

# CABINET

**Monday, 16th April, 2012  
at 4.30 pm**

**Consideration of the Executive  
Business will start no earlier  
than 5:00 pm**

## **Conference Room 3 - Civic Centre**

This meeting is open to the public

### **Members**

Councillor Smith, Leader of the Council  
Councillor Moulton, Cabinet Member for Children's  
Services and Learning  
Councillor Baillie, Cabinet Member for Housing  
Councillor Fitzhenry, Cabinet Member for  
Environment and Transport  
Councillor Hannides, Cabinet Member for  
Resources, Leisure and Culture  
Councillor White, Cabinet Member for Adult Social  
Care and Health

(QUORUM – 2)

### **Contacts**

Cabinet Administrator  
Judy Cordell  
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Head of Legal, HR and Democratic Services  
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Email: [richard.ivory@southampton.gov.uk](mailto:richard.ivory@southampton.gov.uk)

## **BACKGROUND AND RELEVANT INFORMATION**

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

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

### **Executive Functions**

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

### **The Forward Plan**

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

### **Key Decisions**

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

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

Decisions to be discussed or taken that are key

### **Implementation of Decisions**

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

### **Southampton City Council's Seven Priorities**

- More jobs for local people
- More local people who are well educated and skilled
- A better and safer place in which to live and invest
- Better protection for children and young people
- Support for the most vulnerable people and families
- Reducing health inequalities
- Reshaping the Council for the future

### **Procedure / Public Representations**

Reports for decision by the Cabinet (Part A of the agenda) or by individual Cabinet Members (Part B of the agenda). Interested members of the public may, with the consent of the Cabinet Chair or the individual Cabinet Member as appropriate, make representations thereon.

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

**Mobile Telephones** – Please turn off your mobile telephone whilst in the meeting.

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

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

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

<b>2011</b>	<b>2012</b>
6 June	16 January
4 July	6 February
1 August	13 February
5 September	12 March
26 September	16 April
24 October	
21 November	
19 December	

## CONDUCT OF MEETING

### TERMS OF REFERENCE

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

### BUSINESS TO BE DISCUSSED

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

### RULES OF PROCEDURE

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

### QUORUM

The minimum number of appointed Members required to be in attendance to hold the meeting is 2.

### DISCLOSURE OF INTERESTS

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

### PERSONAL INTERESTS

A Member must regard himself or herself as having a personal interest in any matter:

- (i) if the matter relates to an interest in the Member's register of interests; or
- (ii) if a decision upon a matter might reasonably be regarded as affecting to a greater extent than other Council Tax payers, ratepayers and inhabitants of the District, the wellbeing or financial position of himself or herself, a relative or a friend or:-
  - (a) any employment or business carried on by such person;
  - (b) any person who employs or has appointed such a person, any firm in which such a person is a partner, or any company of which such a person is a director;
  - (c) any corporate body in which such a person has a beneficial interest in a class of securities exceeding the nominal value of £5,000; or
  - (d) any body listed in Article 14(a) to (e) in which such a person holds a position of general control or management.

A Member must disclose a personal interest.

Cont/...

## **Prejudicial Interests**

Having identified a personal interest, a Member must consider whether a member of the public with knowledge of the relevant facts would reasonably think that the interest was so significant and particular that it could prejudice that Member's judgement of the public interest. If that is the case, the interest must be regarded as "prejudicial" and the Member must disclose the interest and withdraw from the meeting room during discussion on the item.

It should be noted that a prejudicial interest may apply to part or the whole of an item.

Where there are a series of inter-related financial or resource matters, with a limited resource available, under consideration a prejudicial interest in one matter relating to that resource may lead to a member being excluded from considering the other matters relating to that same limited resource.

There are some limited exceptions.

Note: Members are encouraged to seek advice from the Monitoring Officer or his staff in Democratic Services if they have any problems or concerns in relation to the above.

## **Principles of Decision Making**

All decisions of the Council will be made in accordance with the following principles:-

- proportionality (i.e. the action must be proportionate to the desired outcome);
- due consultation and the taking of professional advice from officers;
- respect for human rights;
- a presumption in favour of openness, accountability and transparency;
- setting out what options have been considered;
- setting out reasons for the decision; and
- clarity of aims and desired outcomes.

In exercising discretion, the decision maker must:

- understand the law that regulates the decision making power and gives effect to it. The decision-maker must direct itself properly in law;
- take into account all relevant matters (those matters which the law requires the authority as a matter of legal obligation to take into account);
- leave out of account irrelevant considerations;
- act for a proper purpose, exercising its powers for the public good;
- not reach a decision which no authority acting reasonably could reach, (also known as the "rationality" or "taking leave of your senses" principle);
- comply with the rule that local government finance is to be conducted on an annual basis. Save to the extent authorised by Parliament, 'live now, pay later' and forward funding are unlawful; and
- act with procedural propriety in accordance with the rules of fairness.

## AGENDA

**Agendas and papers are now available via the Council's Website**

### **1 APOLOGIES**

To receive any apologies.

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

In accordance with the Local Government Act 2000, and the Council's Code of Conduct adopted on 16th May 2007, Members to disclose any personal or prejudicial interests in any matter included on the agenda for this meeting.

NOTE: Members are reminded that, where applicable, they must complete the appropriate form recording details of any such interests and hand it to the Democratic Support Officer

## **TRAFFIC REGULATION ORDERS**

### **3 PROPOSED RESIDENTS' PARKING SCHEME, HOLYROOD ESTATE (TRO)**

To consider outstanding objectives to the proposal to introduce a Residents' Parking Scheme in the off-street parking areas within Holyrood Estate, in place of the current system of individually rented spaces, attached.

## **EXECUTIVE BUSINESS**

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

### **5 RECORD OF THE PREVIOUS DECISION MAKING**

Record of the decision making held on 12<sup>th</sup> March 2012, attached.

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

There are no matters referred for reconsideration.

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

Report of the Chair of the Overview and Scrutiny Management Committee detailing the Committee's inquiry into the Big Society in Southampton. attached

**8 EXECUTIVE APPOINTMENTS**

To deal with any executive appointments, as required.

**ITEMS FOR DECISION BY CABINET**

**9 OAKLANDS PRE-SCHOOL**

Report of the Cabinet Member for Children's Services and Learning seeking approval for leasing arrangements for the pre-school, attached.

**10 CHILDREN'S SERVICES CAPITAL PROGRAMME 2012/ 2013**

Report of the Cabinet Member for Children's Services and Learning setting out proposals for the distribution of available resources within the Children's Services and Learning Capital Programme for 2012/13, attached.

**11 CONSIDERATION OF PARTICIPATION IN THE LOCAL AUTHORITY MORTGAGE SCHEME**

Report of the Cabinet Member for Housing seeking a decision in regard to whether to participate in the Local Authority Mortgage Scheme, attached.

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

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

Appendices 2, 3, 4, 5 and 6 of this report are not for publication by virtue of category 3 (financial and business affairs) of paragraph 10.4 of the access to information procedure rules as contained in the Constitution. It is not in the public interest to disclose this information because it compromises financial and business information that if made public would prejudice the Council's ability to operate in a commercial environment and obtain best value during a 'live' procurement process prior to final tenders being received and contracts being entered into.

**13 FUTURE SERVICE DELIVERY ARRANGEMENTS FOR ROMANSE AND CCTV**

Report of the Cabinet Member for Environment and Transport, seeking a decision relating to the future service delivery arrangements for the ROMANSE and CCTV services, attached.

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

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

Confidential Appendix 1 contains information deemed to be exempt from general publication by virtue of Category 3 of paragraph 10.4 of the Council's Access to Information Procedure Rules as contained in the constitution. The appendix includes details of a proposed transaction which, if disclosed prior to entering into a contract, could put the Council at a commercial disadvantage in the future. In applying the public interest test it is not considered appropriate to make public offers made as this could lead to a revision of bids. Therefore, publication of this information could be to the Council's financial detriment

**15 TOWNHILL PARK REGENERATION FRAMEWORK: FINANCIAL MODEL AND PHASE 1 CAPITAL EXPENDITURE**

Report of the Cabinet Member for Housing on the Townhill Park Regeneration Framework Financial Model, Delivery Framework and funding for the implementation of Phase 1, attached.

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<b>DECISION-MAKER:</b>	CABINET
<b>SUBJECT:</b>	PROPOSED RESIDENTS' PARKING SCHEME, HOLYROOD ESTATE (TRO)
<b>DATE OF DECISION:</b>	16 APRIL 2012
<b>REPORT OF:</b>	HEAD OF NEIGHBOURHOOD SERVICES
<b>STATEMENT OF CONFIDENTIALITY</b>	
N/A	

## **BRIEF SUMMARY**

Following the successful introduction of a Residents' Parking scheme on the Kingsland estate in Southampton City Centre, Housing Services have proposed to introduce a similar scheme in the off-street parking areas in the Holyrood estate as part of wider plans to enhance the community's environment. The proposal to introduce a Permit Parking scheme was advertised on 10 February 2012, with a closing date of 2 March 2012. One objection and a petition objecting to the proposed scheme have been received.

## **RECOMMENDATIONS:**

- (i) To consider and determine the objection to the proposed Permit Parking scheme in the off-street parking areas in Holyrood Estate.

## **REASONS FOR REPORT RECOMMENDATIONS**

1. To fulfil the Council's obligation to consult upon proposals and consider objections prior to decision.
2. To enable the scheme to be introduced as advertised if the objections are not upheld. The officers' view is that the proposal should be approved to improve the car parking facility for residents.

## **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

3. Leave the current arrangements in place. Currently the off-street parking places are rented out to residents and each parking bay is protected by a locking post, and upright metal posts on both sides of the bay. The posts are unsightly and prone to accidental damage. The Housing Portfolio currently has funding to enhance the environment, which would include removing the metal posts. However, Housing Services do not have the resources to administer a parking scheme. It is considered that Parking Services, with a well-established capability for operating and enforcing permit schemes, is better placed to administer a parking scheme for the benefit of residents.

## **DETAIL (Including consultation carried out)**

4. A proposal to introduce a Residents' Parking scheme was brought forward by Housing Services under delegated powers in 2010, as part of a major regeneration of the Holyrood Estate. The proposed scheme would be a Residents' Parking scheme operated and administered by Parking Services, and would replace the existing arrangements run by Housing Services whereby individual spaces, protected by locking posts, are rented to residents, at a cost of £1.74 per week. The current system gives priority and lower rental costs to Council tenants, which is felt to be inequitable compared

to other owner / occupiers on the estate. It is also felt that residents of Holyrood Estate who require parking places for their cars should pay an appropriate amount for a city centre parking facility. A season ticket to park in the city centre is currently around £2K for a 7 day week ticket including a 20% discount. The proposal is to enhance the appearance of the car park by removing all the locking posts and bay separation posts, resurfacing and improving signing and marking. The number of parking spaces would remain the same at 178. Residents would be able to purchase an annual permit enabling them to park in the car park. The cost of the permit would be £150, discounted to £100 for those Council tenants who currently rent a parking space, in order to reduce the financial impact on them. Priority for permits would be given to those who currently rent a parking space, and there would be a limit of one permit per household, available to residents of Holyrood Estate and Palmerston House, Queensway (subject to the Council's existing policies on Residents' Parking schemes) on a first come, first served basis, regardless of whether or not the applicant is a Council tenant. Residents who currently rent two spaces would be given "grandfather rights" to two permits. Permit holders would not be able to reserve a particular space, but the number of permits available would not exceed the number of spaces, so permit holders should always be able to find a space. The scheme would be administered and enforced by Parking Services, whose enforcement team operate between the hours of 07.00 – 22.30 seven days a week.

5. A letter detailing the proposed scheme was sent by the local Housing Office to all residents who currently rent parking spaces in the off street car parking places on Holyrood Estate. This is over and above the normal consultation requirements for the introduction of residents' schemes and was considered appropriate in this case as these residents constituted an identifiable group currently using the facilities which the proposals affect. The proposed scheme was formally advertised in the Daily Echo and on street furniture in Holyrood Estate on 10 February 2012, with a closing date for receipt of objections of 2 March 2012. Details of the proposed scheme were also sent by Legal Services to the statutory consultees listed in Appendix 4, none of whom responded to the consultation.
6. In considering the impact of the proposals on disabled users, it was not considered necessary or appropriate to provide further disabled parking provision as part of the scheme as there is already an established process for providing parking places for Blue Badge Holders in Southampton. The legislation does not allow spaces on the highway to be allocated to named individuals. However, in the proposed Holyrood Scheme a resident who is also a Blue Badge holder would be able apply for a bay to be marked out for disabled users. Such a bay would require a vehicle to display a relevant parking permit as well as a Blue Badge. Otherwise, Blue badge holders may park in Pay and Display Parking bays in the city (including in the roads on Holyrood estate) free of charge and without time limit.

### **Objections**

7. The proposed scheme attracted one objection from Mr Hamlet, a resident of Holyrood Estate. This objection was received on 16 February 2012. Mr Hamlet also presented a petition received on 29 February 2012 signed by nine other residents who object to the proposal, seven of whom currently rent a parking space.

8. Mr Hamlet has raised the following key points in his objection:
- He feels that the proposed scheme will have a negative impact on community safety.
  - He feels that cars parked on-street will be more vulnerable to opportunistic crime than off-street spaces.
  - He states that enforcement will not take place in the evenings and at night, which are the times it is most needed.
  - He states that a Freedom of Information request revealed Parking Services carried out 38 patrols and issued 3 penalty charge notices (PCNs).
  - The proposal does not deal with the times when there is no enforcement cover between 1900 and 0730 hours, when there would be a “free for all” for parking spaces, whether or not car users have permits.
  - There would also be cars belonging to visitors to the proposed Morrisons store, late night football matches, sales at Debenhams and the like.
  - Mr Hamlet asks what parking surveys the Council has carried out between the hours of 07.30 and 0730 hours, to consider what impact non-residents’ vehicles may have.
  - Parking at extra cost would have to be sought by residents who were displaced from permit holder bays by non-residents’ vehicles.
  - Mr Hamlet states that a Freedom of Information request has revealed that Hampshire Constabulary has recorded eighteen crimes over a three-month period on the Holyrood estate.
  - Mr Hamlet feels that parking should be arranged so that parked cars are overlooked by homes, to deter car crime.
  - He would prefer that, if the scheme is to go ahead, the locking posts are retained, to ensure he is able to park near his home at all times.

#### **Officers’ response**

- 9.
- Civil Enforcement Officers patrol up to 22.30 hours.
  - Any vehicle which does not display a permit would be issued with a PCN.
  - A similar Residents’ Parking Scheme in Kingsland was successfully implemented in 2010, and contraventions are fairly uncommon.
  - Patrols would be carried out at a level to ensure minimal contraventions.
  - Although the Council has not carried out any formal parking surveys on Holyrood estate, anecdotal evidence has been provided at meetings with residents in previous years. Residents’ concerns were mainly based around pavement parking in the evenings, and the obstruction caused by a few irresponsible drivers.
  - Although the individual parking spaces would not be reserved, the number of permits issued would not exceed the number of spaces.
  - There are ample parking spaces to accommodate all those who currently rent spaces; currently there are 41 spaces which have no tenant
  - The recorded crimes reported by Hampshire Constabulary in response to Mr Hamlet’s FOI request do not appear to include any vehicle-related crime.

- City Centre surface car parks, and on-street Pay and Display parking are free of charge after 6pm every day of the week and available for wider alternative public use.
- The unsightly steel posts currently in use are prone to accidental damage, and would detract from the appearance of the area, once the improvements are complete.

## RESOURCE IMPLICATIONS

### Capital/Revenue

10. The cost of progressing the TRO to introduce the scheme is estimated to be £4000. The physical works would be carried out as part of a £1 million improvement project on Holyrood Estate. The scheme would be funded by the Housing portfolio. The costs of the permits are set at a level to cover the costs of administering the permits and enforcing the scheme

### Property/Other

11. N/A

## LEGAL IMPLICATIONS

### Statutory power to undertake proposals in the report:

12. The Road Traffic Regulation Act 1984 permits the introduction of the parking restrictions as set out in this report in accordance with a statutory consultation procedure set down in the Act and associated secondary legislation.

### Other Legal Implications:

13. In preparing and determining the proposals set out in this report the Council is required to have regard to the provisions of Equalities legislation, the Human Rights Act 1988 and s.17 Crime and Disorder Act 1998 (the duty to have regard to the need to remove or reduce crime and disorder in the area). It is considered that the proposals set out in this report are proportionate having regard to the wider needs of the area. The impact of these proposals has been assessed as part of their introduction and consultation and key considerations identified as part of that process are set out in the main body of this report.

## POLICY FRAMEWORK IMPLICATIONS

14. The proposals in this report are consistent with the Local Transport Plan 2006-11 policy on promoting sustainable travel and the Strategic Parking Policy.

<b>AUTHOR:</b>	Name:	Barbara Thomas	Tel:	023 8079 8064
	E-mail:	Barbara.thomas@bblivingplaces.com		

**KEY DECISION?** No

<b>WARDS/COMMUNITIES AFFECTED:</b>	Bargate
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**SUPPORTING DOCUMENTATION**

**Non-confidential appendices are in the Members' Rooms and can be accessed on-line**

**Appendices**

1.	Letter of objection
2.	Location Plan
3.	Photographs of Kingsland Estate before and after introduction of Residents' Parking Scheme
4.	List of statutory consultees

**Documents In Members' Rooms**

1.	None
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**Integrated Impact Assessment**

Do the implications/subject of the report require an Integrated Impact Assessment (IIA) to be carried out.	Yes/No
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**Other Background Documents**

**Integrated Impact Assessment and Other Background documents available for inspection at:**

Title of Background Paper(s)

Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

1.	None	
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 February 2012

Mr Richard Ivory  
Head of Legal, HR and Democratic Services  
Southampton City Council  
4-8 Millbrook Road East  
Southampton  
SO15 1YG



Dear Mr Ivory,

I am writing to object to proposal to the following order;

**THE CITY OF SOUTHAMPTON (HOLYROOD ESTATE RESIDENT'S PARKING SCHEME) TRAFFIC REGULATION ORDER 2012.**

My objection to the scheme is under the following grounds;

1. As a Council tax payer and resident, the scheme has a negative impact in the following ways; as a middle aged person of an ethnic minority, being predisposed to a health condition which has a bearing towards health and well being. It should be noted, that contribution is made both to the local economy through being a resident and also because I work in Southampton.
2. Furthermore the scheme impacts in a negative way from a community safety angle. It proposes to remove the parking posts currently in situ to make way for a parking permit.
  - a. **By the removal of the posts.** Cars parked on-street will be more vulnerable to opportunistic crime than off-street spaces whilst the use of the Traffic Regulation Orders creates parking places, bans waiting, generates parking restrictions and allowing the Council to enforce certain parking regulations.

**How does the council seek to enforce the parking regulation when it is required the most i.e. between the hours of 1900:-0730 hours and when there is a 'free for all' when Council Officers are not on duty and there is no Out of Hours Parking Services?**

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From this, it is recognised that the parking permit fee would permit the council to generate revenue in order to fund and enforce the Traffic Regulation Order. This then begs the question as what my Council tax is paying for and more interestingly enough brings me to look at enforcement.

- b. Under a recent Freedom of Information Request by the Council's own admission during a six month period of the Holyrood estate it carried out 38 patrols and issued 3 fix penalty notices.

- c. This was only an indication of the notices issued when Council Enforcement Officers were on duty. The proposal does not deal with those times when there is no enforcement cover say between 1900-0730 hrs or other times when there is basically a 'free for all' for parking spaces whether car users have a permit or not. This is also in conjunction with the ongoing planning proposals for a 'Morrison's in East Street, on late night football matches, sales at Debenhams and the like. Therefore, what would the proposed parking permit pay for?

**During any consultation period has the Authority conducted any surveys or studies into parking between 18:30 hrs and 07:30hrs on the Holyrood Estate to consider those vehicles/occupiers that are not resident to the area and the impact that this will have?**

It should be noted, that often and frequently I work late often finishing at midnight, my natural surveillance is that I should be able to know where the car is parked outside and should be able to see it. In housing areas it is believed that the priority should be to establish a sense of place and community, with movement networks used to enhance those qualities. On-street parking should be arranged so that people can see their cars from their homes, more importantly I feel that crime depends upon concealment. Well used or overlooked streets and spaces make the criminal feel uncomfortable and exposed.

Whilst crime is being mentioned here, a Freedom of Information Request has also been conducted on Hampshire Police who indicated that crime from the postcodes of the Holyrood estate over a 3 month period was 18 (18 far too many!)

However, the point that is being established is this; with the proposal of the permit and the removal of the parking posts, together with no enforcement and no parking services after hours. A sense of security and safety will be heightened even more since it will be difficult to park at night; which will no longer be in view; that in fact may be or not in a nearby street. On the other hand, other parking at extra cost may have to be sought when no parking is available in an area where crime is on the increase for which a permit will have no value, especially, where the council itself proposes to reduce staffing levels.

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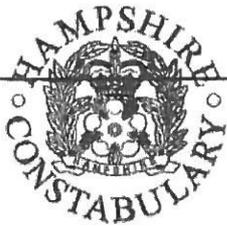
It is understood that the proposal for permits parking, is but only a small part of the grand scheme of improvements proposed for the Holyrood Estate. In general the other suggestions are impressive. However, it is intended for this objection to be noted for the proposal for the parking permit for the reasons given above.

In the alternative, it is also put forward that if the permit were to go ahead that the parking posts were also retained (coupled with the permit) because as a resident, the vehicle would be able to be seen from the residence; having the security of a place to park, and feeling safe in the community where real value would be placed upon the permit.

Your assistance is greatly appreciated in this matter and I look forward to hearing from you shortly.

Yours sincerely

John Hamlet  
Resident



**Hampshire Constabulary**  
Chief Constable Alex Marshall

John Hamlet

Police Headquarters  
West Hill  
Romsey Road  
Winchester  
Hampshire  
SO22 5DB

**Our ref:** HC/01276/11  
**Your ref:**

**Telephone:** 0845 045 45 45  
**Direct dial:** 01962 814757  
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**Deaf/speech impaired minicom:** 01962 875000  
**Email:** [information@hampshire.pnn.police.uk](mailto:information@hampshire.pnn.police.uk)

May 23, 2011

Dear Mr Hamlet

**FREEDOM OF INFORMATION REQUEST REFERENCE NUMBER: HC/01276/11**

*Please be aware that since the subject matter of this request is substantively similar to another requested submitted by you, request number HC/00998/11 therefore, the requests have been aggregated together as one request under s12(4)(b) of the Freedom of Information Act for the purposes of the fees regulations.*

Request	Response												
<ul style="list-style-type: none"><li>• How many crime incidents have been reported to the police over the last 6 months for the following post codes;</li><li>• SO14 3DD</li><li>• SO14 3BE</li><li>• SO14 3DF</li><li>• SO14 3BB</li><li>• SO14 3DE</li><li>• SO14 3BD</li><li>• SO14 3BG</li><li>• SO14 3DH</li><li>• SO14 3DG</li><li>• SO14 1NH</li></ul> <p>(the Holyrood Estate in southampton)</p> <ul style="list-style-type: none"><li>• In particular drugs, vehicle crime and offences against the person and theft)</li></ul>	<p>For the months of October and November 2010, there have been the following recorded crimes for the postcodes provided:</p> <table border="1"><thead><tr><th>Crime Offence Code</th><th>Crimes</th></tr></thead><tbody><tr><td>Violence</td><td>12</td></tr><tr><td>Burglary</td><td>2</td></tr><tr><td>Theft and handling</td><td>2</td></tr><tr><td>Criminal Damage &amp; Arson</td><td>2</td></tr><tr><td><b>Grand Total</b></td><td><b>18</b></td></tr></tbody></table> <p>Information for December to April may be located on the police crime mapping website by entering the postcodes required and zooming down to the required postcode level.</p> <p><a href="http://www.police.uk/">http://www.police.uk/</a></p>	Crime Offence Code	Crimes	Violence	12	Burglary	2	Theft and handling	2	Criminal Damage & Arson	2	<b>Grand Total</b>	<b>18</b>
Crime Offence Code	Crimes												
Violence	12												
Burglary	2												
Theft and handling	2												
Criminal Damage & Arson	2												
<b>Grand Total</b>	<b>18</b>												

**COMPLAINT RIGHTS**

If you are dissatisfied with the handling procedures or the decision made by Hampshire Constabulary, you can lodge a complaint with the force to have the decision reviewed within 2 months of the date of this response. Complaints should be made in writing to the FOI Section at the address at the top of this letter.



February 2012

Mr Richard Ivory  
Head of Legal, HR and Democratic Services  
Southampton City Council  
4-8 Millbrook Road East  
Southampton  
SO15 1YG

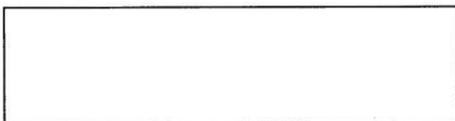
Dear Mr Ivory,

I am writing further to my objection letter dated 15<sup>th</sup> February 2012 to make it known that the additional residents also object to the proposal to the following order.

**THE CITY OF SOUTHAMPTON (HOLYROOD ESTATE RESIDENT'S PARKING SCHEME) TRAFFIC REGULATION ORDER 2012.**

Your assistance is greatly appreciated in this matter and I look forward to hearing from you shortly.

Yours sincerely



John Hamlet  
Resident

Enclosed Attachment of additional Residents

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Objection to proposal to the following order;

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**THE CITY OF SOUTHAMPTON (HOLYROOD ESTATE RESIDENT'S PARKING SCHEME) TRAFFIC REGULATION ORDER 2012.**

Name

E. Hillier

M. Smith

Name

CARL FRY

BARRY ISAAC

PAUL SAUNDERS

JOHN SMITH

KSLATTERY

R. FROZURITZ

M. BAILLY



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# Agenda Item 3

Appendix 3





Row_1	Row_2	Row_3	Row_4	Row_5	Row_6	Salutation	Sign off
Chief Constable	Hampshire Constabulary HQ	West Hill	Romsey Road	Winchester	SO22 5DB	Sir/Madam	faithfully
The Officer in Charge *	Central Ticket Office	PO Box 112	Police Headquarters	Romsey Road	Winchester SO22 5RX	Sir/Madam	faithfully
PC John Cleverley	Traffic Management Officer	Police Station	Testwood Lane	Totton	SO40 3ZE	Sir	faithfully
South Central Ambulance Service NHS Trust	North Wing, Southern House	Sparrow Grove	Otterbourne	Winchester	SO21 2RU	Sirs	faithfully
Watch Manager	Community Response Support (HFRS)	HFRS Headquarters	Leigh Road	Eastleigh	SO50 9SJ	Sir/Madam	faithfully
Scotland Gas Networks	Plant Location	95 Kilbirnie Street	Glasgow	G5 8JD		Sirs	faithfully
Southern Electric	Mapping Services	PO Box 6206	Basingstoke	RG24 8BW		Sirs	faithfully
The Works Manager	SSE Power Distribution	New Forest Depot	Castle Malwood	Minstead	SO43 7PE	Sir/Madam	faithfully
Karen Simoni	Southern House	Yeoman Road	Worthing	West Sussex	BN13 3NZ	Madam	faithfully
BT National Notice Handling Centre	PP 404B, Telecom House	Trinity Street	Hanley	Stoke on Trent	ST1 5ND	Sir/Madam	faithfully
Atkins OSM Plant Enquiry Team	on behalf of Cable & Wireless	PO Box 290	220 Aztec West	Almondsbury	Bristol BS32 4WE	Sir/Madam	faithfully
Virgin Media	National Plant Enquiries	Scimitar Park	Courtauld Road	Basildon	SS13 1ND	Sirs	faithfully
Road Haulage Association	Midlands & Western Region	Roadway House	Cribbs Causeway	Bristol	BS10 7TU	Sir/Madam	faithfully
Traffic Officer, London & SE Region	Freight Transport Association	Hermes House	St Johns Road	Tunbridge Wells	Kent TN4 9UZ	Sir/Madam	faithfully
TrafficMaster Travel	Martell House	University Way	Cranfield	Bedfordshire	MK43 0TR	Sir/Madam	faithfully
Mrs B Smith	NAVTEQ, Unit 7 Athena Court	Athena Drive	Tachbrook Park	Warwick	CV34 6RT	Madam	faithfully
Mr M Morgan	Area Director	First Hampshire Ltd	226 Portswood Road	Southampton	SO17 2BE	Sir	faithfully
Mr A Hornby	Operations Manager	Bluestar	Barton Park	Eastleigh	SO50 6RR	Sir	faithfully
Mr Don Lewis, BMF			Dogmersfield	Hook		Sir	faithfully
Ms Lindsay Bluemel	Southampton Cycling Campaign		Bitterne Park	Southampton		Madam	faithfully
Living Streets	4th Floor	Universal House	88-94 Wentworth Street	London	E1 7SA	Sir/Madam	faithfully
Mr G Wilkinson	Blue Badge Network		Southampton			Sir	faithfully
Director General	Southampton Chamber	of Commerce & Industry	53 Bugle Street	Southampton	SO9 4WP	Sir/Madam	faithfully
JCMBPS Secretariat	Hillfields	Burghfield Common	Reading	Berkshire	RG7 3YG	Sir/Madam	faithfully
Director of Estates & Buildings	University of Southampton	Highfield	Southampton	SO17 1BJ		Sir	faithfully
Director of Estates & Capital Development	SUHT, Southampton General Hospital	Management Offices	Mailpoint 18	Tremona Road	Southampton SO16 6YD	Sir/Madam	faithfully
Mr M Burman		Winchester				Sir	faithfully
Clive Johnson	Southampton Taxi Consultative Council		Hedge End	Southampton		Sir	faithfully
Ian Hall, Chairman	Southampton Hackney Association		Dibden Purlieu	Southampton		Sir	faithfully
Brian Follett, Chairman	Private Hire Association Southampton	c/o Unit 317 Solent Business Centre	Millbrook Road West	Southampton	SO15 0HW	Sir	faithfully
Mr A Shotter		Marchwood	Southampton			Sir	faithfully
Mr R J Harris, Secretary	Southampton & District Coach Operators	Somerfield House	247 Aldermoor Road	Aldermoor	Southampton SO16 5NU	Sir	faithfully
Ian Welland	City Centre Manager	Streets Ahead Southampton Ltd	Bugle House, 53 Bugle Street	Southampton	SO14 2LF	Sir	faithfully
<b>INTERNAL</b>		Margaret Richardson	Waste Collection & Recycling	Town Depot		Madam	faithfully
<b>INTERNAL</b>		Ken Byng	Parking Services	Wyndham Court		Sir	faithfully
			FILE COPY				

Mr P C Thomas, Right to Ride, , Dibden, Southampton– no longer acting as representative of Right to Ride (retired)

\* - Speed Limit and Various Roads (Movement Restriction) Orders only

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## Integrated Impact Assessment Stage 1 - Quick Assessment

Appendix 5

<b>Name of initiative:</b>	<p>To introduce a Residents' off street Parking Scheme on the Holyrood Estate as part of a wider plans to enhance the community's environment.</p>
<b>Summary of main aims and expected outcomes:</b>	<p>The proposed scheme would be a residents' parking scheme operated by Parking Services and would replace the existing arrangements run by Housing whereby individual spaces, protected by locking posts are rented to residents. The current system is inequitable as council residents are given priority and charged lower rental for a parking scheme.</p> <p>The proposal is to enhance the appearance of the car park by removing locking posts, resurfacing and improving signage and marking.</p> <p>Residents would be able to purchase an annual permit enabling them to park in the car parks. The cost of the permit would be £150, discounted to £100 for those council tenants who currently rent a space and there would be a limit of one permit per household available to residents of Holyrood Estate and Palmerston House, Queensway (subject to the Council's existing policies on Residents' Parking schemes) on a first come first served basis, regardless of whether or not the applicant is a Council tenant. Residents who currently rent two spaces would be given 'godfather rights' to two permits. Permit holders would not be able to reserve a particular space, but the number of permits available would not exceed the number of spaces.</p> <p>The scheme would be administered and enforced by Parking Services and would operate 24 hours a day, seven days a week.</p>
<b>Assessment completed by:</b>	<p>Helen Prohett, District Housing Manager</p>
<b>Date:</b>	<p>8<sup>th</sup> March 2012</p>

Approval by Level 1 manager	
<b>Name:</b>	Nick Cross
<b>Signature:</b>	
<b>Date:</b>	8 <sup>th</sup> March 2012

Complete this initial assessment sheet using the following symbols:

- ✓ Where an impact (positive or negative) is likely to occur from implementation of your policy, strategy, project or major service change
- ? Where further information is required to make the assessment

Where no impact occurs, leave the box blank

Assessment Category	Positive Impact	Negative Impact	Reason for predicted impact
Age			
Disability		✓	Removal of lockable posts could result in loss of space close to a resident's property. However, this can be overcome by looking at the ability to provide an allocated disabled bay.
Gender Reassignment			
Pregnancy and Maternity			
Race			
Religion or Belief			
Sex			
Sexual Orientation			
Cohesion			
Community Safety (s17)			
Health and Well Being			
Poverty & Deprivation			
Contribution to local economy			
Green Purchasing			
Pollution & Air Quality			
Natural Environment			
Energy & Water Efficiency			
Waste Reduction			
Climate Change			

Please email a copy of the completed IIA to [integrated.impact.assessment@southampton.gov.uk](mailto:integrated.impact.assessment@southampton.gov.uk). You must also save a copy of the IIA as part of your decision documentation.

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# Agenda Item 5

## EXECUTIVE DECISION MAKING

### RECORD OF THE DECISION MAKING HELD ON 12 MARCH 2012

#### Present:

Councillor Smith	-	Leader of the Council
Councillor Moulton	-	Cabinet Member for Children's Services and Learning
Councillor Baillie	-	Cabinet Member for Housing
Councillor Fitzhenry	-	Cabinet Member for Environment and Transport
Councillor Hannides	-	Cabinet Member for Resources, Leisure and Culture
Councillor White	-	Cabinet Member for Adult Social Care and Health

#### 88. RECORD OF THE PREVIOUS DECISION MAKING

The record of the Executive decision making held on 6<sup>th</sup> and 13<sup>th</sup> February 2012 were agreed as a correct record.

#### 89. PROCESS FOR AWARDING GRANTS TO VOLUNTARY ORGANISATIONS FROM 2013/14

DECISION MADE: (Ref: CAB 11/12 7591)

On consideration of the report of the Cabinet Member for Housing and having received representations from a Member of the Council, Cabinet agreed the following:

- (i) To approve in principle, an outcome-based commissioned grants model to award longer term grants (2 or 3 years) from the Grants to Voluntary Organisations budget from 2013/14.
- (ii) To approve the annual publication of the value of "help in kind" contribution from the Council to the voluntary and community sector from 2013/14.
- (iii) To delegate authority to the Director of Economic Development, following consultation with the Cabinet Member for Housing, to do anything necessary to give effect to the recommendations contained in this report.

#### 90. SAINT GEORGE CATHOLIC VA COLLEGE SOUTHAMPTON PROPOSALS TO CHANGE STATUS TO A MIXED-SEX SCHOOL

DECISION MADE: (Ref: CAB 11/12 7843)

On consideration of the report of the Cabinet Member for Children's Services and Learning and having received representations from the Head Teacher of Saint George Catholic College and Members of the Council, Cabinet agreed the following:

- (i) To consider and take into account the outcome of stakeholder consultation, as set out in Appendices 2 and 6.
- (ii) Having had regard to the statutory decision makers guidance and the legal implications under the Equality Act 2010 set out in Confidential

Appendix 7, to approve the prescribed alteration to Saint George Catholic VA College by changing the character of the school from a single sex boys school to a mixed school by admitting both boys and girls to year 7 from 1<sup>st</sup> September 2013.

- (iii) To grant a Transitional Exemption Order in relation to the Sex Discrimination Act 1975 (the 'SDA') for a period of four years from the date of implementation of the proposals to allow for the change from single sex to co-educational to be phased, as set out in the published proposals.

91. ADMISSION ARRANGEMENTS FOR COMMUNITY AND VOLUNTARY CONTROLLED SCHOOLS FOR ACADEMIC YEAR 2013/14

DECISION MADE (Ref: CAB 11/12 7984)

On consideration of the report the Cabinet Member for Children's Services and Learning made the following decision:

- (i) that the responses from the consultation with Southampton Admissions Forum, schools, other relevant admission authorities, and the Church of England and Roman Catholic dioceses be noted;
- (ii) that the admissions policies and the published admission numbers (PANs) for community and voluntary controlled schools, including Bitterne Park selection by aptitude and 6<sup>th</sup> form arrangements; the schemes for co-ordinating primary and secondary admissions for the academic year 2013-14; and the scheme for co-ordinating in year admissions from September 2012 as set out in Appendices 1- 7 be approved;
- (iii) that the Executive Director for Children's Services and Learning be authorised to take any action necessary to give effect to the above proposals and to make any changes necessary to the Admissions Policies where required to give effect to any Acts, Regulations or revised Admissions or Admissions Appeals Codes or binding Schools Adjudicator. Court or Ombudsman decisions whensoever's arising.

92. HOUSES IN MULTIPLE OCCUPATION SUPPLEMENTARY PLANNING DOCUMENT (SPD)

DECISION MADE REF: (CAB 11/12 7524)

On consideration of a report by the Cabinet Member for Environment and Transport, having received representations from local residents and Members of the Council, Cabinet agreed the following:

- (i) To consider the comments received during the consultation exercise undertaken on the Houses in Multiple Occupation Supplementary Planning Document as set out in the Schedule of Comments attached as Appendix 1.
- (ii) To adopt the Houses in Multiple Occupation Supplementary Planning Document attached as Appendix 2 on 23<sup>rd</sup> March 2012.
- (iii) To delegate authority to the Senior Manager, Planning Transport and Sustainability to make minor editing changes to the document prior to publication.

NOTE:

Councillor Fitzhenry declared a personal interest in this item as a landlord without HMO status and remained at the meeting for the item.

93. APPROVAL TO SPEND CAPITAL FUNDING ON ENVIRONMENT AND TRANSPORT PORTFOLIO SCHEMES 2012/13

DECISION MADE REF: (CAB 11/12 7525)

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

- (i) To approve capital variations totalling £1,230,000 in 2012/13 to the programme agreed at Council on 15<sup>th</sup> February 2012, as detailed in Appendix 4;
- (ii) To approve the addition of £317,000 to the Environment and Transport Capital Programme funded from additional Local Transport Plan Government Grant, as detailed in Appendix 4;
- (iii) To note that as part of the above recommendations, a major scheme to resurface Redbridge Roundabout is created with a budget of £1,200,000;
- (iv) To note the £1,871,000 scheme for City Centre Improvements includes a Local Transport Plan contribution of £412,000 towards the Platform to Prosperity Project, which is the subject of a report elsewhere on the Agenda.

94. DELIVERY OF THE LOCAL SUSTAINABLE TRANSPORT FUND AND EUROPEAN REGIONAL DEVELOPMENT FUND PROGRAMMES

DECISION MADE REF: (CAB 11/12 7981)

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

- (i) To delegate authority to the Director of Economic Development to establish a shared service 'soft partnership' to deliver Local Sustainable Transport Fund projects;
- (ii) To delegate authority to the Director of Economic Development to pursue shared service opportunities with Hampshire County Council, Poole and Bournemouth and other local authorities with appropriate risk share arrangements based on proportionality;
- (iii) To invite the University of Southampton, Sustrans, Hampshire County Council (when and if they confirm a wish to enter into a shared service arrangement), health representative and the Solent LEP, to form active project boards with appropriate terms of reference and governance arrangements to oversee delivery;
- (iv) To delegate authority to the Director of Economic Development in consultation with the Director of Corporate Services, the Head of Legal, HR and Democratic Services and the Senior Manager Finance and following consultation with the Cabinet member for Environment and Transport to finalise the following detail:
  - (a) recruitment of up to three new three year fixed-term posts to the end of the funding agreement:
    - 1 x Travel Choices Programme Manager
    - 1 x LSTF Project Manager,

1 x Marketing Officer;

- (b) These new posts will join 3 existing staff from the Transport and Travel Team;
- (c) agreeing a location for the team that maximises benefits to the operation of the partnership;
- (d) arrangements for the secondment of 3 Sustrans staff (existing Sustrans employees to be seconded into SCC for the period of the funding);
- (e) terms of reference and governance arrangements of the project board referred to in recommendation (iii);
- (f) the content and form of any legal or other agreements , documentation or other arrangements necessary to implement and support the creation of a soft partnership (including entering into such agreements etc on behalf of the Council).

95. HOUSING REVENUE ACCOUNT (HRA) - VARIOUS SCHEME APPROVAL CAPITAL PROGRAMME 2012/13 PHASE 1

DECISION MADE REF: (CAB 11/12 7694)

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

- (i) To approve in accordance with Financial Procedure Rules capital expenditure of £74,667,000 phased £9,924,000 in 2012/13, £21,884,000 in 2013/14, £23,235,000 in 2014/15 and £19,634,000 in 2015/16 provision for which exists within the unapproved section of the HRA Capital Programme, as detailed in the following table:

	2012/13	2013/14	2014/15	2015/16
	000's	000's	000's	000's
<b><u>Safe, wind and Weather tight.</u></b>				
Door Entry Systems	0	214	222	229
External Doors - Flats	0	4	123	117
External Doors - Houses	0	327	202	8
Supported Housing 2 Storey Walkway Repairs	N/A*	1,071	1,109	1,146
Pitched roofs	161	1,310	610	163
Flat Roofs (2012/13 includes International Way)	934	1,146	1,188	1,226
Chimney associated works	50	568	231	20
Wall structure and finish	155	940	1,562	289
Windows	978	380	424	211
Electrical Risers	459	964	998	0
Structural Works – various	414	428	444	458
<b><u>Total Safe, Wind and Weather Tight</u></b>	<b><u>3,151</u></b>	<b><u>7,352</u></b>	<b><u>7,113</u></b>	<b><u>3,867</u></b>
<b><u>Warm and Energy Efficient</u></b>				
Landlord Meter conversions	175	182	189	195

\* The 2012/13 expenditure for these items have already received scheme approval in December 2011

Loft insulation & pipe lagging	59	61	64	66
External Cladding (flats)	1,022	0	0	0
Electrical systems (communal areas)	1,033	701	491	259
<b>Total Warm and Energy Efficient</b>	<b>2,289</b>	<b>944</b>	<b>744</b>	<b>520</b>
<b>Modern Facilities</b>				
Bathroom Refurbishment	N/A*	2,956	3,063	3,163
Kitchen Refurbishment	N/A*	5,986	6,201	6,404
Central heating, Gas boiler replacement	1,351	1,782	1,846	1,906
Central heating (wet and electrical), pipework/circuits	133	238	1,570	1,570
Disabled Adaptations	927	964	998	1,031
Supported Housing Bathroom programme	412	428	444	458
Programme Management fees	535	N/A	N/A	N/A
<b>Total Modern Facilities</b>	<b>3,358</b>	<b>12,354</b>	<b>14,122</b>	<b>14,532</b>
<b>Well Maintained Communal Facilities</b>				
Communal Area Works	355	680	692	715
Lift refurbishment	621	554	564	0
Decent Neighbourhoods Schemes	250	0	0	0
<b>Total Well Maintained Communal Facilities</b>	<b>1,126</b>	<b>1,234</b>	<b>1,256</b>	<b>715</b>
<b>Total</b>	<b>9,924</b>	<b>21,884</b>	<b>23,235</b>	<b>19,634</b>

96. LOCALISM ACT: CONSULTATION - TENANCY STRATEGY 2012-2016

DECISION MADE REF: (CAB 11/12 7996)

On consideration of eh report of the Cabinet Member for Housing Cabinet made the following decision:

- (i) To approve the draft tenancy strategy subject to consultation with stakeholders.
- (ii) Following consultation to authorise officers to implement the tenancy strategy. Should significant issues arise then the matter will be referred back to Cabinet for further consideration.
- (iii) To delegate authority to the Senior Manager, Housing Services to develop and implement both the landlord tenancy policy and the allocations policy following completion of the tenancy strategy in consultation with Director Environment and Cabinet Member for Housing.

97. MASTER PLAN FOR ESTATE REGENERATION FOR TOWNHILL PARK

DECISION MADE REF: (CAB 11/12 7817)

On consideration of the report of the Cabinet Member for Housing Cabinet agreed the following:

- (i) To approve the report of the Cabinet Member for Housing on the principles of the Townhill Park Regeneration Framework and Master Plan based on the modified Central Park option and to delegate authority to the Director of Economic Development to finalise the Townhill Park Regeneration Framework and Master Plan including commissioning and approving studies following consultation with Director of Environment, Head of Finance and IT and the Cabinet Member for Housing and Leader of the Council.
- (ii) To approve in principle the redevelopment of Townhill Park in three phases with the following zones in each phase:  
Phase 1 comprising zones 1, 11 (interim uses), 25, 34, and 35  
Phase 2 comprising zones 9, 11 (redevelopment), 12, 19, 20, 27 and 28  
Phase 3 comprising zones 13, 14, 17, 24, 29, 30, and 33  
including additional open space improvements incorporated in the Master Plan  
and to delegate authority to the Director of Economic Development, following consultation with the Director of Environment, Head of Finance and IT and the Cabinet Member for Housing to move or amend zones within phases following completion of the remaining studies and to decide when to implement the additional open spaces and highways improvements incorporated in the Master Plan.
- (iii) To approve the virement of £156,000 in 2012/13 from the uncommitted Estate Wide provision for Estate Regeneration to the Townhill Park Master Plan budget in 2012/13 to enable the remaining studies to be completed and to increase, in accordance with finance procedure rules, approved spending limits for Townhill Park by the same amount.
- (iv) To delegate authority to serve Initial Demolition Notices as appropriate on all 3 Phases of the proposed redevelopment to the Director of Economic Development following consultation with the Cabinet Member for Housing, Head of Legal, HR and Democratic Services and Head of Finance and IT.
- (v) Subject to the affordability assessment, the availability of relevant HRA and General Fund budgets and the completion of the assessment of the delivery options:
- To implement the current Decant Policy in relation to Phase 1 only,
  - To delegate authority to the Senior Manager Property and Procurement to negotiate and acquire by agreement any legal interests or rights held in respect of Phase 1, not held by the Council, using such acquisition powers as the Head of Legal HR and Democratic Services advises. In each case subject to confirmation from Capita, acting as independent valuers, that the price represents the appropriate Market Value.
  - To delegate authority to the Director for Economic Development, following consultation with the Director of Environment, Head of Finance and IT and Cabinet Member for Housing, and Senior Manager Property and Procurement to:
    - Produce a Development Brief for Phase 1
    - Undertake a procurement process using the Homes and Communities Agency's Delivery Partner Panel (HCA DPP) Framework for Phase 1.
- (vi) To note that there will be a further report to Cabinet in due course seeking authority to approve a preferred bidder and seeking consent to dispose of the sites in Phase 1.

98. FREEMANTLE COMMON: DISPOSAL OF PROPERTY AND DE-REGISTRATION/EXCHANGE OF COMMON LAND

DECISION MADE REF (CAB 11/12 7972)

On consideration of the report of the Cabinet Member for Resources, Leisure and Culture, Cabinet agreed the following:

- (i) To authorise the Head of Legal, HR and Democratic Services to make an application to the Secretary of State for the de-registration and exchange of common land identified on the plan at Appendix 1.
- (ii) To authorise the Head of Legal, HR and Democratic Services to advertise the proposed appropriation of common land proposed to be deregistered and open space at Freemantle Common Road identified on the plan at Appendix 1 for two consecutive weeks in a local newspaper.
- (iii) If no objections are received, and subject to obtaining Secretary of State's consent to the exchange of common land, to authorise the Senior Manager: Property, Procurement and Contract Management to appropriate the required areas of common land and open space for highway purposes.
- (iv) In the event that any objections are received to the proposed appropriation to bring a subsequent report and refer those objections to Cabinet for determination.
- (v) To delegate authority to the Senior Manager: Property, Procurement and Contract Management to approve the preferred tender, agree the terms of the sale and to carry out all ancillary matters to dispose of the site.

99. PROPERTY DISPOSAL PROGRAMME - APPROVAL TO DETAILED TERMS

DECISION MADE REF: (CAB 11/12 7971)

On consideration of the report of the Cabinet Member for Resources, Leisure and Culture, Cabinet agreed the following:

- (i) to approve the principle of the disposal of the Council's freehold investments at The Shirley Centre and The David Lloyd Leisure Centre;
- (ii) to delegate authority to the Senior Manager, Property, Procurement and Contract Management after consultation with the Director for Corporate Services and the Cabinet Member for Resources, Leisure and Culture to approve the sale to the preferred bidders at not less than the minimum prices set out in the confidential appendix, and to subsequently negotiate and carry out all ancillary matters to enable disposal of the sites;
- (iii) that the Head of Legal, HR and Democratic Services be authorised to enter into any legal documentation necessary in respect of the sales;
- (iv) to note that the estimated value of the capital receipt from these disposals had already been built into the funding of the capital programme. Any receipt higher than the estimate will be used to reduce the funding deficit. A receipt lower than this will increase the deficit;

- (v) to authorise the Head of Legal, HR and Democratic Services to advertise the proposed disposal of the David Lloyd Centre (held under the Public Health Acts) in accordance with Section 123 Local Government Act 1972; and
- (vi) should any objections be received, to refer these objections to Cabinet for determination. If no objections are received, to authorise the freehold disposal of the David Lloyd Centre on the terms set out in this report without further referral to Cabinet.

100. DRAFT PUBLIC HEALTH TRANSITION PLAN (YEAR 2)

DECISION MADE REF (CAB 11/12 8043)

On consideration of the report of the Director of Public Health, Cabinet agreed the following:

- (i) That the draft Transition Plan be approved as the basis for the continuing work in 2012/13 to ensure that public health is transferred to the local authority and delivered effectively as a City Council service from 1<sup>st</sup> April 2013.
- (ii) That the Director for Adult and Social Care and Director of Public Health be authorised to take all such necessary actions to ensure the transfer of functions to the Council in accordance with the Transition Plan.

# Agenda Item 7

<b>DECISION-MAKER:</b>	CABINET
<b>SUBJECT:</b>	BIG SOCIETY SCUTINY INQUIRY
<b>DATE OF DECISION:</b>	16 APRIL 2012
<b>REPORT OF:</b>	CHAIR OF THE OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE
<b>STATEMENT OF CONFIDENTIALITY</b>	
N/A	

## **BRIEF SUMMARY**

From September 2011 to April 2012 the Overview and Scrutiny Management Committee (OSMC) undertook an inquiry into the Big Society. The Scrutiny Inquiry report contains a number of recommendations which have been highlighted in Appendix 1. Subject to the draft final report, attached as Appendix 2, being agreed at the meeting of the OSMC on 12<sup>th</sup> April 2012, the Cabinet needs to formally respond to these recommendations within two months to meet the requirements in the Council's constitution.

## **RECOMMENDATIONS:**

- (i) Subject to the report attached as Appendix 2 being agreed at the meeting of the OSMC on 12<sup>th</sup> April 2012, Cabinet is recommended to receive the attached report on the Big Society Inquiry to enable the Executive to formulate its response to the recommendations contained within it, in order to comply with the requirements set out in the Council's Constitution.

## **REASONS FOR REPORT RECOMMENDATIONS**

1. The overview and scrutiny procedure rules in part 4 of the Council's Constitution requires the Executive to consider all inquiry reports that have been endorsed by the Overview and Scrutiny Management Committee, and to submit a formal response to the recommendations contained within them within two months of their receipt.

## **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

2. None

## **DETAIL (Including consultation carried out)**

3. The Committee undertook the Inquiry over 7 meetings between September 2011 and March 2012 and will consider, at a meeting on 12<sup>th</sup> April 2012, the 11 recommendations contained within the report attached at Appendix 2.
4. OSMC received evidence from a variety of organisations, individuals and officers from Southampton City Council, supported by national and local best practice examples. A list of witnesses who provided evidence to the Inquiry is shown within Appendix 2.

5. Evidence gathered throughout the Inquiry led the Committee to conclude that:
- The City has a strong history of community activity and there is real potential to build a more empowered and socially active Southampton through a cultural shift and greater focus, coordination and joined up working.
  - There is much that the Council can actively be doing to support this step change through opening up public services, particularly through simplifying the procurement process and changing the way services are delivered; within its community leadership role as an enabler and facilitator and stepping in with targeted help to build capacity and support communities to help themselves where it is needed, especially in the less affluent areas of the City.
  - This cannot be achieved in isolation; partnership work and the collective role of Southampton Connect are vital to ensure the best way forward for a strong City with empowered communities and individuals. The building blocks to achieve this are well underway.
  - Finally, it was recognised that this cultural change will not happen overnight and given limited resources a blanket approach cannot be taken. It is suggested that, where practical, small measured trials of proposed actions are undertaken, and once lessons are learnt through this pilot approach, steps can be taken to adapt and roll out successful initiatives, based on achievable outcomes and the needs of a particular community or locality
6. The draft report will not be considered by the Committee until 12<sup>th</sup> April, after the deadline for Cabinet papers, therefore any amendments will be reported to the Executive verbally at the Cabinet meeting.
7. The Executive needs to consider the Committee's recommendations and to formally respond within two months of the date of receiving this report in order to meet the requirements set out in the Council's constitution.

## **RESOURCE IMPLICATIONS**

### **Capital/Revenue**

8. A number of the recommendations within the appended report could be progressed by re-focussing council officer and partner's time and existing work programmes.
9. In practice any future resource implications arising from this review will be dependent upon whether, and how, each of the individual recommendations within the Inquiry report are progressed by the Executive. More detailed work will need to be undertaken by the Executive in considering its response to each of the recommendations set out in the Inquiry report.

### **Property/Other**

10. None.

## LEGAL IMPLICATIONS

### Statutory power to undertake proposals in the report:

11. The duty to undertake overview and scrutiny is set out in Section 21 of the Local Government Act 2000 and the Local Government and Public Involvement in Health Act 2007.

### Other Legal Implications:

12. None

## POLICY FRAMEWORK IMPLICATIONS

13. The proposals contained within the appended report are in accordance with the Council's Policy Framework.

<b>AUTHOR:</b>	Name:	Mark Pirnie	Tel:	023 8083 3886
	E-mail:	mark.pirnie@southampton.gov.uk		

**KEY DECISION?** Yes/No No

<b>WARDS/COMMUNITIES AFFECTED:</b>	None directly as a result of this report.
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### SUPPORTING DOCUMENTATION

**Non-confidential appendices are in the Members' Rooms and can be accessed on-line**

#### Appendices

1.	Draft Recommendations – Big Society Inquiry
2.	Draft Final Report – Big Society Inquiry

#### Documents In Members' Rooms

	None
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#### Integrated Impact Assessment

Do the implications/subject of the report require an Integrated Impact Assessment (IIA) to be carried out.	No
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#### Other Background Documents

**Integrated Impact Assessment and Other Background documents available for inspection at:**

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

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<b>DECISION-MAKER:</b>	CABINET
<b>SUBJECT:</b>	OAKLANDS PRE-SCHOOL
<b>DATE OF DECISION:</b>	16 APRIL 2012
<b>REPORT OF:</b>	CABINET MEMBER FOR CHILDREN'S SERVICES AND LEARNING
<b>STATEMENT OF CONFIDENTIALITY</b>	
None	

## **BRIEF SUMMARY**

Under the terms of the existing Short Term Lease, the Oasis Academy: Lord's Hill will vacate the Oaklands site upon the completion of its new buildings (currently scheduled for September 2012). Although the long-term future of the site remains to be fully determined, there is a need to put measures in place to ensure that the onsite pre-school can be adequately housed in the short-term. This report therefore seeks approval for the leasing of the pre-school element of the building to the existing provider, to take effect from the date of facilities transfer.

## **RECOMMENDATIONS:**

- (i) Subject to obtaining consent from the Secretary of State to dispose of the relevant area (as identified in Appendix 1), to delegate authority to the Executive Director of Children's Services & Learning, following consultation with the Heads of Legal, HR and Democratic Services, Property and Procurement and Finance, and the Cabinet Member for Children's Services & Learning, to approve the details and completion of the letting of the pre-school facilities on the Oaklands site to Oasis Community Learning at the appropriate time, following the vacation of the former Oaklands Community School site by Oasis Community Learning. A 2-year lease will be offered, which will be reviewable after 1 year.

## **REASONS FOR REPORT RECOMMENDATIONS**

1. Under the terms of the existing Short Term Lease, the Oasis Academy: Lord's Hill will vacate the Oaklands site upon completion of its new buildings (currently scheduled for September 2012). This will serve as a trigger for the Short Term Lease being terminated and, as such, for the Oaklands site being handed back over to the Authority. On this basis, it is now necessary to put in place arrangement for the operation of the onsite pre-school (who would otherwise be left without rights to occupy their element of the building from September 2012). Although the Council is exploring options in relation to the long-term use of the Oaklands site, the arrangements for this facility to operate in the short-term are yet to be established.
2. This report, therefore, seeks to secure agreement for a short term lease solution relating to the facilities in question, with a view to having this in place in time for the handover of the site in September 2012.

## **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

3. As there is currently a pressure on early years places throughout the city, it has been determined that the pre-school provision currently located at the Oaklands site should be maintained. The option of disbanding this provision has thus been discounted. As maintaining this pre-school in its current location represents the most cost-effective option available (as this space would otherwise be vacant) and even serves to offset some of the maintenance liabilities that would otherwise fall to SCC; it has been determined that the offer of a lease to the pre-school in their current location represents the most practical means of maintaining provision in a sustainable fashion (as opposed to relocating them elsewhere).

### **DETAIL (Including consultation carried out)**

4. In consultation between CSL's Strategy & Capital Programme Team and the Early Years Service, it was determined that there was a need to maintain provision for early years within the vicinity of the Oaklands site. On this basis (and for the reasons set out above), it was agreed that negotiations with the existing service provider (Oasis Community Learning) should be entered into, with the purpose of securing the provider's position as occupier of the existing facilities after the termination of the Short Term Lease (under which they currently occupy the facilities) in September 2012.
5. Bearing in mind the fact that the long term future of the Oaklands site is yet to be determined, the negotiations with the service provider have resulted in an agreement that the most rational way forward is to progress on the basis of an offer of a 2-year lease of the existing facilities, which is reviewable after 1 year. Such an arrangement would provide sufficient security for the pre-school, whilst enabling suitable flexibility in terms of the lease being able to adapt to any timescales for necessary vacation of the premises that may emerge from the options appraisal pertaining to the future of the site itself.
6. The proposed lease plan of the pre-school facilities to be let to Oasis Community Learning is attached to this document as Appendix 1. The delegation of authority to complete this letting will be subject to the Secretary of State granting Schedule 35A Consent (Education Act 1996) to dispose of the area set-out in this plan. Should the recommendation of this report be agreed, an application to obtain this consent will be made shortly thereafter, under officer delegated powers.

## **RESOURCE IMPLICATIONS**

### **Capital/Revenue**

7. In order to ensure the viability of this pre-school provision for the term of the lease, it is proposed that it be offered at nil rent (which would represent a replication of the terms under which they presently occupy the premises). This will be a full repairing and insuring lease, meaning that the letting of this facility will be at no ongoing cost to the Council.

## Property/Other

8. The power for the Council to grant the lease is Section 123 of the Local Government Act 1972. The General Disposal Consent (England) 2003 allows Local Authorities to dispose of land at less than best consideration where the authority considers it will contribute to the economic, social, or environmental well-being of an area and the undervalue is less than £2 million. The Director of Children Services & Learning supports the disposal at less than Best Consideration because it will contribute to such well-being for the reasons set out above and the proposals are supported by and in accordance with the Community Strategy.

## **LEGAL IMPLICATIONS**

### **Statutory power to undertake proposals in the report:**

9. As set out in paragraphs 6 and 9 of this report.

### **Other Legal Implications:**

10. N/A

## **POLICY FRAMEWORK IMPLICATIONS**

11. The continued operation of the pre-school at Oaklands will contribute to the outcomes of the Children and Young People's Plan, by serving to retain early years places in accord with demand.

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**KEY DECISION?** Yes/No Yes

<b>WARDS/COMMUNITIES AFFECTED:</b>	Redbridge and Coxford
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### **SUPPORTING DOCUMENTATION**

**Non-confidential appendices are in the Members' Rooms and can be accessed on-line**

#### **Appendices**

1.	Proposed Pre-school Lease Plan
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#### **Documents In Members' Rooms**

1.	None
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#### **Integrated Impact Assessment**

Do the implications/subject of the report require an Integrated Impact Assessment (IIA) to be carried out.	No
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#### **Other Background Documents**

**Integrated Impact Assessment and Other Background documents available for inspection at:**

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

1.	None	
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# Agenda Item 10

<b>DECISION-MAKER:</b>	CABINET
<b>SUBJECT:</b>	CHILDREN'S SERVICES & LEARNING CAPITAL PROGRAMME 2012/13
<b>DATE OF DECISION:</b>	16 APRIL 2012
<b>REPORT OF:</b>	CABINET MEMBER FOR CHILDREN'S SERVICES AND LEARNING
<b>STATEMENT OF CONFIDENTIALITY</b>	
None	

## **BRIEF SUMMARY**

This report sets out proposals for the Council's spending priorities within the Children's Services & Learning Capital Programme for 2012/13 and future years, in line with corporate priorities and the objectives of the Primary Review Phase 2, approved by Cabinet on 14 March 2011.

The report seeks approval to add £18,323,000 of expenditure to the Children's Services and Learning Capital Programme, phased £6,879,000 in 2012/13, £7,281,000 in 2013/14, £344,000 in 2014/15 and £3,819,000 in 2015/16. This report also seeks approval to variations totalling £1.5M to the latest capital programme, as agreed at Council on 15 February 2012.

Finally, approval to spend is sought for £16,160,000 of expenditure within the CSL Capital Programme, phased £9,379,000 in 2012/13 and £6,781,000 in 2013/14.

## **RECOMMENDATIONS:**

- (i) Subject to complying with Financial and Contract Procedure Rules, to delegate authority to the Director of Children's Services & Learning, following consultation with the Cabinet Member for Children's Services & Learning, to do anything necessary to give effect to the recommendations in this report.
- (ii) To add, in accordance with Financial Procedure Rules, a sum of £15,408,000 to the Children's Services & Learning Capital Programme, for Primary Review Phase 2, as shown in Appendix 1, funded from non-ring fenced Department for Education Basic Need Grant.
- (iii) To note that assumptions have been made about the likely level of Basic Need Grant to be awarded in future years. If the final award is less than anticipated any shortfall in funding will be met from borrowing for which provision has been made in the revenue budget forecast. If the final award exceeds the anticipated sum then this revenue provision will no longer be required and the additional grant will be available to fund other capital priorities as determined corporately.

- (iv) To add, in accordance with Financial Procedure Rules, a sum of £2,915,000 to the Children's Services & Learning Capital Programme in 2012/13, funded from non ring fenced Capital Maintenance Grant, for the following schemes, as detailed in Appendix 2:
- £1,000,000 Health & Safety
  - £500,000 Renewable Heat Incentive
  - £400,000 Lord's Hill Academy Offsite Works
  - £140,000 Fairisle Infant and Nursery School Lobby
  - £110,000 Bitterne Park Infant School Roof
  - £100,000 Glenfield Infant School Windows and Ventilation
  - £100,000 Schools Access Initiative
  - £100,000 Asbestos Management
  - £50,000 School Fencing
  - £290,000 School Capital Maintenance
  - £125,000 Project Management
- (v) To approve, in accordance with Financial Procedure Rules, capital variations totalling £1,500,000 to the programme approved by Council on 15 February 2012, as detailed in Appendix 2.
- (vi) To approve, in accordance with Financial Procedure Rules, capital expenditure within the CSL Capital Programme of £16,160,000, phased £9,379,000 in 2012/13 and £6,781,000 in 2013/14, for the following projects:
- £10,745,000 Primary Review Phase 2
  - £2,500,000 Pupil Referral Unit Capital – The sum to be approved also includes £1,000,000 which is already in the CSL Capital Programme as well as the £1,500,000, which this report is seeking to add to this scheme
  - £1,000,000 Health & Safety
  - £500,000 Renewable Heat Incentive
  - £400,000 Lord's Hill Academy Offsite Works
  - £140,000 Fairisle Infant and Nursery School Lobby
  - £110,000 Bitterne Park Infant School Roof
  - £100,000 Glenfield Infant School Windows and Ventilation
  - £100,000 Schools Access Initiative
  - £100,000 Asbestos Management
  - £50,000 School Fencing
  - £290,000 School Capital Maintenance
  - £125,000 Project Management
- (vii) To note that approval for the remainder of the Primary Phase 2 expenditure added in recommendation (ii) above will be brought forward to Cabinet when sufficient detail can be provided to effectively inform decision making.

## **REASONS FOR REPORT RECOMMENDATIONS**

1. The Council has a number of urgent priorities for investment within Children's Services & Learning, which are highlighted within this report. As such, the above recommendations seek to ensure that the resources available to the Authority are allocated to these proposals, in order that the relevant projects can be commenced. It is proposed that Basic Need funding will be used to address the school expansions required under the Primary Review: Phase 2, in line with previous Cabinet Decisions.

## **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

2. The proposals contained within this report represent the means by which the Council can best deliver its stated objectives and responsibilities in terms of school organisation and estate maintenance. The option of not carrying out these proposals would necessarily result in a delay in project commencement and, potentially, a failure to deliver on key objectives for the current financial year and beyond.
3. In particular, there is an urgent need to deal with Health & Safety issues that have been identified within recently undertaken Fire Risk Assessments. There are also a significant number of school estate-related capital schemes which, due to budget limitations, have had to be rolled-over from the previous financial year. These schemes have significant priority and require immediate investment.

## **DETAIL (Including consultation carried out)**

4. The investment priorities for the school estate for 2012/13 and beyond are detailed below.

### **Primary Review: Phase 2**

5. The Primary Review Phase 2 Cabinet Report of 14 March 2011 and the Wordsworth Infant School Expansion Cabinet Report of 11 April 2011 detailed the proposals for the expansion of the primary school estate. Expenditure to date has been added on an incremental basis and this report now seeks to add the remainder of the expenditure required to deliver the Primary Review to the capital programme. An updated expenditure profile for this programme of work is included with this report as Appendix 2. This shows the current programme, the planned changes and the resulting proposed programme.
6. It is proposed that the previously approved programme should be expanded by a net amount of £3.1M in order to enhance the proposals set out in the above two referenced Cabinet reports, specifically with a view to delivering enhanced building schemes for the three largest expansions in the Primary Review Programme. Specifically, it is proposed that investment in the following schemes is increased.
7. Banister Infant School (£573,000) – This school is set to expand from a 2 Form Entry (FE) infant school to a 2 FE primary school. The initial proposal was that £4.0M be invested in the installation of eight new modular classroom units on the site. However, due to the fact that the school site is extremely constrained, such a solution would have resulted in a proportionally significant loss of external play space. This fact, coupled with the scale of the expansion and the relatively poor state-of-repair of the existing buildings, led to the

conclusion that the best value for money solution for the site was a total rebuild of the school. As such, it is now proposed that a 100% new build, three-storey construction be developed on this site, which would also enable the reconfiguration of the external area to deliver a grass football pitch (such facilities not previously having been available at the school).

8. Wordsworth Infant School (£2,169,000) – This school is set to expand from a 2 FE infant school to a 3 FE primary school. The initial proposal was that £4.0M be invested in the installation of 15 new modular classroom units on the site. However, due to the poor condition of the buildings and the scale of this expansion (the latter being especially pertinent in light of the relatively “land hungry” nature of individual modular units), it was felt that a 100% new build solution would also represent best value for this scheme. Again, it is proposed that a 100% new build, three-storey construction be delivered, which would present a rationalised development model for the site and thereby allow the school to retain its playing fields and coordinate its learning provision.
9. Moorlands Primary School (£748,000) – This school is due to expand from a 1 FE to a 2 FE primary school. It had been proposed that the bulk of the school expansion could be managed by the delivery of six new modular classroom units, with a budget of £1.5M. As this represents another significant expansion, it is proposed that the procurement of this build be wrapped-in with those of the others, in order to deliver a cost effective new build expansion scheme. Furthermore, there are significant parking issues in and around the site and, as such, it is proposed that a new access road be created, to divert school traffic from the residential areas that currently take the bulk of such.
10. Contingency (£819,000) - It should be noted that this programme of work is being managed as a whole and that the inevitable profile of overspends and underspends are being managed collectively. Taken as a whole, the programme is being managed within the overall budget allocation. As the expenditure profile contains a level of risk (in terms of the need for design contingency and price uncertainty), it is important that a contingency allowance is made within the overall programme budget, in order that flexibility can be employed in the delivery of projects and that project-level risks to not translate into programme-level risks. Typically, one would allow a 5% contingency fund for a programme of this size. However, as the aim is to contain the programme expenditure within projected levels of Basic Need funding, the level of contingency has been set at 4% of the programme value for 2012/13 onwards. As this represents a reduced level of cost tolerance, the project team will actively monitor the overspend/underspend profile at a programme level, so as to ensure that this risk is appropriately managed.
11. In addition, a number of schemes which were originally contained within the programme have been amended since the original Cabinet reports and these changes are detailed in the following paragraphs.

12. Tanners Brook Infant School (reduction of £190,000) – The decision to utilise the Hampshire framework for modular buildings for a programme-wide procurement of modular units has led to economies of scale being achieved. It is anticipated that this will result in a saving of £190,000 on this scheme, relative to the original estimate.
13. Sholing Infant School (reduction of £530,000) – It is anticipated that there will be a saving of approximately £530,000 on this scheme, relative to the original estimate. This is due to the combined effect of the programme-wide modular procurement (referenced above) and the fact that it was decided to contribute to the rental of (rather than purchase) a new property for the onsite caretaker.
14. St. Patrick's Catholic Primary School (reduction of £451,000) – as a consequence of the adoption of a joint funding approach with the Diocese, it is projected that there will be an approximate reduction in cost to the Council of £451,000 on this scheme.

### **Other Additions**

15. Health & Safety (£1.0M)

Although other ad-hoc Health & Safety issues may arise during the year, it is proposed that the vast majority of the budget for 2012/13 should be used to deal with works arising out of Fire Risk Assessments (FRAs). FRAs are a statutory requirement for premises, as stipulated within the Regulatory Reform (Fire Safety) Order 2005. The assessments have to be carried out by a “competent person”, this term being defined within the Southampton City Council Safe Working Procedure (SWP) Fire. The SWP Fire was updated in December 2010, following consultation with Hampshire Fire and Rescue Service, and was refined to include the level of competence and qualification required to complete the assessments. These changes have resulted in new assessments having to be undertaken across the CSL estate.
16. These new assessments have brought to light a significant amount of capital works required across the CSL property portfolio, which are deemed to be the responsibility of Southampton City Council. On the basis of the assessments returned to date, it is projected that the total value of the works that have to be undertaken will be in the region of £2.0M and it is expected that this expenditure will be undertaken over the course of 2012/13 and 2013/14 financial years. The works required are all statutory compliance items, with the key elements identified to date being as follows:
  - The installation/replacement of fire doors;
  - The installation/upgrade of smoke detection and fire alarm systems;
  - The installation/upgrade of emergency lighting; and
  - The compartmentation of building to provide safe escape routes.
17. Renewable Heat Incentive (£0.5M)

Following on from the successful delivery of the Solar PV programme (and subsequent cut in the national Feed-in Tariff), the emphasis of strategic investment in sustainable technologies within the CSL property portfolio has shifted to a focus on driving value out of the Renewable Heat Incentive (RHI) initiative. In this respect, the intention is now to invest in the installation of Biomass Boilers and Solar Thermal Heating Systems and to focus such

investment on elements of the estate that have heating systems that are approaching the end of their natural life. It is estimated that an investment of £0.5M in these technologies will result in result in additional income to the Council of approximately £60,000 per annum over the next 20 years. The investment will also secure surety of energy prices in the long-term. This income will be built into the revenue budget forecast in future years.

18. Lord's Hill Academy Offsite Works (£0.4M)

There were a number of planning conditions associated with the granting of permission for the build of the new Oasis Academy: Lord's Hill that were not envisaged when the budget for the offsite works associated with this project was first set. In particular, there is now a need to undertake the following pieces of work:

- The installation of a signal-controlled crossing across Brownhill Way;
- The installation of a new cycleway along Romsey Road;
- The conversion of the Millbrook Arboretum into a publicly-accessible park; and
- The reconfiguration of the neighbouring community car park.

19. Based on the feasibility studies that have been undertaken, it is projected that a further £0.4M should be allowed for this work, to supplement the existing budget.

20. Fairisle Infant and Nursery School Lobby (£140,000)

This school is one of the few schools in the city without a 'holding area' for parents and visitors. This fact represents a safeguarding issue for the school, in terms of the fact that adults who are let into the main entrance thereby have access to the rest of the school (including classrooms), which could pose problems, for example, in the case of agitated parents who access the school site. As such, it is proposed to spend £140,000 on the creation of a new lobby area that would serve to eliminate this risk. A feasibility study for this work has already been undertaken.

21. Bitterne Park Infant School Roof (£110,000)

The roof of Bitterne Park Infant School has been repeatedly vandalised over the course of the last five years. This vandalism relates to the stripping of the "laid-in" lead, which has resulted in leaks and consequent water damage to the interior of the school itself. A further consequence of this vandalism is that the structure of the roof itself has now been compromised. As such, a feasibility study has been undertaken to ascertain the cost of replacing the roof in its entirety (with a non-lead dependent solution). The cost of these works is estimated to be £110,000 and should reduce the need for future reactive repairs.

22. Glenfield Infant School Windows and Ventilation (£100,000)

Glenfield Infant School has a long-standing issue with mould growth within a specific wing of the school. This is due to the fact that this area is poorly ventilated and has old, single-glazed windows. The problem is believed to be the cause of an increase in pupil and staff sickness rates for those teaching/learning in this area. In order to address this health and safety issue, it is proposed that £100,000 be allocated to a project to replace all of the

windows with double-glazing and provide mechanical ventilation to the affected areas.

23. Schools Access Initiative (£100,000)

The Council has an ongoing statutory responsibility to provide accessibility to educational facilities for children with disabilities, which requires adaptations to be made to school buildings. It is recommended that £100,000 is spent on the following:

- Provision of individual toilet cubicles at The Polygon School, to ensure privacy for pupils with challenging behaviour;
- Provision of a stair lift at Kanes Hill Primary School, to enable disabled pupils to access the first floor; and
- Further work will be carried out throughout the year in response to requests from schools that have access issues which affect pupils with disabilities. Previous examples of work carried out include the provision of access ramps, accessible toilets, stair lifts and changing benches.

24. Asbestos Management (£100,000)

The Council has a statutory responsibility to provide an ongoing programme of asbestos management for all its affected properties and CSL retains this responsibility for all maintained schools. The cost of this programme of inspection and work is generally stable from each financial year to the next and, on this basis, it is recommended that £100,000 is allocated to this area of work.

25. School Fencing (£50,000)

A number of schools in the city have a problem in that the fencing surrounding their sites is not secure. This lack of a secure boundary line presents a safeguarding issue for the pupils attending these schools, in terms of the potential for unauthorised access. The three schools that have identified issues in this respect are:

- Thornhill Primary School (£30,000)
- Sinclair Primary and Nursery School (£10,000)
- Glenfield Infant School (£10,000)

26. On the basis of the feasibility work completed to date, it is estimated that £50,000 would be sufficient to deal with the issues at these schools.

27. School Capital Maintenance (£290,000)

It is important that a certain element of the identified funding is “held back” as a contingency fund, in order to provide for unforeseen issues/events that may arise throughout the course of the year. It is proposed that £290,000 be set aside for this purpose for 2012/13.

28. Project Management Costs (£125,000)

The Children’s Services & Learning cost of project management time for these proposals is £125,000 for 2012/13. This will fund three Project Manager posts in the Strategy & Capital Programme Team in CSL.

## **Variations of Capital Expenditure**

29. It is proposed to transfer £1.5M from the budget allocated to Special School Estate Capital in the CSL Capital Programme for 2011/12 to enable other priorities to be progressed. This budget had initially been allocated to a project aimed at the delivery of SEN provision from the Millbrook site. However, owing to a reconsideration of local priorities, this project has since been cancelled, with a view to expanding the PRU provision at Millbrook instead. As such, although this represents a reallocation of resources, the money will still be invested in the same building, in line with the original intention.
30. Phase 1 of the PRU accommodation enhancement scheme has already been undertaken, with the relocation of the Key Stage 1-3 provision from the Compass Centre to the site of old Millbrook School and the capital works undertaken to bring the utilised section of the building into serviceable condition. This phase of the scheme was delivered within the defined parameters and the £1.0M budget agreed by Cabinet in June 2011.
31. Planning has already commenced on the second phase of the project, which involves the relocation of the Key Stage 4 provision from the Melbourne Street site to the Millbrook site (with a view to co-location of the two PRU facilities). The capital works programme envisaged for this phase of the project will involve extensive refurbishment of the space to be occupied by the Key Stage 4 provision, as well as further works on the existing Key Stage 1-3 areas (in order to give them a full refresh). In outline, the works will comprise:
  - The relocation of internal walls, in order to provide more appropriately-sized learning spaces and maximise the utility of the available space;
  - The installation of a new lift;
  - The replacement/reconfiguration of the old heating system, with a view to providing controlled zones;
  - The replacement of old pipework and installation of sinks in classrooms;
  - The installation of new mechanical ventilation and the augmentation of natural ventilation systems;
  - Installation of gas links to key classrooms (e.g. science rooms, kitchen etc.);
  - The reconfiguration of incoming services, to allow for separate metering between different users;
  - The replacement of existing distribution boards;
  - The installation of new internal lighting to certain areas of the building;
  - The reconfiguration and refresh of the building's fire alarm and building alarm systems;
  - The installation of new electronic access control mechanisms throughout;
  - The installation of ICT infrastructure throughout;
  - Works to repair existing defects in the roof;
  - The replacement of internal doors with more robust solutions;
  - The replacement of old, single-glazed windows; and

- Redecoration/refurbishment of the internal aspect of the building (i.e. painting, new carpets etc.).
32. RIBA Stage C work has already been completed on the proposals for the Phase 2 work and, based on the costing provided therein, it is anticipated that a further £1.5M will be required in order to complete this project.

## RESOURCE IMPLICATIONS

### Capital

33. The changes to the programme contained in this report are summarised in the table below and detailed in Appendix 2. An updated cost profile for the whole Primary Review Phase 2 scheme is included with this report as Appendix 1. It should be noted that the costs provided are based on feasibility studies (or pre-feasibility estimates) and, as such, are subject to change. Any requirements for additions or variations to the programme presented in this report will be progressed in accordance with Financial Procedure Rules.

	<b>Estimated Expenditure £000s</b>
2012/13	8,379.0
2013/14	7,281.0
2014/15	344.0
2015/16	3,819.0
<b>Total</b>	<b>19,823.0</b>

34. Cabinet has already approved the following budgets within the CSL Capital Programme:
- £6.081M for Primary Review Phase 2 including the rebuild of Wordsworth Infant School.
  - £1.0M for the Pupil Referral Unit.
  - £1.5M for the Special School estate which is no longer required and will be transferred into this programme.
35. The Primary Review Phase 2 report set out the full scope of the expenditure required and stated that a possible source of funding would be future allocations of Basic Need Grant, although there was no certainty that this would continue to be forthcoming from Central Government in future years.
36. It is proposed that the expenditure will be funded from the following sources and it is anticipated that funding will be received in advance of expenditure taking place:

<b>Funding Source</b>	<b>2011/12 Confirmed</b>	<b>2012/13 Confirmed</b>	<b>2013/14 Estimate</b>	<b>2014/15 Estimate</b>	<b>Total</b>

	£000's	£000's	£000's	£000's	£000's
Virement		1,500.0			1,500.0
Capital Maintenance Grant		2,915.0			2,915.0
Basic Need Grant	3,133.0	4,735.0	4,735.0	2,805.0	15,408.0
	<b>3,133.0</b>	<b>9,150.0</b>	<b>4,735.0</b>	<b>2,805.0</b>	<b>19,823.0</b>

37. No announcements have yet been made about Department for Education capital grant allocations for 2013/14 and beyond. However, it is anticipated that as future grant will be targeted at areas of need, that Southampton will receive similar allocations of Basic Need funding. The figures above for 2013/14 and 2014/15 are therefore indicative. In the event of future grant funding not being sufficient, funding has been set aside in the Revenue Development Fund to cover borrowing costs. If the final award exceeds the anticipated sum then this revenue provision will no longer be required and the additional grant will be available to fund other capital priorities as determined corporately.

### **Revenue**

38. The revenue costs of all schools are met from the Individual Schools Budget funded by the Dedicated Schools Grant. The amount of Dedicated Schools Grant that the authority receives each year is based on the number of children in the city. If the city's overall numbers grow, this will result in an increase in the amount of grant received which can be passed onto schools via budget shares calculated using Southampton's Fair Funding Formula.
39. The anticipated £60,000 per annum income received from the renewable heat incentive will be built into the revenue budget forecast in future years.

### **Property/Other**

40. It is anticipated that these proposals will assist in reducing the current overall backlog maintenance.
41. The proposal to relocate KS4 provision will entail a change of work location for employees and therefore will require appropriate consultation to take place.

## **LEGAL IMPLICATIONS**

### **Statutory power to undertake proposals in the report:**

42. The power to provide and maintain educational facilities as proposed in this report is set out in the Education Act 1996.

### **Other Legal Implications:**

43. The proposals set out in this report are brought forward having regard to the Council's statutory responsibilities as a duty holder for health & safety in schools in accordance with the Health & Safety at Work Act 1974 and associated secondary legislation. Provisions for the increase of security of school sites are designed having regard to the Council's duties under s.17 Crime & Disorder Act 1998 (exercise of functions having regard to the need to

reduce or eliminate crime or disorder). All services and works will be procured and implemented in accordance with national procurement legislation and the Council's Contract Procedure Rules and having regard to the Council's duties under the Equalities Act 2010.

## **POLICY FRAMEWORK IMPLICATIONS**

44. The capital investment proposed for Southampton's schools within this report will contribute to the outcomes of both the 14-19 Strategy and Children & Young People's Plan by improving the condition, suitability and efficiency of the City's school estate. Some of the investment that is brought forth under these proposals will likely have to be mindful of the Local Transport Plan. Alignment of the proposals with the aims of this plan will be achieved through the involvement of relevant officers on the appropriate project steering group(s).

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**KEY DECISION?** Yes

<b>WARDS/COMMUNITIES AFFECTED:</b>	All
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## **SUPPORTING DOCUMENTATION**

**Non-confidential appendices are in the Members' Rooms and can be accessed on-line**

### **Appendices**

1.	Primary Review Phase 2 – Capital Programme
2.	Children's Services & Learning Capital Programme Changes

### **Documents In Members' Rooms**

1.	None
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### **Integrated Impact Assessment**

Do the implications/subject of the report require an Integrated Impact Assessment (IIA) to be carried out.	No
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### **Other Background Documents**

**Integrated Impact Assessment and Other Background documents available for inspection at: N/A**

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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1.	None	
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<b>DECISION-MAKER:</b>	CABINET COUNCIL
<b>SUBJECT:</b>	LOCAL AUTHORITY MORTGAGE SCHEME
<b>DATE OF DECISION:</b>	16 APRIL 2012 16 MAY 2012
<b>REPORT OF:</b>	CABINET MEMBER FOR HOUSING
<b>STATEMENT OF CONFIDENTIALITY</b>	
Not applicable	

## **BRIEF SUMMARY**

First time buyers meet a number of challenges in the current housing market. This report outlines a scheme known as the Local Authority Mortgage Scheme (LAMS) which enables Local Authorities (LAs) to support first time buyers to obtain a mortgage from existing lenders.

## **RECOMMENDATIONS:**

### **Cabinet**

- (i) To consider the information about the Local Authority Mortgage Scheme and make any recommendations to Council that are considered appropriate, subject to resolving the outstanding legal issues to the satisfaction of the Director of Corporate Services.

### **Council**

- (i) That the Council adopt the Lend a Hand Mortgage scheme as an initial pilot scheme.
- (ii) The Lend a Hand Mortgage Scheme not to be implemented until the Director of Corporate Services is satisfied as to the lawfulness of the scheme.
- (iii) To operate outside of current Council Treasury Policy to allow money to be placed on deposit for an initial fixed period of 5 years. The investment of £1 million would be deposited with Lloyds TSB to potentially underwrite a minimum of 40 deposits for First Time Buyers.
- (iv) The maximum value of any loan under the scheme is set at £118,750.
- (v) That the Cabinet Member for Housing brings a further Executive report to Cabinet and Council once the pilot funding is exhausted, to allow evaluation of the pilot, and consideration of a wider scheme.
- (vi) That the Council indemnify the Monitoring Officer against all personal liability he will incur by providing Lloyds Bank with an opinion and by providing Lloyds Bank with a signed opinion letter.

- (vii) That the qualifying post codes will include all post codes within the LA boundary area and will exclude any that cross the boundary into a neighbouring authority. The qualifying post codes will be provided to the lender(s) in a schedule to the indemnity deed
- (viii) To delegate authority to the Director for Economic Development to enter into agreements with any financial institution pursuant to Section 435 and 442 of the Housing Act 1985 in furtherance of the scheme and in consultation with the Director of Corporate Services.

## **REASONS FOR REPORT RECOMMENDATIONS**

1. First time buyers within the city are struggling to obtain mortgages, largely due to the requirement for larger deposits.
2. The Local Authority Mortgage Scheme is a national scheme that works to enable first time buyers to access mortgages with smaller deposits.
3. Legal Services advise that a further view on the State Aid implications is required before the scheme is launched, this may include the Council filing an application requesting the UK Government make formal notification to the European Commission and seeking clearance on State Aid.

## **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

- 4
  - (i) Not to fund the scheme locally. This would mean that the only help for first time buyers requiring financial assistance would be from the national scheme recently launched ('NewBuy'). However, the national scheme only applies to new build homes built by certain developers and the Lloyds scheme specifically excludes new build so they are complimentary in assisting first time buyers.
  - (ii) To fund mortgages direct.
  - (iii) Not to fund this scheme at the current time but reconsider this at a future time.

## **DETAIL (Including consultation carried out)**

### **Background**

5. Since the start of the credit crunch in 2007, banks and other mortgage lenders have tightened up on both their lending criteria and the amount of money being lent. At the peak in 2007, £362,632M was lent nationally; by 2009 this had fallen to £142,639M.
6. One change has been the move towards lower Loan to Value (LTV) values, which in practice means borrowers having to find higher deposits than have traditionally been required.
7. Whilst existing home owners may have equity in their homes or savings from another source to enable them to move, it is first time buyers who have felt the greatest impact of changed lending criteria.
8. The Council of Mortgage Lenders (CML) reported that at the end of 2010, the average first time buyer who bought a home, had a deposit of 24%.

- 9 The PUSH Housing Market Survey of 2010 reported that only 4 lenders nationally were offering mortgages with a LTV of 80% or more. Where lenders will lend higher LTV values, the interest rates tend to be higher, making the loan less affordable.
- 10 The Southampton Housing Need Survey, updated by DCA Associates (DCA) in 2010, identified that 98% of new households are unable to afford the deposit required to buy a home in the city. Only 21% prospective purchasers have savings of £1,000 to £5,000.
- 11 On average a deposit of around £25,000- £30,000 would be required to buy a 1 or 2 bedrooomed home in the city.
- 12 DCA have also reported that they found little evidence to support the idea that family members would be able to help first time buyers out in raising a deposit.
- 13 Lloyds TSB report that for every first time buyer purchase, there are 6 property transactions that take place on average. Without first time buyers coming into the market then, the rest of the property market stagnates and existing owners are unable to move.
- 14 In practice there are first time buyers in the city who could afford a mortgage, but are unable to find the required deposit

### **Background to the Local Authority Mortgage Scheme (LAMS)**

- 15 Nationally, a number of LAs started to consider ways that they could finance mortgages to potential buyers. However, issues of limited financial resources, limited staffing resources and expertise, and operational risk meant this option was not viable.
- 16 Rather than lending direct, some LAs began to explore the possibility of entering into partnership with existing mortgage lenders to minimise the financial impact on the LA and to take advantage of the existing expertise of mortgage providers.
- 17 In late 2009, Capita's Sector Treasury Services (Sector) set up a pilot scheme to assess the viability of a Local Authority Mortgage Scheme (LAMS). Sector, acting for Lloyds, investigated the legal and accounting issues involved. Eleven LAs sponsored the initial pilot.
- 18 Sector held discussions with potential funders which revealed that funders were only interested in a large national scheme rather than working separately with individual LAs. The idea of a national scheme was also supported by CML.
- 19 Following the successful completion of the pilot, Sector formally launched the scheme and others LAs are now able to join the scheme.

### **Details of the Local Authority Mortgage Scheme (LAMS)**

- 20 The scheme is aimed at first time buyers, providing help for potential buyers who can afford mortgage payments, but not the initial deposit. The scheme is standardised as much as possible nationally.

- 21 If the potential buyer meets the credit criteria applied by the lender to qualify for a mortgage, the LA will provide a top-up indemnity to the value of the difference between the typical LTV (i.e. 75%) and a 95% LTV mortgage. The potential buyer will thereby obtain a 95% mortgage on similar terms as a 75% mortgage, but without the need to provide 20% deposit usually required. Under the scheme, applicants must satisfy the Lender's current lending criteria.
- 22 To enter the scheme, the LA will need to invest a minimum of £1M, which will be held to the Bank's order for a minimum period of 5 years, which will be extended to 7 years if there are arrears in the last 6 months of the 5 year period.
- 23 When a LA agrees to participate in LAMS, a maximum limit for the total indemnity to be offered under the scheme is set by the LA – currently between £1-£3M. Once this figure has been decided and all the legal documentation completed, the mortgage lender should manage the operational side of the scheme without any direct input from the LA. Sector will undertake an annual audit of the scheme to ensure both parties are fully compliant with the agreement.
- 24 The indemnity remains on deposit with the Bank but during the lifetime of the agreement the LA will also have to make payments to Lloyds, on demand to cover any losses.
- 25 The indemnity would only be called upon if a loss is incurred by the lender, e.g. if a property valued at £100,000, with a mortgage of £95,000 and with LA indemnity of £20,000 is sold at £70,000, net of attributable costs, the full value of the £20,000 indemnity would be requested by the lender. If the property is sold at £90,000 net of costs, i.e. an actual loss of £5,000 is incurred by the lender, £5,000 would be requested from the LA. Any loss in excess of the value of the indemnity would be attributable to the lender. The lender would request payment from the LA, who would undertake to make payment within 30 days.
- 26 The initial £1M deposit is placed in a commercial deposit account where it receives the standard commercial rate of return plus 70 base points. After 5 years the initial deposit matures and a new deposit will be required to the value of any residual mortgages, less any mortgages repaid within the 5 year period. This second deposit account will receive interest at standard commercial rates with no enhancement. Experience from other authorities is that take-up is rapid and the recommendations for the Southampton scheme are quite limited so one might expect to have full take-up within 1 year. In this scenario the LA would be entitled to withdraw all of the second deposit within 1 year of it being made. If the conditions are met for the indemnity period on some mortgages to be extended to 7 years then with good initial take-up some of the second deposit may need to be kept in place for 3 years. In the extreme case where there was not full take-up on the scheme until the end of the 5 year and the indemnity period on some mortgages was extended to 7 years then the council would have to retain some money in the second deposit account for up to 7 years.

- 27 The table below illustrates how risk is shared between the Mortgagee, the Authority and the Bank on an individual property. It should be noted that it takes no account of costs associated with the sale.

House Price Fall	5%	10%	15%	20%	25%	30%
	Risk to Investment					
Mortgagee 5%	100%	100%	100%	100%	100%	100%
<b>Authority 20%</b>	<b>0%</b>	<b>25%</b>	<b>50%</b>	<b>75%</b>	<b>100%</b>	<b>100%</b>
Bank 75%	0%	0%	0%	0%	0%	7%

It should be noted that the table above is for illustrative purposes only to make the point that the Bank has complete protection under the scheme for a fall in house prices of up to 25%. It is likely that there will be claims on the indemnity where house prices fall by less than 5%. In the event of repossession and resale any costs incurred as a result of the resale will be added to the debt. These costs will include estate agent/auction fees, legal costs, administrative costs and any interest on arrears. It is likely that the majority of the Mortgagee's deposit will be used to cover these costs and that any repossession will result on a claim on the indemnity irrespective of the fall in house prices.

- 28 Due to the changing economic environment, further legal and / or accounting advice may be required during the life of the LAMS. Sector state that during the lifetime of the scheme, it may need to obtain updated advice. Any additional fees incurred by Sector in this respect will be payable by the LA in advance.
- 29 The scheme is currently supported by one major mortgage lender, Lloyds TSB. However, it is a requirement of the scheme that mortgage applicants should have a choice of mortgage providers and the scheme should be available to all lenders on a national basis. Lloyds TSB require a cash backed indemnity.
- 30 Sector is currently in dialogue with other new lenders who may join the scheme. Some of these lenders may not require a deposit and may offer a non-cash backed financial guarantee with a premium. Sector advise that due to the State Aid position, a non-cash backed guarantee without a premium is not an option.
- 31 By the end of May 2012, there will be 35 authorities in England that have launched LAMS and there have been about 230 mortgage offers. There are around 250 LAs looking at the scheme.

### The Southampton scheme

- 32 It is proposed that a pilot scheme is undertaken by the Council.
- 33 Currently, Lloyds TSB are the only main lender signed up to lend in this area. Most other lenders currently signed up to the LAMS scheme nationally are smaller local building societies working in restricted locations.

- 34 It is proposed that £1 million is placed with Lloyds TSB to facilitate lending. This is the minimum indemnity Lloyds TSB will accept.
- 35 Interest will be received on the deposit at a rate of 70 base points (bps) above normal commercial rates for a 5 year deposit. For a £1M indemnity there would be an annual income of £7,000 above normal interest rates. Over the 5 year period of the scheme there would be £35,000 available to contribute to the cost of claims against the indemnity.
- 36 There are limited aspects of the national scheme that the Council can influence. These are:-
- (i) Total level of investment i.e. £1-£3M;
  - (ii) Maximum loan size; and
  - (iii) The postcode where first time buyers can buy using the scheme, although these have to be within the city boundary.
- Nothing else can be altered.
- 37 It is proposed that the maximum value of any property under the scheme is set at £118,750. This is considered a reasonable level to find a suitable first home, whilst allowing adequate choice for purchasers.
- 38 The DCA study found that the city average for entry level 2 bed properties is £124, 950. Their evidence is that first time buyers do not generally buy the cheapest properties on the market because these homes often need work to bring them up to standard, and first time buyers lack both the capital and the experience to do such work.
- 39 Assessment of the local market in September 2011 (via the Rightmove property search website) showed that there were 323 properties for sale at £125,000 or less. 172 of these were 1 bedroomed homes, 132 were 2 bedroomed and 19 were 3 bedroomed.
- 40 At a purchase price of £125,000, the purchaser would need to find a 5% (£6,250) deposit. The Council will indemnify 20% (£25,000), with the purchaser taking out a £118,750 mortgage. These examples are indicative based on a 5% deposit.
- 41 If every purchaser on the scheme bought a property at the full value of £125,000 then the pilot scheme would be able to support 40 mortgages (£1m divided by £25,000 per mortgage). However, there may be purchasers who do not require the full amount, which would mean more first time buyers could be assisted.
- 42 It is proposed that there are no restrictions on the areas within the city where purchasers on the scheme can buy. This will allow maximum choice for purchasers. Purchases will however, be restricted to postcodes within the city.
- 43 Lloyds TSB will not lend on new build apartments - this is their general lending criteria and is not specific to this scheme.

## RESOURCE IMPLICATIONS

### Capital/Revenue

- 44 The Council has already paid a £3,000 “research and joining fee” to give access to legal advice written by Sector’s solicitors including a paper on State Aid. The funding also includes any support needed from Sector Treasury Services to help the Council set up the scheme and an annual audit where Sector Treasury Services will ensure the lender(s) have complied with requirements.
- 45 As noted above, the Council will receive an additional income of £7,000 per annum over and above Lloyds normal commission rates for a 5 year deposit, assuming a scheme value of £1M. Should there be no call on this money the Council may expect to see a small profit.
- 46 There are risks associated with the scheme, which the Council would need to consider how to manage and the mitigating controls to be put in place. A Risk Assessment, outlining the risks and potential mitigating controls has been produced by Sector and made available to Legal and Finance. Some of the risks though are inherent in the scheme and cannot be mitigated against.
- 47 A further Risk Assessment compiled by the Council with significant input from Finance and Legal Services is attached at Appendix 1. The main risks of entering the scheme are seen as:-
- the possibility of default by the borrower , causing a shortfall to be paid by the Council;
  - Lloyds assigning their interest to a 3<sup>rd</sup> party,
  - Lloyds or a 3<sup>rd</sup> party assignee changing their lending criteria,
  - Continuing falling house prices resulting in a shortfall upon sale.
- 48 Clearly the main risks are the possibility of default by the borrower and, if this happens, the costs of the guarantee that the Council would pay to the lender. Nationally, latest CML figures show 0.3% of first time buyers default on their mortgages in the early years. A £1M facility would assist around 40 purchasers. Historic trends indicate the number of defaults on 40 mortgages would be very low but clearly these trends do not necessarily indicate what might happen in the future.
- 49 The cost of a default depends on the way property values have changed since the purchase was made, and the table at paragraph 27, shows how the risk is split between mortgagee, authority and bank when property prices fall. Increasing property values would lead to a very low (if any) guarantee payment as the purchasers equity would have increased. However, if property prices fall rather than increase in the short term then this is the scenario where guarantee payments are more likely to arise.
- 50 The extent of the payment is capped at the maximum value of the guarantee for each property. The annual surpluses referred to in paragraph 45 above would be sufficient to fund 1 full guarantee payment over 5 years, after which there would be an unbudgeted cost to the General Fund.

- 51 The main marketing for the scheme will be carried out by Lloyds. The Council may need to make some funding available for the marketing of the scheme and this will have to be absorbed within existing budget lines as there is no separate provision for this activity.
- 52 There is no staffing resources implication for the Council. Any work required in monitoring the pilot will be undertaken within the existing Housing Development and Strategy Team.
- 53 The Treasury Management Strategy for 2012/13 to 2014/15, as approved by Council on the 15 February 2012, does not allow the Council to place money on deposit with any financial institutional for a fixed period of more than one year. The maximum length of time the Council would normally place money on deposit is determined by the prevailing economic conditions. Current advice from the Council's Treasury advisors is that money should not be placed on deposit with Lloyds for more than 3 months. The money placed on deposit to indemnify LAMS therefore requires a specific decision to operate outside the Council's approved Treasury Management scheme.
- 54 The table at Appendix 2 provides details of the 8 schemes currently known to the Council. The Co-op do not currently have a scheme but are looking into the possibility of launching something in the future or to join LAMS. Five of the remaining schemes are local based and do not cover the Southampton area. The only viable alternative scheme to Lloyds is with Leeds BS and this only offers 40 bps above normal commercial deposit rates so would provide a smaller contribution to the cost of any claims against the indemnity.
- 55 Lloyds is considered to be the bank with least risk as it is of national importance to the economy and likely to receive state support should it run into difficulties. The other banks are much smaller and of lesser national importance so are less likely to receive support if they were to get into difficulty.

### **Property/Other**

- 56 None

### **LEGAL IMPLICATIONS**

#### **Statutory power to undertake proposals in the report:**

- 57 The Council has powers under Section 435, and S442 of the Housing Act 1985 to enter into an agreement with a body making an advance on security of a house. There is a possible issue though of the lawfulness of the scheme if the Bank's interests were assigned but it is more likely than not that the Council would be empowered to enter into contractual relations with the assignee of the Bank's rights by section 111 of the Local Government Act 1972.
- 58 This scheme could amount to unlawful State Aid and Legal Services recommend that Cabinet/Council do not implement the scheme until the Council is satisfied that any State Aid issues have been resolved satisfactorily
- 59 There is a possibility that the Indemnity in the Deed falls inside the scope of the Public Contracts Regulations 2006 and Directive 2004/18. Further

information about the scheme is required before additional advice can be given.

- 60 The Monitoring Office (Mark Heath) has to sign an Opinion Letter and Indemnity Deed to the bank. This is a Mandatory requirement by the Scheme. This imposes personal liability on the Monitoring Officer who will need to be satisfied about all aspects of the scheme before signing the documents. The Council will need to sign an indemnity Deed which indemnifies the Monitoring Officer in respect of any personal liability.

**Other Legal Implications:**

- 61 There is a 3-party indemnity agreement between Lloyds, Sector and the Local Authority.
- 62 Legal services advise that Appendix 1 “Risk Table” is considered in detail in conjunction with this report.

**POLICY FRAMEWORK IMPLICATIONS**

- 63 There would be no policy implication to the scheme as all decisions about lending etc will be made by Lloyds TSB under strict Financial Services Authority regulations.

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**KEY DECISION?** Yes

<b>WARDS/COMMUNITIES AFFECTED:</b>	All
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**SUPPORTING DOCUMENTATION**

**Non-confidential appendices are in the Members’ Rooms and can be accessed on-line**

**Appendices**

1.	Risk Table
2.	Summary of banks and building societies involved

**Documents In Members’ Rooms**

1.	None
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**Integrated Impact Assessment**

Do the implications/subject of the report require an Integrated Impact Assessment (IIA) to be carried out.	No
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**Other Background Documents**

**Integrated Impact Assessment and Other Background documents available for inspection at:**

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

1.	None
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<b>DECISION-MAKER:</b>	CABINET
<b>SUBJECT:</b>	FUTURE SERVICE DELIVERY ARRANGEMENTS FOR ROMANSE AND CCTV
<b>DATE OF DECISION:</b>	16 APRIL 2012
<b>REPORT OF:</b>	CABINET MEMBER FOR ENVIRONMENT AND TRANSPORT AND LEADER OF THE COUNCIL

## STATEMENT OF CONFIDENTIALITY

Appendices 2, 3, 4, 5 and 6 of this report are not for publication by virtue of category 3 (financial and business affairs) of paragraph 10.4 of the access to information procedure rules as contained in the Constitution. It is not in the public interest to disclose this information because it compromises financial and business information that if made public would prejudice the Council's ability to operate in a commercial environment and obtain best value during a 'live' procurement process prior to final tenders being received and contracts being entered into.

## BRIEF SUMMARY

A review of the Council's Intelligent Transport System service (Romanse) and Public Safety CCTV service concluded that for strategic, operational, and financial reasons these services should be co-located. The review determined that on balance a private sector partnership would provide the most suitable and sustainable way of achieving this objective.

In July 2011 Cabinet approved the commencement of a competitive dialogue procurement process to select a private sector service provider to relocate the Council's Intelligent Transport Systems and Public Safety CCTV services and to maintain and operate the services for a period of up to 15 years

That work has now been completed and based on the evidence presented through the competitive dialogue process, Cabinet are recommended to approve entering into a 10 year partnership with Balfour Beatty Living Places, with an option to extend by a further 5 years, to relocate and manage a combined Romanse and CCTV service at City Depot and to delegate to the Director of Environment, in consultation with the Head of Finance & IT, the Head of Legal, HR and Democratic Services authority to make all necessary arrangements to action this decision.

## RECOMMENDATIONS:

- (i) That the City Council should enter into a 10 year partnership contract with Balfour Beatty Living Places with an option to extend by a further 5 years, to deliver a new combined ROMANSE and CCTV Service at City Depot with a service commencement date of 1<sup>st</sup> October 2012
- (ii) To delegate authority to the Director of Environment, in consultation with the Head of Finance and IT, the Head of Legal, HR and Democratic Services to proceed to financial and contractual close
- (iii) To delegate authority to the Head of Legal, HR and Democratic Services to enter into all necessary legal contracts and documentation to action the above decisions

## **REASONS FOR REPORT RECOMMENDATIONS**

1. The delivery arrangements for ROMANSE and CCTV services needed to be reviewed in order to ensure the Council delivered good value for money. The review was timed to coincide with break clauses and expiry of leases on current accommodation at Town Quay and St. Mary's Stadium.
2. With increasing financial pressures and reducing resources there was also a need to identify potential savings targets which need to be delivered over the next 2 years. Finally, a need to maintain and improve assets, and look at potential income generation means that the services cannot continue to be delivered in the same way.
3. Challenging savings targets of £520,000 have been set against the services to deliver over the next 2 years. These savings will be guaranteed as part of the contract sum and will be delivered in the first year of contract commencement. Alternatively the service will need to deliver them themselves over 2 years.
4. Following an options appraisal a new combined and co-located. ROMANSE and CCTV service was considered the best way forward. The comparison concludes that an externalised arrangement provides the council with the best value for money option and lower risk as opposed to continuing to provide the services in-house.

## **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

5. The option of continuing to deliver services in the current way was ruled out on the grounds that service efficiencies needed to be delivered, substantial savings were required and there was an opportunity to vacate premises.
6. The option of scaling the ROMANSE and CCTV services down to a skeleton service was considered and rejected because:
  - It is a high risk strategy because LTP and Safe Cities objectives would be very difficult to deliver which may impact on the Economic Development of the City
  - Additional funding when received for one off projects (for example through LTP or EDRF funding) would have to be treated as discrete projects and external consultants used to deliver the ROMANSE elements of these projects which would be a much more expensive approach.
  - There would be no strategic management of the City's road network.
  - This option would require further staff redundancies
7. The option of partnership working with other Authorities has been considered and rejected. Whilst this could generate savings and income, it requires complete cooperation with another partner Authority and is considered to be difficult to achieve in the timescales required and there are no guarantees that such an arrangement could be delivered.
8. The option of delivering ROMANSE and CCTV services through other delivery models such as a Trading Company has been rejected. Whilst the Council has trading functions, it currently does not have a Trading Company which would allow services to take a more commercial approach to charging and winning third party contracts. Setting up such a Trading Company is not possible in the timescales required in order to deliver savings and vacate properties.

9. Consideration was also given as to whether the combined service should be delivered in house or through a private sector partner. The two in house options considered were to deliver a combined ROMANSE and CCTV Service at City Depot, or alternatively at St Mary's Stadium. Both in house options have been considered against the preferred bidders final bid, but following evaluation of all 3 bids (as set out in appendices 3 -6) the conclusion is that the bid from Balfour Beatty Living Places provides a more robust solution and guarantee of delivering the required savings than either of the 2 in-house options.

## DETAIL

### Introduction and Background

10. In late 2010 a project was established under the direction of the Transformation and Efficiency Board to look at future service delivery arrangements of the ROMANSE and CCTV services.
11. These services operate out of Town Quay and St Mary's Stadium respectively and at the time, had suffered from a lack of investment for many years. These services, whilst not being statutory, contribute to the statutory Traffic Management Duty and Crime and Disorder Act obligations. **The services are described in Appendix 1** which details the scope of work currently undertaken, staff levels and service volumetrics.
12. Both services have control rooms and it was felt that combining the services would enable buildings to be vacated and savings to be maximised in line with the councils approach to property rationalisation. This was also necessary due to pressure on Council budgets, investment being required in the services and because potential additional income from third parties had not been fully realised, despite challenging targets being set.
13. An options appraisal was carried out and evaluated on the following criteria:
  - minimise draw on Council budget;
  - delivery of service efficiencies with minimal impact on service effectiveness;
  - improve staff and service quality and customer focus;
  - ability to generate income and expand service; and
  - flexibility and ability to respond to future developments and meet key service challenges.
14. An outline Business case was undertaken and assessed and on 13<sup>th</sup> April 2011 a report was taken to the Transformation and Efficiency Board recommending that a Private Sector Partner was the best way of relocating services.
15. The key findings were:
  - that the continued provision of these services was crucial to the economic well being of the City. Therefore simply cutting them was not an option;
  - that the relocation was technically complex;
  - that savings could not be delivered without investment;
  - that co locating at City Depot would have strategic, operational and financial benefits;

- that the external provider solution appeared to be the most appropriate method of delivery; and
  - that relocating to City Depot adjacent to Housing Services may offer further opportunities for integration at a later date.
16. On 4<sup>th</sup> July 2011 a report was taken to Cabinet and a recommendation approved to:
- “commence a competitive dialogue procurement process to select a private sector service provider to relocate the Council’s Intelligent Transport Systems and Public Safety CCTV services and to maintain and operate the services for a period of up to 15 years”
17. The report stated that:
- “On balance, the considered view is that tendering the services on the competitive market will drive down the cost of relocation (through innovation and risk transfer) and ensure service levels are protected to a greater degree than if delivered internally”.
18. Following this report, competitive dialogue was instigated with four interested bidders. This was reduced to two bidders, of which part way through competitive dialogue, one dropped out of the process due to being able to reach the affordability threshold. The City council continued dialogue with the remaining bidder and now has an affordable proposal from Balfour Beatty Living Places.
19. A decision is now recommended to proceed to enter into a partnership with Balfour Beatty Living Places to deliver a combined Romanse and CCTV service and commence the delivery arrangements in order to ensure that properties are vacated at Town Quay and the Stadium and to meet savings targets and deliver services effectively for the next 10 years.
20. The appendices to this report have been compiled to provide detail on the current services provided and specific details of the in house and externally provided service. The appendices are:
- **Appendix 1 – Details of the Current ROMANSE and CCTV Services**, which details the scope of work currently undertaken, staff levels and service volumetrics;
  - **CONFIDENTIAL Appendix 2 – Resource Implications for Option 1**, which details the resources for delivering a combined externally provided service at City Depot;
  - **CONFIDENTIAL Appendix 3 – Key Features and benefits of the Future Service Delivery Options**, which details the features and benefits of 3 options – an externally provided service compared against an in-house service based at City Depot or Saint Mary’s stadium;
  - **CONFIDENTIAL Appendix 4 – Key Features and benefits Comparison between Service Options**, which compares the options against a number of critical issues including cost, savings, risk of delivery, staffing, income, asset management and service delivery
  - **CONFIDENTIAL Appendix 5 – Options Cost Summary**, which

provides a summary of the overall costs of delivering the service, income generation and savings; and

- **CONFIDENTIAL Appendix 6 – SCC Risk Matrix**, which scores the likely risk of each element of the future service and an associated commentary.

### **Summary Comparison of Options and Conclusions**

21. The in house service and externally provided service are compared in Confidential Appendices 3 - 6
22. In conclusion the externally provided combined service at City Depot is recommended as the best option because:
  - it ensures a sustainable service will delivered over the next 10 years;
  - it maintains and renews assets to an average 5 year residual life;
  - it provides greater certainty in delivering the required savings;
  - the overall likelihood of success in terms of relocating services, upgrading equipment and transforming the service is higher than alternative in-house options;
  - risk is transferred away from the Council in terms of electricity price and usage increases and insurance claim collection;
  - a commercial approach is taken to additional income opportunities which supports the investment and the service;
  - detailed proposals exist for the technically complex relocation of services;
  - wider expertise is brought into the Council and project rates are agreed; and
  - service levels are defined and subject to performance deductions, therefore providing greater certainty on service delivery levels.

### **Timescales**

23. In order to facilitate the exit of services from St Mary's and Town Quay by year end, a mobilisation period would be required prior to contract commencement on 1<sup>st</sup> October 2012. The new combined service would be relocated and be operational from 1<sup>st</sup> February 2013 at City Depot.

### **Consultation**

24. Formal and informal consultation has taken place with staff and unions in accordance with the Council's Facilities Agreement and has been supported by HR Pay and Strategic HR/OD.
25. During consultation, the Unions raised concerns that terms and conditions of employment for current staff would not be maintained. They were also concerned that the future pay and terms and conditions of employment for any new staff recruited by the new provider, would be less favourable, creating a 'two tier' workforce.
26. Specifically Unions have also stated that they want
  - an open pension scheme;
  - admitted body status for the provider;
  - a clear understanding of what HR policies providers must adhere to;

- consultation on the evaluation of the bids; and
  - comparison with an in house option.
27. In response to the Unions concerns it has been agreed that:
- bidders have declared that they will gain admitted body status;
  - copies of the HR policies to which providers must adhere have been sent to the Unions; and
  - arrangements have been put in place to allow the Unions and their respective Offices to view the confidential parts of the Cabinet submission.
28. Concern was also expressed by the Unions that timely consultation had not taken place at the start of the project.  
Staff in ROMANSE and CCTV have been briefed as part of normal Team Meetings and their feedback has been in relation to:
- could the in-house option have an opportunity to gain income;
  - how the merged service would run;
  - what would the staffing levels be; and
  - whether there were opportunities for partnership working with other local authorities.
29. The need to engage the Unions and staff in the review of the service was recognised from the very start of the Project and they were made aware of the intention to look at co-locating CCTV and ROMANSE and entering dialogue with bidders early in 2011. Formal consultation was undertaken with ROMANSE staff in December 2011 and in January 2012 for CCTV staff and is ongoing. A joint formal consultation meeting of staff from ROMANSE, CCTV and the Unions was held on 7 March 2012.
30. Formal consultation began with Unions in November 2011 before the detailed solutions were sought. Many of the comments and concerns that have been received have been considered by both the Project team and the bidders so that they could be addressed.
31. Concerns raised by staff, such as staffing levels, have been used by the Project Team to challenge the bidders' solutions as part of on-going negotiations.
32. The transfer of staff is subject to TUPE regulations and any Council staff who would transfer to a new provider will have full protection of their contractual terms and conditions, such as pay. The ongoing recruitment and terms and conditions for the newly recruited staff during the life of the contract will be determined by the provider and it was not considered appropriate to require the new provider to continue to allow access to the Local Government Pension Scheme (the Local Government pension arrangements will therefore be a 'closed' scheme, so will only be available to staff who TUPE).
33. Consultation has taken place with the Leader of the Council, the Cabinet Member for Environment and Transport, Overview and Scrutiny, the Change Programme Steering Group (formerly the Efficiency and Transformation Board).
34. Further consultation will take place in line with TUPE regulations and Council Policy prior to contract commencement.

## **Human Resources implications**

35. SCC currently employs 9 people (9 Full time) within the CCTV Service and 5.5 people (5 Full time and 1 part time) within ROMANSE Service.
36. The externalising of the services provided by SCC falls within the Transfer of Undertakings (Protection of Employment) Regulations (TUPE).
37. Whilst the detailed implications would need to be agreed prior to the transfer, the principle is clear. Employees who are directly assigned to this service would transfer to the new service provider. This means that those currently identified by SCC as being assigned to the service in the area under consideration would transfer to the employment of the new provider, on their existing terms and conditions of employment.
38. The transferring organisation would receive 14.5 FTE members of staff and at point of transfer the receiving organisation will be responsible for any future liabilities.
39. A closed pension scheme is offered by the provider and the risk of changes to the employers contribution rate remains with the Council.
40. The proposal is for the receiving organisation to remain at the current office locations at St Mary's and Town Quay, in the first instance but with the proposal to move to City Depot.

## **RESOURCE IMPLICATIONS**

### **Capital/Revenue**

41. The financial evaluation of the bids shows that all 3 options meet the affordability criteria.
42. However, it is clear that in financial terms Option 1 (externalisation), based on the final tender submission by Balfour Beatty Living Places, provides a guaranteed contract price which is within the affordability envelope and thus ensures that the savings the Council had planned to achieve can be delivered.
43. Conversely, whilst the 2 in-house options meet the affordability envelope, there is less certainty in being able to deliver the required savings. If the savings cannot be delivered, then the in-house bids would not meet the affordability criteria. In particular, as set out in confidential appendix 5 and appendix 6, the affordability envelope can only be met by the in-house options if significant additional income can be earned, around which there is no guarantee.
44. The details of the how each of the 3 options compares to the affordability envelope are provided in confidential appendix 4.
45. The capital and revenue implications of the recommended option1 are set out in confidential appendix 2.

### **Property/Other**

46. If approved, the implication of this report is that leases at Ariadne House (Town Quay) and St Mary's Stadium will not be renewed long term. These leases have break clauses in December 2012 and November 2012 respectively. ROMANSE and CCTV services would move to City Depot.

## **LEGAL IMPLICATIONS**

### **Statutory power to undertake proposals in the report:**

47. The proposals set out in this report (both in relation to the delivery of and method of delivery of ROMANSE and CCTV services) are empowered by virtue of section 1 of the Localism Act 2011 (the General Power of Competence). The services are discretionary services but support the Council's Highways and Traffic management duties imposed under the Highways Act 1980, the Traffic Management Act 2004 as amended and associated Regulations.

### **Other Legal Implications:**

48. The use of CCTV systems is subject to the provisions of the Data Protection Act 1998 together with the statutory CCTV Code of Practice and the Human Rights Act 1998 (to the extent that use of CCTV impacts upon an individual's Right to Privacy as balanced with the necessity and proportionality of such impact having regard to the wider community safety and traffic management benefits). The contract will require the service provider to comply with the Council's duties in relation to these Acts and to indemnify the Council for any breach arising out of either express or unintentional breach of any statutory requirements in this regard.
49. The use of CCTV contributes to the Council's Crime & Disorder Strategies pursuant to its duties under s.17 of the Crime & Disorder Act 1998 to exercise its functions having regard to the need to reduce or eliminate crime & disorder in its area.
50. The proposals in this report have been considered in accordance with the Council's duties under s.149 of the Equalities Act 2010 and the requirement to exercise its functions having due regard to the need to eliminate discrimination, victimisation and harassment and to promote equality of opportunity between persons having protected characteristics and those who do not together with the need to take steps to promote services and access to services for such persons. The proposals in this report have been fully assessed in this regard and have a neutral impact on persons having protected characteristics as service provision will be enhanced over and above existing levels for the benefit of the wider community rather than being reduced, negatively varied or withdrawn.
51. The Stage 1 Integrated Impact Assessment has been completed and demonstrated several positive impacts in the external provider option in sustainability and environmental terms.

## **POLICY FRAMEWORK IMPLICATIONS**

52. The ROMANSE and CCTV services support the delivery of the Local Transport Plan (LTP), Community Safety Strategy and City of Southampton Strategy

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**KEY DECISION?** Yes

<b>WARDS/COMMUNITIES AFFECTED:</b>	ALL
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### **SUPPORTING DOCUMENTATION**

**Non-confidential appendices are in the Members' Rooms and can be accessed on-line**

#### **Appendices**

1.	Details of the Current ROMANSE and CCTV Services
2.	Resource Implications for Option 1- CONFIDENTIAL
3.	Key Features and benefits of the Future Service Delivery Options – CONFIDENTIAL
4.	Key Features and benefits Comparison between Service Options – CONFIDENTIAL
5.	Options Cost Summary - CONFIDENTIAL
6.	SCC Risk Matrix – CONFIDENTIAL

#### **Documents In Members' Rooms**

1.	NONE
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#### **Integrated Impact Assessment**

Do the implications/subject of the report require an Integrated Impact Assessment (IIA) to be carried out.	Yes
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#### **Other Background Documents**

**Integrated Impact Assessment and Other Background documents available for inspection at:**

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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1.	Integrated Impact Assessment	
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# Agenda Item 13

by virtue of paragraph number 3 of the Council's Access to information Procedure Rules

Appendix 6

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<b>DECISION-MAKER:</b>	CABINET COUNCIL
<b>SUBJECT:</b>	TOWNHILL PARK REGENERATION FRAMEWORK : FINANCIAL MODEL AND PHASE 1 CAPITAL EXPENDITURE
<b>DATE OF DECISION:</b>	16 APRIL 2012 16 MAY 2012
<b>REPORT OF:</b>	CABINET MEMBER FOR HOUSING

**STATEMENT OF CONFIDENTIALITY**

Confidential Appendix 1 contains information deemed to be exempt from general publication by virtue of Category 3 of paragraph 10.4 of the Council's Access to Information Procedure Rules as contained in the constitution.

The appendix includes details of a proposed transaction which, if disclosed prior to entering into a contract, could put the Council at a commercial disadvantage in the future. In applying the public interest test it is not considered appropriate to make public offers made as this could lead to a revision of bids.

Therefore, publication of this information could be to the Council's financial detriment.

**BRIEF SUMMARY**

On 12 March 2012 Cabinet approved a report on the regeneration of Townhill Park. Some of those recommendations were conditional on a further report on the outcome of an affordability assessment, the availability of Housing Revenue Account (HRA) and General Fund (GF) budgets and the completion of the assessment of delivery options. This report deals with these issues.

The "base case" analysis, which is based on the regeneration framework approved in March 2012 (the modified Central Park option), shows that there is a gross capital cost to the Housing Revenue Account of £10.7M (with a net cost of £8.1M after capital receipts) and that the 30 year HRA revenue surplus will be reduced by £21M. The General Fund (GF) will need to fund certain infrastructure improvements at an estimated cost of £2.8M, funding for which will need to be identified once the rules for the use of the Community Infrastructure Levy and the value of the GF capital receipts are known.

The report also sets out the implications of different redevelopment scenarios and options for the re-provision of the social housing. A scenario whereby 50% of the social housing is let at target rent has been recommended as the preferred approach. The subsidy from the council under this scenario, estimated at £3.9M, would be funded through a mixture of reduced HRA land receipts (£2.6M) and utilisation of uncommitted funding in the Housing GF capital programme (£1.3M). The net capital cost to the HRA would, therefore, increase from £8.1M to £10.7M, subject to legal advice.

## RECOMMENDATIONS:

### CABINET

Cabinet are recommended:

- (i) To agree that the HRA capital programme will fund the site preparation costs set out in this report, currently estimated at £10.7M, and:
  - To approve a virement of £10.7M from the uncommitted provision for Estate Regeneration which exists in the HRA capital programme and business plan to establish a specific budget for Townhill Park, the phasing for which is set out in appendix 2.
  - To approve, in accordance with Financial Procedure Rules, capital spending of £2.8M on phase 1 of the Townhill Park project, phased £0.3M in 2012/13, £1.6M in 2013/14 and £0.9M in 2014/15.
- (ii) To note that the General Fund capital programme will be required to fund highways infrastructure, open space improvements and replacement community facilities where appropriate, at an estimated cost of £2.8M with the method of funding this being agreed once the use of the Community Infrastructure Levy and the value of the GF capital receipts are known.
- (iii) To agree that the preferred approach for the provision of the new social housing is for this housing to be supplied by a Housing Association and that 50% of this new social housing provision will be provided for letting at target rents with a potential subsidy from the council, estimated at £3.9M, to be funded through a mixture of reduced land receipts (£2.6M) and utilisation of the uncommitted funding in the Housing GF capital programme (£1.3M), subject to legal advice on the potential financial implications for the HRA.
- (iv) To agree that the phase 1 regeneration of Townhill Park will be by way of a Development Agreement.
- (v) To agree to recommend to Council that:
  - £21M of the 30 year HRA revenue surplus is utilised to meet the long term revenue costs of the regeneration of Townhill Park which includes the requirement to repay the debt on the dwellings that have been disposed of from the general HRA revenue balance as there is no net capital receipt to fund this repayment.
  - The General Fund capital programme funds the highways infrastructure, open space improvements and replacement community facilities where appropriate, at an estimated cost of £2.8M with the method of funding this being agreed once the use of the Community Infrastructure Levy and the value of the GF capital receipts are known.

## **COUNCIL**

Council are recommended to:

- (i) Approve the use of £21M of the 30 year HRA revenue surplus to meet the long term revenue costs of the regeneration of Townhill Park, which includes the requirement to repay the debt on the dwellings that have been disposed of from the general HRA revenue balance as there is no net capital receipt to fund this repayment.
- (ii) Agree that the General Fund capital programme will fund the highways infrastructure, open space improvements and replacement community facilities where appropriate, at an estimated cost of £2.8M with the method of funding this being agreed once the use of the Community Infrastructure Levy and the value of the GF capital receipts are known.

## **REASONS FOR REPORT RECOMMENDATIONS**

1. To approve the financial implications of the regeneration framework for Townhill Park so that the regeneration proposals can proceed.

## **DETAIL (Including consultation carried out)**

### **Background**

2. On 12 March 2012 Cabinet approved a report on the regeneration of Townhill Park. Some of those recommendations were conditional on a further report on the outcome of an affordability assessment, the availability of Housing Revenue Account (HRA) and General Fund (GF) budgets and the completion of the assessment of delivery options. This report deals with these issues.
3. The financial assessment, covering affordability and budgets, can be divided into 2 distinct parts. One is the main regeneration activity involving the demolition of existing dwellings, the provision of new dwellings and other improvement works. The second concerns the provision of the new social housing and whether this is provided by the Council or a Housing Association and what rent levels are to be charged.
4. Trade Union representatives have been consulted on this report.

### **Main regeneration activity**

5. The overall financial assessment of the redevelopment has been prepared by the consultants (CBRE). Confidential appendix 1 provides a detailed report on the redevelopment. The following paragraphs highlight the key conclusions. It needs to be emphasised that the redevelopment costings are high level and based on current regional cost indices and will need to be updated on a regular basis and particularly when development briefs are prepared for specific sites and phases.
6. The approved Regeneration Framework involves the demolition of 380 HRA rented dwellings and also the acquisition and subsequent demolition of a further 48 homes sold under the Right-To-Buy (RTB). There is also the acquisition and subsequent demolition of 5 shop premises, a public house and a community centre where the HRA is the freeholder. All these costs will be met from the HRA. The gross cost over the 10 year regeneration

period of all these items is currently estimated at £10.7M. A more detailed analysis is provided in appendix 2, showing the initial assessment of when the spending will take place.

7. There is no General Fund contribution required for this site assembly activity. There are two GF sites in the regeneration area but there are no costs involved in preparing these sites for redevelopment.
8. As part of the provision of 675 new homes the regeneration framework includes the re-provision of 380 new dwellings for letting at social rents so that there is no loss of affordable housing as a result of the regeneration activity. The “base case” assessment has been prepared on the basis that all these dwellings are provided by a Housing Association and let at affordable rents.
9. This base case assessment gives a capital receipt to the HRA of £2.6M from the sale of the redevelopment land, leaving a net cost to the HRA capital programme of approximately £8.1M once the costs of preparing the sites for sale have been taken into account. The HRA business plan and capital programme has an uncommitted provision of £20M to support Estate Regeneration activity. This would therefore leave a balance of £11.9M to support future schemes.
10. Estate wide regeneration also has capital implications for the General Fund. These cover highway works, improvements to open spaces and re-provision of community facilities. This expenditure is estimated at £2.8M. There is currently no provision in the GF capital programme to meet these costs. However, two of the sites to be sold are held under GF powers so the capital receipts from the sale of these sites would accrue to the GF. These receipts are estimated at £0.5M and it is assumed that they will be applied towards the GF funding of £2.8M.
11. The redevelopment costings have also allowed for payment of the new Community Infrastructure Levy (CIL). This has been assessed using the fee structure that is currently out for consultation. A provision of £2.3M has been included in the redevelopment costings. This means that the council will potentially receive income from CIL of £2.3M from this redevelopment. This represents non ring fenced additional resources for the GF which could be used to fund the type of infrastructure included in the Townhill Park redevelopment plans. At this stage it is not possible to formally ring fence this CIL income for funding the expenditure at Townhill Park because the CIL arrangements are still under discussion. However, the GF will need to fund infrastructure improvements estimated at £2.3M and, if it were possible to utilise the CIL income, there would be no net cost for the GF capital programme.
12. In addition to the CIL payments, a broad assessment has been made of the potential Section 106 developer contributions, which indicates that a site specific transport contribution in the region of £0.4M could be sought. This potential expenditure has been allowed for in the modelling work.
13. The new infrastructure is not expected to have any material impact on GF revenue budgets.

14. For the HRA however, the impact of the loss of 380 dwellings has been assessed over the life of the 30 year HRA business plan. This shows that the projected 30 year surplus of £76M would be reduced by approximately £21M. The main reasons for this are:
- The loss of 380 dwellings represents a reduction in stock of approximately 2%. This reduction is not sufficient to enable a number of the costs associated with the general management of the HRA to be reduced.
  - There is no net capital receipt from the sale of the sites so there are no resources to enable the debt on these properties of approximately £4M to be repaid. This debt therefore has to be repaid from the projected 30 year revenue surplus.
  - The capital spending requirements included in the business plan for these dwellings is less than the average for the stock as a whole.
15. Whilst the capital and revenue costs for the HRA associated with the regeneration of Townhill Park are affordable within the context of the 30 year business plan it is clear that careful consideration will need to be given to the impact on the HRA of future phases of Estate Regeneration as the financial model for Townhill Park is not sustainable in the long term.
16. The above financial analysis has been based on a number of assumptions regarding costs and income that will clearly need to be updated on a regular basis, particularly when detailed development proposals are prepared for each phase and site. Further reports will be made to Cabinet / Council as appropriate if this analysis shows that net costs to the HRA or GF have increased.
17. A number of alternative scenarios to the approved regeneration framework have been assessed to see what impact each has on the overall financial viability of the regeneration framework. The scenarios are:
1. Redevelop Dewsbury Court
  2. Refurbish the shop units and the Ark.
  3. No development on Frogs Copse
  4. Higher code for sustainable homes
  5. 50% of new socially rented homes let at target rents rather than affordable rent
  6. 100% of new socially rented homes let at target rents rather than affordable rent
  7. Allowance for price and construction costs growth
  8. Interest costs increase by 0.5%

It should be noted that the consultants model has treated interest costs on council spending as a capital cost in the same way that a developer would approach funding a new project. In practice this is not the case and appendix 3 shows the HRA and GF capital position excluding interest costs.

18. The conclusion from the analysis is that scenarios 1, 2, 3 and 8 do not have a material effect on the financial position of the redevelopment. These therefore remain viable options for the future when detailed designs are prepared. Scenario 4 would render the redevelopment financially unviable whilst scenario 7 shows a substantially improved position, although there is still a net cost to the HRA. Scenarios 5 and 6 are examined below.

### **Options for the reprovion of social housing**

19. The regeneration framework includes the reprovion of socially rented housing on a one for one basis. Within this overall approach the key questions are:
- Will the reprovion be funded through the HRA or undertaken by a Housing Association?
  - What proportion of the newly rented homes will be made available at target rents as opposed to affordable rents?
20. The issue of what rent levels to charge is a significant one. In April 2002 the Government introduced rent reforms for tenants of all social landlords, which included local authorities and housing associations. Each property has a “target rent” calculated. Most housing association rents have now reached target rent but in the HRA, 2012/13 rent levels are still 5.5% below target. Over the next few years this shortfall will be made good, meaning that rent increases will need to exceed inflation for some time to come. By the time the redevelopment takes place most existing HRA rents will have reached their full target rent level (see table in paragraph 19).
21. In October 2010 the Government announced the introduction of a new social housing tenure called Affordable Rent as part of the Comprehensive Spending Review. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80 per cent of the local market rent. Affordable rent applies to new build (and some relets) of existing Housing Association owned social rented housing. These homes continue to be let through the council’s Homebid scheme. As part of the proposals for Townhill Park properties developed for affordable rents would have substantially higher rents than target rents. The table below, which uses 2011/12 data, compares the current average rents paid by tenants in Townhill Park for different property types with the comparable rents a Housing Association would charge for a similar new dwelling and also with the new affordable rents:

	Average Actual Rents 2011/12	Target rent for new HA dwelling 2011/12 (^)	Affordable Rent 2011/12	% increase of affordable rent over target rent
	£ per week	£ per week	£ per week	%
1 Bed Flat	60.72	73.11	101.54	38.9%
2 Bed Flat	67.83	84.25	120.00	42.4%
2 Bed House	75.48	89.69	144.00	60.6%
3 Bed House	80.44	101.92	166.15	63.0%
^ - Target rents for HRA dwellings would be 2.96% lower for flats and 5% higher for houses.				

22. Affordable Rent is part of the new funding regime to provide new social housing development. Housing Associations (now known as Registered Providers) have, from 2011, bid for resources to develop social housing based on the fact that these developments would be at Affordable Rent. The introduction of Affordable Rent tenure is a resourceful way of achieving more with less, but the new rent levels are significantly higher. In general terms this means new clients having to pay significantly more for their accommodation than existing clients. If Affordable Rent is the only tenure available following Estate Regeneration, existing clients could be squeezed out of the area. This is significant for a regeneration project such as Townhill Park where it will be important that existing social tenants have the opportunity to remain in the regenerated area. At the same time it will be equally important that a range of tenures of properties are available to encourage the creation of a balanced and sustainable community that moves away from deprivation.
23. Given that the affordable rents model is now the one main vehicle for generating investment in new social housing supply, realistically there is no alternative way of providing the new social housing at target rents other than by the local authority providing some subsidy. It is proposed that regeneration in Townhill provides social housing at 50% Affordable Rent and 50% Target Rent.
24. The base case assessment undertaken by the consultants (CBRE) assumed that all the new dwellings would be owned by a housing association and let at affordable rent. If 50% of these dwellings were let at target rent the housing association would require a subsidy from the council. This has been estimated at £3.9M (scenario 5). If 100% of these dwellings were let at target rent the housing association would require a subsidy from the council estimated at £7.8M (scenario 6).
25. A direct contribution from the Council to a Housing Association for the provision of new social housing is a cost to the GF capital programme. This programme has an uncommitted sum of £1.7M available to support affordable housing. This funding must be used to help fund the costs of new housing provision so it would be possible to use it to help pay this subsidy.

26. An alternative approach could be for the development brief to specify that a certain percentage of dwellings must be let at target rents. This would mean that the housing association would pay less to the developer to acquire the properties. This in turn would reduce the capital receipt the developer would pay to the Council for the land. Care would be needed with this approach to ensure that the redevelopment did not become financially unviable. Legal advice would also be needed on the financial implications for the HRA as this course of action could reduce the HRA capital receipt by up to £2.6M. This would leave the HRA with no capital receipt and increase the net capital costs to £10.7M.
27. As the preferred way forward is for 50% of the new social housing to be let using target rents it would be possible, subject to legal advice, to adopt a mix of the above funding approaches so that the subsidy is funded through a mixture of reduced HRA land receipts and utilisation of the uncommitted funding in the Housing GF capital programme. Three funding options are set out below for meeting the £3.9M anticipated subsidy required to deliver 50% of the reprovision at target rent:
28. **Option A:** the General Fund capital programme funding of £1.7M for affordable housing is utilised, which would leave a gap of £2.2M to be met by the GF for which there is currently no funding available. There is no impact on the HRA from this option.
- Option B:** as option A, but a reduction in the HRA capital receipt is used to meet the £2.2M funding gap (so no GF pressure).
- Option C:** the full anticipated HRA capital receipt of £2.6M is utilised. The balance of funding of £1.3M would be met from £1.7M available in the General Fund capital programme.

Based on the current options presented above, the impact on the HRA and General Fund of each option is set out below:

**Impact on GF: Housing Association 50% Target Rent**

OPTION	A	B	C
	£M	£M	£M
Subsidy Required	3.9	3.9	3.9
Contribution from GF Capital Prog.	(1.7)	(1.7)	(1.3)
Reduction in HRA Capital Receipt	0.0	(2.2)	(2.6)
<b>GF Funding Gap</b>	<b>2.2</b>	<b>0.0</b>	<b>0.0</b>

**Impact on HRA: Housing Association 50% Target Rent**

OPTION	A	B	C
	£M	£M	£M
HRA Capital Cost	10.7	10.7	10.7
Capital Receipt (Base Case)	(2.6)	(2.6)	(2.6)
HRA Capital Receipt reduction to offset HA 50% Target Rent	0.0	2.2	2.6
<b>Revised HRA Net Capital Outlay</b>	<b>8.1</b>	<b>10.3</b>	<b>10.7</b>

### Remaining HRA Capital Sum Available for Estate Regeneration: Housing Association 50% Target Rent

OPTION	A	B	C
	£M	£M	£M
HRA Capital Sum for Estate Regeneration	20.0	20.0	20.0
Capital Outlay Townhill Park	(8.1)	(10.3)	(10.7)
<b>Revised HRA Capital sum for Estate Regeneration</b>	<b>11.9</b>	<b>9.7</b>	<b>9.3</b>

29. Alternatively the new dwellings could be owned by the HRA. There would be no reduction in capital receipts for the HRA or use of GF budgets. It is however, necessary to assess the impact on the HRA business plan of the acquisition of these dwellings. This has been assessed using the current 30 year HRA business plan. The following variations are in addition to the £21M reduction in the 30 year surplus referred to in paragraph 12:

- If the HRA let all the new dwellings at affordable rent there is no impact on the HRA surplus – in other words the income covers the expenditure involved.
- If the HRA let 50% of the new dwellings at target rent then the HRA surplus would reduce by £11M – in other words it would take longer than 30 years for the HRA to recover its costs.
- If the HRA let all the new dwellings at target rent then the HRA surplus would reduce by £22M.

30. The above analysis has been done on the basis that the extra borrowing the HRA would need to undertake to fund the new build programme has been repaid by the end of the 30 year business plan. Therefore the new properties are debt free so there is a higher long term annual surplus for the HRA under any of the new build options but it takes longer than 30 years for there to be an increase in the cumulative surplus.

31. It is therefore proposed that all the new provision is provided by a housing association with 50% to be let at target rent. It is further recommended that **Option C** is adopted to fund the additional cost to the council, due to the need to avoid a further General Fund pressure and a desire to retain part of the GF capital provision for future affordable housing projects.

#### Other financial assumptions / issues

32. The financial assessment has assumed that there will be no grant from the Homes and Communities Agency towards the social housing provision. This is a prudent assumption as the new provision will take place after the current HCA grant regime has finished and there is no information available about what might replace it after 2015.

33. Similarly, no income has been assumed from the New Homes Bonus as beyond 2014/15 this will come from formula grant. Whilst the government have indicated this funding is intended to be a permanent feature of the local government finance system, given the current review of local government financing, there is no certainty as to the mechanism and methodology by which this will be calculated and distributed.
34. It needs to be emphasised that the redevelopment costings are based on current regional cost indices and will need to be updated on a regular basis and particularly when development briefs are prepared for specific sites and phases. These updates will also include the impact of Section 106 costs, final CIL arrangements and the availability of grant as these issues become clearer.
35. It has also now been possible to undertake a detailed “zone by zone” assessment of the master plan. This has shown that there are a few zones where the redevelopment costs are comparatively high compared to the number of new homes provided. As the detailed development briefs are produced it would be sensible to review the detailed plans for these zones to see if the financial position can be improved without compromising the regeneration of the area.

### **Assessment of Delivery Options**

36. The delivery options are:
  - Using a development agreement,
  - Setting up a Joint Venture with one or more private sector partners
  - The council acting as a developer and undertaking all the work itself.
37. Confidential appendix 1 gives a full assessment of these options. In summary the option of the council acting as a developer is considered to expose the council to undue risks and this is not the council’s area of expertise. This option is therefore not recommended for further consideration.
38. The Development Agreement is the route the council has adopted in previous schemes and it is proposed that this route is adopted for phase 1 at Townhill Park. The option of a Joint Venture needs further consideration, particularly in light of the potential regeneration of further parts of the city, the master planning for which was agreed by Cabinet in February.

### **Planning Strategy**

39. The consultants’ report recommends that the Council consider obtaining either outline planning consent or adoption of the Regeneration Framework as a Supplementary Planning Document (SPD). The Council will investigate the benefits of these approaches as the work moves forward.

### **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

40. The option of not approving the financial contributions to meet the cost of delivering the regeneration framework has been rejected as it would not enable the regeneration of Townhill Park to proceed.
41. The option of the HRA providing the new social housing has been rejected as it would increase the impact on the 30 year HRA revenue surplus.

## RESOURCE IMPLICATIONS

### Capital/Revenue

42. The overall capital and revenue implications of the regeneration framework have largely been set out above. However, one of the principles agreed by council for developing the HRA business plan is that the debt outstanding on a dwelling should be repaid from the proceeds of the sale when it is sold. This is not possible at Townhill Park as there is no net capital receipt. The debt on these dwellings will need to be repaid from the projected 30 year revenue surplus which is one of the reasons why the 30 year surplus is lower than reported in the budget. This is a matter which needs the approval of Council.
43. In order to progress with phase 1 once a development brief has been agreed it is also proposed that Cabinet agree to the capital expenditure involved in getting the sites in phase 1 ready for development. A more detailed assessment of these costs is set out below:

	2012/13	2013/14	2014/15	Total
	£000	£000	£000	£000
Demolition	0	0	596	596
Tenant compensation	66	453	66	585
Leaseholder compensation	157	1,069	159	1,385
Project management	77	78	79	234
Total	300	1,600	900	2,800

44. It is therefore recommended that capital expenditure of £2.8M is approved, in accordance with Financial Procedure Rules, provision for which exists within the approved HRA capital programme.

### Property/Other

45. There are no additional implications above those set out in the report to Cabinet in March 2012.

## LEGAL IMPLICATIONS

### Statutory Power to undertake the proposals in the report:

46. The capital receipt the council receives from the land sale will vary depending from the differing levels of social housing provision that is specified for letting at target rent. It will be necessary to seek legal advice on the accounting implications for the HRA of this approach before financial implications for the council can be fully assessed. It is also necessary to ensure that the sale represents best consideration for the Council; otherwise it would be necessary to obtain the Secretary of States consent to the disposal.

### Other Legal Implications:

47. None.

## POLICY FRAMEWORK IMPLICATIONS

48. The updated Housing Strategy 2011-15 and Housing Revenue Account Business Plan 2011-2041 approved by Cabinet on 4<sup>th</sup> July 2011 (and Council on 13<sup>th</sup> July 2011) confirm estate regeneration as a key priority for the Council. The proposals in this report will contribute towards the achievement of these objectives.

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### **SUPPORTING DOCUMENTATION**

**Non-confidential appendices are in the Members' Rooms and can be accessed on-line**

#### **Appendices**

1.	Confidential – Detailed draft consultants report giving financial assessment of the regeneration proposals
2.	Townhill Park Capital Expenditure and Income – all phases
3.	Impact on overall Financial Position of different scenarios.

#### **Documents In Members' Rooms**

1.	None.
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#### **Integrated Impact Assessment**

Do the implications/subject/recommendations in the report require an Integrated Impact Assessment to be carried out.	Yes/No
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#### **Other Background Documents**

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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1.	None	
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**Integrated Impact Assessment and Other Background documents available for inspection at:**

<b>WARDS/COMMUNITIES AFFECTED:</b>	Harefield and Bitterne Park
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Document is Confidential

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