsh	April 2009	March 2010	G	The Service Manager for the Kennels is in discussion with Capita to agree a revised schedule of works to bring the project within budget. In preparation for the move to the Regional Business Centre, filing systems are being reviewed and rationalised.

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
Meridiens House), through mobile and flexible working and better IT systems.	Centre, reviewing the Kennels service, pest control and Meridiens House), through mobile and flexible working and better IT systems					
Implementing the outcomes of the enforcement review.	Implementing the outcomes of the enforcement review	Liz Marsh	April 2009	March 2010	G	Work is continuing to ensure that the new Street Enforcement Team is in place by 1st April 2010. Work carried out this quarter includes the development of a new structure and management arrangements and the development of new ways of working.
Modernise the Registration services	Modernise the Registration services	Liz Marsh	April 2009	March 2010	G	Arrangements for the introduction of an on-line system for marriage preliminaries are progressing. Review of the service is underway to introduce a new management structure and more efficient working practices.
Modernising Bereavement services and determine the future of the Crematorium.	Modernising Bereavement services and determine the future of the Crematorium	Liz Marsh	April 2009	March 2010	G	A Cabinet decision has now been taken to renew 4 out of 6 cremators and equipping 2 of them with the capability to remove mercury. This work will take the majority of the next 3 years and the next 3 quarters will be devoted to selecting a contractor and buying the new equipment. Hand-in-hand with this work, operational procedures are being changed and trialled to cope with the

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
						reduction in the number of cremators. Additionally, initial design to make improvements to the Crematorium infrastructure has been commissioned to be completed in the 4th quarter.

Highways & Parking Division

Deliver the street lighting PFI project with commencement of the renewal programme	Deliver the street lighting PFI project with commencement of the renewal programme	Mick Bishop	April 2009	March 2010	G	Financial and commercial close now completed and the Contract with Tay Valley Lighting commences on 1st April 2010. Progress and slippage has been reported to and agreed by the board throughout the project. Commencing at the start of the financial year was considered appropriate and achievable by all 3 parties - Southampton City Council, Hampshire County Council and West Sussex County Council.
Delivery of the 2009/10 (approx £18 M) Capital Programme to improve the city's highways delivering quality schemes on time and on budget.	Delivery of the 2009/10 (approx £18 M) Capital Programme to improve the city's highways infrastructure, delivering quality schemes on time and on budget.	Mick Bishop	April 2009	March 2010	G	On programme to spend 95% of the total Capital Programme.
Develop and deliver a bridge and structures strategy	Develop and deliver a bridge and structures	Mick Bishop	April 2009	March 2010	G	Capita are developing the strategy for the Itchen Bridge, other structures will follow

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
	strategy					the same model.
Implement a long term asset management programme, for Highways Infrastructure, to maximise the use of resources in line with priorities and deliver the LAA	Implement a long term asset management programme, for Highways Infrastructure, to maximise the use of resources in line with priorities and deliver the LAA	Mick Bishop	April 2009	March 2010	G	Transport Asset Management Plan approach applied to the 2009/10 programme for roads and traffic signals. 2010/11 programme based on these principles. A 3 year programme for the Highway Network has been developed with the view to developing further and to produce a 10 year programme. However, caution must be applied as this will be indicative depending on NI rules and parameters and unexpected deterioration - e.g. severe weather effect.
Improve and deliver effective management of Health and Safety within Highways and Parking	Improve and deliver effective management of Health and Safety within Highways and Parking	Mick Bishop	April 2009	March 2010	G	Risk Assessments for all areas of the division are now complete along with the Risk Register for Parking Services. Work is ongoing to finalise the Risk Register for Highways and the development of Method Statements and Van Packs for our road workers. Once this is complete, a Management Compliance Framework will be introduced.
Improving our highway infrastructure and service delivery focussing on reactive and responsive maintenance	Improving our highway infrastructure and service delivery focussing on reactive and responsive maintenance	Mick Bishop	April 2009	March 2010	G	Emergency response has greatly improved over the last quarter due to improvements in resource planning and more regular monitoring. The new 3 tier schedule of rates went live in November and defects are now logged as Reactive, Routine or

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
Lead and contribute to improving the street environment in the city	Lead and contribute to improving the street environment in the city	Mick Bishop	April 2009	March 2010		Planned meaning better management of the defects which are recorded by our inspectors. New priorities have also been created to work with the new schedule of rates. This system has tightened to encourage accuracy of reporting defects and to assist with the correct allocation of work when it comes to scheduling jobs for completion.
Reshape the Highways and Parking Division to help support divisional and council service reviews and transformational projects	Reshape the Highways and Parking Division to help support divisional and council service reviews and transformational projects	Mick Bishop	April 2009	March 2010	G	Phase 2 of the SMART project underway which will result in a 2 yearly driven inspection of all arterial routes and link roads to shopping centres etc as part of the normal practice. Street Scene Improvement group have analysed actions against priorities and constrained budgets.
Take forward the strategy for either a Highways Public Private Partnership or PFI to secure long term investment and service improvements	Take forward the strategy for either a Highways Public Private Partnership or PFI to secure long term	Mick Bishop	April 2009	March 2010	G	The division continues to reshape and reform to ensure we are fit for purpose in the lead up to the new partnership as well as responding to the economic downturn and efficiencies required.

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
	investment and service improvements					The project is on target for the contract to commence on 1st October 2010.
Planning & Sustainability Division						
Co-ordinate measures to improve flood protection in the city and to mitigate the impact of any future flood events.	Co-ordinate measures to improve flood protection in the city and to mitigate the impact of any future flood events	Paul Nichols	April 2009	March 2010	G	Flood Risk board established and meetings ongoing. Environment Agency secondment in place over the summer and Strategic Flood Risk Assessment work has been commissioned. Core Strategy policies due for adoption in January 2010.
Conduct a review and establish a new policy for Section 106 agreements	Conduct a review and establish a new policy for Section 106 agreements	Paul Nichols	April 2009	March 2010	A	Work is now substantially in progress to develop a new policy for section 106 agreements. The start was delayed, following the later than anticipated government enactment of the Community Infrastructure Levy.
Deliver the Partnership for Urban South Hampshire and Transport for South Hampshire sub regional priorities.	Deliver the Partnership for Urban South Hampshire and Transport for South Hampshire sub regional priorities	Paul Nichols	April 2009	March 2010	G	Partnership working at regional level ongoing with various organisations to deliver the sub regional priorities. These include being an active member of Transport for South Hampshire. A Memorandum of Understanding with South Hampshire Bus Operators Association has been agreed.
Deliver the spatial planning vision for the city, including a robust Core Strategy and City Centre Action Plan.	Deliver the spatial planning vision for the city, including a robust city, including a robust Core Strategy and City Centre Action Plan.	Helen Pearce	April 2009	March 2010	A	The Core Strategy has been submitted and found sound and will be presented to Council for adoption on 20th January. The City Centre Area Action Plan has

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
	Centre Action Plan					commenced with a consultation draft now due for completion in Quarter 2 of the new financial year. The delay to the CCAAP is partly due to some additional studies that are required including a Flood Plan and Master Plan. The Local Development Scheme timetable will be adjusted.
Delivering our carbon reduction and mitigation targets and further developing Southampton as a Green City	Delivering our carbon reduction and mitigation targets and further developing Southampton as a Green City	Paul Nichols	April 2009	March 2010	G	Delivering a carbon reduction for Southampton making it a Green City is linked to two National Indicators (NI) 185 and 186. NI185 monitors the CO2 reductions each Local Authority and NI 186 is produced by DEFRA. Monitoring both these NI's will demonstrate any reduction by SCC thus making it a Greener City. We are on course to deliver against these targets.
Delivering our National Indicator, Local Area Agreement and Use of Resources targets on sustainability in particular focussing in water management and sustainable procurement	Delivering our National Indicator, Local Area Agreement and Use of Resources targets on sustainability in particular focussing in water management and sustainable procurement	Paul Nichols	April 2009	March 2010	G	This is linked to a range of National Indicators (NI) 185, 186, 188 and 189 as reported in the performance indicator report. We are currently on track with all these targets and have achieved a Green Flag linked to the CAA/Use of Resources on Sustainability.
Delivery of an effective	Delivery of an effective	Paul Nichols	April	March	G	The methodology and Business Case

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
Transport system through co-ordinating, developing and implementing an action plan for 'Keeping the City Moving' and begin preparations for LTP 3.	Transport system through co-ordinating, developing and implementing an action plan for Keeping the City Moving and begin preparations for LTP 3		2009	2010		has been developed.
Further embed and maximise effectiveness and efficiencies through the shared services Building Control partnership with Eastleigh Borough Council.	Further embed and maximise effectiveness and efficiencies through the shared services Building Control partnership with Eastleigh Borough Council	Paul Nichols	April 2009	March 2010	G	Work is commencing to bring together the two different operational systems to fully embed the process.
Implement the climate change programme and carbon management (Salix) programme to deliver our carbon/energy reduction targets.	Implement the climate change programme and carbon management (Salix) programme to deliver our carbon/energy reduction targets	Paul Nichols	April 2009	March 2010	G	On target to meet the stretch target by 2010.
Improve Development Control performance and enhance the planning enforcement service	Improve Development Control performance and enhance the planning enforcement service	Paul Nichols	April 2009	March 2010	G	Performance dipped slightly in Quarter 2 but the year to date performance shows exceeding our targets and the third performing better than we did last year. Planning Enforcement are being monitored against the targets set in the Enforcement

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
Proactively engage in providing planning policy, DC, BC and sustainability advice and support to transformational projects including Building Schools for the Future, North/South Spine, Town Depot relocation and the Estates Regeneration programme.	Proactively engage in providing planning policy, DC, BC and sustainability advice and support to transformational projects including Building Schools for the Future, North/South Spine, Town Depot relocation and the Estates Regeneration programme	Paul Nichols	April 2009	March 2010	G	Policy. The service is being reviewed to encompass the new ways of working - Development Management. A virtual team - Strategic Development team, has been formed to look at and support transformational projects.
Waste & Fleet Transport Division						
Continue to engage and involve customers in the development and improvement of our services and community out reach.	Continue to engage and involve customers in the development and improvement of our services and community out reach	Andrew Trayer	April 2009	March 2010	G	Shortlisted for three national awards for the work we have undertaken to manage student waste and work with residents/students and both universities. Strategic links now established with University of Southampton and we have agreed to focus on monitoring, projects and joint communications. Eleven enviro champs established with both universities and these champs are

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
						<p>now monitoring Portswood and Polygon for waste, recycling, litter issues.</p> <p>Recycling staff are part of Crew initiatives, which undertake a focused look at ASB/enviro crime issues in targetted areas.</p> <p>Coca Coca recycling litter bins are all now in place in city centre.</p> <p>Regular monitoring of Polygon/Portswood continues, which is helping to keep the areas clean and tidy.</p>
Continue to improve the Fleet Transport service	Continue to improve the Fleet Transport service	Andrew Trayer	April 2009	March 2010	G	<p>Meetings are continuing in order to implement the Certificate of Professional Competence (CPC).</p> <p>Work has commenced to explore options to use alternative fuels and a cross council meeting has taken place and further meetings scheduled in qtr 4. This group is continuing to work together and the report will be available in 2010/11.</p> <p>Phase 2 of the EBC project regarding joint working will be available early qtr 4.</p>

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
In partnership with Capita IT and products in order to modernise services and release efficiencies.	In partnership with Capita IT implement new IT systems and products in order to modernise services and release efficiencies	Andrew Trayer	April 2009	March 2010	A	<p>Enhancements to the Tranman system have taken place and further are planned in qtr 4. These will improve business metrics/data availability, including costs relating to individual vehicles for staff and customers as well as efficiency.</p> <p>Implementation of driver standards requires a paper for COMT advising how this will be administered. This will be undertaken in qtr 4.</p> <p>The WHAM waste collection information system went live on the 22nd October. However, there are a number of post-implementation issues to be resolved and a project plan to finally resolve these has been developed for completion in February 2010. This project dependency, along with some contractual issues, have impacted on and delayed the start of the Bartec Waste Collector project implementation. This is now due for completion in April, subject to resolution of the contractual issue relating to hardware ownership.</p> <p>Tranman Transport system development is proceeding well and is on target.</p>

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
<p>Introduce further improvement to the quality and performance of the Waste Collection service</p>	<p>Introduce further improvement to the quality and performance of the Waste Collection service</p>	<p>Andrew Trayer</p>	<p>April 2009</p>	<p>March 2010</p>	<p>G</p>	<p>A review of cutways has been undertaken and this will be presented at portfolio briefing in February 2010.</p> <p>The review of flats recycling has been undertaken and alongside this a review of commercial waste is underway. It is anticipated that the outcomes from both reviews will be available at end of qtr 4.</p> <p>Missed bin collections at month 9 remain under target, which is excellent.</p> <p>A service improvement group has been established with a team of representatives from frontline operations and business support. This group is considering improvements to training on service delivery and improved team working in order to achieve efficiencies.</p> <p>Delays are being incurred implementing charging for containers due to resource constraints and this commitment will move forward to 2010/11. This is a saving requirement, which has been achieved in 2009/10 from other areas of the service.</p>

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
<p>Introduce further minimisation and reuse strategies and efficiency savings for the Waste Disposal service.</p>	<p>Introduce further minimisation and reuse strategies and efficiency savings for the Waste Disposal service</p>	<p>Andrew Trayer</p>	<p>April 2009</p>	<p>March 2010</p>	<p>G</p>	<p>Waste Collector LiveTrack has the ability to improve quality, performance and customer satisfaction. This project has been</p> <p>All main projects underway: Bulky and housing waste project completed with implementation to commence in 2010/11.</p> <p>Mixed wood separation commenced at Household Waste Recycling Centre (HWRC) and now at all Hampshire County Council (HCC) HWRCs and is working well. Work with HCC/ Portsmouth City Council (PCC)/ Veolia on trial for shredding/ burning of civic amenity waste is now complete. 22% of total trial waste was incinerated. As this was a short trial, a further trial of three months will commence in February 2010, to enable us to ensure that incineration is a suitable way forward.</p> <p>Project to analyse contents of street litter bins has been completed.</p> <p>Work with HCC/ PCC on analysis of HWRC residual waste with a view to considering options other than landfill will commence in conjunction with implementation of outcomes from HWRC incineration trial.</p>

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
Reorganise the division, providing improved service to customers and better value for money.	Reorganise the division, providing improved service to customers and better value for money	Andrew Trayer	April 2009	March 2010	A	Further projects are in the development phase and these initiatives are all progressing well and ongoing. The structure is now finalised and is being taken through the corporate process.
To undertake research, assess feasibility and explore potential opportunity to work jointly in order to make effective use of resources and secure value for money services including relocation of town depot and joint depot sharing	To undertake research, assess feasibility and explore potential opportunity to work jointly in order to make effective use of resources and secure value for money services including relocation of town depot and joint depot sharing	Andrew Trayer	April 2009	March 2010	G	Phase two work examining detailed options regarding joint working is the areas of waste, fleet and depot sharing are nearing completion. Draft report will be available mid-January 2010 for comment by head of service and executive director prior to wider circulation. Town depot relocation being undertaken corporately and this project will not be completed until end 2010. The division has contributed to the development and agreement of the final office and site plan layout. Commercial waste survival plan project team is established and work ongoing to develop plan and arrive at a viable commercial waste service for the future.

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
						Ongoing work with Hampshire County Council (HCC)/ Portsmouth City Council (PCC)/ Veolia to achieve savings. We will also work directly with PCC on issues relevant to both authorities eg collection from flats.

Housing & Local Services Portfolio

Decent Homes Division

Continue improvements in re-letting empty homes by delivering the Voids Action Plan.	Continue improvements in re-letting empty homes by delivering the Voids Action Plan	Bryn Shorey	April 2009	March 2010	G	Delivery of Void Action Plan is in progress. Performance on track to achieve 32 day turnaround. Currently 31.77 days for all homes.
Deliver an excellent repairs and programme maintenance service to meet the needs of tenants..	Deliver an excellent repairs and programme maintenance service to meet the needs of tenants	Bryn Shorey	April 2009	March 2010	G	Progress is being achieved in providing an excellent repairs service. Performance is being maintained and cost controlled.
Deliver the Capital Programme, by improving monitoring and project and financial management arrangements.	Deliver the Capital Programme, by improving monitoring and project and financial management arrangements	Bryn Shorey	April 2009	March 2010	G	Capital programme is on target for 10/10/11.
Deliver the Gas Safety Action Plan, aiming to achieve 100%	Deliver the Gas Safety Action Plan, aiming to	Bryn Shorey	April 2009	March 2010	G	Delivery of the Gas Safety Action Plan is nearing completion - performance of

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
gas safety certificates completed within a 12 month period.	achieve 100% gas safety certificates completed within a 12 month period					achieving 100% at the end of Qtr 4 is on target with current performance at 99.99% at Qtr 3.
Improve the Asset Management of our stock of homes, specifically targeting the collation of stock condition data.	Improve the Asset Management of our stock of homes, specifically targeting the collation of stock condition data	Bryn Shorey	April 2009	March 2010	G	Information continues to be gathered and is on target to achieve updated programme.
Progress mobile working technology which will improve our service to tenants and improve value for money.	Progress mobile working technology which will improve our service to tenants and improve value for money	Bryn Shorey	April 2009	March 2010	R	Progress is limited at the present time until decision is made as to whether to implement technology.
Progress towards achieving the 2010 Decent Homes standard target by achieving 95% completion by 01.04.2010	Progress towards achieving the 2010 Decent Homes standard target by achieving 95% completion by 01.04.2010	Bryn Shorey	April 2009	March 2010	A	Progress to achieve revised target of 91% of stock by end of Qtr 4 is ahead of schedule with 100% target to be achieved by December 2010.
Estate Regeneration Division						
Achieve a start on site for the pilot redevelopment project at Hinkler Parade.	Achieve a start on site for the pilot redevelopment project	Bruce Voss	April 2009	March 2010	G	Remains on target for March 2010 - but a complex project with a challenging timescale

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
	at Hinkler Parade					
Develop a wider programme, by consulting with residents on the next phase of estate redevelopments.	Develop a wider programme, by consulting with residents on the next phase of estate redevelopments	Bruce Voss	April 2009	March 2010	G	Following consultation , a next phase of estate regeneration has been agreed and the process of resident relocation commenced in October 2009. Around 40 residents have relocated to date to prepare for regeneration.
Progress disposals of any identified vacant land, property or garage sites to provide new homes	Progress disposals of any identified vacant land, property or garage sites to provide new homes	Bruce Voss	April 2009	March 2010	G	On track. Although the majority of identified sites are now being used for the programme to build new Council homes.
Progress procurement to appoint developers for the estate regeneration programme.	Progress procurement to appoint developers for the estate regeneration programme	Bruce Voss	April 2009	March 2010	A	This process is underway for the next phase of estate regeneration, with expressions of interest due back on 29th January 2010. The timetable has slipped whilst discussions continued with the Homes and Communities Agency about the long term funding position.
Housing Management Division						
Actively support vulnerable and elderly residents by implementing the sheltered housing review.	Actively support vulnerable and elderly residents by implementing the sheltered housing review	Nick Cross	April 2009	March 2010	G	Teams fully staffed and operational - service developing as plan. Increase in activity through new Activity Coordinator role. New floating support service obtained from SP now up and running to supplement existing service

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
Encourage residents to take an active role in their community and services provided by the council as a landlord including through consultation the establishment of agreed service delivery standards.	Encourage residents to take an active role in their community and services provided by the council as a landlord including through consultation the establishment of agreed service delivery standards	Nick Cross	April 2009	March 2010	A	Work has been completed in a number of key areas. Work is progressing however is slightly behind target due to competing priorities.
Improve resident's access to the housing management service by considering use of alternative methods of contact.	Improve resident's access to the housing management service by considering use of alternative methods of contact	Nick Cross	April 2009	March 2010	A	Phase 1 of the review completed to target. Phase 2 is well underway however is slightly behind target due to complexity of issues and time needed to resolve these.
Progress Decent Neighbourhoods project to provide local environmental improvements and neighbourhoods where residents feel safe and secure.	Progress Decent Neighbourhoods project to provide local environmental improvements and neighbourhoods where residents feel safe and secure	Nick Cross	April 2009	March 2010	G	Thornhill programme due to complete to timetable Good progress has been made with Capita on Decent Neighbourhoods projects elsewhere with new project plans agreed. Resolution obtained to Door Entry procurement and work will now commence in March 2010
Housing Solutions Division						
Make the homes of 100 vulnerable people safer and	Make the homes of 100 vulnerable people safer	Barbara Compton	April 2009	March 2010	G	On target to complete 70 loans in 2009/10 (maximum permitted by the budget), for

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
warmer by administering the Home Improvement Loans Scheme.	and warmer by administering the Home Improvement Loans Scheme					homes occupied by more than 100 vulnerable people in total.
Promote energy efficiency and Warm Front grants in the private sector including removing 500 people from fuel poverty by promoting Warm Front grants and through Home Improvement Loans.	Promote energy efficiency and Warm Front grants in the private sector including removing 500 people from fuel poverty by promoting Warm Front grants and through Home Improvement Loans	Barbara Compton	April 2009	March 2010	G	Complete. 526 households have been removed from fuel poverty through the Warm Front Scheme (including Council "top ups").
Re-tender the Choice Based Letting Scheme.	Re-tender the Choice Based Letting Scheme	Barbara Compton	April 2009	March 2010	G	The CBL service was retendered and new provider operational since Autumn 09.
Relocate the advice services provided at the Neighbourhood Advice Centre and integrate with teams at Southbrook Rise.	Relocate the advice services provided at the Neighbourhood Advice Centre and integrate with teams at Southbrook Rise	Barbara Compton	April 2009	March 2010	G	Relocation completed and new service operational.
To meet the disabled facilities grant targets.	To meet the disabled facilities grant targets	Barbara Compton	April 2009	March 2010	G	On target to complete 98% of adaptations within a year of receiving the initial inquiry, in accordance with the corporate standard. A reduction in the time taken to assess applications has contributed to this positive position.

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
To meet the homelessness targets, especially in respect of mortgage arrears and welfare benefit and money advice.	To meet the homelessness targets, especially in respect of mortgage arrears and welfare benefit and money advice	Barbara Compton	April 2009	March 2010	G	Mortgage repossessions have not resulted in significant homelessness presentations at this stage despite the recession. Locally it is expected that this situation may change with the economic upturn. However, work has been underway to highlight available assistance and advice through local media and websites as well as government initiatives such as MRS. Housing and money advice has been established as the core function of the Housing and Money Advice service which is being delivered by the reconfigured Neighbourhood Advice service at Southbrook Rise and through surgeries.
To support housing developments through the credit crunch to deliver the affordable housing programme.	To support housing developments through the credit crunch to deliver the affordable housing programme	Barbara Compton	April 2009	March 2010	G	The number of completions significantly exceeds the target of 30 units for Q3. This is mainly due to 36 units being completed on one scheme which had originally been profiled to complete in Q4. Council officers have met with GOSE (at GOSE's invitation) to discuss reprofiling of LAA targets for 2009/10 as the 330 unit target will not be reached due to the impact of the recession. GOSE have now formally confirmed their acceptance of a reprofiled target of 240.
To support PUSH and the Southampton Housing	To support PUSH and the Southampton	Barbara Compton	April 2009	March 2010	G	PUSH is engaged with the Homes and Communities Agency to develop the Single

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
Partnership.	Housing Partnership					Conversation which is on schedule to conclude by 31/03/10. A Housing Market Monitoring Report was concluded in December 2009 which will inform this work. On target to be completed in Q4.
Update the Private Sector Housing Strategy.	Update the Private Sector Housing Strategy	Barbara Compton	April 2009	March 2010	G	
Neighbourhood Services Division						
Deliver new area management and ward based joint working.	Deliver new area management and ward based joint working.	Jon Dyer-Slade	April 2009	March 2010	G	Complete. Structure now in place and district management groups established.
Demonstrate good value, high quality services through clearer financial information and accurate benchmarking.	Demonstrate good value, high quality services through clearer financial information and accurate benchmarking	Jon Dyer-Slade	April 2009	March 2010	G	Submitted key service costs to national benchmarking group. Financial forecasts are within 1% of meeting budget.
Implement the "Green Spaces, Great Places" strategic action plan.	Implement the Green Spaces, Great Places strategic action plan	Jon Dyer-Slade	April 2009	March 2010	G	In progress. Plan is reviewed by NSD monthly via Sharepoint. Cabinet Member receives 6 monthly update on progress.
Improve 15 parks and green spaces across the city by 2011.	Improve 15 parks and green spaces across the city by 2011	Jon Dyer-Slade	April 2009	March 2010	G	9 parks have already been improved this year and an action plan is in place to undertake improvements in other parks to meet this target.
Increase the number of active residents and community groups and the number of	Increase the number of active residents and community groups and	Jon Dyer-Slade	April 2009	March 2010	G	On target. In the last quarter - Freemantle Community Centre opened; approx. 400 people attended the two winter events;

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
people involved with them.	the number of people involved with them					supported groups to apply for £37k funding; formed 2 new community groups; 23% of people at events want to become an active citizen in their neighbourhood.
Keep Southampton "Clean and Green" by achieving the Local Area Agreement stretch targets by March 2010.	Keep Southampton Clean and Green by achieving the Local Area Agreement stretch targets by March 2010	Jon Dyer-Slade	April 2009	March 2010	G	Overall performance on target . Green Flag and Green Pennant applications were prepared during Q3 for submission in January. Biodiversity action plan being implemented and confident of achieving stretch target. As expected flytipping is coming closer to target this quarter and preventative works have been undertaken in Q3.
Review, develop and agree a joined up long term approach to the provision and management of community centres.	Review, develop and agree a joined up long term approach to the provision and management of community centres.	Jon Dyer-Slade	April 2009	March 2010	G	Review complete. Developing long term action plans for specific sites.
To improve Community Engagement in Neighbourhoods	To improve Community Engagement in Neighbourhoods	Jon Dyer-Slade	April 2009	March 2010	G	Response to consultation on national COMPACT code was submitted before Christmas. With the launch of the new national COMPACT work will commence to update the local COMPACT with consideration of a report by the Southampton Partnership in Q4. The division continues to engage local communities in a range of ways including

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
To reduce Repeat Victimization of Hate Crimes and Harassment	To reduce Repeat Victimization of Hate Crimes and Harassment	Jon Dyer-Slade	April 2009	March 2010	G	managing community centres, supporting existing community groups e.g. Friends of groups and helping residents start up new projects. Quarter 3 performance is on target.
Undertake a review of Parks and Open Spaces to identify further potential efficiencies.	Undertake a review of Parks and Open Spaces to identify further potential efficiencies	Jon Dyer-Slade	April 2009	March 2010	G	Complete. Identified efficiencies have been taken through the budget process and are included in Business Plan for 2010/11

Leaders Portfolio

Corporate Policy and Performance Division

Achieve an overall Organisational Assessment of at least 2 against the new Comprehensive Area Assessment criteria and work with partners and other stakeholders to ensure that Southampton receives an appropriate Area Assessment	Achieve an overall Organisational Assessment of at least 2 against the new Comprehensive Area Assessment criteria and work with partners and other stakeholders to ensure that Southampton receives an appropriate Area Assessment	Joy Wilmot -Palmer	April 2009	March 2010	G	Level 3 achieved for Organisational Assessment and a Green Flag achieved for the city's work on carbon reduction.
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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
Agree appropriate data sharing arrangements with the Council's LAA partners.	Agree appropriate data sharing arrangements with the Council's LAA partners.	Joy Wilmot -Palmer	April 2009	March 2010	G	
Consistently apply existing quality checking of externally reported data more effectively, supported by refresher training for staff.	Consistently apply existing quality checking of externally reported data more effectively, supported by refresher training for staff	Joy Wilmot -Palmer	April 2009	March 2010	G	
Ensure improved performance is sustained in the following relatively high cost priority services where performance is below the average of other councils: Council Tax Collection, Housing Benefits and Educational Attainment	Ensure improved performance is sustained in the following relatively high cost priority services where performance is below the average of other councils - Council Tax Collection, Housing Benefits and Educational Attainment	Joy Wilmot -Palmer	April 2009	March 2010	G	
Evaluate partnerships contribution to improving VFM as part of implementing the Council's partnership protocol	Evaluate partnerships contribution to improving VFM as part of implementing the Council's partnership protocol	Joy Wilmot -Palmer	April 2009	March 2010	G	

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
Legal & Democratic Services Division						
All identified movers (new residents and movements within the City) to receive the appropriate electoral registration form	All identified movers (new residents and movements within the City) to receive the appropriate electoral registration form	Mark Heath	April 2009	March 2010	G	Discussions are currently being held with the Council Tax department to highlight new residents within the City. It is intended that this will be used to send registrations forms to notifying residents so that they can register as soon as possible. Upon registration new residents will also be sent an additional leaflet with their confirmation letter of registration providing additional information enabling them to engage further in the democratic process.
All rising 18 year olds to receive notification of their entitlement to vote and requirement to register	All rising 18 year olds to receive notification of their entitlement to vote and requirement to register	Mark Heath	April 2009	March 2010	G	Work is continuing to develop a strategy to engage with rising 18 year olds. Earlier in the year this was tested during local democracy week and at an event held by the Mayor which unfortunately only generated 5 additional registrations in total of which only 2 were relevant to the target age group. Research nationally has offered little as best practice but there is to be a national discussion during the Electoral Administrators Conference at the end of January which we hope will offer an effective route to engaging with this particular age bracket.
Carry out consultation on	Carry out consultation	Mark Heath	April	March	G	A report on the LGPIH Act was submitted to

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
Local Government Involvement in Public Health Act	on Local Government Involvement in Public Health Act		2009	2010		the May Council meeting. It was agreed that a further report would be submitted to the May 2010 meeting in order that Members can resolve which options should be taken forward to public consultation.
Complete the development of appropriate governance arrangements for all significant partnerships, including finalising the partnership protocol and ensuring that appropriate data quality standards for key partnerships are included within the protocol	Complete the development of appropriate governance arrangements for all significant partnerships, including finalising the partnership protocol and ensuring that appropriate data quality standards for key partnerships are included within the protocol	Mark Heath	April 2009	March 2010	G	
Complete the planned 'Ethical Governance review' to assess the effectiveness of members' compliance with the code of conduct	Complete the planned Ethical Governance review' to assess the effectiveness of members compliance with the code of conduct	Mark Heath	April 2009	March 2010	G	The Ethical Governance Healthcheck Action Plan as attached to S and G Committee agenda was approved. The STTC will report back on progress over the next few months as appropriate
Explore potential of LLPG (Local Land and Property Gazetteer) in preparation for	Explore potential of LLPG (Local Land and Property Gazetteer) in	Mark Heath	April 2009	March 2010	G	Following the transfer of management and maintenance of the LLPG from CAPITA IT Services to the Land Charges Team in

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
Census 2001	preparation for Census 2001					October 2009, Waste Management and the Register of Electors have been matched to the database. Discussions are also in progress with Council Tax to initiate the first matching phase in the coming months.

Leisure, Culture & Heritage Portfolio

Leisure, Culture & Heritage Division

Continue to promote, deliver and expand Titanic and Olympic initiatives in the lead up to 2012.	Continue to promote, deliver and expand Titanic and Olympic initiatives in the lead up to 2012	Mike Harris	April 2009	March 2010	G	Olympics 2012 - The Universities, Eastleigh D.C. and S.C.C. Olympic Working Group are planning a Maritime Promotion document to "sell" the solent area to potential sailing competitors and 2012 Visitors. Southampton has been chosen as the venue for the South of England's Open Weekend Olympic Seminar in the spring. The Titanic Programme of events for April 2010 is complete. The advertising and ticket sales begin in January. An Officer will be attending the Titanic cities working group to finalise the joint Titanic web site. Tagging completed. First two libraries went live on time.
Deliver the Radio Frequency Identification Data (RFID) project and other improvements to modernise our libraries.	Deliver the Radio Frequency Identification Data (RFID) project and other improvements to modernise our libraries	Mike Harris	April 2009	March 2010	G	
Progress plans for a new Arts	Progress plans for a	Mike Harris	April	March	G	Awaiting results of the ACE funding review

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
Complex as part of the Cultural Quarter.	new Arts Complex as part of the Cultural Quarter		2009	2010		for the 5.4 million capital lottery funding earmarked for the arts complex, the outcome will be known until March. If the decision is positive it means we are likely to be able to go ahead with the arts complex scheme however we cannot be certain that the funding will be approved at this stage.
Progress plans to provide a new heritage museum for the city.	Progress plans to provide a new heritage museum for the city	Mike Harris	April 2009	March 2010	G	Submitted result will be known in March 2010. Planning application submitted and advert shortly to appear for a contractor.
Progress the procurement of a Sport and Recreation partnership.	Progress the procurement of a Sport and Recreation partnership	Mike Harris	April 2009	March 2010	G	Package 2 Cabinet Report being drafted for the 15th February 2010 deadline, P1a is on track.
Start work on Tudor House Museum Phase 2, following the Heritage Lottery Award.	Start work on Tudor House Museum Phase 2, following the Heritage Lottery Award	Mike Harris	April 2009	March 2010	G	Contractors continue on site. Project on target.
Support Active Southampton and SHAPe in increasing participation levels in sporting and cultural activity.	Support Active Southampton and SHAPe in increasing participation levels in sporting and cultural activity	Mike Harris	April 2009	March 2010	G	A new 3 year action plan is to be produced.

Resources & Workforce Planning Portfolio

Finance & IT Division

Deliver the Information	Deliver the Information	Robert Carr	April	March	G	
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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
Management Strategy in partnership with Legal Services	Management Strategy with Legal Services		2009	2010		
Leading on implementing improved Project Management discipline across the Council	Leading on implementing improved Project Management discipline across the Council	Robert Carr	April 2009	March 2010	G	
Organisational Development Division						
Delivery of the Workforce Strategy and in particular:	Ensuring that a robust Equal Pay structure exists	Jackie Standen	April 2009	March 2010	G	
	Improving attendance management (former BV12)	Jackie Standen	April 2009	March 2010	G	
	Continuing the focus on management development	Jackie Standen	April 2009	March 2010	G	
Partnership Division						
Delivering the Strategic Services Partnership (SSP) Vision:	Implementing the Customer Access Strategy	Paul Medland	April 2009	March 2010	G	
	Implementing the Procurement Strategy	Paul Medland	April 2009	March 2010	G	
	Reviewing the Transformation approach	Paul Medland	April 2009	March 2010	G	

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
	Implementing the Accommodation Strategy including delivery of the Regional Business Centre	Paul Medland	April 2009	March 2010	G	
	Implementing a professional and robust layered approach in HR & Payroll	Paul Medland	April 2009	March 2010	G	
	Implementing a professional and customer focused project management approach in Property Services	Paul Medland	April 2009	March 2010	G	
	Maintaining a reliable and robust IT environment including implementing the IT Strategy, Disaster Recovery, capability management and project delivery	Paul Medland	April 2009	March 2010	G	
	Ensuring a smooth Issues Management process	Paul Medland	April 2009	March 2010	G	

Property & Procurement Division

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
Implementing the Property Strategy, focussing particularly on the service building review	Implementing the Property Strategy, focussing particularly on the service building review	John Spiers	April 2009	March 2010	G	
Resources Management Division						
Achieve at least a CPA Use of Resources score of 2 against the new Framework but aiming to achieve a score of 3.	Achieve at least a CPA Use of Resources score of 2 against the new Framework but aiming to achieve a score of 3	Jackie Standen	April 2009	March 2010	G	
Support and enable Transformational Projects including Street Lighting PFI, In Control, BSF & Academies, Highways PPP and Estate Regeneration.	Support and enable Transformational Projects including Street Lighting PFI, In Control, BSF & Academies, Highways PPP and Estate Regeneration.	Jackie Standen	April 2009	March 2010	G	
Transactions & Customer Excellence Division						
Continue to improve transactional performance, particularly in Council Tax, Housing Benefits, Invoice processing and Social Care billing.	Continue to improve transactional performance, particularly in Council Tax, Housing Benefits, Invoice processing and	Alex Moore	April 2009	March 2010	G	

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
	Social Care billing					
Redesign of the Internet and Intranet to meet customer and business needs including "channel shift".	Redesign of the Internet and Intranet to meet customer and business needs including achieving channel shift	Alex Moore	April 2009	March 2010	G	

Young People & Skills Portfolio

Young People & Community Support Division

Build on our partnership working arrangements to increase the range of positive activities available to young people.	Build on our partnership working arrangements to increase the range of positive activities available to young people	Alison Alexander	April 2009	March 2010	G	
Develop leadership, succession planning and workforce development.	Develop leadership, succession planning and workforce development	Alison Alexander	April 2009	March 2010	G	
English for Speakers of Other Languages (ESOL) Project: Improve opportunities for migrants' to develop and use English language skills	English for Speakers of Other Languages (ESOL) Project: Improve opportunities for migrants' to develop and use English language skills	Alison Alexander	April 2009	March 2010	G	

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
Ensure services are developed that reduce young people's use of substances	Ensure services are developed that reduce young people's use of substances	Alison Alexander	April 2009	March 2010	G	
Ensure services are developed that target young people at risk of conceiving children.	Ensure services are developed that target young people at risk of conceiving children	Alison Alexander	April 2009	March 2010	G	
Ensure that children and young people have access to a wide range of parks and play areas.	Ensure that children and young people have access to a wide range of parks and play areas	Alison Alexander	April 2009	March 2010	G	
Implement systems and policy across the Young People and Community Support division.	Implement systems and policy across the Young People and Community Support division	Alison Alexander	April 2009	March 2010	A	System being implemented but not fully operational. Improvement will be seen by the end of Quarter 4.
Improve partnership working and methods for deploying resources.	Improve partnership working and methods for deploying resources	Alison Alexander	April 2009	March 2010	G	
Improve performance management across the division.	Improve performance management across the division	Alison Alexander	April 2009	March 2010	A	Managers are being provided with training to support improvement in performance management. Evidence of improvement expected by the end of Quarter 4.
Improve the range of extended services available to the city's residents.	Improve the range of extended services available to the city's residents	Alison Alexander	April 2009	March 2010	G	
Increase efficiency of	Increase efficiency of	Alison	April	March	G	

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Initiative Description	Task Description	Initiative Owner	Initiative Start Date	Initiative End Date	Status	Comments
resource use within the Young People and Community support division	resource use within the Young People and Community support division	Alexander	2009	2010		
Increase the number of adults with level 2, 3 and 4 qualifications.	Increase the number of adults with level 2, 3 and 4 qualifications	Alison Alexander	April 2009	March 2010	G	
Increase the number of young people taking up post 16 study in the areas of science.	Increase the number of young people taking up post 16 study in the areas of science	Alison Alexander	April 2009	March 2010	A	Target not yet set - this year's figures will act as a baseline. ' Project Science', a collaboration between SCC and Taunton's College, is underway. An increase in numbers of young people taking science subjects will be reported in Quarter Four.
Support young people in the local authority's care.	Support young people in the local authority's care	Alison Alexander	April 2009	March 2010	G	
To implement actions that reduce children and young people's anti-social behaviour.	To implement actions that reduce children and young people's offending and anti-social behaviour	Alison Alexander	April 2009	March 2010	G	
To increase the number participating and progressing through 14-19 – education, employment and training – attainment and attendance.	To increase the number participating and progressing through 14-19 – education, employment and training – attainment and attendance	Alison Alexander	April 2009	March 2010	A	Improvement since 2008 in the outturn for September Guarantee - Year 11 and Year 12: Year 11 - 94.2% (89.8%) Year 12 - 81.7% (new indicator) With 100% recorded for both



Highways Future Project Outline Business Case - Addendum Southampton City Council

Document control sheet

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1. Introduction and Purpose

- 1.1** This paper forms an Addendum to the original Outline Business Case (V0.5 May 2008) which set out the rationale and approach for implementing a Highways Service Partnership. The Addendum considers the forecast benefits and value for money of the Highways Service Partnership in light of the hard market information provided during the Highways Service Partnership (HSP) procurement process and the changed public sector context the Council finds itself in. Additionally, the paper sets out a number of key commercial issues which have arisen through the dialogue and details the options available in order to assist the Council in making an informed decision.
- 1.2** In summary, this Addendum will assess whether there is still a business need to implement a new service delivery model for highways and the potential benefits and value for money (VFM) from implementing the HSP.
- 1.3** This Addendum will inform Senior Officers' and Members' decision making with regard to closing the competitive dialogue process and calling for Final Tenders.
- 1.4** The Council received priced Invitation to Submit Detailed Solutions (ISDS) submissions from three bidders as part of the competitive dialogue procurement process in October 2009. The information provided by these submissions has been used to inform this Addendum.

2 Addendum Objectives

- 2.1** This Addendum will build on the original Outline Business Case (May 2008) and Cabinet and Council Reports, it will not update the original OBC in its entirety, nor will it re-visit the established positions and outcomes (e.g. it will not re-run the Critical Success Factor Options Appraisal – unless deemed necessary on the basis of the below paragraphs).
- 2.2** The key elements of the project and the proposed approach within the Service Agreement¹ will be covered as will any areas which have substantially altered since the OBC.
- 2.3** Any key issues still requiring resolution will be considered, the options analysed and a recommendation made where applicable for the most appropriate way forward.
- 2.4** This Addendum will outline the Benefits Realisation Strategy.
- 2.5** This Addendum will set out the Project Delivery Strategy and summarise the project development to date.
- 2.6** This Addendum will also address the points raised within the Local Partnerships Health Check Review.

¹ The Service Agreement comprises the contractual documents which the Council and Service Provider will ultimately enter in to. The SA will include all contractual clauses, service specification and requirements, and financial and payment mechanisms.

3 Background

3.1 The Highways Future Strategic Business Case (SBC) reviewed a long-list of options for the future delivery of highways services. An options appraisal determined that the model which best met the Critical Success Factors for the future of the Highways service was a long-term public/private partnership. The alternative options considered and rejected were:

- 3.1.1 Do-Nothing
- 3.1.2 Public/Public Partnership
- 3.1.3 Strategic Partnership
- 3.1.4 Externalisation
- 3.1.5 Fully in-house

3.2 A Cabinet meeting of 29th October 2007 approved the further development of the preferred option i.e. a Public/Private Service Partnership.

3.3 The original OBC for a HSP was completed in May 2008. Subsequently, the outputs and conclusions from the OBC were used to inform the Cabinet and Council Reports of June 30th and July 16th 2008 which recommended the following:

Cabinet

- (i) *To agree the proposed scope and phasing of services to be commercially market-tested as part of the Council's procurement of a Highways Partnership.*
- (ii) *To agree the commencement of a competitive dialogue procurement process for a Highways Partnership up to and including the closure of Competitive Dialogue but prior to the Call for Final Tender, within the following parameters:*
 - a) *The Partnership shall take the form of a Full Integration Model with the preference being a Service Partnering Contract*
 - b) *That a TUPE employment model, including retaining LGPS, will be the preferred method of staff transfer to the Highways Partnership subject to financial considerations*
 - c) *The contract shall be for a minimum of 10 years with the possibility to extend for up to a further 5 years dependent upon performance.*
 - d) *The proposals will be affordable, represent value for money and present an acceptable level of risk sharing and allocation of risk.*
 - e) *The competitive dialogue process will be the procurement process used.*
- (iii) *To recommend that the Council agree to the commitment of the existing Highways capital and revenue budgets for the period of the partnership contract, as set out in section 40, along with any additional funding approved as part of the budget process.*
- (iv) *To recommend that the Council approve the addition of £100,000 to the 2008/09 Environment & Transport Portfolio revenue budget, from General Fund balances, to meet the implementation costs of the Highways Service Partnership and to note the additional resource requirements for 2009/10 and 2010/11, as set out in section 42, which will need to be included when the budget for those years is approved.*
- (v) *To note the estimated range of net benefits from the partnership contract, as*

set out in section 44, and the forecast that an average net saving of £443,000 per annum is realistic over the 10 years of the contract.

- (vi) *To delegate to the Executive Director of Environment in consultation with the Executive Director of Resources and the Solicitor to the Council to take all action necessary to implement the recommendations in this report, to procure the engagement of professional external advisors as necessary, to undertake the further procurement processes required to procure a Highways Partnership, to issue Contract (OJEU) Notice and the Invitation to commence dialogue and in due course to bring forward final recommendations to Cabine at Call for Final Tender stage.*

Council

- (i) *To agree to the commitment of the existing Highways capital and revenue budgets for the period of the partnership contract, as set out in section 40, along with any additional funding approved as part of the budget process*
- (ii) *To approve the addition of £100,000 to the 2008/09 Environment & Transport Portfolio revenue budget, from General Fund balances, to meet the implementation costs of the Highways Service Partnership and to note the additional resource requirements for 2009/10 and 2010/11, as set out in section 42, which will need to be included when the budget for those years is approved.*
- (iii) *To note the estimated range of net benefits from the partnership contract, as set out in section 44, and the forecast that an average net saving of £443,000 per annum is realistic over the 10 years of the contract.*
- (iv) *To note that this will form an addendum to the Council's Policy Framework, i.e. an addendum to the Best Value Performance Plan.*

3.4 Procurement Process

3.4.1 Since the above recommendations were approved, the Highways Future Project Team has initiated a competitive dialogue process with private sector highways service providers. Engagement with the market has enabled the project team to produce a well-developed service specification, contract and payment mechanism and has also provided evidence and information supporting the original OBC.

3.4.2 The procurement is currently at detailed solution stage (ISDS) of the competitive dialogue process. ISDS bids were received from three bidders on 15th October 2009. Evaluation is due to be completed in mid-November. Further dialogue will continue with remaining bidders until early 2010. Call for Final Tender is scheduled for early February 2010.

3.4.3 Nine bidders submitted Pre-Qualification Questionnaires in September 2008. Five bidders were shortlisted for the competitive dialogue process.

3.4.4 These were:

3.4.4.1 Amey

3.4.4.2 Atkins

3.4.4.3 Balfour Beatty

3.4.4.4 Colas and Mott McDonald (CMM)

3.4.4.5 MGWSP

3.4.5 The commencement of the Outline Solution (ISOS) stage was originally scheduled for November 2008. However, at this time speculation arose that a further unexpected bidding round for Highways Maintenance PFI Credits would be announced by the Department for Transport (DfT) prior to Christmas 2008 due to unallocated PFI Credits becoming available. Therefore, a decision was taken to 'wait and see'. No announcement was forthcoming from DfT. Although speculation continued that a further round would be announced the Council decided to commence the ISOS stage with a view to reviewing the situation again between ISOS and ISDS stages.

3.4.6 Atkins withdrew from the process after the first round of ISOS dialogue meetings. Atkins determined that the objectives of the Council for the Partnership did not align with their business model. The Council's potential interest in a PFI bidding round was also cited.

3.4.7 Three bidders were shortlisted for the detailed solutions (ISDS) stage. These were:

- Balfour Beatty
- CMM
- MGWSP

3.4.8 Prior to commencement of ISDS the Council reviewed the situation with regard to Highways Maintenance PFI Credits. It was determined that despite continuing assertions to the contrary from DfT it was unlikely that a further round would be announced in the short-term and therefore the procurement of the HSP should continue. However, this delayed the release of ISDS documents by approximately one month.

3.5 Social and Economic Climate

3.5.1 Since the original Outline Business Case (May 2008) the Council's financial context has altered as a result of the 'credit crunch' and the subsequent recession and immediate and impending restrictions on public spending. The Council is reviewing its entire budget and seeking significant savings from all service areas, including highways.

3.5.2 The consequence of this, for the Highways Future Project, and the procurement of the HSP, is an impact on revenue affordability and potential amount of capital which the Council can commit to the Contract. Simply, a reduced budget will reduce the level of efficiencies and the potential increase in output that can be achieved.

3.5.3 While the financial context has deteriorated there is still a strong public will for maintenance of the highways network. In a recent Place Survey when asked what services most needed improving 'road and pavement repairs' placed second in a list ahead of crime, clean streets and decent housing.²

² IpsosMori Poll for CSS July 2009. Question asked 'Thinking about this local area, which of the things below, if any, do you think needs improving. Top mentions (from 20%).

4. Strategic Context and Business Need

4.1 In May 2008 the OBC concluded that there was a strong business need to improve the city's Highways and that the improvement aligned with the wider objectives of the Council and the Region.

4.2 Business Need to improve and maintain the overall condition

4.2.1 On reviewing the OBC it is clear that while benchmark information has shifted there is still a clear business need to maintain and improve the overall condition of the network as well as the ongoing statutory need to manage, maintain and improve the highway network for the safe and convenient movement of people and goods. The core objectives of the Service are to deliver a safe, serviceable and sustainable network which contributes to the wider objectives of asset management, integrated transport, corporate policy and continuous improvement.

4.2.2 The highways service has made further progress and improvement³ since the production of the OBC however, further improvement in service delivery and the condition of the network is still necessary.

4.3 Highways Contribution to key strategic objectives and benefits.

4.3.1 At a national level the Department for Transport (DfT) sets strategic policy disseminated through documents such as the "Transport Ten Year Plan" published in 2000, and provides guidance to other public bodies on the development of regional and local transport strategy, including the production of the Local Transport Plan.

4.3.2 However, in the work undertaken to develop the Local Transport Plan it has been recognised that the potential contribution of the local highway network extends far wider than simply the delivery of transport strategy. It is fundamental to the economic, social and environmental well being of the community. LTP 3 will continue to stress these benefits.

4.3.3 At a local level the City Council has developed a Corporate Plan and more recently the City of Southampton Strategy, which articulates a 20 year vision for Southampton and identifies a number of key strategic objectives.

4.3.4 Well maintained local transport assets, including roads, footpaths, bridleways and cycle paths, are essential not only for the delivery of better transport outcomes but also to underpin the delivery of these wider strategic objectives. They encourage walking and cycling and contribute to road safety outcomes. They promote the quality and comfort of bus services, improve journey ambience, minimise wear and tear to vehicles and promote better environmental outcomes including emissions and noise. Well maintained roads, footways, footpaths, street furniture and public rights of way, make an important contribution to the quality and liveability of public spaces.⁴

³ National Highways and Transport Public Satisfaction Survey. Mori. 2009.

⁴ Well Maintained Highways – Code of Practice for Highway Maintenance

4.3.5 Effective management of the local road network has the potential to aid regeneration, social inclusion, community safety, health and the environment, all of which support the City's aspirations to become the region's economic, social and cultural driver. However, this will need a planned long-term programme of investment, efficiently managed and supported by an appropriate delivery model, especially if the city is to develop;

- "An attractive and stimulating environment"
- "A supportive business environment"
- "A sense of place"⁵

4.3.6 Therefore the outline strategy for the Highways Service, approved by members in March 2007, has been initially identified as:

4.3.6.1 "To deliver significant and sustained improvements in the highways infrastructure of Southampton in order to enable the delivery of the Authority's "City of Southampton Strategy" by 2026."

4.3.7 To do this will require substantial additional investment in the infrastructure, with early indications suggesting a figure in excess of £150 million to be spent on the carriageway and footway network over a ten year period

4.4 Critical Success Factors (CSF's)

4.4.1 Critical Success Factors (CSFs) were identified for the OBC options analysis. The options analysis using the CSFs identified that a Fully Integrated Partnership was the best Partnering Model available to the Council.⁶ For ease of reference the CSFs which the long-term Partnership will best deliver are:

- Ability to respond positively and rapidly to changes in service requirements and demands
- Ability to deliver improved value for money
- Ability to improve financial control
- Ability to improve asset management
- Ability to derive economies of scale
- Ability to provide additional investment in technology
- Ability to deliver innovative, customer focused, quality driven service
- Ability to deliver reduced environmental impact and carbon footprint

4.4.2 On further examination the Critical Success Factors appear to remain pertinent, as do the scores allocated, and therefore the result of the original options appraisal remains valid. The original Options Analysis is attached at Appendix 1 for ease of reference.

⁵ The City of Southampton Strategy

⁶ It should be noted that the Strategic Business Case set the case for a Partnering Model being the best service delivery model for the Council. The OBC determined the best form of Partnering Model. This is an Addendum to the OBC.

5 Scope of Services

5.2 In order to assist the Council in determining the optimum scope of services for the Highways Partnership an independent scope review was commissioned jointly by the Head of Highways and Head of Neighbourhoods (available on request) and was undertaken by Kingsclere Associates to determine, on the basis of objective evidence, which services should be included in the Partnership. In considering the question, the review focussed on: current service delivery; achievability, deliverability and focus; including commercial and financial considerations. Its conclusions were also drawn from two relevant case studies, dialogue with service providers and existing service performance information.

5.3 The Independent Scope Review recommended the following:

In-scope services	Possible Inclusion	Out-of-scope services
Highway planned and routine maintenance Highway Capital Projects Highway management functions (street works) Traffic signs Traffic signal maintenance Highways Business Support Bridges and structures design and works Gulley cleansing Parking surfaces	Third Party liability claims Urban traffic control (ROMANSE)	Fly tipping Grounds maintenance Graffiti removal Highways verges and trees Street cleansing Street-lighting Parking enforcement Refuse and waste disposal Planning and Sustainability Environmental health and protection Highway events management

Table 1 – Independent Scope Review: recommended scope of services for highways partnership

5.4 Members considered the Independent Scope Review. These deliberations informed the Cabinet and Council Report (30/06/08_16/08/08) recommendations on scope. Procurement commenced⁷ outlining a scope as set out in Table 2, below, with the caveat that this would be reviewed prior to Final Tenders if any demonstrable benefits transpired as a result of dialogue for the inclusion or removal of any of the proposed services. In particular, the services in bold would be raised during dialogue and the exact dividing line of these services would be determined through dialogue (i.e. the service could be partially in-scope and partially out-of-scope depending upon the final specification).

In-scope services	Out-of-scope services
Highway planned and routine maintenance Highway Capital Projects Highway management functions (street works) Traffic signs	Urban traffic control (ROMANSE) Transport Policy and Strategy Fly tipping Grounds maintenance Graffiti removal Highways verges and trees

⁷ Based on the Cabinet and Council Report recommendations an OJEU notice was placed which covered the in-scope services identified in Table 2, as well as all generic highways services and references to Bridges and Structures. This provided flexibility to bring other highways related services in scope if necessary.

Traffic signal maintenance Highways Business Support Gulley cleansing Parking lines and signs Third Party Claims	Street cleansing Street-lighting Parking and parking enforcement Refuse and waste disposal Planning and Sustainability Environmental health and protection Highway events management Bridges and structures design and works
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Table 2 - Procurement: Scope of Services

5.5 In summary, the dialogue has not provided any information or demonstrable benefits (i.e. quantifiable VFM) to compel the Council to fundamentally revisit the scope of services to be included within the HSP. However, throughout the dialogue and in the process of developing the service specifications the Council has firmed up its requirements in a number of areas.

5.6 Transport Policy and Strategy

5.6.1 Responsibility for Transport Policy and Strategy currently resides outside of the Highways Division and within the Planning and Sustainability Division. In order for the Council to retain control of its strategic approach to transport it is recommended that the Transport Policy section remains out of scope of the HSP.

5.6.2 However, while the Council will retain control and direction, the HSP will be required to inform policy and strategy decisions using their knowledge of the network and therefore there will be a close working relationship between Policy and the Service Provider, managed by the Highways Client Team. Additionally, if the Transport Policy section does not have the in-house capacity or resources to develop Policy or Strategy documents the Service Provider will be able to step-in. Simply, the Council will always own and direct Transport Policy and Strategy but the production and consequent delivery can be delegated, where appropriate, to the Service Provider.

5.7 Bridges and Structures

5.7.1 Bridges and Structures design and management is currently delivered by the Capita Strategic Services Partnership (SSP). The bridges maintenance and capital programmes are delivered through a framework contract which is managed by the SSP.

5.7.2 During the dialogue, Bidder's expressed a desire to deliver design and maintenance work. The synergy between Highways, and Bridges and Structures Design and Maintenance presents an opportunity to achieve additional efficiency savings (over and above that which would be achieved from combining the constituent client functions for these services). However, this would need to be offset against any costs incurred as a result of removing the delivery of design and maintenance work from the SSP contract.

5.7.3 The project team raised this possibility internally in order to at a minimum explore the approximate cost of removing the aforementioned service from the SSP contract. The Project Board referred this matter to the SSP Governance Framework.

The view expressed by the SSP Client was that it would not be appropriate for this option to be explored further given the wider SSP context.

5.8 Parking lines and signs

5.8.1 Parking lines and signs was not included within the lump sum service element of the ISDS specification. The service is relatively reactive and low value per annum yet requires a high service level to enable the Council to enforce Fixed Penalty Notices. Therefore, bidders were asked to submit pricing to deliver a comparative level of service to that which the Council currently receives. The average price submitted by bidders was not competitive⁸ and therefore it is recommended that this service is out of the HSP scope and continues to be managed by Parking and Enforcement Services.

5.9 ROMANSE

5.9.1 ROMANSE (Road Management System for Europe), the council's intelligent traffic control system was determined to be out of scope of the HSP, however the Council was keen to understand from bidders any benefits of including within the HSP.

5.9.2 Early dialogue was initiated with bidders on the benefits of including the ROMANSE services within the scope of the contract. Bidders were asked at outline solution stage (ISOS) to provide any evidence or examples, from other contracts, where they had delivered demonstrable benefits through the inclusion of similar traffic control services. No strong cases were forthcoming over and above a general increase in turnover being beneficial overall. At a pre-ISDS Review Project Board confirmed that the service should not be included within the scope of the ISDS documents.

5.9.3 Therefore, it is recommended that ROMANSE remains outside of the HSP scope and continues to be managed as a separate service.

5.10 Street Cleansing and Grounds Maintenance

5.10.1 Street Cleansing was identified as an out-of-scope service. The Independent Scope Review identified the service as high performing and low cost and therefore questioned the value of inclusion.

5.10.2 The inclusion of these services has been re-questioned since the original decision not to include within the scope of services. However, OJEU Notice restrictions preclude the inclusion of these services in the HSP. Legal advice states that the inclusion of these services, given their relative value against the overall contract value would likely breach EU procurement regulations. Furthermore, the rationale for exclusion at the outset of the project still stands and has since been compounded by other initiatives within the service area.

5.11 Third Party Claims – against the Council

5.11.1 Third Party Claims (TPC) - claims made against the Council due to the state of the highways - can be split into two elements; the handling of the claims; and, the risk or liability for the claims.

⁸ ISDS prices benchmarked against existing rates were not competitive

5.11.2 Currently, claims against the Council are investigated by Highways and handled by the Council's Insurance section. Highways' pays a substantial sum from its existing budgets (thus reducing potential spend on the network) to the Council's Insurance section to cover administrative costs of delivering this service and the payments for claims made against the Council as a result of the condition of the highways network or failure to meet service levels. Only claims over £100k are paid through Insurance and therefore the Council is effectively self-insuring.

5.11.3 The majority of successful claims against the Council are as a result of the Council not achieving service levels (e.g. inspecting a defect yet not repairing within the required timescales). Under the HSP the Service Provider will be contractually obliged to meet the required service levels and therefore a significant reduction in successful claims and payouts is anticipated. The current service levels and those under the contract are similar and in-line with the Highways Code of Practice, the reduction will be from the Service Provider increasing compliance with those service levels and being able to better demonstrate and evidence that these levels had been achieved.

5.11.4 Proposed Approach

5.11.4.1 The key principle underpinning the HSP approach is for the management and stewardship of the highways service and network to be passed to the HSP Service Provider. This encourages the Service Provider to adopt a holistic approach to service delivery. Therefore, the current position within the HSP Service Agreement is for the majority of the risk (i.e. pay outs) of claims made against the Council to be transferred to the Service Provider. This entails the Council including a sum of money within the overall affordability budget, effectively transferring that element of budget out of Council control.

5.11.4.2 This approach acts as an additional incentive (over and above the Performance Framework described below) to the Service Provider to ensure that all specified service levels are met. If the required service levels are not met the Service Provider is exposed to a potential increase in claims; if the claims can be reduced below the allowance for claims pay-outs the Service Provider has made within their business model then there is an increased profit.⁹

5.11.4.3 Passing the risk of claims pay-outs to the Service Provider incentivises them to ensure service levels are met. At ISDS the Council proposed passing the handling of claims to the Service Provider in order to present control of the process to the Service Provider. This reduces the risk to the Service Provider of the Council not handling a claim adequately so that a pay-out is successful despite the Service Provider fulfilling its obligations.

5.11.4.4 However, the responses provided by bidders through ISDS did not provide the Council with a level of confidence and clarity over the mechanics of the handling process; E.g. there will be claims which do not fall simply to the Council or the Provider and a process for allocating and then managing these claims will need to be clearly

⁹ Superficially, while allowing the Service Provider to retain unspent allowances for claims may seem like the Council is not benefiting from reduced claims, the competitive tension of the procurement encourages the bidders not to 'pad' these allowances within their business model. Additionally, this is the trade-off against the Provider taking the risk of claims increasing.

laid out. Therefore, the Council is seeking to retain a greater control over the claims handling process.

5.11.4.5 This approach would leave the Council with a residual liability for any successful claims made against the Council due to inadequate service levels or materials specified. This risk here is relatively low as the service levels specified meet the guidelines laid down in the Highways Code of Practice. Only a Court is in a position to overrule the adequacy of the Highways Code of Practice.¹⁰

5.11.4.6 The key risk to the Council in adopting this approach is that the Service Provider seeks to pass back the responsibility for payment of claims, most likely through a loophole within the Service Agreement. In this scenario the Council would have allocated a financial sum to cover residual claims yet would not have accounted for claims passed back from the Provider. This is a clear risk, however, it is one which can be mitigated through clear and robust drafting of the Service Agreement. Additionally, it would be prudent to retain a risk sum, over and above the sum retained for expected claims, to cover these eventualities.

5.11.5 Alternative approaches

5.11.5.1 An alternative approach to dealing with claims against the Council would be to retain all liability for claims made against the Council due to the state of the network. The number of claims is again likely to reduce as the Service Provider will still be required to meet service levels and will have access to more robust record keeping for provision of evidence to the Council.

5.11.5.2 However, the additional incentive for the Provider to meet service levels and reduce claims is removed as there are no opportunity costs available.

5.11.5.3 With no liability for meeting service levels, over and above the contractual mechanisms for not achieving against the performance framework, there is less inducement for the Service Provider to achieve those service levels.

5.11.6 Position for Final Tenders

5.11.6.1 Evidence from the dialogue process has demonstrated there is a significant VFM argument to include the transfer of Third Party Claims to the Service Provider¹¹. There is a risk of the approach not being clearly defined, therefore allowing the Service Provider to pass back responsibility for claims. However, this risk can be mitigated by establishing prior to selection of Preferred Bidder a clear and detailed process, controlled by the Council, and retaining an element of risk contingency.

5.11.6.2 On the basis that the Proposed Approach delivers value for money, as demonstrated via ISDS submissions, and that the risk of the approach can be effectively managed, it is recommended that this is the position included in the Final Tender documents.

¹⁰ <http://www.roadscodes.org/>

¹¹ Both remaining bidders included a significantly reduced sum for TPC within their ISDS models. Not specified here for Commercial Confidentiality reasons.

5.12 Third Party Claims - Claims made by the Council against third parties

5.12.1 Third Party Claims (TPC) - claims made by the Council against third parties for damaging the network - can also be split into two elements; the handling of the claims; and, the risk or liability for the claims.

5.12.2 Currently, claims made by the Council are managed by Highways. It follows that the service should be managed by the Service Provider within the HSP (as there would be not be the required level of resource to do so internally). It is also logical therefore for the risk of recovery of these claims to rest with the Service Provider.

5.12.3 The Council is transferring the management and maintenance of the network to the Service Provider and will recompense the Service Provider for this through a lump sum payment (section 6.3.3.). The Service Provider will be responsible for repairing all defects within specified timescales. It is sensible that the recovery of monies for damage to the network is the responsibility of the Service Provider (with a clause restricting the Service Provider chasing sensitive claims without Council's express permission) to act as an incentive to recover costs.

5.13 Service Interfaces

5.13.1 The HSP will encounter a number of key interfaces with other Third Parties to which the Council is contracted to. These interfaces will require careful management and would be managed in the first instance by the respective Client Functions. It is expected that this management requirement will be reduced overtime, as relationships between the two client functions mature.

5.13.2 Street Lighting PFI (Tay Valley Lighting)

5.13.2.1 The Street Lighting PFI is scheduled to commence in April 2010. A five year Core Investment Period (CIP) programme will commence soon after. The key interface between the PFI and HSP will be the coordination of the Capital Programme and CIP. The coordination of these programmes will be managed by the integrated HSP and PFI Client Team (section 9.2).

5.13.2.2 The second area of interface is the coordination of emergency responses. The HSP will have overall responsibility for coordination – in the event that emergency incidents affect more than one service area i.e. street light and highway.

5.13.3 Strategic Service Partnership (SSP) (Capita)

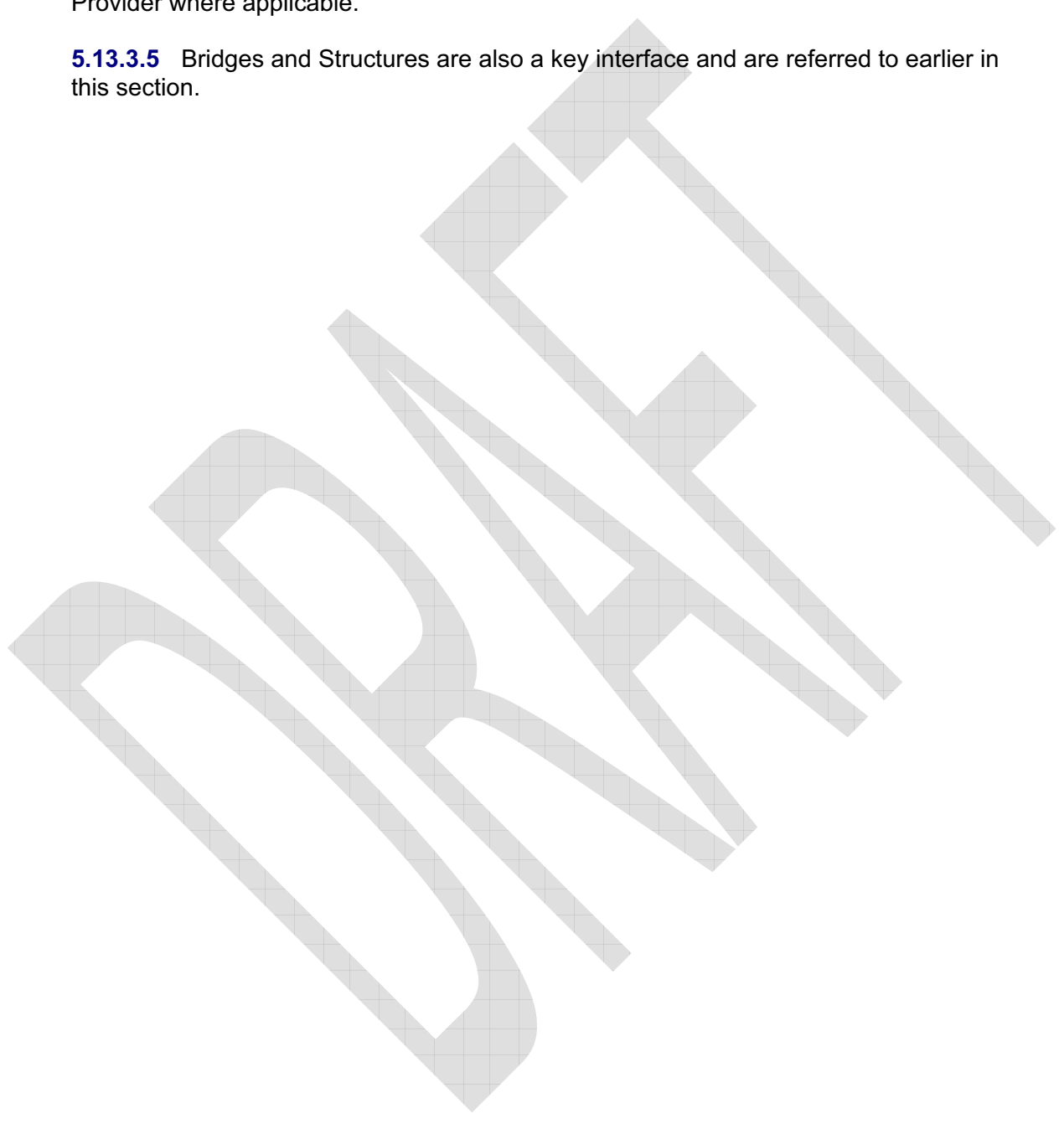
5.13.3.1 There will be a number of key interfaces between the HSP and SSP; ICT; Customer Contact, and Bridges and Structures.

5.13.3.2 The project team has worked with all of the SSP Client Reps to ensure that the specification between the HSP and SSP does not overlap or duplicate and neither does it leave gaps between service requirements. Additionally, the positions reached within the HSP Service Agreement documents have been designed to ensure minimal impact on the SSP in terms of contract variations.

5.13.3.3 ICT solutions will be delivered by the HSP. Hardware will be provided by the HSP. Software will also be provided by the HSP for all Highways Services. However, the Service Provider will be required to interface with a number of corporate systems.

5.13.3.4 Customer Contact will continue to be routed through Actionline. Actionline will continue to work as it currently does, however, calls will be passed to the Service Provider where applicable.

5.13.3.5 Bridges and Structures are also a key interface and are referred to earlier in this section.



6 Financial

6.2 Affordability

6.2.1 The original Outline Business Case identified an Affordability figure of approximately £14.2m per annum.

Capital	£7.51m
Revenue	£6.69m
Total	£14.20m

6.2.2 Further detailed work and the impact of the current financial climate have led to revised affordability figures. These revised figures are detailed below.

6.2.3 The affordability figures have been constant since the start of the procurement process. However, there is a risk that the Council's current major cost savings review will impact on affordability, in particular, revenue affordability which will require a fundamental review of service specification requirements, thus impacting on timescales. Additionally, any uncertainty surrounding affordability will potentially lead to bidders including risk premiums within their pricing models.

6.2.4 Affordability is also subject to any changes or clarifications to the 'in-scope' services. Although, this is expected to remain relatively constant.

6.2.5 Capital Affordability

6.2.5.1 The Council's funding strategy identifies £6.0m to be invested in structural maintenance and capital improvements to the highways infrastructure for each year of the initial ten year contract. However, the Council reserves the right to vary this level of investment during the life of the contract.

6.2.5.2 In addition, it is anticipated that the Service Provider will be asked to deliver other capital projects each year of the contract. For information, the value of these other capital projects in the financial year 2009/10 is estimated at £1.6m.

6.2.5.3 The Council's 2010/11 Capital Programme is estimated to be approximately £8.4m in total.

6.2.6 Revenue Affordability

6.2.6.1 The Council has estimated £2.7m (2009/10 prices) per annum can be realised from existing revenue expenditure and income budgets by transferring responsibility for delivery of these services to the Service Provider, after estimated client side costs.

6.3 Payment Mechanisms

6.3.1 The HSP Service Agreement is split into four Sections with each section comprising a number of service elements; Business Sustainability; Maintaining Network Value; Enabling Network Use; and, Enhancing Network Use.

6.3.2 Payment for services is based on two mechanisms:

6.3.2.1 Lump Sum - Business Sustainability; Maintaining Network Value; Enabling Network Use (what is currently routine and reactive maintenance, winter service, gully cleansing, business support, asset management)

6.3.2.2 Target Cost - Enhancing Network Use (what is currently the Capital Programme).

6.3.3 Lump Sum

6.3.3.1 The Lump Sum will be paid for from the revenue affordability. This will provide the Council with a high-level of price certainty over the life of the contract as well as the transference of risk in achieving service levels and the avoidance of on-going negotiation through the life of the contract. Services under Lump Sum are relatively constant and fixed and therefore it a Lump Sum approach is deemed to be the best value approach for the Council.

6.3.3.2 The Council is effectively guaranteeing the revenue affordability to the Service Provider. However, if revenue budgets are altered during the life of the contract then this will lead to a review of the Service Provider's Lump Sum cost. Additionally, while bidders have been informed that any reduction on capital spend is Service Provider risk, a significant reduction in the capital budget would have a knock-on effect on the Lump Sum service requirements¹² and would therefore lead to a review of the Lump Sum cost.

6.3.3.3 The Lump Sum will be based on the Service Provider delivering the specified service levels. These specified service levels are similar to the existing service levels, delivered by highways and in-line with the Highways Code of Practice. However, the performance against these service levels is greatly increased. Appendix 2 details the specified performance levels to be achieved by the Service Provider.

6.3.3.4 On an annual basis, across all the categories of service, performance targets will be set. For each of the targets, the relevant KPIs will be confirmed by the Council and will be used to measure performance of the Service Provider.

6.3.3.5 Should actual performance be below target performance as measured by a KPI, then the relevant financial deduction will be calculated. The level of financial deduction associated with a failure in achieving target performance will be dependent on the severity of the failure; a marginal failure may mean that a small/no financial deduction is made; for a significant or large failure, then heavier financial deductions will be applied. The precise level of deductions for different degrees of failure will be calculated on an individual KPI basis; a schedule containing provisional deduction regime is to follow.

¹² For example, if the capital budget is significantly reduced there will be less resurfacing schemes, this will lead to an increase in maintenance liabilities under the Lump Sum services (e.g. significantly more defect, such as pot holes, to repair).

6.3.3.6 Depending on whether the KPI measures performance on a weekly, monthly, quarterly, annually or any other period basis, then deductions will be calculated within 7 days of the end of the period being measured (see clause 10 of the Heads of Terms document for more details). The financial deductions made for KPIs will be on the basis of a proportion of the lump sums for each of the categories of service and using a weighting approach.

6.3.3.7 The Council will limit the maximum level of deductions (excluding PRDs) to 30% of the total annual agreed lump sum payment.

6.3.3.8 The total deductions across all the categories of service will be aggregated on a monthly basis, and this will be set off against the total lump sum payment (aggregate of all the lump sum payments for all the categories of service) to calculate the net payment from the Council to the Service Provider for a particular month.

6.3.4 Target Cost

6.3.4.1 The Council's capital programme will be delivered under a Target Cost approach.

6.3.4.2 An Annual Target Cost (ATC) will be set for each Contract year by the Council in conjunction with the Service Provider and with reference to the Annual Plan. The Annual Plan will contain services that will be geared to supporting the Council's aspirations that work is done on roads to make road condition converge to the relevant upper quartile performance measure for that type of road using a holistic asset management approach. Beyond that, it is expected resources will be released from a particular type of road programme to other types of roads to support convergence to the relevant performance target for that type of road.

6.3.4.3 A Guaranteed Maximum Cost will also be set for each Contract year, which will be 105% of the ATC.

6.3.4.4 A cost sharing mechanism may be applied at the end of each Contract Year to reflect the differences (if any) between the ATC and aggregate total costs payments by the Council to the Service Provider.

6.3.4.5 Should the total costs before any deductions be above the ATC but below the GMC, then the additional costs above the ATC will be shared between the Council and the Service Provider on a 25%/75% basis, and subject to the satisfactory performance of relevant KSIs.

6.3.4.6 Any costs above the GMC will be borne fully by the Service Provider.

6.3.4.7 Should the total cost before any deductions be below the ATC, then the Council will share savings with the Service Provider on a tiered basis, but subject to a 'collar' of 10% of underspend. Below this collar, there will be no savings shared with the Service Provider. For example, the Council intends to use the following approach to sharing under spends with the Service Provider

Difference between the total cost and the ATC	The Service Provider's percentage share of under spend
Under spend less than 10%	25%
Under spend greater than 10%	0%

6.4 Value for Money and Forecast Financial Benefits

6.4.1 The original Outline Business Case identified a gross and a net benefit to the Council over a ten year contract period. This was calculated using a % saving (derived from benchmark data from other similar contracts) against the estimated value of the contract (£14.20m per annum).

6.4.2 The net costs were based on an implementation cost of £1m and an annual client cost of £284k.

£000	Optimistic		Realistic		Pessimistic	
	Gross Benefit over 10 years	Net Benefit 10 years	Gross 10 yr	Net 10 yr	Gross 10 yr	Net 10yr
	11360	7270	8520	4430	7100	3010

6.4.3 It should be noted that the financial benefits identified were not identified as 'cashable savings'. Instead the figures illustrated the increased output the Service Provider could expect to achieve through the realisation of efficiencies.

6.5 Updated Value for Money and Financial Benefits based on ISDS submissions

6.5.1 The Council received three priced ISDS submissions in October 2009 as part of the competitive dialogue procurement process. This provided the Council with a lump sum price against the revenue affordability. Additionally, the Council were provided with four priced capital schemes to be compared against the estimated cost of delivering the schemes using the Council's current service delivery arrangements. Using the average pricing from the two bidders selected for the final stage of dialogue the following average % savings were demonstrated against current costs.

	% Efficiency	
Lump Sum	11	% saving against Revenue Affordability
Sample Schemes	10	% saving on against sample scheme estimated cost

Pricing

- 6.5.2** It should be noted that the figures in this Appendix are based on the Invitation to Submit Detailed Solution (ISDS) prices received by the Council and that Bidders are not bound in any way to the prices they submit at this stage of the procurement process.
- 6.5.3** Prices received in response to Call for Final Tender (CFT) will be more robust as they can only be amended for 'fine tuning'. However, experience of similar contract negotiations is that there is often 'price creep', sometimes significant, between selection of a Preferred Bidder and contract award driven for example by amendments or corrections to the TUPE information and inventory data provided by the Council. Although under this procurement the Council is not warranting the TUPE information or inventory data in order to minimise the risk of 'price creep'
- 6.5.4** As part of the procurement process the Council will run an 'affordability check' before closing dialogue and calling for final tenders. If this process suggests that final tenders will not be affordable, dialogue won't be closed and discussions will be re-opened with bidders which could result in a dilution of the service we are able to afford.
- 6.5.5** Following selection of Preferred Bidder any significant renegotiation of the service is not permitted under procurement regulations so the Council would have to find additional resources to fund any price movement.
- 6.5.6** The services for which the Bidders will be requested to submit final tenders are split between revenue services for which a lump price has been requested and capital projects whereby Bidders will be asked to price for a number of capital projects that they will then be required to deliver for that price if they are chosen as the Council's Highways Partner. The following sections explore the revenue and capital elements of the contract in more detail.
- 6.5.7 Revenue Services - Lump Sum price and Ad hoc Services**
- 6.5.8** Appendix 3 sets out the Optimistic, Realistic and Pessimistic position for the revenue lump sum element of the contract. The affordability level is measured by the 2009/10 revenue budgets of in-scope services of £3M, less assumed client side costs of £300,000. This represents the baseline position and although it may be impacted by the 2010/11 budget proposals, the purpose of this appendix is to measure potential efficiencies against the baseline. Should affordability levels be reduced by the budget process, this just means that there are less savings to re-invest back into the service.
- 6.5.9** Based on the ISDS figures that were submitted, the scenarios presented in the table are based on :-
- Optimistic – The figure of £2.4M is the best price submitted at ISDS, however, this is being used as the optimistic position at this stage to reflect the fact that there is often 'price creep' between submission of prices at ISDS and the final agreed tender price and there are still some elements of service specification are being finalised.

- Realistic – This allows for elements of price creep as part of the final stages of negotiation and the Call for Final Tender (CFT).
- Pessimistic – This assumes that there would be no savings arising from the revenue element of the contract. This is considered to be a worse case scenario as dialogue with the bidders and their previous price submissions would indicate that some level of efficiency savings should be achieved on this element of the contract.

6.6 Capital Projects – Target Cost

- 6.6.1** As part of the ISDS process, Bidders were asked to price a target cost for a number of capital schemes that have already been delivered or are being delivered. These prices have been compared to actual or forecast cost to give an indicative level of efficiency.
- 6.6.2** The figures that were returned showed that a 10% efficiency saving on these capital schemes could be made based on a saving of £80,000 on total actual / estimated cost of £800,000. The assumption that a 10% saving could be delivered across the whole of the highways capital programme (£7.6M per year) for 10 years has then been applied to give an expected (optimistic scenario) efficiency of £7.6m (10% of £7.6m per annum for 10 years) as shown in Annex 1.
- 6.6.3** Clearly, this is a significant assumption to make and therefore is a major potential risk, which will be mitigated in part by the process to be followed for CFT, which is discussed below.
- 6.6.4** In terms of a realistic scenario, an assumption has been made that a saving of 5% can still be made given that an external partner with surety of a 10 year contract will invest in new technology and will be able to plan works across the City in a cohesive and efficient way. The net savings of £3.8M are shown in Annex 1.
- 6.6.5** However, it is also recognised that given that Bidders are not bound by the prices submitted at ISDS that the efficiency savings could be significantly overstated. The pessimistic position is therefore based upon target prices submitted from unsuccessful Bidders and extrapolates these over the 10 year period. In this scenario the prices are £19M higher than the baseline position and clearly has a major impact on the overall value for money of the contract.

6.7 Net Efficiencies

- 6.7.1** For each of the scenarios, the cost of the procurement exercise have been deducted to show a net position which ranges from a saving of £9.3M to a cost of £20.3M. However, it should be noted that the Council's capital resources are fixed and therefore in such a scenario it would mean less works were completed rather than having to find additional funding.

6.8 Public Sector Comparator

6.8.1 In external procurements such as this, it is usual to prepare a Public Sector Comparator (PSC) to sit alongside the results of the procurement. Inevitably, without the in house service undertaking a full bid in line with the procurement process, the PSC can only ever be a high level exercise based on specific assumptions.

6.8.2 Annex 1 to this Appendix sets out a PSC for Highways based on the following assumptions :-

- There would be no need to implement the client side structure and existing structures could be changed to make efficiency savings in service delivery.
- Many of the performance indicators for the Revenue Lump Sum services are either not being met by the in-house service or are not currently monitored. In submitting their prices for ISDS bidders have had to cost for meeting the enhanced performance standards as set out in the tender documents. It is likely that there would be an additional cost to the in-house service in meeting these standards and therefore an assumption of an additional 5% has been added to the current cost of service.
- Another important part of the procurement is highways insurance claims and Bidders view that these could be significantly reduced if the performance standards are met and highway defects fixed to avoid future claims. Again based on current performance it is anticipated that more resources would be required to achieve the performance targets associated with claims limitation.
- It has been assumed that no additional costs or savings would be made in respect of provision of the capital programme as the Council would either have to secure a short term partner (as it has done in the past) or it would have to carry out tendering processes for the capital programme over the course of the ten year period.
- If the procurement of a Highways Partner were stopped then £350,000 of procurement costs would be saved in 2010/11, however alternative arrangements would need to be put in place over the ten year period which is likely to be more expensive in the long term.

6.8.3 The overall position for the PSC shows a net cost of £2M based on the high level assumptions shown above. Whilst it is difficult to produce any sort of accurate figure for the PSC, the work that was undertaken during the feasibility study to assess the best delivery method for delivering highways concluded the existing service delivery model did not have the capacity, resource or expertise to adapt to new, more effective and efficient ways of working. In short, the existing service model did not meet the critical success factors identified for the medium to long-term delivery of the service.

6.8.4 These points mean that it is highly likely that any in house bid would be at best at a break even position compared to the current service provision (assuming efficiencies could be made to cover the increased service standards) which is still not as favourable as either the Optimistic or Realistic Scenarios.

6.8.5 It should also be pointed out that the greatest scope for efficiency savings lies within the capital element of the service and this is already predominantly delivered through the private sector. If the Council were to decide to continue with the in-house option, we would then need to undertake additional tender exercises (at extra cost) for the capital element of the service provision.

6.8.6 Whilst it is accepted that at this stage, these are based on the ISDS submissions, the CFT will ensure that Value for Money is secured and delivered in a variety of ways as part of the next phase of the procurement process, which is discussed in the next section.

6.9 Value for Money

6.9.1 One of the key issues throughout this procurement process has been ensuring that the Council has measures in place to achieve Value for Money within the contract. One of the biggest areas is the delivery of the capital programme and whilst the ISDS submissions showed that savings were achievable, this must now be flowed through into a process that can be delivered throughout the contract period.

6.9.2 In order to achieve this, at CFT the bidders will be asked to price a number of schemes (12 to 15) that they will actually have to deliver in the first six months of the contract (subject to similar price creep risk up to contract award).

6.9.3 After this period, each year an annual plan of capital work will be agreed by the Provider and the Council and the Provider will submit target prices in a similar way to the CFT process. Using the information collected from the ISDS and CFT processes, the council will be able to check these prices against a growing database of schemes and if future years target prices are higher they can challenge this with the Provider. Furthermore, the lack of competitive tension inherent within this process can also be mitigated to some extent (but not fully) by benchmarking, a strong client, open book accounting and non exclusivity protection which enables the Council to request the Provider to seek other quotes for comparison purposes or in extreme circumstances put the work out to competition.

6.9.4 For the Revenue Lump Sum Services the position is slightly more straightforward as the position after current dialogue and CFT should only be varied if there are clarification points prior to contract signature and therefore VFM for this element of the contract is easier to measure.

6.9.5 As an example of the increased output the Council may receive from the HSP the below table sets out in additional resurfacing lengths which could be delivered. These figures are based on 2009/10 Highways Road Treatment Spend the following additional resurfacing would be delivered over the ten year life of the contract.

Road	Optimistic (km)	Realistic (km)	Pessimistic (km)
principle roads	3.9	1.95	11.7
principle footways	3.1	1.55	9.3

classified roads	3.17	1.585	9.51
classified f/way	1.06	0.53	3.18
unclassified roads	3.15	1.575	9.45
unclassified fways	1.34	0.67	4.02
surface treatments	5.7	2.85	17.1
Total	21.42	10.71	-64.2

6.10 Other Financial Risk Issues

6.10.1 Clarity of Specification - Experience of similar contracts is that post contract award the Provider will exploit any ambiguities in the contract documents, for example the services specification. This can lead to increases in price, lower quality of service than expected, and the diversion of management time for both parties.

6.10.2 Changes in Service Requirements – If the Council requires the Provider to change elements of service provision either due to local circumstances or changes in legislation etc. it is likely that the provider will be able to adapt to these changes very quickly, however, the change in plans / specification will almost certainly come at a greater cost than if the Council was adapting to the changes itself.

6.10.3 Future Budget Savings – Large scale procurements such as this, BSF, Street Lighting PFI and the SSP often help to contribute to corporate savings. However once annual revenue budgets in particular are contractually committed, the only scope for future savings is to reduce the service standards, which means that additional pressure is put on a smaller base of expenditure in order to find savings.

6.11 Conclusion

6.11.1 The Outline Business Case Addendum sets out a number of reasons why it is felt that entering into a long term arrangement with a Highways Partner will be advantageous to the City Council and the management of the Highway Network.

6.11.2 This section deals with the financial aspects of the proposed Partnership and in particular, whether or not the arrangements will deliver Value for Money for the residents of the City. In reality due to the nature of the contract arrangements and the target cost approach to capital in particular it is not possible to guarantee (even after the next stage of the procurement process) that Value for Money will be delivered over the ten year period of the contract.

6.11.3 However, the figures that will be returned as part of the CFT will give an added level of surety to the numbers and the arrangements within the contract for dealing with capital scheme pricing mean that there is a solid framework in place for ensuring the Council can influence the cost of future capital schemes provided by the Highways Partner.

6.11.4 On this basis therefore it is recommended that the Council proceeds to the next stage of the procurement process.

7 Commercial Approach

7.2.1 There are some positions set-out within the draft Service Agreement which may not deliver the best value for money for the Council in the context of the deal, however, it may be that the flexibility the Council retains by setting its position in this way is worth more than the additional VFM which could be delivered by adopting the alternative approach.

7.3 Guaranteed Capital Funding

7.3.1 The Council set out early in the dialogue process that the anticipated capital affordability is not guaranteed. This position was taken in order to retain maximum flexibility for the Council given the deteriorating financial climate and increasing Council budget gap. Bidders were however informed that the Council would consider guaranteeing an element of the capital income on an annual basis if there was a sufficient value for money argument.

7.3.2 At ISDS stage bidders were encouraged to submit a non-evaluated Optional Proposal which the project team anticipated would include an option based on a guaranteed capital income value especially given the encouragement to bidders during the dialogue process. This however was not forthcoming.

7.3.3 If a level of capital turnover is not guaranteed by the Council then the Service Provider will be required to consider the likelihood that the Council will not allocate, or reduce, any capital works for one or more years. In doing so the Service Provider may include a risk allowance to recover minimum overheads and profit (or at least reduce losses) if the turnover falls below a set level. In this scenario the Council can mitigate the impact by informing the Service Provider of a proposed reduction in capital spend as early as possible, thus enabling the Service Provider to manage out these losses.

7.3.4 Guaranteeing a level of revenue and capital turnover provides certainty to the Service Provider. This certainty enables greater forward planning and programming which provides a more effective and efficient capital spend programme.

7.3.5 Additionally, guaranteeing a level of capital turnover opens up a further option for the Service Provider to fund increased capital spend from their own balance sheet in the first few years of the contract in the knowledge that this can be off-set through the guaranteed income stream in later years.

7.4 Sensitivity Analysis

7.4.1 A sensitivity analysis has also been undertaken on a straight line basis to determine the level of financial benefits which would be delivered if the capital spend reduced to £3m per annum.

£000	Optimistic		Realistic		Pessimistic	
	Gross Benefit over 10 years	Net Benefit 10 years	Gross 10 yr	Net 10 yr	Gross 10 yr	Net 10 yr
£7.6m pa capital	10260	8960	6156	4856	2052	752
£3.8m pa capital	5724	4424	3132	1832	1296	-4

7.4.2 It should be noted in relation to the above table that a reduction in capital spend would likely lead to an increase in Lump Sum cost as bidders would be required to consider the increased maintenance requirements arising as a result of less resurfacing and structural improvement schemes.

7.4.3 Given the Council's current major cost savings review could impact significantly upon the revenue affordability a further sensitivity analysis has been undertaken on the assumption that the revenue budget will be reduced by £250k¹³.

£000	Optimistic		Realistic		Pessimistic	
	Gross Benefit over 10 years	Net Benefit 10 years	Gross 10 yr	Net 10 yr	Gross 10 yr	Net 10 yr
£2.7m pa revenue	10260	8960	6156	4856	2052	752
£2.45m pa capital	7760	6460	3656	2356	-448	-1748

7.4.4 If the revenue budget does fall then it should be noted that if applied to existing service delivery a further decrease in service performance would result. Therefore, the difference between current performance and performance under the HSP would be greater. Additionally, the project team would look to review the service levels specified to ensure that a vfm solution was provided by bidders.

7.4.5 When a 50% reduction in capital is combined with a £250k reduction in affordability the financial benefits forecast is as set out in the table below.

£000	Optimistic		Realistic		Pessimistic	
	Gross Benefit over 10 years	Net Benefit 10 years	Gross 10 yr	Net 10 yr	Gross 10 yr	Net 10 yr

¹³ See Appendix 3 – revenue reduced by £250k per annum, capital retained at £7.6m pa

Current Affordability	10260	8960	6156	4856	2052	752
50% Capex and £250k revenue reduction	3224	1924	362	-938	-1204	-2504

7.5 Options Appraisal

7.5.1 Since ISDS the Council has requested bidder's updated prices for their ISDS submission on the basis of the Council guaranteeing Target Cost Services expenditure up to a certain level, specifically against two scenarios:

7.5.1.1 (a) The impact of guaranteeing a minimum level of expenditure to the Provider of **£3m per annum** for the minimum period of 10 years of contract duration;

7.5.1.2 (b) The impact of guaranteeing a minimum level of expenditure to the Provider of **£6m per annum** for the minimum period of 10 years of contract duration.

7.5.2 Initial responses from both bidders suggested that their was at best a marginal benefit in contractually guaranteeing a level of capital funding on an annual basis. Further dialogue with both bidders reinforced the lack of value for money argument for justifying a guaranteed capital fund.

7.5.3 Both bidders confirmed through dialogue that there was no risk allocation included within the pricing to reflect the fact that there were no contractual guarantees on funding levels. This is a standard market position which bidders are used to managing. The Service Provider would manage the risk of reduced capital funding through advanced planning and reallocation of resources, and generation of other income, therefore avoiding the need to include a risk premium.

7.5.4 Bidders also confirmed that guaranteed funding would not increase economies of scale as the forward works/advanced capital programme is not known (i.e. it is not known what to buy in years 2/3/4/5 etc)

7.5.5 Additionally no proposals for potential solutions which would become available by guaranteeing the funding have been strongly argued for by bidders through the dialogue. For example, guaranteed funding would enable an up-front capital investment funded from the Service Provider's balance sheet. However, if the Council wished to bring spend forward, the additional funding would be more competitively funded from the Council's own balance sheet, or Council borrowing. Unlike a PFI, there would be no additional funding provided from central government which would off-set the higher borrowing costs of the private sector.

7.5.6 On the basis that no value for money arguments have been provided through the dialogue process the recommended position is that the Council does not contractually guarantee any level of capital funding. This is particularly sensitive given forthcoming budgetary pressures on the public sector.

7.6 Overhead Recovery

7.6.1 Guaranteeing capital turnover also enables a more appropriate cost allocation between Lump Sum and Target Cost services. The Service Provider will have fixed overheads to deliver both the Lump Sum services and the Target Cost services. Without a guaranteed capital sum to allocate the overheads associated with the delivery of Target Cost schemes to, the Service Provider will look to recover overheads for Target Cost schemes via the Lump Sum.

7.7 Contract Length and Contract Extensions

7.7.1 It was recommended in the Cabinet and Council Reports of 2008 that the contract be for a period of 10 years with the possibility to extend for up to a further 5 years. The recommendation was based on soft-market testing to determine what potential bidders viewed as an optimum length of contract, benchmarking against other similar contracts and also on the Council's SSP contract length. 10 years with a potential 5 year extension was a significant length in order to allow enough time for efficiencies to be driven out of the service, to encourage providers to invest in the service and to allow a strong partnering relationship to be established which will facilitate innovation in service delivery, again leading to efficiency savings.

7.7.2 The OJEU notice was placed on the above basis and this now dictates that the Council must award a contract within these parameters. However, there has been no rationale articulated through the dialogue process to reconsider the length of contract.

7.7.3 The contract can be extended for a period of up to five years. Currently, the Service Provider could earn extensions based on performance against the specified KSIs (and earned extensions can be removed if KSIs are subsequently not achieved). However, even if the Service Provider achieves all specified KSIs and the extensions are 'earned', the Council retains the right not to grant the extension.

7.7.4 This current position drives bidders to either; price the contract on a 10 year basis meaning up front investment, efficiencies etc must all be recovered within the 10 years; or, price over a longer period but add in a risk premium in case the Council decides not to extend the contract even though the Service Provide has achieved the requisite KSIs.

7.7.5 This approach provides the Council with maximum flexibility on contract length, however, a better value for money solution would be for the contract extensions to be guaranteed if they are earned (bearing in mind the Service Provider, as well as being able to earn extensions, can lose the extensions if performance deteriorates). Bidders would therefore be able to take a view on their ability to achieve the extensions with the risk being substantially within their control and an element of risk pricing could be removed. This would consequently allow bidders to price over a longer period.

7.7.6 Providing the Service Provider is delivering satisfactorily the likelihood that the Council will be seeking to terminate the Contract at year ten is relatively low. If the Service Provider has not performed satisfactorily, then the KSIs are unlikely

to have been achieved and therefore the Service Provider will not have earned any extensions.

- 7.7.7** Speculatively, the only currently obvious potential reason for the Council not wanting to extend beyond year 10 if the Service Provider is performing is if additional funding which requires an alternative service delivery model (e.g. PFI) becomes available. Yet there are break clause provisions within the contract to deal with this scenario which could be invoked if required (although at a cost to the Council).
- 7.7.8** It is also noted that a longer contract delays the need for a costly re-procurement.
- 7.7.9** The below table indicates the forecast financial benefits of a 15 year contract in comparison to a ten year contract. This is based on a simple model of the savings realisable by extending for a further 5 years. It does not consider any additional VFM from guaranteeing contract extensions if earned. It is noted that the financial benefits are demonstrated against the existing delivery arrangements and by revisiting the market in 10 or 15 years time, additional savings may be achievable, although likely limited as the Service Provider will have driven out the majority of inefficiencies.

£m	Optimistic		Realistic		Pessimistic	
	Gross Benefit over 15 years	Net Benefit 15 years	Gross 15 yr	Net 15 yr	Gross 15 yr	Net 15 yr
15 Years	15545	14245	9327	8027	24872	4918
10 Years	10260	8960	6156	4856	4104	2804

7.8 Third Party Income

- 7.8.1** The approach proposed under the HSP is for the Service Provider to guarantee a level of Third Party Income over the life of the contract which is deducted directly from the Lump Sum the Council pays to the Service Provider. If income falls below the Service Provider’s guaranteed levels then the Service Provider will be liable for the shortfall. However, if the Service Provider generates income over and above the forecast income levels then there is a mechanism whereby the profit will be shared between the Service Provider and the Council.
- 7.8.2** The Council currently generates income from third parties through the statutory authority delegated to it under the New Roads and Street Works Act and Traffic Management Act, as the Highways Authority, to levy penalties and fees for use or damage to the network.
- 7.8.3** Additionally bidders are encouraged to generate income from other Third Party works, and again the Council would take a share of the profits.

- 7.8.4** As bidders are being asked to bid back a level of Third Party Income the level of risk premium associated with the approach is negligible.
- 7.8.5** In taking responsibility for Third Party Income the Service Provider will be required to provide an efficient and effective service to ensure that the minimum forecast levels are achieved and it is also incentivised to generate additional income. While the Council no longer bears risk of reduced income levels.
- 7.8.6** It is however noted that this approach does lead to a loss of control for the Council over Third Party Income guaranteed by the Service Provider in that the guaranteed income is being used to deliver the service specification set out within the Service Agreement. Income generated over and above this level will be shared with the Council and therefore the Council will be able to direct this spend as appropriate.¹⁴
- 7.8.7** The alternative approach would be to ask the Service Provider to collect the income on the Council's behalf and then pass the income back to the Council. The Council would then use this to off-set the Lump Sum payment (effectively a longer, more administratively burdensome process to achieve the same end as the approach above).
- 7.8.8** This alternative approach would mean the Council retained the risk of income reductions but would also retain control of all income generated (minus the cost of the Service Provider collecting the income). However, the incentive for the Service Provider to achieve and exceed forecast would be reduced.¹⁵

7.9 Accommodation

- 7.9.1** The Council is currently running a separate project to relocate all services from its Town Depot site to a new depot site, called City Depot. All highways services will relocate from Town Depot and Castle Way to the new City Depot. As part of the City Depot project it has been instructed that the HSP must use this site.¹⁶
- 7.9.2** City Depot will not be available until October 2011, approximately one year after the start of the HSP. Therefore, the Service Provider has been offered use of the Council's Castle Way office and Town Depot until City Depot is available.¹⁷
- 7.9.3** The current position is that the Council will offer accommodation to the Service Provider rent free and will also pay all reasonable service and utilities costs. The alternative option would be to levy a charge to the Service Provider for use of the accommodation. However, this charge would simply be passed straight back through to the Council as part of the cost of the service, perhaps with a

¹⁴ Albeit, any income generated from NRSWA or TMA must be spent on highways/transportation projects and this would be applicable whether the Council entered into a HSP or any other service delivery arrangement

¹⁵ A lesser incentive in this scenario would be to agree a forecast income level for the Service Provider to meet and attach deductions if this was not achieved.

¹⁶ As part of the City Depot Project directing the SP to use the site was deemed to be more cost-effective than asking SP to procure its own site as well as enabling the Council to retain ultimate control of the depot at the end of the HSP contract.

¹⁷ As part of the Council ASAP Project (Accommodation moves) Highways has been scheduled to move from Castle Way by September 2011. If City Depot is not ready then there will be an impact on ASAP. However, this would be a risk to the ASAP project regardless of the HSP project.

margin on top. Therefore, there is no strong rationale for altering this current position.

7.10 Pensions

7.10.1 The Council's policy is to require¹⁸ that any staff transferring from direct Council employment are provided with the an opportunity to continue their Local Government Pension Scheme (LGPS) Membership.

7.10.2 Through the procurement bidders have been forthcoming in offering to secure Admitted Body Status with the Hampshire Pension Fund in order to provide transferring employees with an opportunity to remain within the LGPS scheme if they so wish.

¹⁸ Subject to Procurement Regulations

8 Payment and Performance Regime

- 8.2** A comprehensive performance regime has been developed by the Council which will incentivise the Service Provider to achieve the required performance levels and ensure that the Council does not pay for a sub-standard level of service.
- 8.3** The principles underpinning the performance regime have been dialogued with bidders during the procurement process.
- 8.4** The Council seeks to have an appropriate allocation of risk and responsibilities between the Council and the Service Provider to incentivise satisfactory performance against the Council's requirements as articulated in the Service Information document. In overall terms the Council is seeking for the Service Provider to deliver a service that secures efficiency gains over the life of the Contract whilst maintaining or improving upon the service levels as required by the Service Information document.
- 8.5** This incentive regime will require satisfactory performance to be achieved through the setting of targets, against which actual performance will be measured and a combination of financial and non-financial remedies will be employed should actual performance fall below target performance. In return the Service Provider will secure a defined return from the Contract.
- 8.6** Secondly, and notwithstanding the above, the Council seeks to have in place a set of performance levels that is challenging but achievable.
- 8.7** To achieve a full payment, the Service Provider will be required to deliver services under the Contract which meet the relevant performance targets. Failure to meet these target levels of performance may result in, amongst other things, adjustments to payments through the use of deductions. Thus payment to the Service Provider will be based on the payment due to the Service Provider less relevant deductions.
- 8.8** The Council may apply other non-financial remedies due to actual performance below the target levels.
- 8.9** The Council also envisages that financial deductions may escalate for worsening/persistent unsatisfactory performance as measured against the requirements in the Service Information document.
- 8.10** Additionally the Contract is expected to incentivise the Service Provider to provide holistic and strategic good performance across the life of the contract by allowing the Service Provider to earn and then release contract extensions beyond the initial 10 years life of the Contract, subject to Council agreement.
- 8.11** The Service Provider will employ a self monitoring approach to monitor the performance under the Contract, but with certain mechanism in place for the Council to undertake additional monitoring/audit and intervention in certain circumstances. A significant component of the self monitoring approach will be based on the performance of the Service Provider using performance indicators, comparing these with target levels of performance. Depending on the nature of these indicators, some performance is self monitored on a weekly, monthly,

quarterly and/or annual basis. A full list of the indicators which comprise the Performance Framework is shown in Appendix 2.

8.12 Performance Management Measurement Principles

8.12.1 Performance Management Measurement will be focussed primarily through the use of performance indicators. This will be used to assess the level of deductions that will need to be made as well on a monthly basis to calculate the payment from the Council to the Service Provider. Performance measurement will also be used to establish whether any extensions to the Contract should be applied.

8.12.2 There are three tiers of performance indicators which will be used to measure actual performance against target performance level for relevant aspects of the service.

8.12.3 On an annual basis, the Council and the Service Provider will meet to review the use of performance indicators including the continued appropriateness of these indicators, whether there will be 'promotion' and 'relegation' of indicators and the absolute level of performance for each of the indicators. The Council also reserves the right to change, on a period basis the mix of indicators across all three tiers by introducing new indicators or removing existing indicators, as it deems fit.

8.12.4 Key Strategic Indicators (KSIs)

8.12.4.1 KSIs are generally output and outcome based and will be used to measure the Service Provider's performance against strategic objectives of the Council across the entire service.

8.12.4.2 The primary purpose of KSIs is to determine whether extensions to the contract have been earned and also then can be released at the Council's discretion and to determine whether the Service Provider is able to access the 'share costs' provisions with respect to 'target cost' services.

8.12.4.3 KSIs will be weighted to reflect the relative importance of each on the basis of High, Medium or Low importance.

8.12.5 Key Performance Indicators (KPIs)

8.12.5.1 KPIs are generally output based but some are input based and will be used to measure the Service Provider's performance against the operational aspects of the Contract.

8.12.5.2 The primary purpose of KPIs is to quantify the financial deductions that will be applied to the payment to calculate the net payment to be made, should the Service Provider's performance fall below the target levels outlined in the Service Information document.

8.12.5.3 In total, it is anticipated that there will be a manageable number of KPIs. The performance under each KPI will be measured and this variable will be used within a formula (by applying an appropriate weighting) to calculate the level of deduction, if any, that should be applied to payment in a particular month, to determine the net payment to the Service Provider.

8.12.6 Other Performance Indicators (PIs)

8.12.6.1 PIs are generally input based/service based and are geared to measuring the operational aspects of the service but do not result in the ability to earn or deploy contract extensions nor impact on deductions. Instead they are to be provided by the Service Provider to the Council to allow the Council to understand the operation of the Contract across all areas but on an information basis only.

8.12.6.2 PIs will be reviewed on an ongoing basis by the Council to assess whether satisfactory performance against the measures found in the Service Information document have been achieved and should there be persistent poor performance in one or more areas then one or more PIs could be 'promoted' (at the discretion of the Council) to become KPIs as outlined above.

9 Contract

9.2 Following the strategic decision to proceed with the Highways Futures Project through a partnership approach (using a non-incorporated joint venture model), the project team selected the Highways Agency Managing Agent Contract Form of Contract ("MAC") as the most appropriate base document that, following project specific revisions, was the most suitable to underpin the scope of services and standards of delivery required by the Council.

9.3 Key factors for assessment process

9.3.1 In order to assess the options and make a decision as to which form of contract would be suitable for use by the Council, the project team considered that the contract would have to allow for the following factors:

- 9.3.1.1** it would underpin and encourage a collaborative working relationship between the Council and the Service Provider;
- 9.3.1.2** it would allow for the delivery of works and services in the context of the Council's functions and responsibilities as a highways authority;
- 9.3.1.3** it would allow for different methods of payment in respect of a wide variety of works and services;
- 9.3.1.4** it would set up a performance management framework which rewarded excellent service and penalised poor performance;
- 9.3.1.5** it would allow for flexibility in budget levels and the range of services being provided;
- 9.3.1.6** it would contain provisions relating to staff transfer under TUPE and associated provisions required for pensions arrangements; and
- 9.3.1.7** it would incorporate governance arrangements which enabled the Council to remain in control of corporate policy but at the same time benefit from private sector innovations in order to deliver those corporate policies.

9.4 Industry standard forms

9.4.1 In the light of the factors listed above, the project team assessed the following industry standard forms of contract and came to the following conclusions:

9.4.1.1 JCT forms of contract - all options within the range of forms comprising the JCT suite of contracts were considered to be inappropriate as they are primarily used for the delivery of accommodation schemes on a one-off basis (save for the Term Contract which does cater for repeat works/services being delivered over a period of time but is not suitable for civil engineering based works/services).

9.4.1.2 ICE forms of contract - all options within the range of forms comprising the ICE suite of contracts were considered to be inappropriate as although they are used widely in the civil engineering sector they are designed for the delivery of one-off projects and therefore do not cater for the management of long-term partnering arrangements.

9.4.1.3 Engineer, Procure and Construct contracts (for example, MF/1, IChemE forms and FIDIC forms) - all standard forms of EPC contracts were considered to be inappropriate as they are commonly used for the delivery of process plants and are therefore inappropriate for the management of long-term partnering arrangements.

9.4.1.4 SoPC4/PFI forms of contract - whilst one of the benefits of SoPC4/PFI forms of contract is that they do create a long-term relationship between the authority and provider, commonly projects delivered through PFI are for the construction and operational management of an asset (be this a facility such as a hospital or a structure such as a bridge) where it is possible to 'fix' a specification and contract sum at the outset of the contract period. The inherent lack of flexibility in the SoPC4/PFI model does not lend itself to the long-term partnering arrangement required by the Council where budgets and policy requirements may well alter on an annual basis (particularly in relation to capital expenditure on schemes) and as a result this form of contract was considered to be inappropriate.

9.4.1.5 NEC forms of contract - all options within the range of forms comprising the NEC suite of contracts were considered to be inappropriate for use (including the Term Services Contract) without the incorporation of a large number of changes to the legal terms and the structure of the technical specification. The project team noted that the Highways Agency had itself recognised that in the context of the motorway and trunk road network no option within the wide range of NEC suite of contracts was appropriate for the delivery of either one-off projects or long-term maintenance arrangements without a considerable number of revisions and in order to address this problem commissioned its own external advisors to produce amended forms of contract to become its own Model Contract Documents for two separate purposes: the Early Contractor Involvement Form and the Managing Agent Contract Form.

9.4.1.6 Highways Agency ECI form of contract - the ECI Form is considered to be unsuitable as it is used for the delivery of single projects rather than for long-term maintenance arrangements.

9.4.1.7 Highways Agency MAC form of contract - following an analysis of the various industry standard forms, the project team selected the MAC as the most appropriate starting point for the development of a contract for the Council.

9.4.2 Use of a bespoke contract

9.4.3 Once the MAC had been selected as the most appropriate form of industry standard form contract, the project team assessed whether the use of a bespoke form of contract would provide a better solution than the MAC. Whilst the project team noted that benefits would be derived from having a bespoke form of contract, the fact that the MAC contained many of the contractual processes required for a long-term partnering arrangement whilst being accepted by the private sector market outweighed the benefits of starting from scratch with a bespoke contract that would have been viewed with suspicion by the market with the possible outcome of restricting the number of bidders and/or the inclusion of higher levels of risk contingencies in costs.

9.4.4 Using the MAC for Southampton

9.4.5 The standard form of MAC has been revised in order to reflect the Council's service specification, payment mechanism and revenue and capital funding sources, all of which differ from the particular requirements/constraints of the Highway's Agency. The revisions have been necessary to ensure that the contractual terms are consistent with the service specification and financial provisions, however, the underlying contractual processes are very similar to those employed by the Highway's Agency in

order to take advantage of the benefit noted above of positive engagement with the private sector market.

9.4.6 Managing the risks

9.4.7 Concerns have been raised in relation to two factors associated with using an amended form of MAC contract for the project: firstly, the lack of case law for the underlying NEC form of contract and, secondly, the skills and knowledge of the Council in order to use the final form of contract in the operational context. Addressing these factors in turn:

9.4.7.1 Lack of case law - whilst it is true to say that there is a lack of case law for the NEC forms of contract and that this may be interpreted as a potential risk factor, the same criticism would be true of the SoPC4 form of contract which is, of course, used as the starting point for the majority of all PFI schemes within the UK; an alternative perspective to there being a lack of case law for the NEC forms of contract would be to say that the forms of industry standard contract which are supported by a large body of case law are difficult to interpret which is why they have attracted such a large amount of litigious activity between client and contractor and that the simplicity of the language in the NEC forms of contract and collaborative ethos has acted to minimise the number of disputes and therefore case law. However, neither of these responses (nor the perceived risk factor), focuses on the fact that there is no standard form of contract that can be taken off the shelf which is both supported by case law and is appropriate for use by the Council without amendment. Accordingly, the decision to use an amended version of the MAC was taken to ensure that the Council used as a base document a form of contract that has been accepted by the construction and engineering industry and as a result is supported in a wider sense by operational precedent for employers and the contractor market.

9.4.7.2 Operational management - the importance of operational management has been a core driver in the procurement process to date. The Council rather than the external advisors has controlled the procurement process and decision-making in the development of the service solution. This has been achieved by Council officers leading each of the technical, finance and legal work streams to ensure that the external advisors are able to transfer skills and knowledge throughout the procurement process. Wider participation within the highways department (and other relevant service areas) has been achieved by involving relevant officers in the collation of information and development of the technical specification, representation at dialogue sessions with bidders and the evaluation of bidder's solutions. The purpose of this involvement is to ensure that knowledge of the procurement is disseminated amongst the Council prior to operational commencement. Furthermore, prior to and during the mobilisation phase training sessions will be run to pass knowledge to the Council team responsible for managing the partnership with the Service Provider to ensure that a positive approach to contract management based on knowledge of the relevant contractual mechanisms is established at service commencement to ensure full benefit is obtained from the procurement.

9.5 Contract and Client Management Arrangements

9.5.1 The Council acknowledges the requirement for an intelligent and robust client and contract management function.

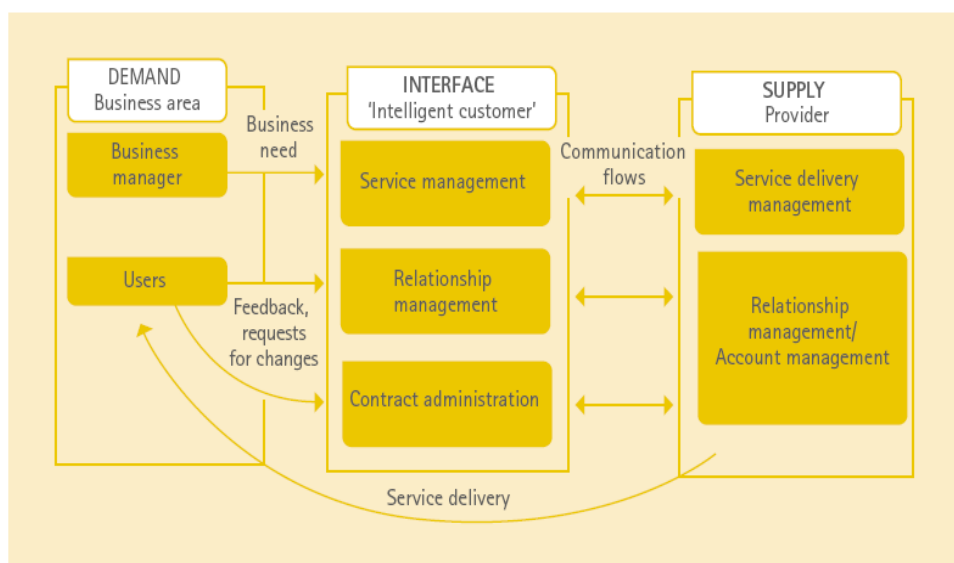
9.5.2 An integrated 'Partnerships Unit' has been established to client and contract manage both the Street Lighting PFI and the Highways Partnership. A Highways Partnerships Manager has been recruited to head this unit.

9.5.3 The Street Lighting PFI Client Team has been recruited in time for the commencement of mobilisation (December 2009) and service commencement (March/April 2010). The Street Lighting PFI Client Team was established on the basis of an external independent report which examined the most appropriate structure to manage the PFI.

9.5.4 It is intended that the HSP Client Team structure is in place at Final Tender stage and a 'Shadow Client' will be appointed by time of Preferred Bidder.

9.5.5 The key core functions of a Contract and Client Management Team are as follows:

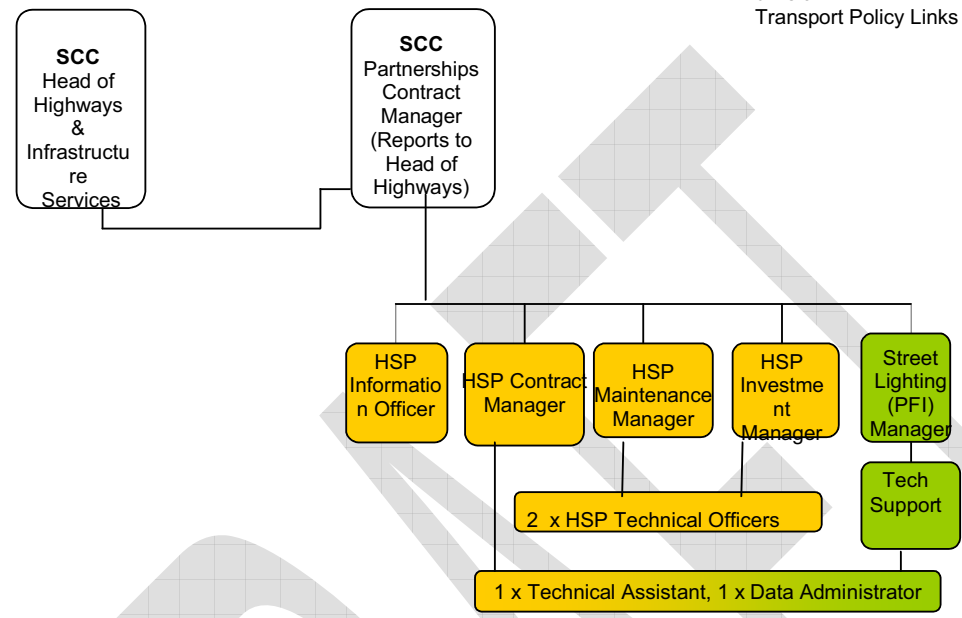
- Service Delivery Management - ensures that the service is being delivered as agreed, to required level of performance and quality
- Relationship Management – keeps the relationship between the two parties open and constructive, aiming to resolve or ease tensions and identify problems early
- Contract Administration – handles the formal governance of the contract and the changes to contract documentation



9.5.6 However, in considering the wider function of the Division another key function should also be included in the core functions:

- Policy, Strategy and Service Development – takes a strategic view on the development of the contract and service within the wider business objectives.

- Key**
- HSP Client/Contract Team
 - SCC Staff
 - Street Lighting PFI Client Team
 - Enabling Support across division
 - Transport Policy Links



9.5.7 All affordability and financial benefit calculations have taken into account the cost of the HSP Client Team.

	FTE	Grade	Annual	Total Salary	25% on costs	Total Cost
Partnerships Manager (split across Street Lighting and HSP)	0.5	13	55,000	27,500	6,875	34,375
Managers	3	12	39,855	119,565	29,891	149,456
Officers	2	8	22,221	44,442	11,111	55,553
Admin	2	6	16,054	36,000	9,000	45,000
Info Officer (Split across PFI and HSP)	0.5	8	22,221	11,111	2,778	13,888
Total Staff Costs						298,272

10 Benefits Realisation Management

10.2 The benefits expected as an outcome of the implementation of the HSP were set out within the Original Outline Business Case and June 2008 Cabinet Report. These expected benefits were as follows:

- 10.2.1** Driving out inefficiencies in service delivery which can be reinvested back into the highways network to improve condition
- 10.2.2** Securing investment in the service delivery infrastructure;
- 10.2.3** Increasing the capacity and resources available to deliver the service;
- 10.2.4** Securing economies of scale;
- 10.2.5** Increasing the service performance level; and
- 10.2.6** Maintaining and improving the customer focus

10.3 This section revisits the originally identified benefits and sets out the measurement methods and processes that will be used to monitor and assess the realisation of benefits. The main tenet underpinning the approach to benefits realisation and measurement is to ensure adequate benchmarks are known prior to contract award.

10.4 A more detailed Benefits Management Strategy, Benefit Profiles and Plans will be created based on these principles.

10.5 Driving out inefficiencies in service delivery which can be reinvested back into the highways network

10.5.1 This benefit requires the measurement and tracking of efficiencies and VFM comparatively between the existing service delivery model and the HSP. Additionally, the impact on the condition of the network must be considered in any benefits tracking.

10.5.2 There are therefore three components to the overarching benefit of improving efficiency and VFM; efficiency and VFM from Lump Sum Services; efficiencies and VFM from Target Cost Services; and, condition of the network.

10.5.3 The benefits therefore can be articulated as follows:

- Reduced cost of delivering equivalent Lump Sum services (Revenue);
- Reduced cost of delivering Target Cost (Capital) Schemes; and
- Improved condition of the network.

10.5.3.1 Reduced cost of delivering equivalent Lump Sum services (Revenue)

10.5.3.1.1 As has been described above, the Council's revenue affordability budget is based on the current cost of delivering the existing services which will be included under the Lump Sum services of the HSP.

10.5.3.1.2 Existing budgets are approximately £3m (£2.7m affordability + £300k client costs). ISDS submissions demonstrated (see above Value for Money and Forecast Financial Benefits section) a significantly reduced cost of delivering the same services under the HSP (with improved service levels). Bidders were able to deliver a reduced fee due to the inefficiencies currently embedded within the service and the introduction of more efficient ways of working.

10.5.3.1.3 The Lump Sum will be fixed for the life of the contract unless the Council amends the service specification or if any other Compensation Events require a review. Therefore, if the Lump Sum price agreed at the outset of the contract is below the Council's affordability for the same services, VFM will be demonstrated.

10.5.3.2 Reduced cost from delivering Target Cost schemes

10.5.3.2.1 As set out in the Value for Money and Forecast Financial Benefits Section above sample scheme prices submitted by bidders at ISDS stage demonstrated a reduction in the cost of delivery of sample schemes when compared to existing arrangements.

10.5.3.2.2 At Final Tender stage bidders will be required to cost between 12-15 Sample Schemes which the successful bidder will be expected to deliver. The Council will have these same schemes priced as if they were to be delivered using its existing service delivery arrangements. This will enable a VFM comparison between existing arrangements and the HSP.

10.5.3.2.3 The samples schemes provided at Final Tender stage will be used as a benchmark for all future Target Costs schemes. Over the life of the contract, as more sample schemes are priced and delivered, a 'Library' of schemes will be compiled and used as a benchmark to assess value for money.

10.5.3.2.4 However, the Target Cost schemes delivered are not uniform over the life of the contract and there will be components of Target Cost schemes where the Library of schemes can not be referenced to ensure VFM is being provided. In these instances the Service Provider will be required to secure three quotes to demonstrate that the price being provided is VFM. The Council will also retain the right to tender high value capital schemes to ensure that the Service Provider is delivering competitive prices.

10.5.3.3 Improved condition of the network

10.5.3.3.1 Despite a robust process to ensure VFM is being delivered against Target Cost schemes it is intended to measure the condition of the network via an assessment of the depreciated asset value. This will demonstrate that the delivery of capital schemes through the HSP is a more effective and efficient delivery model and is therefore VFM.

10.5.3.3.2 To measure the improved condition of the network the Council will calculate the asset value at a point prior to the HSP and forecast an asset value, based on 2-3 profiles of anticipated capital spend, after 10 years and 15 years as if under existing service delivery arrangements. At Final Tender Bidders will also be asked to calculate an asset value on the same basis but utilising their own asset approach to, in theory, demonstrate that under the HSP the same level of resources will deliver an improved output.

10.5.3.3.3 This approach is relatively innovative and still requires development prior to Final Tender stage. If this is not achievable for Final Tender Stage the Council will still be able to measure the impact of the HSP on the condition of the Network through measurement of National Indicators for the Condition of Carriageways and Footways. Similar to the above the Council will be able to forecast an improvement in condition

based upon 2-3 spend profiles. An improved target will then be specified for the Service Provider to achieve over the life of the contract.

10.5.3.3.4 Whichever approach is taken the target required will be part of the Performance Framework and will attract either service deductions or contract extensions.

10.6 Increased investment in the service delivery infrastructure

10.6.1 This benefit will be measured through the identification of investment and expenditure within the Service Provider's Lump Sum Pro-forma.

10.6.2 Investment in the infrastructure (such as new fleet, plant, ICT) was evident within the bids submitted at the ISDS stage of the procurement process. In comparison the Council has no plans for investment into the service delivery infrastructure.

10.7 Increased capacity and resources available to deliver the service

10.7.1 The HSP will utilise the experience and expertise which the Service Provider will bring from the private sector. The Service Provider will be able to utilise wider resource and expertise in a way which the Council can not currently do.

10.7.2 The capacity and resources available to deliver the services will be tracked through measurement of the resources channelled into the service from outside of the original TUPE transferees. It is expected that there will be a significant number of additional resources with experience of working within the private sector and across other similar public sector contracts.

10.8 Securing economies of scale

10.8.1 This is an Immediate Outcome of the implementation of the HSP and will deliver the benefit of driving out inefficiencies in the service to be reinvested back in the network. The outcome will be measured through detailed analysis of the Lump Sum and Target Cost schemes; the reduced cost of delivering these services will be in part due to the increased buying power and more efficient supply chains of the Service Provider.

10.9 Increasing the service performance level

10.9.1 A detailed Performance Framework (Appendix 2) has been developed which specifies the required performance levels for the Service Provider. The Performance Framework also provides the current performance levels which are significantly below the required levels under the HSP.

10.9.2 All of these performance levels will be measured by the Service Provider on a regular basis and reported to the Council's Client and Contract Management Team.

10.10 Maintaining and improving the customer focus;

10.10.1 A Key Performance Indicator focuses on the Service Provider's customer management performance. This will be managed as part of the wider Performance Framework.



11 Project Delivery Strategy

11.2 The strategy for the competitive dialogue procurement process has been to use the Outline Solutions stage to validate at a high-level the direction of the OBC.

11.3 The intention of Detailed Solutions is to focus on developing the final service solutions and also on more detailed financial elements which will provide specific evidence demonstrating the VFM which can be delivered by the market.

11.4 After the submission of ISDS bids a report will be taken back to Project Board, Senior Managers and Cabinet for approval to close dialogue and issue Final Tenders.

11.5 At Final Tender stage the intention is for the service solutions to have been substantially agreed and therefore the key focus will be on the price competition. At each stage the evaluation criteria will be drafted to reflect the purpose.

11.6 Timetable

11.6.1 The original OBC set the timetable for the commencement of the HSP as September 2010. The current forecast start date is now October 2010. This slippage in the timetable can be attributed to the unforeseen speculation surrounding a proposed additional bidding round for Highways Maintenance PFI credits. As described in Section 2 above the commencement of both ISOS and ISDS stages were postponed as the Council took a 'wait and see' approach to the potential announcement of the PFI credit bidding round.

11.6.2 The current timetable is now as follows:

Stage	Start	Finish
Post ISDS Submission Detailed Dialogue	Mon 23/11/09	Fri 26/02/10
"Cabinet Approval (to Close Dialogue, Issue CFT and Delegate Authority to appoint PB with evaluation criteria)"	Thu 15/10/09	Mon 18/01/10
Call for Final Tender	Wed 18/11/09	Fri 02/04/10
CFT Evaluation and PB Selection	Fri 02/04/10	Mon 10/05/10
PB Fine-tuning	Tue 11/05/10	Mon 07/06/10
Cabinet Approval to Award Contract	Mon 07/06/10	Mon 07/06/10

11.7 Project Governance Structure

11.7.1 The Project Governance Structure is attached as Appendix 4.

11.7.2 A Project Board meets on a monthly basis to guide and steer the project, make decisions and provide scrutiny and challenge to the project.

11.7.3 A Project Team meets on a monthly basis to ensure that actions and issues are addressed in order to deliver the project within the parameters set by the Project Board.

11.8 Dialogue Team

11.8.1 A Dialogue Team/Core Project Team has also been established. This team consists of the Project Manager, Technical, Financial and Legal Leads and respective external advisors. This team acts as the interface between the Bidders and the wider Project and Council.

11.9 Project Challenge and Scrutiny

11.9.1 Aside from the regular challenge and scrutiny provided by the Project Board and the formal decision stages which the project has been through (Cabinet and Council decisions 2008) the project has also been subject to a number of other challenges to ensure it is delivering in a manner to which it should.

11.9.2 ISOS to ISDS Checkpoint Report

11.9.2.1 Prior to the commencement of ISDS the Project Board requested that a review of the project was undertaken to identify any key issues. The report and response is attached as an Appendix 5 and 6.

11.9.3 Audit Commission Risk Reviews

11.9.3.1 The Audit Commission acts as an external and independent risk advisor to the Project Board, delivering Progress Reports and attending Project Board meetings at key stages within the project.

11.9.3.2 A Progress Report and Project response will be issued to the Council's Audit Committee. The Progress Report Response Dialogue is attached as Appendix 7.

11.9.4 Local Partnerships Health Check

11.9.4.1 Project Board also requested that a Local Partnership Health Check was undertaken prior to Final Tenders. The Health Check took place over 18/19th November 2009. The Health Check Report and Response is attached as Appendix 8.



APPENDIX – ADDENDUM TO OUTLINE BUSINESS CASE

Appendix 1 – Service Delivery, Detailed Options Appraisal Outputs

Highways Post 2009 Strategy – Partnership Models		OPTION 1	OPTION 2	OPTION 3	OPTION 4
CRITICAL SUCCESS FACTORS–Key factors required for the successful delivery of the project objectives through partnership within the private sector					
WEIGHTING		5	5	10	15
Flexibility – ability to support both the “flexible” and the long term delivery model		1	5	2	3
Ability to respond positively and rapidly to changes in service requirements and demands		5	2	10	15
Ability to deliver improved value for money (Includes added value and Com benefits)		5	2	10	15
Ability to improve financial control		4	1	4	3
Ability to improve asset management		4	2	8	12
Ability to improve maintenance management		4	2	8	12
Ability to derive economies of scale		3	2	6	9
Ability to provide additional investment in technology		3	1	3	3
Ability to deliver an innovative, customer focused, quality driven service		3	1	3	3
Ability to deliver reduced environmental impact and carbon foot print for service		3	1	3	3
TOTAL SCORES		39	60	78	114
%AGE SCORE (= SCORE divided by (WEIGHTING x SCORE)		33%	51%	67%	97%
DELIVERY OPTIONS					
OPTION 1	Virtual Partnering				
OPTION 2	Co-located				
OPTION 3	Partial Integration				
OPTION 4	Full Integration				
WEIGHTING is a range from 0 to 5 where 0 = no impact and 5 is major impact					
SCORING is a range of 4 from 0 to 3 where 0 = no impact; 1 = peripheral contribution; 2 = some contribution; 3 = major and demonstrable delivery of objective					
Areas shaded in grey are data input cells. The rest of the calculations are automatic					
A red total score is the best case scenario but should be balanced against the whole life cost and the risk analysis elements					
Project objectives shaded green are “gateway” objectives and require a score of 1 or more for the appraisal to continue. A score of 0 against any gateway objective automatically rules out and option					

Extract of Performance Levels in HSP contract

Appendix 2

Category	Key Strategic Indicator	Key Performance Indicator	Performance Indicator	Current Performance	Target
Highways Asset Inventory		% accuracy of asset inventory (within 2 years)		Not currently monitored	95%
Inspections	Safety Inspections & Surveys of carriageways, footways and surface car parks	% carried out to timetable		59% (indicative 07/08 figure - no current measure available)	98%
Repairs	Repairing Category 1 Defects	% of Category 1 Defects made safe within 24 hours on the highway infrastructure		66%	98%

Repairs	Repairing Category 1 Defects	% Category 1 Defects to Highway Infrastructure permanently repaired within 28 days unless included within an agreed programme of works.			66%	98%
Repairs	Repairing Category 2 Defects		% Category 2 Defects to carriageway, surface car park and footway permanently repaired according to agreed (by the Employer) programme of works		Not currently monitored	98%
Incident Responses		% Incidents made safe from time of notification (Note: this is a measure of making safe, or if access is prevented, then measure of attendance). Times under which incidents to be addressed: - Operational hours (7am to 6pm): 1 hour - Out of hours (6pm to 7am): 2hrs			Not currently monitored	100%

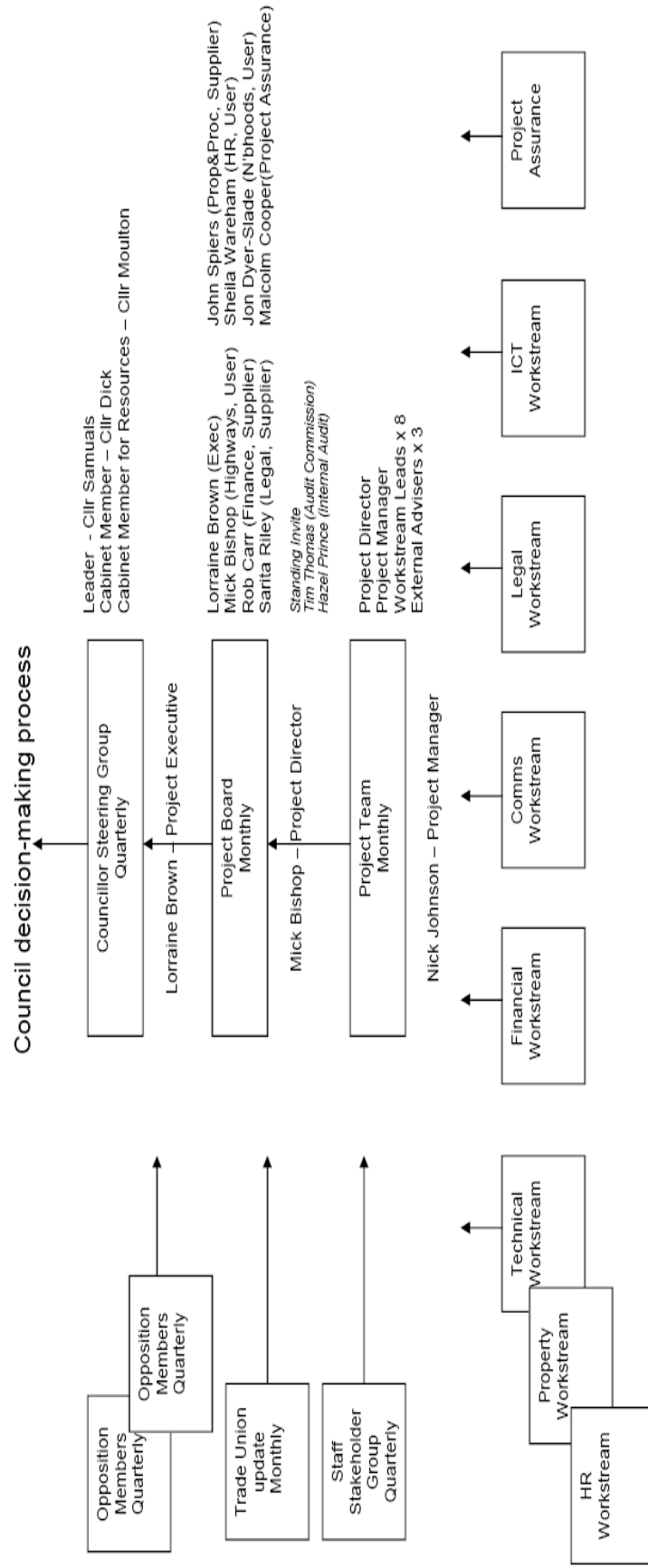
Customer Services (cont)		% of total correspondence (email / post / SMS text) handled according to the Employer's Customer Charter at paragraph 1.3.8 of Annex 10 of Schedule 2		98%	99%
Scheme Delivery		-	% of Schemes identified in the Annual Plan which are completed in accordance with Clause 13 of the Service Agreement	36% (April – Dec 2008)	95%
Scheme Delivery		<input type="checkbox"/>	Employer has 'full satisfaction' with Schemes completed in accordance with Clause 13 of the Service Agreement measured using the Highways Agency's Toolkit	Not currently monitored	100%

Scheme Delivery		-	% sustainable materials used	Not currently monitored	75%
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Annex 1Highways Partnership - 10 Year Financial Summary

	Optimistic £'000	Realistic £'000	Pessimistic £'000	PSC £'000
<u>Revenue Lump Sum</u>				
Current Cost	30,000	30,000	30,000	30,000
Less Client costs	(3,000)	(3,000)	(3,000)	
Net Affordability	27,000	27,000	27,000	30,000
Bid Cost	24,000	25,650	27,000	31,250
Efficiency (Saving) / Cost	(3,000)	(1,350)	0	1,250
<u>Capital Target Cost</u>				
Current Cost	76,000	76,000	76,000	76,000
Bid Cost	68,400	72,200	95,000	76,000
Efficiency (Saving) / Cost	(7,600)	(3,800)	19,000	0
<u>Total Efficiency (Saving) / Cost</u>				
Total Efficiency (Saving) / Cost	(10,600)	(5,150)	19,000	1,250
Less Procurement Costs	1,300	1,300	1,300	750
Net Efficiency (Saving) / Cost	(9,300)	(3,850)	20,300	2,000

Appendix 4



Appendix 5

SUBJECT: Highways Futures - Checkpoint Review
DATE: 18 June 2009
RECIPIENT: Highways Futures Board

SUMMARY:

- i. This report outlines the findings from the first checkpoint review which has been undertaken prior to the issuing of the Invitation to Submit Detailed Solutions.
- ii. Overall the review has highlighted that the project is being managed in an effective manner and it is making reasonable progress.
- iii. In recent years due to the general scaling down of highways work undertaken using directly employed council staff the critical mass needed to provide an effective service is no longer available. Partnering offers the opportunity to address this situation bringing in additional experienced well trained staff with the backing of professional civil engineering organisations
- iv. There are some issues outlined in the report which raise slight concerns and in particular the achievement and demonstration of efficiencies which need further detailed consideration. Currently there is insufficient evidence to confirm the scale of the potential benefits. In addition the flexibility of the partnership will need to be carefully assessed to balance the potential benefits from the commitment of funding against any future pressures on the council's resources.
- v. A full evaluation of these issues would be best addressed following the evaluation of the detailed solutions at the close of the competitive dialogue in January 2010.
- vi. Based upon the evidence reviewed **and subject to the justification of the level of the anticipated service benefits that could be forthcoming from the partnership and the overall non financial benefits**, the project can proceed to the implementation of the competitive dialogue stage.

BACKGROUND

1. On the 21 May the Highways Futures Board confirmed the need to undertake a checkpoint review with the following objectives
 - Revisit the proposed scope of the project
 - Revisit the Critical Success Factors identified in the Outline Business Case
 - Revisit the risk assessment undertaken at OBC
 - Consider if any additional/new risks since the OBC fundamentally alter the risk profile of the project.
 - Revisit the financial case for the Partnership – including all cost of delivery and implementation (spend to date and forecast spend)

- Consider Partnership deliverables identified by bidders ISOS responses against those identified in OBC
 - Consider the robustness of the Project Governance and Management Structures
 - Consider the robustness the delivery of the procurement process.
2. This review has been conducted through a combination of the examination of key documents available on the extranet site plus interviews with a number of staff engaged in the project.

DETAILS

Scope of the project

3. The scope of the project was agreed by council following consideration of the findings of an independent study completed in March 2008. At this stage there is no new evidence to suggest that the scope of the project should be changed and it is anticipated that any proposals received as part of the ISDS process to alter the scope of the project will have to be assessed on their merits in conjunction with the opportunity afforded by the wording of the OJEU notice.

Critical Success Factors

4. Of the ten critical success factors for the service delivery model most are deliverable and the following matters are noted.
- *The ability to deliver improved value for money* - not clear at this stage and needs a comprehensive review following the close of the competitive dialogue. The processes for assessing the performance based lump sum arrangements and further details are set out in the Economic Case below
 - *To derive economies of scale* - again this has not yet been quantified and needs to be evaluated through the ISDS process.

Risk Assessment

5. This has been managed in line with the SCC systems and appears to be generally under control.
6. It is noted that risk 55 in the OBC - failure to demonstrate or maintain competitive with existing controls of limited vfm measures has an action to manage the risk by introducing comprehensive effective vfm measures. Evidence that this action has been implemented has not been found and the risk does not appear explicitly in the current Risk Register last updated on the 10/05/09.
7. There is evidence of significant slippage in the programme which is not been reflected in the end date of the project. There are risks associated with reducing the time-scales for future activities in either being able to complete the activity to the appropriate standard or not completing the activity in reduced time resulting in project over run. Consequences of slippage need to be highlighted especially if a principle of contract commencement at only either the start or mid year is a prerequisite for the project.

Economic Case

8. There has been a significant reduction in the scale of the funding that would be available to the partnership when compared to the figures highlighted in the OBC and reported to the June 2008 Cabinet. The original figure of £14.2m has been reduced to nearer £10m. This appears to be mainly due to the treatment of street lighting activities which have now been excluded. The lower sum has coincidentally been identified in the earlier documentation as being the level of investment just to prevent further deterioration of the highway asset. Therefore the only overall improvements in the condition of the highway are likely to be of the order of the net benefits that can be derived from the new arrangements.
9. The annual net financial benefit has been calculated at £443k (3% of total spend) based upon a pragmatic savings estimate of 6% on investment of £14.2m. (The percentage figure comes from benchmarking data which does not appear to have been subjected analysis to substantiate that this is the appropriate for the Southampton situation.) As the level of expenditure through the contract is likely to be nearer to £10m the annual saving reduces disproportionately to £275k (2.75% of total spend), assuming the same implementation and 2% client monitoring costs. Clearly based upon these calculations the indications are that the potential financial benefits which would be transferred into investment in the highway could be marginal.
10. Through the ISDS process additional financial information will become available although it should be noted at this stage that due to the nature of the pricing of the documents it is unclear if this will in fact provide a clear picture of the value of the efficiencies that will be delivered through the partnership arrangement. This situation will arise due to nature of the arrangements for the management of the partners' performance. It will be measured against the achievement of performance indicators in return for a lump sum payment.
11. In addition capital projects will be measured upon sample schemes and evaluation of the ISDS will be measured against a basket of schemes priced using the current highways contractors charges. Clearly there must be rigorous examination throughout this exercise to ensure that the basis for any baseline data is accurate as it will be used for all future evaluations. Whilst having good technical and management foundations these arrangements are unlikely to enable the efficiencies to be clearly identified. In fact it may not be until the end of the partnership that the scale of the efficiencies can be measured in a meaningful way.
12. Returning to the issue of guaranteeing future levels of investment the current LTP funding only has a short period to run and in the current economic climate future years funding is uncertain. This situation is compounded by current round of council savings where the Highways and Parking Services Division has been set a total two year target of £1.124m over the next two fiscal years. The delivery of these savings will be focussed upon the out of scope highway and parking services however this may not be achievable and therefore reductions could be required in the funding being available to the partnership.
13. The approved recommendations in the 2008 Cabinet and Council reports included the commitment to the principle that existing budgets for the delivery of in scope services is committed to the partnership. This apparent contradiction needs to be addressed within the current round of savings.

Deliverables

14. The bidders ISOS responses do not appear to provide any evidence that the service deliverables that the council is seeking to secure would not be available. The key issue relates to the availability of the funding to access these services.

Project Governance and Management Structures

15. A good project management arrangement has been established with clearly defined roles and responsibilities. External advisors are being employed in accordance with best practice. Care needs to be taken to ensure that decision making is undertaken objectively and that there is no bias towards companies that are currently employed to undertake any of the services. This could be introduced inadvertently through the use of cost data derived from one of the existing contractors to create a benchmark against which bidders will be measured. A further minor issue is whether the structure of the proposed contract provides the best vehicle or is simply one that the technical consultants are most familiar with.

Procurement Process

16. Following the Competitive Dialogue process is being managed very competently and anecdotal evidence is that bidders confirm this is the situation.

Property

17. The relationship with the successful completion of the relocation of Town Depot project may become critical to the success of the Highways Futures project as the provision of the highways depot by the council may have a significant impact upon the efficiencies that are delivered. There is an expectation that a solution will be available in the next two weeks, however if this is not forthcoming there is a possibility that the overall benefits of the partnership will be significantly reduced. In addition if short term accommodation is required to house the service provider until the permanent site is available is likely to adversely effect the potential benefits.

TIMESCALES:

The programme presented to Council in July 2008 outlined a programme with service commencement in September 2010. Currently the project is about to issue the ISDS in week 44 when it was originally programmed for week 26 indicating slippage of 18 weeks. Despite this fact the programmed end date remains unaltered. The expectation appears to be that that the time will be made up by reducing durations of many of the remaining activities when compared with the original programme. This approach needs to be justified as the original durations reflected the activity durations proposed in 4ps guidance. Clear evidence needs to be provided that the current slippage can be recovered without compromising the end solution. In addition the cost of the delivery of the project to-date is higher than the original profile and combined with the programme being behind time highlights the risk that the cost of completing the project through to Financial Close may be outside the agreed financial envelope.

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Appendix 6

SUBJECT: Highways Futures – Response to Checkpoint Review
DATE: 2nd July 2009
RECIPIENT: Highways Futures Board

INTRODUCTION:

- i. This report considers the findings of the Checkpoint Review and provides a response to the key issues highlighted prior to providing a recommendation to the Board (12.3).

SUMMARY OF CHECKPOINT REVIEW

- ii. Overall the Checkpoint Review highlighted that the project is being managed in an effective manner and it is making reasonable progress.
- iii. In recent years due to the general scaling down of highways work undertaken using directly employed council staff the critical mass needed to provide an effective service is no longer available. Partnering offers the opportunity to address this situation bringing in additional experienced well trained staff with the backing of professional civil engineering organisations
- iv. There are some issues outlined in the report which raise slight concerns and in particular the achievement and demonstration of efficiencies which need further detailed consideration. Currently there is insufficient evidence to confirm the scale of the potential benefits. In addition the flexibility of the partnership will need to be carefully assessed to balance the potential benefits from the commitment of funding against any future pressures on the council's resources.
- v. A full evaluation of these issues would be best addressed following the evaluation of the detailed solutions at the close of the competitive dialogue in January 2010.
- vi. Based upon the evidence reviewed the project can proceed to the implementation of the competitive dialogue stage.
- vii. This review was conducted through a combination of the examination of key documents plus interviews with a number of staff engaged in the project. The Review is attached as an Appendix to this report.

1.BACKGROUND

- 1.1 It is worth noting the project/procurement/contract development strategy undertaken to date and moving forward as this will assist in contextualising this report.
- 1.2 There are three key stages to the competitive dialogue procurement process: outline solutions; detailed solutions; and final tenders.
- 1.3 To commence the procurement process an Outline Business Case (OBC) was produced identifying the most appropriate long term delivery model and the benefits this model would deliver.

- 1.4 The most appropriate model was determined using an options appraisal based on a number of Critical Success Factors. Continuing with current arrangements was considered as one of the options. However, the current service deliver model was not deemed to meet the CSFs as impressively as a long-term, fully integrated Partnership approach.
- 1.5 The second element of the OBC was to consider whether the option delivered benefits to the Council over and above other the models and justified the investment decision.
- 1.6 The aim of the outline solution stage was to seek information from bidders at a high-level that the expected benefits were achievable and deliverable on the basis of indicative contracts and specifications.
- 1.7 The aim of the detailed solution stage is to confirm that these benefits are deliverable, with bidders committing to providing a cost for delivering against a detailed contract and specification.
- 1.8 At final tender the Council will request final bids against a fully developed contract and specification having confirmed, via dialogue, that the business case is valid and the expected benefits will be delivered.

2 Identified Benefits

- 2.1 Before responding to the points raised in the Checkpoint Review it is useful to outline the benefits identified as part in the report agreed by Cabinet and Council and a brief summary of the current position/deliverability based on further knowledge and experience from the project team and outline solutions from bidders. These are set out below.

- 2.2 a. Driving out inefficiencies in service delivery which can be reinvested back into the highways network

The Outline Business Case identified efficiencies of between 5-8% on a budget of approx £14m. This has now been revised down to approx £10m, therefore absolutely the efficiency level will decrease. However, relatively, they do not.

At outline solution stage bidders suggested from previous experience that there was between 10-25% efficiencies which could be driven out of the service. It should be remembered that when talking about 'efficiencies' it is not a reference to a cashable efficiency gain but an indication of increased output.

As part of detailed solution stage bidders will be asked to price a number of sample capital schemes (within a wider capital programme context). These will also be priced by the Council as if they were being delivered using current arrangements. This will clearly show the % difference between current arrangements and the Partnership.

- b. Securing investment in the service delivery infrastructure;

The Outline Business Case suggested that the provider would commit 7% of the total value of the contract to delivering the service.

All of the bidders identified that they would invest in the service delivery infrastructure – for example, fleet, ICT, and plant.

- 2.3 c. Increasing the capacity and resources available to deliver the service;

The remaining three bidders are all major companies in the industry and therefore can draw on a wealth of resources to meet demand, increasing, decreasing or flexing (subject to contractual clauses) as required.

- 2.4 d. Securing economies of scale;
This is closely linked to a) and will be demonstrated through costing of the sample capital scheme pricing at ISDS, and lump sum pricing.
- 2.5 e. Increasing the service performance level;
Performance Levels have been specified and the provider will be contractually obliged to meet these performance indicators. If they do not, there will be payment deductions. The performance targets at detailed solution stage will represent a significant improvement on current service and performance levels.
- 2.6 f. Maintaining and improving the customer focus:
There are performance indicators around customer service, additionally there are method statements which will be contractual and will set out how the provider will approach customer focus and engagement.

3 **Cultural Change**

- 3.1 The key element underpinning the Partnership's ability to significantly reduce inefficiencies and deliver increased outputs and outcomes in comparison to the current service delivery model is the significant cultural change which the private sector would bring. This would be demonstrated in, for example, the more multi-disciplinary maintenance teams and the greater focus on productivity. This cultural change is difficult to quantify, yet undeniable.

4 **Alternative Options**

- 4.1 It is prudent to also identify the alternative options to a Highways Partnership at this point. There is no identified alternative/contingency option as such. The original Strategic Business Case identified a number of options which would need to be revisited. The existing highways contracts can be extended until September 2012 which would enable business as usual while the long-term strategy was reconsidered. It is acknowledged that the Council should consider a fall-back option.

5. RESPONSE TO REVIEW

5.1 **Critical Success Factors**

The Review highlights the deliverability of all the Critical Success Factors (CSFs). The CSFs were used for the OBC options analysis which identified the long-term, fully integrated Partnership as the most appropriate long-term option. The Review does not highlight any issues with the options appraisal in relation to either the process or the outputs and outcomes.

- 5.2 For ease of reference the CSFs which the long-term Partnership will best deliver are:

- Ability to respond positively and rapidly to changes in service requirements and demands
- Ability to deliver improved value for money
- Ability to improve financial control
- Ability to improve asset management
- Ability to derive economies of scale
- Ability to provide additional investment in technology
- Ability to deliver innovative, customer focused, quality driven service
- Ability to deliver reduced environmental impact and carbon footprint

On further examination the Critical Success Factors appear to continue to be pertinent, as do the scores allocated, and therefore the result of the original options appraisal remains valid.

- 5.3 The Review did raise the following points in relation to the Critical Success Factors:
- *'The ability to deliver improved value for money - not clear at this stage and needs a comprehensive review following the close of the competitive dialogue. The processes for assessing the performance based lump sum arrangements and further details are set out in the Economic Case below'*
 - *'To derive economies of scale - again this has not yet been quantified and needs to be evaluated through the ISDS process.'*
- 5.4 It is correct that the ISDS stage of the procurement will provide additional information to further confirm and clarify the above two points (which were confirmed by bidders at outline solution stage). However, It should be noted that the Critical Success Factors must be considered in the context of the options appraisal, specifically, the comparative nature of such.

6 Economic Case

- 6.1 The Review notes that there has been a significant reduction in the scale of the funding that would be available to the Partnership. The original figure of £14.2m has been reduced to nearer £10m (this figure may be reduced further due to the need for further efficiency savings across the Council). The Review also notes that the potential financial benefits which would be transferred into investment in the highway could be marginal.
- 6.2 It is indisputable that the level of funding available to the Partnership has reduced since the original business case. However, at this point it is pertinent to note that the Partnership was based on the premise of improved quality of service for the same level of funding and the 'efficiency' figure identified was not intended as a 'cashable' figure. Instead the figure identified was intended to demonstrate the increased output that could be delivered by a Partnership model.
- 6.3 Therefore, the key consideration is whether a Partnership can deliver improved service for the same funding.
- 6.4 The OBC identifies an increased gross output of between 5-8% (against the Review figure of 2.75% net figure on pragmatic figure of 6%)
- 6.5 The Review notes that the 5-8% does not appear to have considered Southampton specific circumstances. 5-8% was identified as a demonstrable figure from similar contracts using Audit Commission data. The council's advisers, along with the project team, deem a 5-8% increase in output to be a cautious estimate of what can be achieved in the SCC context given the relatively un-modernised nature of the service – particularly in relation to the maintenance revenue side of the service currently delivered primarily in-house. This is evidenced in the fact that in highways comparative surveys SCC performance levels are consistently in the bottom quartile. Indeed at ISOS, bidders identified, from previous experience on similar contracts, efficiencies of between 10-25%.
- 6.6 The Review correctly notes that through the ISDS process additional financial information will become available. However, the Review also asserts that due to the nature of the pricing of the documents it is unclear if this will in fact provide a clear picture of the value of the efficiencies that will be delivered through the partnership arrangement. This is not an unreasonable assertion, nevertheless, the ISDS information will clearly provide a good indication of whether the Partnership will deliver 'more for the same', as explained below.

- 6.7 Firstly, bidders will be provided with an affordability threshold for the lump sum element of the service which is the same as the Council's current budget. For this same budget the Partnership will have to meet performance targets which are significantly higher than the Council's current performance targets. For example, our current PI on inspections and surveys of carriageways, footways and surface car parks carried out to timetable is 59%. The service provider will be required to hit 98%.
- 6.8 A further point to note here is that there will be payment deductions if the Partnership does not achieve the specified targets. Therefore, the Council will not pay for a level of service it does not receive.
- 6.9 Secondly, at ISDS, capital projects will be measured upon sample schemes. The cost submitted by bidders at ISDS will be compared to the cost of delivering these schemes using the Council's current arrangements. The Review noted that the scale of efficiencies can not be measured in any meaningful way until the end of the Partnership, however, it is clear from the above that from the outset whether the Partnership can deliver capital schemes more efficiently will be transparent.
- 6.10 Finally, as part of this procurement the Council is developing an innovative approach to assessing network value. Bidders will be required to set out their approach to asset management and identify the asset value at the end of the contract. This, again, will be compared to the output the Council can achieve using its current arrangements. Although this is unlikely to be available until final tender stage.
- 6.11 Taking into account the above it is clear that at the submission of ISDS there will be clear evidence identifying the Partnership's capacity to deliver 'more for the same', or not.

7 Delivering Value for Money/Commercial Approach

- 7.1 The Review notes that current LTP funding only has a short period to run and in the current economic climate future years funding is uncertain. This is compounded by the requirement for Highways and Parking Division to deliver £1.124m over the next two fiscal years. There are also proposals to bring forward some capital budget from 10/11 to 09/10.
- 7.2 Any reduction in current budgets will reduce the level of service deliverable by the Partnership. In simple terms the quality of service and performance levels set for the Partner will be need to be reduced. For example, instead of requiring a 98% level for inspections and surveys of carriageways, footways and surface car parks carried out to timetable, the Council will only be able to afford 75%.
- 7.3 A lower budget for the Partnership will also potentially impact on the interest of bidders in the contract, consequently affecting the competitiveness during the bidding process. This could impact on the level of investment bidders are willing to commit to the Partnership.
- 7.4 The Council must consider the level of control and flexibility it wishes to retain over the Partnership. Additional value can be driven from the Partnership through the guarantee of a fixed income capital income per annum. This would allow the Partnership to front-end investment and capital works – at ISOS one bidder identified a £5m value to a guaranteed income level. Similarly, guaranteeing contract extensions, provided performance levels are met, would deliver VFM.

7.5 The Project Board and ultimately Members will need to consider whether the decreased flexibility which the above would entail is offset by the magnitude of vfm savings.

8 Project Governance and Management Structures

8.1 The Review noted that care needs to be taken to ensure that decision making is undertaken objectively and that there is no bias towards companies that are currently employed to undertake any of the services. There has been no suggestion of this to date and all appropriate measures have been taken to ensure that no advantage or disadvantage is provided to incumbent contractors. Any procurement risks such as these are closely monitored by the Project Manager and the Legal team.

8.2 The Review noted that an unfair advantage could be introduced inadvertently through the use of cost data derived from one of the existing contractors to create a benchmark against which bidders will be measured. This has been considered and discussed by the project team and is considered an appropriate approach.

8.3 The Review also noted that a further minor issue is whether the structure of the proposed contract provides the best vehicle or is simply one that the technical consultants are most familiar with. The type of contract being used is one familiar with the industry and this was the primary driver for selecting it. The external legal advisors are comfortable with the contract approach.

9 Risk Assessment

9.1 The Review highlights that risk 55 in the OBC - failure to demonstrate or maintain competitiveness with existing controls of limited vfm measures has an action to manage the risk by introducing comprehensive effective vfm measures. Evidence that this action has been implemented has not been found and the risk does not appear explicitly in the current Risk Register last updated on the 10/05/09. This is noted. The contract documents have been developed with vfm implicitly within them.

10 Property

10.1 As acknowledged in the Review the relationship with the successful completion of the relocation of Town Depot project may become critical to the success of the Partnership as the provision of the highways depot by the council will reduce the cost overheads of the bidders. In addition any short term accommodation required to house the service provider until the permanent site is available will increase the cost to the Council.

10.2 However, it should be noted that if the Council does not provide a site for the Partnership and accommodation is instead provided by the Partner this will mean a reduction in the Councils own relocation costs from not having to provide highways space.

11. TIMESCALES:

11.1 The Review notes a slippage in the timetable set out in the original Cabinet report of 18 weeks, yet the programmed end date remains unaltered with the time made up by reducing durations of many of the remaining activities. The Review states that the new timescale needs to be justified with clear evidence being provided that the current slippage can be recovered without compromising the end solution.

- 11.2 The current agreed timetable has shortened some activities. The initial mobilisation period of 6 months was purposefully generous and was identified as contingency if required. The revised mobilisation period of approximately 4 months is more typical (2-3 months being not untypical) and has been confirmed as adequate by bidders.
- 11.3 The other area of significant reduction between the original timetable and the revised current timetable is the amount of time allocated for CFT - previously 20 weeks now 10 weeks. The reduction in the amount of time required for CFT has been possible due to the increased amount of time available at the front end of the procurement (due to delays identified above) enabling the project team to develop contract and specification documents to a much greater level.
- 11.4 The current programme identifies the selection of preferred bidder during the local election purdah period. In order to be able to appoint preferred bidder prior to this point delegated authority within set parameters can be sought enabling officers to appoint preferred bidders. This approach requires consideration and ratification by the Council's legal department.
- 11.5 The Review notes that the cost of the delivery of the project to-date is higher than the original profile and combined with the programme being behind time highlights the risk that the cost of completing the project may be outside the agreed financial envelope. Mainly this is due to the revised approach to the procurement as identified in the above paragraph which has required more adviser time to develop contract and specification documents. Additionally, project staffing has been filled on a temporary basis, until recently, due to the uncertainty regarding the ongoing nature of project posts caused by the potential PFI.
- 11.6 Finally, the Cabinet report noted that the delivery cost would be in the region of £1-1.5m and the final figure was dependent on a number of factors such as the final length of the procurement process, the complexity of contract negotiations and the resolution of any issues which may arise.

12. Conclusion and Recommendation

- 12.1 The Checkpoint Review correctly identifies that currently there appears to be a marginal economic case for the implementation of the Partnership. The economic case will become much clearer once ISDS submissions are returned.
- 12.2 Attention should however be drawn to the overall benefits package that the model will deliver. The OBC and outline solution stage gave no major cause for concern that these benefits would not be forthcoming, provided the contract and specifications are drafted appropriately.
- 12.3 Weighing up these two factors, and also taking into consideration the alternative options it is recommended that the Board agree to the commencement of the ISDS stage of the dialogue with a view to reviewing the case again prior to call for final tenders.

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Appendix 7

Highways Futures Project
Audit Commission: Progress Report. Highways Partnership project
Council Response
V02 170909
Audit Commission Comments 171109
[Project Team Comments 291109](#)

Para/Ri sk No.	Audit Commission Report	Council Response (17/09/09)	Further Action (17/09/09)
Para 5	<p><i>Given public sector finance constraints this investment figure is now likely to be nearer £10m and the annual net financial benefit has reduced to £275k.</i></p>	<p>The annual net financial benefit (an attempt to quantify the anticipated % output increase against annual turnover) identified in the original Outline Business Case (OBC) was a prudent illustrative figure provided to assist the decision on whether to market test (i.e. Commence the procurement process), or not, the Council's strategy. A key objective of the procurement process is to judge the benefit which the Partnership will deliver.</p>	<p>No further action is necessary in relation to this specific point.</p> <p>TT) Lack of quantification as to how vfm will be judged in relation to the proposed partnership. Needs to be financial qualification as to the level at which the scheme will not be considered financially viable.</p> <p>SCC – ISDS submissions have identified a quantifiable financial benefit and VFM case.</p> <p>Outline Business Case Addendum provides further information and measurement methodology for VFM. Cabinet Report scheduled for Feb 2010 will identify the minimum required benefit.</p>

<p>Para 10</p>	<p><i>The maximum benefits which can be expected from any new arrangements are likely to be those relating to changed working practices and any economies of scale a future commercial partner might bring.</i></p>	<p>Only a PFI or a significant increase in capital funding can deliver significant improvements to the network. In the absence of significant additional funding this alternative strategy was developed 'with the aim of improving service levels, maximising existing resources and delivering efficiency savings to be reinvested back in the network.'</p> <p>'The partnership will ensure that the Council is making best use of its existing resources, however it must be noted that it will not eliminate the identified investment gap.' (Cabinet 30/06/08-Council 16/07/08).</p> <p>It should be remembered that over and above the cost/vfm benefits that the Partnership will bring there are a number of other more qualitative benefits such as the major cultural change which will be delivered, the improvement in service performance, the access for staff to wider learning and development, the ability to access wider market expertise, the development of stronger links with local training providers, the development of the local economy through development of sub-contractor and</p>	<p>No further action is necessary in relation to this specific point.</p> <p>TT) In the light of the reduced investment since the Initial Business Case the Council appears to be introducing new non-financial criteria by which it will judge potential bidders. If this is the case such criteria should be agreed with Members.</p> <p>SCC – Non-financial benefits referenced are not 'new', identified in Cabinet Report 30/06/08 and original OBC.</p> <p>Benefits Realisation Plan detailed in OBC Addendum.</p> <p>To be referenced in forthcoming Cabinet Report.</p>
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Para 11	<p>A comparison with the percentage client monitoring costs in respect of the existing Capita Strategic Services Partnership (SSP) contract might provide clarity, given the apparent marginal financial gain, indicated in the current cost-benefit analysis work by the Council.</p>	<p>supply-chain relationships.</p> <p>An allowance has been made by the Council for Client Monitoring costs. This has been deducted from the affordability figure.</p> <p>The SSP client approach was examined and considered as part of the development of the Highways Client Team (which also incorporates the Street Lighting PFI client). The role of the client for the Highways Partnership will not be an exact replica of the SSP approach given the differing nature of the services but it is acknowledged that since previous discussions with SSP Client team there are likely to be further lessons to be learned.</p>	<p>Review the client approach in the context of the SSP client approach and costings.</p> <p>TT) The Council should in the course of its review calculate the net savings which it might expect given its proposed level of annual investment.</p> <p>SCC – Client costs have been determined using a number of comparator benchmarks. Required budget for client costs is top-sliced from affordability budget and therefore forecast savings are net of client costs (the savings are not funding the client team).</p>
Para 12	<p>...contractual liability will mean that [the Council] is unable to further reduce the annual expenditure, without at the very least incurring performance decreases.</p>	<p>There is a difference between Capital spend and Revenue spend.</p> <p>The proposed contract approach does not guarantee a level of Capital spend for the Partner. Therefore, the Council has the flexibility to amend the capital budget on an annual basis (Commercially it would be better to</p>	<p>Addressed in detail in OBC Addendum. To be referenced in forthcoming Cabinet Report.</p> <p>No further action is necessary in relation to this specific point.</p> <p>TT) Whilst this is understood the Council still needs to ensure that if either its annual capital or revenue budget diminishes that its client side costs are not greater than the annual</p>

	<p>guarantee a capital budget). The revenue budget will be fixed for the life of the contract, guaranteeing a fixed service level for the life of the contract. If the Council wishes to adjust the revenue budget this will be possible, however, as noted, this would require a reduction in service. This is not substantively different from the current position. Although a renegotiation would be required, the open book accounting approach and benchmarking clauses would support the Council to ensure vfm was still being delivered. Positively, the impact on the service performance, and the road network as a result of a budget reduction would be much clearer and better understood than currently.</p>	<p>savings generated by the contract. SCC – Same comment as above – client budget is top-sliced from affordability budget. However, it is acknowledged that there will be a fixed overhead/cost which will be incurred to fund a client team regardless of the level of spend channelled through the Service Provider. (i.e. there will always be a requirement for a set number of client posts to manage the contract)</p>	
<p>Para 12</p>	<p><i>It should also be noted that commercial tenderers are required to take a profit based view to any contract and any possibility of changes to the affordability envelope usually results in an increased risk premium, which diminishes further infrastructure or performance gain for the Council.</i></p>	<p>This is why it is important that through the procurement process the Council does not change its affordability. Affordability has been consistent since the commencement of dialogue despite the current Council budget saving requirements. If the Council requires further budget reductions which affect the affordability then bidders are likely to price some risk. Thus the short-term saving will have a disproportionate</p>	<p>Council to consider whether further budget savings should be required from in-scope highways services. TT) The Council's response needs to be shared with Members to inform decision-making in respect of the decision to award the contract. SCC – affordability regularly reviewed.</p>

Risk 1	<p><i>Does the Council consider that the strategic approach in respect of highways provision now being placed before them is in the best interest of the Council and its citizens and is affordable over the course of the contract?</i></p>	<p>affect on the reduction in service able to be provided by the Partnership (ie reduction in affordability = reduced budget available for service delivery + increased risk premium)</p> <p>There is still no other alternative for delivering increased service improvement over the same condensed time-frame for the same up-front cost. The affordability of the Partnership will be demonstrated, or not, through the submission of detailed solution bids (ISDS). At this point a decision will be required, based on information from the procurement process, on whether the Council should proceed to Final Tender stage. The Council is confident that the information provided at ISDS will be sufficient to make a judgement on the benefits of the Partnership.</p>	<p>To be referenced in forthcoming Cabinet Report.</p>
Para 13	<p><i>One of the ten Critical Success Factors (CSFs) is the ability to 'Deliver improved value for money' and the lack of clarity as to how this will be delivered is highlighted in the Council's 'Checkpoint Review'. Another CSF to 'Derive economies of scale' is subject to similar concerns.</i></p>	<p>It is not felt that there is any lack of clarity over how any of the CSFs will be delivered through a Partnership. For example, 'improved value for money' will be delivered through more efficient working practices and processes and greater productivity. Whilst economies of scale will be delivered through the Partners increased buying power in the market and better sourcing and supply-</p>	<p>No further action is necessary in relation to this specific risk.</p> <p>TT) Noted.</p> <p>No further action is necessary in relation to this specific point.</p> <p>TT) It is the specific measurements/indicators attached to these CSFs which need to be determined.</p> <p>OBC Addendum identifies how these benefits will be measured.</p>

Risk 2	<p><i>If the Council proceeds to the ISDS stage what measures and ongoing monitoring arrangements will it put in place to make sure that value for money is assured?</i></p>	<p>chain management.</p> <p>ISDS Submissions will assist the Council in assessing VFM in a number of ways:</p> <ol style="list-style-type: none"> 1 bidders must deliver a level of service much greater than the Council currently delivers for the same (or less) cost. 2 Bidders must price for delivering sample schemes. These prices will be compared against how much it would currently cost the Council to deliver these schemes. <p>After the submission of ISDS bids the Council will determine whether to continue to Final Tender stage. Final Tender stage will require the resubmission of information at ISDS plus additional information which will further support VFM and the demonstration of benefits.</p> <p>Appendix A expands on how the project will assess Value for Money.</p> <p>If the Partnership does not come to fruition then service continuity will be maintained through the existing in-house resource and the existing contracts which can be extended until September 2012.</p>	<p>No further action is necessary in relation to this specific risk.</p> <p>TT) Noted.</p>
Risk 3	<p><i>What steps is the Council taking to ensure continuity of service provision should the highways partnership not come to fruition for whatever reason?</i></p>	<p>If the Partnership does not come to fruition then service continuity will be maintained through the existing in-house resource and the existing contracts which can be extended until September 2012.</p>	<p>No further action is necessary in relation to this specific risk.</p> <p>TT) Noted.</p> <p>SCC – Forthcoming Cabinet Report will</p>

Risk 4	<p><i>What steps is the Council taking to ensure that its financial scenario planning is kept up to date to ensure that it understands the financial ramifications of any decisions which it takes?</i></p>	<p>If the project were to cease the Council would be required to consider the future direction of the service. Business as usual would continue along with, possibly, one of the following options are:</p> <ol style="list-style-type: none"> 4 Explore possibility of further PFI credits; 5 Procure further contracts for works and design consultancy (likely 5 year minimum); 6 In-house service transformation programme reviewing all service processes, technologies, performance levels, resource requirements etc; 7 Joint/Regional working 	<p>identify impact of not continuing with this approach and provide a range of practical considerations.</p>
		<p>The financial ramifications of the Partnership will be reviewed after the submission of ISDS bids and prior to Call for Final Tender (if the Council has approved the move to this next stage). However, it is not clear from a project perspective whether the Council is considering the implications of its wider financial planning process on the project.</p>	<p>The Council considers how the implications on the Partnership project of its wider financial planning process are taken into account.</p> <p>TT) This interdependency needs to be made clear to Members.</p> <p>SCC – This issue has been raised at Project Board level and within Service budget setting process.</p> <p>To be referenced in forthcoming Cabinet Report.</p>

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Appendix 8

Local Partnerships Health Check

Version number: Final

Date of issue to PO: 30th November, 2009

Authority: Southampton City Council

Local Partnerships Health Check dates: 18th & 19th November 2009

Local Partnerships Health Check Team:

Paul Bryans
David South

Draft

In order to promote full and frank exchange of views during the review process and for the purposes of deliberation and production of the recommendations contained herein, this Health Check report is confidential to the project owner in their capacity as employee of the procuring authority.

The logo for Local Partnerships, featuring the words "Local" and "Partnerships" in a blue sans-serif font. To the right of "Local" is a blue icon consisting of two interlocking squares. The background of the page features a large, faint, grey watermark of a stylized figure holding a hammer and a pickaxe, with a diamond shape below it.

Local Partnerships

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Background

The aims of the project:

The objective of the project is to implement a new highways service delivery model which will deliver the following outcomes:

1. Increase the capacity and resources available to deliver the service;
2. Secure investment in service delivery infrastructure (i.e. plant, M.I.S);
3. Secure economies of scale;
4. Drive out operational inefficiencies in service delivery (capital and revenue element) and reinvest in the network;
5. Increase the service performance level;
6. Maintaining and improving customer focus; and
7. Regenerate the highway network.

The driving force for the project:

The Council's current highway network and service delivery infrastructure requires significant investment to reverse its current decline.

To secure additional investment in the highways network the Council submitted a bid to the Department for Transport (DfT) for Highways Maintenance PFI Credits in September 2006. The DfT informed the Council in December 2007 that this bid was unsuccessful.

A Strategic Business Case (SBC) identified that the most suitable alternative vehicle for service delivery was a long-term (i.e. 10 years) partnership with a private sector service provider.

The procurement status:

The ISDS stage bids have been received from 3 bidders.

Purpose and conduct of the Local Partnerships Health Check

Purpose of the Local Partnerships Health Check:

The primary purpose of a Local Partnerships Health Check is to confirm that the project is in a robust position – that is, in principle it meets business need, is affordable, likely to achieve value for money, deliverable, has been executed through appropriate processes and is likely to deliver the benefits sought within the constraints identified.

Conduct of the Local Partnerships Health Check:

This Local Partnerships Health Check was carried out on 18th and 19th November, 2009 at the request of the Project Owner, Lorraine Brown. The team members are listed on the front cover.

The Health Check consisted of a document review by the members of the Health Check Team, prior to an update by the project team and a programme of interviews with key stakeholders.

Conclusion

The Health Check Team finds that the project would benefit from the following actions before proceeding to the next stage of dialogue for the procurement:

1. A further Options Appraisal, including all relevant cost implications of the chosen procurement route and key contract positions, should be undertaken;
Scc Comment – Outline Business Case Addendum undertakes further options analysis on procurement route and contract positions.
2. The Council should make an informed decision as to the appropriateness or not of agreeing a minimum guaranteed annual Capex figure;
Scc Comment – Outline Business Case Addendum considers this option..
3. The Project Team should undertake a Benefits Realisation Review;
Scc Comment – Outline Business Case Addendum reviews Benefit Realisation.
4. The Project Board should review the skills and capacity of the Project Team, including the involvement of the proposed Project Management Team in the procurement;
Scc Comment – understand that ‘Project Management Team’ in this context actually refers to Contract Management Team. Outline Business Case covers this issue
5. The Project Team should consider capturing the Project Delivery Strategy in a single document; and
Scc Comment – Project Delivery Strategy section included in the Outline Business Case Addendum.
6. The Project Risk Register should be reviewed and updated to ensure that all the relevant risks are: captured, appropriately allocated and managed.
Scc Comment – a project risk register is actively managed to ensure appropriate management of risk. Risk Register attached to Outline Business Case addendum. Further risk workshops arranged to review in detail.

Findings and recommendations

The following four headings were considered the most appropriate for this report:

1: Procurement approach

The Health Check Team were impressed that the Council had decided to tackle the poor Highways infrastructure through an innovative medium-term contract (the “Proposed Solution”) and that bids have now been received from three contractors on this basis. The Proposed Solution was developed as the next best option to the unsuccessful bid for PFI Credits and followed soft market testing.

The Proposed Solution is intending to use a hybrid contract which will require development specifically for the project and which is likely to be complex to draft and negotiate, and require careful management throughout.

Scc comment – this is noted and addressed in Outline Business Case Addendum.

The Health Check Team understands that the Council wishes to maintain maximum flexibility in the contractual arrangements regarding annual Capital Expenditure commitments. There was no evidence that the cost implications of such a high level of flexibility had been quantified and accepted by the Council. The Proposed Solution addresses concerns about affordability in future years but the possible implications for VFM do not appear to have been fully worked up. The Council will need this information to enable informed decisions to be made concerning the procurement.

Scc comment – this is noted and addressed in the Outline Business Case Addendum.

The Health Check Team considers that the project would benefit from the Project Board undertaking a Benefits Realisation Review to ensure that all the possible benefits expected by the Council can be managed, measured and realised.

Scc comment – this is noted and addressed in the Outline Business Case Addendum

2: Assessment of the proposed solution

The Health Check Team found that Options Appraisal work undertaken to date (and set out in the PID) has been limited in scope generally to the working arrangements with the contractor. For the current stage, key decisions will require to be informed by a new Options Appraisal covering the Proposed Solution. Without such a review it is not possible to fully demonstrate that the Proposed Solution will deliver optimum value for money. The Health Check Team believes that it is not too late to undertake such an appraisal at this time.

Scc Comment – it is understood, as explained during the review de-brief by the Review Team and as per the conclusion No.1 that the proposed Options Appraisal refers to a review of key commercial decisions for the Proposed Solution (e.g. to guarantee a level of capital expenditure). This is addressed in the Outline Business Case Addendum.

The Proposed Solution currently appears to lack the ability to articulate appropriate cost allocation between revenue (“lump sum”) and Capex items and thus is unlikely to demonstrate that value for money will be delivered.
Scc Comment – this is noted and the approach (specifically to require the Service Provider to include all local overhead in the Lump Sum element of the service) will be considered for the Final Tender stage. This commercial issue is also noted in the Outline Business Case Addendum.

3: Risk management

The Council has, not unreasonably, sought to retain total flexibility in the Proposed Solution with regard to discretionary Capital Expenditure but has not so far been able to establish a minimum guaranteed Capex level. The financial risks of following this current strategy do not appear to have been captured in any formal way. This could have profound implications on pricing and thus value for money through the proposed contract life.

Scc Comment – this is noted. ISDS submission prices provided a vfm solution in comparison to the Council’s existing service delivery arrangements with no guarantee of Capital Expenditure. Bidders have been asked to resubmit their ISDS prices in the context of a £3m guaranteed capital expenditure scenario and £6m guaranteed scenario. An options analysis is considered as part of the Outline Business Case Addendum.

The Project Team are aware of potential risks to existing service continuity during the procurement and leading through to commencement by the new service provider. This will need to be developed into an appropriate and acceptable Risk Mitigation Strategy.

Scc Comment – this is noted. While the Council have considered the risks to existing service continuity a further risk workshop has been arranged to revisit this mitigation strategy and a formal Risk Mitigation Strategy will be implemented.

The risk that the procurement might fail should also be addressed and an appropriate Risk Mitigation Strategy developed.

Scc Comment – there is always a risk that a procurement may fail. It is understood that the Review Team did not feel that there was any reason why this project was more susceptible to procurement failure than any other major procurement. There is already a contingency in place should the procurement fail to ensure service continuity and provide sufficient time for the Council to consider future options.

4: Readiness for next phase

The Project Team recognises that additional resources and skills will be required to deliver the project to time, quality and within budget, and also before it enters the operational phase. The Health Check Team were advised that appointment of key members of the Project Management Team is underway and that, once recruited, they will be involved in the remaining procurement stages.

Scc Comment – it is understood from the de-brief provided by the Review Team that this point actually refers to Client and Contract Management and not the Project Team and that the reference to delivering the 'project to time, quality and within budget' is a reference to the post contract award phase and not the procurement phase. On this basis the point is noted and addressed in the Outline Business Case Addendum.

The strategic issues identified in this Health Check should be addressed by the Project Board before the project is ready to enter the next phase of procurement. Additionally, we recommend that the Project Delivery Strategy should be captured in a single document.

Scc Comment – this is noted. During the de-brief the Review Team were unable to articulate what the components of a Project Delivery Strategy were. Nevertheless, a Project Delivery Strategy section has been included in the Outline Business Case Addendum.

Appendix A Purpose of Local Partnerships Health Check

The Health Check should consider some of the following issues (depending on the stage the project has reached):

- Is the business case satisfactory and up to date?
- Are the scope and outcomes clear?
- Do we have the right skills?
- Is it supported by stakeholders, how has this been approached?
- Does it contribute to the Authorities strategy?
- Are there resources for the next stage?
- Do we have authority to proceed?
- Are the internal project costs known and monitored?
- Is there a realistic financial forecast of the overall cost?
- Have the risks been identified, ownership allocated and managed?
- Do we have the correct project structure and can the project team and its structure deliver?
- Is the project plan realistic?
- Can the benefits in the business case be delivered by the contract?
- Have all approaches been investigated?
- Is the procurement approach appropriate?
- Has the procurement been appropriately managed?
- Are the specifications of requirements correct?
- Is there continuing stakeholder support?
- Is the business ready for implementation?
- Are the contract management procedures satisfactory and is there sufficient resource?
- Has all of the appropriate project documentation been produced in accordance with authority procedures?
- Are the business benefits still deliverable?
- Has all testing been successfully completed?
- Is the business ready for implementation?
- Are plans for managing implementation and operation in place?

APPENDIX B

Interviewees

NAME	ROLE
Lorraine Brown	Exec Dir of Environment (Project Owner)
Nick Johnson	Project Manager
Rob Carr	Head of Finance
Mick Bishop	Head of Highways & Parking (Project Director)
David Wilkes	Internal Finance Lead
Simon Collison	Internal Legal Lead
Andrew Mckie	Buro Happold
Sukhvinder Duggal	PwC
Jonathan Turner	Bevan Brittan
Tim Thomas	Audit Commission
Brad Roynon	Chief Executive
Cllr Matthew Dean	Executive Member for Environment and Transport
Cllr. Simon Letts	Labour – Chm. Audit & Scrutiny Committee
Mark Roberts (scheduled but unable to attend)	Unison

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