

Public Document Pack

CABINET

Monday, 1st February, 2010
at 5.00 pm
Civic Centre

This meeting is open to the public

Members

Councillor Samuels (Leader)
Councillor Dean, Cabinet Member for Environment
and Transport
Councillor Hannides, Cabinet Member for Leisure,
Culture and Heritage
Councillor Moulton, Cabinet Member for Resources
and Workforce Planning
Councillor Smith, Cabinet Member for Economic
Development
Councillor White, Cabinet Member for Adult Social
Care and Health
Councillor Williams, P, Cabinet Member for
Housing and Local Services
Councillor Holmes, Cabinet Member for Children's
Services and Learning
Councillor Walker, Cabinet Member for
Safeguarding Children and Youth Services

(QUORUM – 3)

Contacts

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BACKGROUND AND RELEVANT INFORMATION

The Role of the Executive

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

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

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

Key Decisions

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

- financial impact (£200,000 or more)
- impact on two or more wards
- impact on an identifiable community

Decisions to be discussed or taken that are key decisions are denoted by a key symbol (🔑) on the agenda.

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 Six Priorities

- Providing good value, high quality services
- Getting the City working
- Investing in education and training
- Keeping people safe
- Keeping the City clean and green
- Looking after people

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)

2009	2010
01 June	18 January
29 June	1 February
7 July	15 February
27 July	15 March
10 August	19 April
07 September	
28 September	
26 October	
23 November	
21 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 3.

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

3 STATEMENT FROM THE LEADER

4 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 ITEM NO:5

Appendix 4 to this report is not for publication by virtue of Category 3 (Information relating to the financial or business affairs of any particular person including the Council) of paragraph 10.4 of the Council's Access to Information Procedure Rules as contained in the Council's Constitution. It is not considered to be in the public interest to disclose this information because this Appendix contains confidential and commercially sensitive information relating to the potential funding sources for the Sea City Museum Scheme and the financial impact of certain possible options upon other parties and the Council's financial position. Given the commercial sensitivity of this information, in that its disclosure could adversely impact upon the parties and the Council's negotiating positions and therefore have an adverse impact on the parties and the Council's financial position, it is considered that the public interest in withholding this information at this time is greater than the public interest in disclosing it.

5 GENERAL FUND CAPITAL PROGRAMME - 2010/11 TO 2012/13

Report of the Cabinet Member for Resources and Workforce Planning seeking approval to recommend to Council that the updated Capital Programme be approved, attached.

6 GENERAL FUND REVENUE BUDGET - 2011/12 TO 2012/13

Report of the Cabinet Member for Resources and Workforce Planning seeking approval to recommend to Council that the updated Revenue Budget be approved, attached.

7 HOUSING REVENUE ACCOUNT BUDGET REPORT

Report of the Cabinet Member for Housing and Local Services seeking approval of the Housing Revenue Account budget proposals to be recommended to the budget setting Council meeting on 20th February 2010 including:-

(a) the proposed 2010/11 Housing Revenue Account (HRA) revenue estimates for all of the day to day services provided to Council Tenants in the City, together with the proposed rent and service charge increases for Council Tenants from April 2009; and

(b) the HRA Capital Programme for the period to 2012/13, which will include an assessment of the resources available to finance major housing capital projects in the City.

Friday, 22 January 2010

SOLICITOR TO THE COUNCIL

Agenda Item 5

DECISION-MAKER:	CABINET COUNCIL		
SUBJECT:	THE GENERAL FUND CAPITAL PROGRAMME 2009/10 - 2012/13		
DATE OF DECISION:	1 ST FEBRUARY 2010 17 TH FEBRUARY 2010		
REPORT OF:	CABINET MEMBER FOR RESOURCES & WORKFORCE PLANNING PORTFOLIO		
AUTHOR:	Name:	ROB CARR	Tel: 023 8083 2708
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STATEMENT OF CONFIDENTIALITY

Appendix 4 to this report is not for publication by virtue of Category 3 (Information relating to the financial or business affairs of any particular person including the Council) of paragraph 10.4 of the Council's Access to Information Procedure Rules as contained in the Council's Constitution. It is not considered to be in the public interest to disclose this information because this Appendix contains confidential and commercially sensitive information relating to the potential funding sources for the Sea City Museum Scheme and the financial impact of certain possible options upon other parties and the Council's financial position. Given the commercial sensitivity of this information, in that its disclosure could adversely impact upon the parties and the Council's negotiating positions and therefore have an adverse impact on the parties and the Council's financial position, it is considered that the public interest in withholding this information at this time is greater than the public interest in disclosing it.

SUMMARY

The purpose of this report is to inform Council of any major changes in the overall General Fund Capital Programme since it was last reported on 16th September 2009. This report also outlines the way in which the revised programme has been funded reflecting the changes in availability and usage of capital resources.

The net result of the changes in this report is that the current overall programme has increased by £33.4M.

RECOMMENDATIONS:

CABINET

Recommends that Full Council

- (i) Approve the revised General Fund Capital Programme and use of resources;
- (ii) Add an additional £2.0M to the Resources and Workforce Planning programme for Repairs and Maintenance backlog to be funded by unsupported borrowing;

- (iii) Add an additional £270,000 to the Adult Social Care and Health programme for essential Health and Safety works and equipment replacement at Care Homes to be funded by unsupported borrowing;
- (iv) Add an additional £2.660M to the Environment and Transport programme for the replacement of the cremators to be funded by £1.742M of unsupported borrowing and £918,000 of direct revenue financing both of which are funded from increased cremation charges;
- (v) Add an additional £312,000 to the Economic Development programme for feasibility studies and programme management to be funded by unsupported borrowing;
- (vi) Adds £13.585M to the Leisure Culture and Heritage Capital Programme for the balance of funding for the Heritage Centre Scheme the funding for which is explained in this report
- (vii) Notes the transfer of £1.7M from the programmed maintenance budget to the ASAP Accommodation project in order to better co-ordinate works throughout the Civic Centre.
- (viii) Approves the over programming of £7.1M as detailed in paragraph 11.

COUNCIL

It is recommended that Council

- (i) Approve the revised General Fund Capital Programme and use of resources;
- (ii) Add an additional £2.0M to the Resources and Workforce Planning programme for Repairs and Maintenance backlog to be funded by unsupported borrowing;
- (iii) Add an additional £270,000 to the Adult Social Care and Health programme for essential Health and Safety works and equipment replacement at Care Homes to be funded by unsupported borrowing;
- (iv) Add an additional £2.660M to the Environment and Transport programme for the replacement of the cremators to be funded by £1.742M of unsupported borrowing and £918,000 of direct revenue financing both of which are funded from increased cremation charges;
- (v) Add an additional £312,000 to the Economic Development programme for feasibility studies and programme management to be funded by unsupported borrowing;
- (vi) Add £13.585M to the Leisure Culture and Heritage Capital Programme for the balance of funding for the Heritage Centre Scheme the funding for which is explained in this report
- (vii) Notes the transfer of £1.7M from the programmed maintenance budget to the ASAP Accommodation project in order to better co-ordinate works throughout the Civic Centre.

- (viii) Approve the over programming of £7.1M as detailed in paragraph 11.

REASONS FOR REPORT RECOMMENDATIONS

1. The update of the Capital Programme is undertaken twice a year in accordance with Council Policy and is required to enable schemes in the programme to proceed and to approve additions and changes to the programme.

CONSULTATION

2. The General Fund Capital Programme update summarises additions to the capital programme since September 2009. Each addition to the capital programme has been subject to the relevant consultation process at the time. The content of this report has been subject to consultation with Finance Officers from each portfolio.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3. The update of the Capital Programme is undertaken within the resource constraints imposed on it. No new schemes can be added unless specific additional resources are identified. Alternative options for new capital spending are considered as part of the Budget setting process.

DETAIL

THE FORWARD CAPITAL PROGRAMME

4. The following table shows a comparison of the total planned expenditure for each year with the sums previously approved. The Latest Programme figures include additions to the programme which are subject to approval of the specific recommendations.

	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Later Years £000	Total £000
Latest Programme	61,765	83,172	38,817	23,652	10,636	218,042
Sept 2009 Programme	70,101	59,641	27,566	0	27,293	184,601
Variance	(8,336)	23,531	11,251	23,652	(16,657)	33,441

5. The above table shows that the General Fund Capital Programme has increased by £33.4M. With the exception of changes requiring approval detailed in this report's recommendations, all of the increase has been previously approved by Council, Cabinet or under delegated authority. The change in individual portfolios' capital programmes is shown in the following table and a summary of the major variations, together with the source of funding and the priorities to which they contribute, is detailed in Appendix 2:

	Latest Programme £000	Previous Programme £000	Total Change £000
Children's Services	58,160	51,555	6,605
Economic Development	12,978	12,701	277
Environment and Transport	47,587	42,846	4,741
Adult Social Care and Health	3,687	3,239	448
Housing and Local Services	25,623	20,697	4,926
Leaders Portfolio	0	0	0
Leisure, Culture & Heritage	40,707	26,761	13,946
Resources & Workforce Planning	29,300	26,802	2,498
TOTAL GF CAPITAL PROGRAMME	218,042	184,601	33,441

CAPITAL RESOURCES

6. The resources which can be used to fund the capital programme are as follows:
- Supported Borrowing
 - Unsupported Borrowing
 - Capital Receipts from the sale of HRA assets
 - Capital Receipts from the sale of General Fund assets
 - Contributions from third parties
 - Central Government Grants
 - Grants from other bodies
 - Direct Revenue Financing raised from Council Tax payers or balances
7. Capital Receipts from the sale of Right to Buy (RTB) properties are passed to the General Fund capital programme to support the Housing Association schemes within the Housing and Local Services Portfolio.

CHANGES IN AVAILABLE RESOURCES

8. The additional spending within the Capital programme must be met from additional sources of finance. The following table shows the resource changes that have taken place since September 2009:

	£000
Unsupported Borrowing	3,199
Capital Receipts	2,280
Contributions	12,041
Capital Grants	14,699

Car Parking Surplus	(200)
Direct Revenue Financing from Balances	496
Direct Revenue Financing from Portfolios	1,614
Total Change in Available Resources	34,129

9. The main reasons for the resource changes are detailed in Appendix 3. However, it should be noted that resource assumptions in respect of Disabled Facility Grants and other Private Sector Housing grants are based on officer forecasts and that allocations for future years will not be known until after the capital programme has been approved. Should these allocations be less than anticipated it will be necessary to review the amounts in the programme or consider alternative funding sources.

OVERALL USE OF RESOURCES

10. The following table shows capital expenditure by portfolio and the use of resources to finance the General Fund Capital Programme:

	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Later Years £000	Total £000
Children's Services	16,819	29,277	8,523	3,509	32	58,160
Economic Development	8,327	2,929	0	0	1,722	12,978
Environment and Transport	20,130	21,172	5,233	1,052	0	47,587
Adult Social Care and Health	1,862	1,825	0	0	0	3,687
Housing and Local Services	6,824	8,100	5,673	4,736	290	25,623
Leisure, Culture & Heritage	4,088	8,276	11,048	8,703	8,592	40,707
Resources & Workforce Planning	3,715	11,593	8,340	5,652	0	29,300
TOTAL GF CAPITAL PROGRAMME	61,765	83,172	38,817	23,652	10,636	218,042

	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Later Years £000	Total £000
Financing:						
Supported Borrowing	8,763	6,840	6	0	0	15,609
Unsupported Borrowing	18,936	12,608	1,423	2,954	2,035	37,956
Capital Receipts	12,242	6,674	6,365	3,001	20,580	48,862
Contributions	3,470	9,161	9,612	3,382	1,278	26,903
Capital Grants	17,400	31,200	9,801	11,174	1,724	71,299
Car Parking Surplus	0	0	200	0	0	200
Direct Revenue Financing from Balances	1,579	1,174	498	0	0	3,251
Direct Revenue Financing from Portfolios	2,541	3,882	336	133	0	6,892
Total Financing	64,931	71,539	28,241	20,644	25,617	210,972
Surplus/(Deficit)	3,166	(11,633)	(10,576)	(3,008)	14,981	(7,070)

11. The table above shows that following the latest update of the capital programme there is deficit of £7.1M due largely to the loss of capital receipts. At this stage rather than make large scale changes to the existing programme for what it is hoped is a short term problem, it is recommended that the Council 'over programme' on the basis that in future years the position will recover. It is felt that this position is still prudent as the Council has decided not to proceed with a number of major land sales due to the current economic climate, the value of which more than covers the current level of over programming.
12. The table also shows that there is deficit funding in the early years of the programme and whilst it is anticipated that slippage in spending and new sources of capital funding will become available to cover this, Council in September approved delegated powers to prudentially borrow to cover any in year deficit if required
13. The proposed capital programme in this report contains five major items for approval :-
- The addition of £2M in 2012/13 to further fund the backlog of Repair and Maintenance within the Resources and Workforce Planning programme to be funded from unsupported borrowing, which will be used for works in the Magistrates Court and Art Gallery.
 - The addition of the full Heritage Centre / Sea City Museum Scheme, taking the provision up to the estimated cost of £15M as set out in previous Cabinet and Council reports.
 - The addition of £270,000 for Health and Safety works and equipment replacement in Care Homes within the Adult Social Care and Health programme to be funded by unsupported borrowing.
 - The addition of £2.66M to fund the replacement of the cremators within

the Environment and Transportation programme to be funded by £1.742M unsupported borrowing and £918,000 of direct revenue financing both of which are funded from increased cremation charges.

- The addition of an extra £312,000 for feasibility studies and programme management for major sites in the Economic Development programme to be funded by unsupported borrowing. At this stage only the costs in 2010/11 are being added. The feasibility studies in question being:

Town Depot - £90,000

Royal Pier - £150,000

College Street - £50,000

Capital Funded Programme Management Posts - £22,000

These changes are explained in more detail below.

14. The phasing of the prudential borrowing means that additional revenue costs of £223,000 will need to be taken into account in setting the budgets from 2011/12 onwards.
15. Taking all of these issues in to account means that the biggest individual deficit is £11.6M in 2010/11. However, analysis of previous programmes has shown that there has been on average a minimum level of slippage of £15M per annum and therefore based on the current profile of the programme it is anticipated that the over programming can be contained.
16. It is therefore proposed at this stage to manage the deficit in individual years through slippage in the programme, which will be monitored carefully throughout the year although delegated powers do exist to prudentially borrow in the event of a deficit in any particular year. The overall deficit of £7.1M in the programme will be met from new resources that will become available in future years or by the use of prudential borrowing, the costs of which will have to be built into future budget forecasts.
17. The main changes in the capital programme are outlined in paragraph 13 above, and some of these schemes have been subject to separate reports to Cabinet or Council in recent months. The following paragraphs outline in more detail the changes that have been made.

CHANGES TO THE PROGRAMME

18. An additional £2.66M has been added to the Environment & Transport portfolio for the replacement of the cremators. This is funded by £1.742M of unsupported borrowing and £918,000 of direct revenue financing both of which are funded from increased cremation charges. Cabinet approved spend on this scheme on the 21st December 2009 subject to Council approval of its addition which was given on the 20th January 2010.
19. A recommendation to approve the addition of £312,000 to the Economic Development portfolio is included within this report. This additional expenditure is for feasibility studies and programme management for major projects as outlined in paragraph 13 and is funded by unsupported borrowing at a revenue cost of £23,000 per annum. This is a continuation of previous funding that has been allocated to progress these key sites in the City but due to restrictions on capital funding provision is only being made one forward year at a time.

20. A recommendation to approve the addition of £270,000 to the Adult Social Care & Health portfolio is included within this report. This additional expenditure is for essential health and safety work and equipment replacement at care homes and is funded by unsupported borrowing at a revenue cost of £20,000 per annum. There is an ongoing need to provide equipment and undertake essential works to the City's care homes which was previously met by annual supported borrowing approvals given by the Government. However these have now dropped to such a low level it has been necessary to add additional resources to ensure that minimum standards are maintained.
21. A recommendation to approve the addition of an extra £2.0M to the Resources & Workforce Planning portfolio is included within this report consistent with previous years. This funding together with provisions from previous years is being used to progress two major pieces of work. Approximately £1.2M is needed to undertake works within the magistrates court block which were not included in the ASAP accommodation project as it was unclear how this building was going to be used in the future. Now that the Heritage Centre scheme is progressing these works will be essential in order to complete all of the necessary improvements to the building. A further £1.9M is needed for essential works to the Art Gallery Roof and Air Handling Unit.
22. It should also be noted that other funding for planned maintenance of £1.5M has been transferred to the ASAP Accommodation project in order to better co-ordinate the spending on maintenance within the different phases of this project. This will ensure that works are planned more effectively and should avoid any duplication, or unnecessary expenditure.
23. This report also seeks to add the full £15M for the Heritage Centre Scheme. The capital programme agreed in September last year included £1.4M for initial feasibility and design fees associated with a new Heritage Centre, some of which has been funded from Heritage Lottery Funding following initial approvals for the scheme. A bid has been submitted to the HLF for the full £5M grant funding towards the total scheme costs of £15M and this will be decided by the HLF in March this year.
24. In order to underline the Council's commitment to the scheme, the full cost of £15M is recommended to be added to the capital programme as part of this report. The funding for which is made up of £5M grant from the HLF, £5M of sponsorship and fundraising and £5M as a contribution from the City Council.
25. The £5M Council contribution is added to the capital programme as a committed and funded project and the details of the potential funding sources are contained in Confidential Appendix 4. The Council is currently pursuing a number of possible funding sources which are included in the appendix in confidence due to the commercial sensitivities of the parties involved.
26. At Full Council on 18th November 2009 it was unanimously agreed that "Council welcomes that all political parties in this Chamber support the delivery of the cultural quarter and see it as essential for the continued regeneration of the city. In order to ensure that the cultural quarter is delivered with the support of all relevant stakeholders, Council endorses the Executive's decision to suspend from the forward plan the proposed sale of art. The Council calls on the Executive to continue investigating alternative sources of funding."

It has therefore been assumed that art sales can make no contribution to the scheme.

FINANCIAL/RESOURCE IMPLICATIONS

Capital

27. As set out in the report details.

Revenue

28. This report principally deals with capital. However, the revenue implications arising from borrowing to support the capital programme are considered as part of the General Fund Revenue Budget report elsewhere on the agenda. In addition any revenue consequences arising from new capital schemes are considered as part of the approval process for each individual scheme.

Property

29. There are no specific property implications arising from this report other than the schemes already referred to within the main body of the report.

Other

30. None.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

31. The General Fund Capital Programme update is prepared in accordance with the Local Government Acts 1972 – 2003.

Other Legal Implications:

32. None directly, but in preparing this report, the Council has had regard to the Human Rights Act 1998, and the Race Relations (Amendment) Act 2001 and other associated legislation.

POLICY FRAMEWORK IMPLICATIONS

32. The update of the Capital Programme forms part of the overall Budget Strategy of the Council.

SUPPORTING DOCUMENTATION

Appendices

1.	General Fund Capital Programme – Scheme Details
2.	Major Variations since September 2009 Capital Update
3.	Major Reasons for Changes in Capital Resources
4.	Confidential Appendix for Heritage Centre Funding

Documents In Members’ Rooms

1.	None
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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)

1.	The General Fund Capital Programme 2008/09 to 2011/12 as approved by Council on 16th September 2009.	
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Background documents available for inspection at:

KEY DECISION? YES

WARDS/COMMUNITIES AFFECTED:	The Capital Programme affects all wards in the City.
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CHILDREN'S SERVICES & LEARNING PORTFOLIO

Scheme No.	Description	Prior to 2009/10		Estimate 2009/10		Estimate 2010/11		Estimate 2011/12		Estimate 2012/13		Estimate Later Yrs		Total	Project Manager
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Approved Schemes															
E0050	The Warren Centre Capital Project	832	15	0	0	0	0	0	0	0	0	0	0	847	Connelly, John
E4*	Early Years & Pre-Schools	7	1,112	4,132	0	0	0	0	0	0	0	0	0	5,251	Hoyes, Patricia
E6000	Youth Capital Fund	348	132	120	0	0	0	0	0	0	0	0	0	600	Tickner, Andrew
E6720	Closure of Highcrown St (Highfield School)	232	222	0	0	0	0	0	0	0	0	0	0	454	Floyd, Colin
E6920	SEN Review - Phase 1	10,071	422	0	0	0	0	0	0	0	0	0	0	10,493	Kitson, David
E6921	SEN Review - Great Oaks Phase 2	85	200	1,423	0	0	0	0	0	0	0	0	0	1,708	Hards, Richard
E6922	14-19 Diplomas, SEN and Disabilities	0	0	6,075	0	0	0	0	0	0	0	0	0	6,075	Alexander, Alison
E8050	Children's Centres - Phase 1	2,037	90	0	0	0	0	0	0	0	0	0	0	2,127	Hoyes, Patricia
E8052	Harefield Primary Children's Centre	683	111	6	0	0	0	0	0	0	0	0	0	800	Hoyes, Patricia
E8060	Newlands Primary Rebuild Project	106	178	500	4,072	2,644	0	0	0	0	0	0	0	7,500	Kitson, David
E8070	Redbridge Primary Rebuild Project	693	4,000	647	0	0	0	0	0	0	0	0	0	5,340	Hards, Richard
E8080	Learning Skills Council	137	63	0	0	0	0	0	0	0	0	0	0	200	Tickner, Andrew
E8085	Relocation of Swaythling Youth Centre	0	15	35	0	0	0	0	0	0	0	0	0	50	Bridge, John
E8135	Childrens Social Service Capital	0	10	77	0	0	0	0	0	0	0	0	0	87	Floyd, Colin
E8136	Loft Extension to Carers Home	0	5	50	0	0	0	0	0	0	0	0	0	55	Floyd, Colin
E8137	Aiming High for Disabled Children - Short Breaks	0	111	258	0	0	0	0	0	0	0	0	0	369	Hoyes, Patricia
E8140	Bitterne Family Skills Centre	0	130	0	0	0	0	0	0	0	0	0	0	130	Kitson, David
E8160	ICT Harnessing Technology Grant	5	584	1,124	0	0	0	0	0	0	0	0	0	1,713	Taylor, Nicholas
E8165	Home Access To Targeted Groups	0	154	0	0	0	0	0	0	0	0	0	0	154	Taylor, Nicholas
E8170	ICT Mobile Technology Grant For Social Workers	80	7	0	0	0	0	0	0	0	0	0	0	87	Taylor, Nicholas
E8180	Sports Development (E8180)	0	300	0	0	0	0	0	0	0	0	0	0	300	Hind, Andrew
E8190	Vermont Close Portacabin Relocation	3	10	87	0	0	0	0	0	0	0	0	0	100	Kitson, David
E9006	School Modernisation 2009-2010	0	13	749	0	0	0	0	0	0	0	0	0	762	Floyd, Colin
E9022	Schools Access Initiative 2009-2010	0	337	172	0	0	0	0	0	0	0	0	0	509	Floyd, Colin
E9023	Foundry Lane Primary School Kitchen	22	78	325	0	0	0	0	0	0	0	0	0	425	Floyd, Colin
E9025	Fire Precautions Work 2009-10	0	36	97	0	0	0	0	0	0	0	0	0	133	Kitson, David
E9028	Renewable Energy Prog 2009-2010	0	149	201	0	0	0	0	0	0	0	0	0	350	Davies, Ian
E9032	Safe Schools 2009-2010	0	83	100	0	0	0	0	0	0	0	0	0	183	Floyd, Colin
E9041	Learning Futures -New School East	253	125	0	0	0	0	0	0	0	0	0	0	378	Kitson, David
E9042	Learning Futures - New School West	231	74	0	0	0	0	0	0	0	0	0	0	305	Kitson, David
E9043	Learning Futures - Redbridge Community School	171	2,150	0	0	0	0	0	0	0	0	0	0	2,321	Kitson, David
E9044	Learning Futures - Sholing Technology School	382	69	0	0	0	0	0	0	0	0	0	0	451	Kitson, David

Scheme No.	Description	Prior to				Estimate				Estimate		Total
		2009/10	2009/10	2010/11	2011/12	2012/13	2011/12	2012/13	Later Yrs	£000	£000	
E9045	Learning Futures - Bitterne Park School	1,008	-129	0	0	0	0	0	0	0	0	879 Kitson, David
E9046	Learning Futures - Regents Park Comm College	540	-28	0	0	0	0	0	0	0	0	512 Kitson, David
E9047	Learning Futures - Upper Shirley High School	1,057	-190	0	0	0	0	0	0	0	0	867 Kitson, David
E9048	L.F. - Feasibility Works - Regents Park School	69	-24	0	0	0	0	0	0	0	0	45 Kitson, David
E9049	L.F. - Feasibility Works - Sholing Tech. College	54	-3	0	0	0	0	0	0	0	0	51 Kitson, David
E9050	Harefield Primary Rebuild Project	767	1,750	2,050	578	0	0	0	0	0	0	5,145 Hards, Richard
E9054	Academies Management	106	250	350	100	0	0	0	0	0	0	806 Limbert, Karl
E9055	Academies - Environmental Impact Grant (EIG)	317	11	0	0	0	0	0	0	0	0	328 Hards, Richard
E9056	Mayfield Academy Site Access	69	600	161	0	0	0	0	0	0	0	830 Limbert, Karl
E9057	Academies - Capital Works	0	178	570	277	0	0	0	0	0	0	1,025 Limbert, Karl
E9058	Bitterne Park 6th Form	0	638	5,162	580	0	0	0	0	0	0	6,380 Kitson, David
E9059	Reinstatement of Land at Redbridge Primary	0	10	40	0	0	0	0	0	0	0	50 Kitson, David
E9060	Moorlands Primary Rebuild Project	534	31	0	0	0	0	0	0	0	0	565 Floyd, Colin
E9071	Thornhill Primary Children's Centre	966	33	0	0	0	0	0	0	0	0	999 Hoyes, Patricia
E9072	Townhill Junior Children's Centre	918	56	0	0	0	0	0	0	0	0	974 Hoyes, Patricia
E9082	Extended Schools Funding 2008-11	250	55	192	181	0	0	0	0	0	0	678 Hoyes, Patricia
E9085	Primary Review	4	100	53	75	0	0	0	0	0	0	232 Kitson, David
E9086	Increased Places At St Marys Primary	0	199	0	0	0	0	0	0	0	0	199 Floyd, Colin
E9087	Increased Places at Maytree Infants	0	58	0	0	0	0	0	0	0	0	58 Floyd, Colin
E9088	Increased Places at Fairisle Junior	0	50	390	0	0	0	0	0	0	0	440 Floyd, Colin
E9090	Portsmouth School - Recreation Ground	94	18	0	0	0	0	0	0	0	0	112 Kitson, David
E9092	Increased Places at Maytree Infant - Phase 2	0	18	208	6	0	0	0	0	0	0	232 Kitson, David
E9093	Increased Places at St Mary's Primary - Phase 2	0	0	442	157	16	16	16	16	16	16	615 Kitson, David
E9094	Increased Places at Mount Pleasant Junior	0	10	5	50	215	215	215	215	215	215	280 Kitson, David
E9095	Increased Places at St Mark's Junior	0	0	37	475	11	11	11	11	11	11	523 Kitson, David
E9096	Increased Places at Freemantle Infant	0	17	679	192	22	22	22	22	22	22	910 Kitson, David
E9097	Increased Places at St John's Infant	0	10	543	599	24	24	24	24	24	24	1,176 Kitson, David
E9098	Increased Places at Banister Infant	0	0	574	0	0	0	0	0	0	0	574 Kitson, David
E9099	Increased Places at Foundry Lane Primary	0	0	90	676	577	577	577	577	577	32	1,375 Kitson, David
E9103	Mods - Fairisle Junior - Access Lift & Link Corrid	4	149	0	0	0	0	0	0	0	0	153 Floyd, Colin
E9104	Mods - Hardmoor EYC - Kitchen & Baby Room	5	70	101	0	0	0	0	0	0	0	176 Floyd, Colin
E9105	Mods - Shirley Infant - Classroom Extension	5	63	0	0	0	0	0	0	0	0	68 Floyd, Colin
E9106	Mods - St Monica Jnr - Classroom Extension	6	196	100	0	0	0	0	0	0	0	302 Floyd, Colin
E9107	Mods - Townhill Jnr - Classroom Extension	7	25	213	0	0	0	0	0	0	0	245 Floyd, Colin
E9108	Mods - Bitterne Inf & Jrn - Phrase 3 Ventilation	0	7	43	0	0	0	0	0	0	0	50 Floyd, Colin
E9109	Mods- School Kitchen Canopies	51	50	49	0	0	0	0	0	0	0	150 Floyd, Colin
E9111	Mods - St Monica Inf - Class Ext	0	120	121	0	0	0	0	0	0	0	241 Floyd, Colin

Appendix 1

Scheme No.	Description	Prior to					Estimate 2012/13 £000	Estimate Later Yrs £000	Total £000	Project Manager
		2009/10 £000	2009/10 £000	2010/11 £000	2011/12 £000	2010/11 £000				
E9112	Mods - Sprinhill Primary - Production Kitchen	0	25	375	0	0	0	0	400	Floyd, Colin
E9113	Mods - Shirley Junior - Reception	0	148	0	0	0	0	0	148	Floyd, Colin
E9114	Mods - Fairisle Junior - Windows	0	50	0	0	0	0	0	50	Floyd, Colin
E9115	Mods - Alterations to Valentines Infant Sch Kitchen	0	25	51	0	0	0	0	76	Floyd, Colin
E9116	Mods - Alterations to Hollybrook Junior Servery	0	10	0	0	0	0	0	10	Floyd, Colin
L7630	Play Areas (S.106)	1,367	100	0	0	0	0	0	1,467	Hill, Tony
L7680	Fair Play Playbuilder	223	827	500	505	0	0	0	2,055	Hill, Tony
L7690	Thornhill Adventure Playground	0	200	0	0	0	0	0	200	Hill, Tony
R9911	Integrated Childrens System	165	35	0	0	0	0	0	200	Taylor, Nicholas
		24,964	16,803	29,277	8,523	3,509	32	83,108		
Unapproved Schemes										
E9110	Mods - Shirley Warren Sch Library Building	0	16	0	0	0	0	0	16	Illingworth, Paul
		0	16	0	0	0	0	0	16	
	Total Children's Services & Learning	24,964	16,819	29,277	8,523	3,509	32	83,124		

ECONOMIC DEVELOPMENT PORTFOLIO

Scheme No.	Description	Prior to	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Total
		2009/10 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Later Yrs £000	£000	£000
Approved Schemes									
C2150	Mayflower Park	149	138	0	0	0	0	0	287 Richardson, Adrian
C6200	QE2 Mile	1,827	1,902	1,080	0	0	1,722	6,531	Taylor, Simon
J7580	Mosque Trust	0	0	30	0	0	0	30	Sitaram, Sukanya
J7830	Community Safety Projects.	81	26	0	0	0	0	107	Pothecary, George
J7890	Regeneration Areas CPO Fund	0	0	9	0	0	0	9	Jones, Susan
J7980	CCTV Digitalisation	213	82	30	0	0	0	325	Pothecary, George
M9310	Strategic Purchase of Sites	12	1,048	0	0	0	0	1,060	Carr, Robert
M9410	Driver's Wharf Itchen Waterfront	82	16	0	0	0	0	98	Dobson, Alastair
M9420	West Quay Phase 3 M9420	1,200	409	110	0	0	0	1,719	Couch, Wendy
M9430	Northern Above Bar Fees	272	79	0	0	0	0	351	Sheeran, Gillian
M9460	Gantry Site	105	7	5	0	0	0	117	Evans, Mark
M9500	Northern Above Bar (Guildhall Square)	560	3,485	816	0	0	0	4,861	Evans, Mark
M9820	Major Site Development	163	143	154	0	0	0	460	Couch, Wendy
M9830	Major Site Development - Feasibility Studies	62	325	570	0	0	0	957	Couch, Wendy
M9840	Northern Above Bar (C&A Site Professional Fees)	67	33	0	0	0	0	100	Sheeran, Gillian
M9850	Lower High Street	5	30	25	0	0	0	60	Meredith, Emma
M9870	Tyrell & Green Building - Demolition	96	604	100	0	0	0	800	Sheeran, Gillian
		4,894	8,327	2,929	0	0	1,722	17,872	
Total Economic Development		4,894	8,327	2,929	0	0	1,722	17,872	

ENVIRONMENT & TRANSPORT CAPITAL

Scheme No.	Description	Prior to 2009/10		Estimate 2009/10		Estimate 2010/11		Estimate 2011/12		Estimate 2012/13		Estimate Later Yrs		Total		
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	Project Manager
Approved Schemes																
<u>Accessibility</u>																
C7171	Accessibility	35	129	354	0	0	0	0	0	0	0	0	0	0	518	Smith, Colin
<u>Active Travel</u>																
C7121	Walking	597	219	0	0	0	0	0	0	0	0	0	0	0	816	Hii, Hiong ching
C7131	Cycling	336	343	545	0	0	0	0	0	0	0	0	0	0	1,224	Bostock, Dale
<u>Bridges</u>																
C6120	Chantry Road Footbridge	0	32	252	0	0	0	0	0	0	0	0	0	0	284	Harvey, John
C7900	Itchen Bridge	160	312	1,024	0	0	0	0	0	0	0	0	0	0	1,496	
C7911	Bridges	418	2,549	115	0	0	0	0	0	0	0	0	0	0	3,082	Simpkins, John
<u>City & District Centres</u>																
C7360	Local and District Centres Improvements	0	50	240	0	0	0	0	0	0	0	0	0	0	290	Hii, Hiong ching
<u>Environment & Sustainability</u>																
C2050	Carbon Emissions Inventory	13	19	19	0	0	0	0	0	0	0	0	0	0	51	Clark, Robert
C2350	Coastal Protect'N Feasib.Study	95	8	0	0	0	0	0	0	0	0	0	0	0	103	Crighton, Robert
C2400	E-Planning (PDG)	275	170	321	0	0	0	0	0	0	0	0	0	0	766	Nichols, Paul
C2410	Mobile Working	0	10	40	0	0	0	0	0	0	0	0	0	0	50	Ferris, Neil
C2520	Salix Energy Efficiency Measures	66	576	124	0	0	0	0	0	0	0	0	0	0	766	Clark, Robert
<u>General Environment</u>																
C2540	Gantry Development - Energy Infrastructure	0	195	455	0	0	0	0	0	0	0	0	0	0	650	Clark, Robert
C2600	Mansel and Green Park Improvements	62	1	0	0	0	0	0	0	0	0	0	0	0	63	Friedman, Danielle
C2650	Refurbishment of the Crematorium	97	30	127	0	0	0	0	0	0	0	0	0	0	254	Wells, Philip
C2660	Geothermal Well Pump Head	0	10	65	0	0	0	0	0	0	0	0	0	0	75	Clark, Robert
C2680	Essential Works to Kennels	0	10	50	0	0	0	0	0	0	0	0	0	0	60	Wilson, Norman
C2690	Relocation of Town Depot	0	3,710	6,100	3,540	0	0	0	0	0	0	0	0	0	13,350	Cooper, Malcolm
C2720	Replacement of the Cremators	0	24	466	1,118	1,052	0	0	0	0	0	0	0	0	2,660	Wells, Philip

Scheme No.	Description	Prior to					Estimate 2012/13 £000	Estimate Later Yrs £000	Total £000	Project Manager
		2009/10 £000	Estimate 2009/10 £000	Estimate 2010/11 £000	Estimate 2011/12 £000	Estimate 2012/13 £000				
<u>Highways Other</u>										
C3910	Traffic Signals - Developers	111	216	200	200	0	0	727	Wylie, Martin	
C5020	Andersons Road	236	0	35	0	0	0	271	Redman, Graham	
C6210	Parking on Verges (C610)	47	11	0	0	0	0	58	Hii, Hiong ching	
C712W	Walking - Bedford Place	0	158	771	0	0	0	929	Mahmood, Murtaza	
C7191	LTP - Other Highways	254	110	0	0	0	0	364	Smith, Colin	
C719C	City Centre Studies	15	125	0	0	0	0	140	Westgate, Anthony	
C7241	DNU Monitoring	84	10	22	0	0	0	116	Hii, Hiong ching	
C7971	UKPMS	291	198	100	0	0	0	589	Bull, William	
C8200	Highways Drainage (C8200)	52	130	0	0	0	0	182	Richards, Jane	
C9150	S106 Design	56	22	0	0	0	0	78	Harvey, John	
<u>Improved Safety</u>										
C7151	Improved Safety	514	433	441	0	0	0	1,388	Smith, Colin	
<u>Network Management</u>										
C3920	Ichen Bridge Motor Cycle Lane	0	0	40	0	0	0	40	Mortimer, Roger	
C7181	ITS	112	85	100	0	0	0	297	Burns, Nicholas	
<u>Parking</u>										
C9471	MSCP 10 Year Maint. Programme	968	1,184	948	0	0	0	3,100	Sahota, Jaswinder	
<u>Public Transport</u>										
C6190	Smartcards (Migration to ITSO Standards)	670	90	0	0	0	0	760	Bell, Simon	
C7141	Public Transport	2,181	308	416	0	0	0	2,905	Baxter, Francis	
<u>Roads</u>										
C3900	Commercial Rd Area Highway Works (Dev)	387	5	0	0	0	0	392	Armstrong, David	
C6123	Regents Park Road (C6122)	261	11	0	0	0	0	272	Armstrong, David	
C6124	Dockgate 20	2,550	5	0	0	0	0	2,555	Hii, Hiong ching	
C6125	Shirley Town Centre	915	50	0	0	0	0	965	Armstrong, David	
C7921	Various Principal	394	1,871	425	0	0	0	2,690	Armstrong, David	
C792J	Structural Repairs C792J	40	824	0	0	0	0	864	Armstrong, David	
C795E	Portsmouth Rd	0	1,605	0	0	0	0	1,605	Armstrong, David	
C8000	Classified Roads	1,290	1,332	15	0	0	0	2,637	Armstrong, David	
C8100	Unclassified Roads	1,941	1,752	215	0	0	0	3,908	Armstrong, David	
C9000	Advance Design fees	266	55	85	0	0	0	406	Armstrong, David	

Scheme No.	Description	Prior to 2009/10					Estimate 2012/13	Estimate Later Yrs	Total	Project Manager
		£000	£000	£000	£000	£000				
C9120	Highways Improvements (Developer)	522	352	358	0	0	0	1,232	Armstrong, David	
<u>Street Furniture</u>										
C8800	St Furniture	828	220	230	0	0	0	1,278	Sheppard, Rowan	
<u>Street Lighting</u>										
C6020	Street Lighting (Developers)	258	5	10	0	0	0	273	Armstrong, David	
C8300	St Lighting	1,201	94	0	0	0	0	1,295	Armstrong, David	
<u>Travel Planning</u>										
C7161	Travel to School	552	312	200	0	0	0	1,064	Bagshaw, Carol	
		<u>19,150</u>	<u>19,970</u>	<u>14,908</u>	<u>4,858</u>	<u>1,052</u>	<u>0</u>	<u>59,938</u>		
Unapproved Schemes										
<u>Accessibility</u>										
C7171	Accessibility	0	0	120	0	0	0	120	Smith, Collin	
<u>Active Travel</u>										
C7121	Walking	0	0	268	0	0	0	268	Hii, Hiong ching	
C7131	Cycling	0	0	429	0	0	0	429	Bostock, Dale	
<u>Bridges</u>										
C7911	Bridges	0	0	307	0	0	0	307	Simpkins, John	
<u>City & District Centres</u>										
C8900	City Centre Paving	0	0	200	0	0	0	200	Taylor, Simon	
<u>Highways Other</u>										
C7241	DNU Monitoring	0	0	40	0	0	0	40	Hii, Hiong ching	
<u>Public Transport</u>										
C7141	Public Transport	0	30	895	375	0	0	1,300	Baxter, Francis	
<u>Roads</u>										
C7921	Various Principal	0	130	1,360	0	0	0	1,490	Armstrong, David	

Appendix 1

Scheme No.	Description	Prior to 2009/10					Estimate 2012/13 £000	Estimate Later Yrs £000	Total £000	Project Manager
		2009/10 £000	Estimate 2009/10 £000	Estimate 2010/11 £000	Estimate 2011/12 £000	Estimate 2012/13 £000				
C8000	Classified Roads	0	0	1,073	0	0	0	1,073	Armstrong, David	
C8100	Unclassified Roads	0	0	550	0	0	0	550	Armstrong, David	
C9131	Surface Treatments C9131	0	0	872	0	0	0	872		
C9200	Highways Maintenance Risk Fund C9200	0	0	100	0	0	0	100		
<u>Travel Planning</u>										
C7161	Travel to School	0	0	50	0	0	0	50	Bagshaw, Carol	
		0	160	6,264	375	0	0	6,799		
Total Programme		19,150	20,130	21,172	5,233	1,052	0	66,737		

ADULT SOCIAL CARE & HEALTH PORTFOLIO

Scheme No.	Description	Prior to	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Total
		2009/10 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Later Yrs £000	£000	£000
Approved Schemes									
R9110	Social Services Care Management System	1,959	7	0	0	0	0	0	1,966 Wood, Rosemary
R9215	Modernisation Southampton Day Services - Phase 2	432	1,319	90	0	0	0	0	1,841 Harris, Susan
R9265	SDS Modernisation Woolston Comm Centre	5	25	970	0	0	0	0	1,000 Harris, Susan
R9270	Essential Appliances and Equipment	194	1	0	0	0	0	0	195 Chan, Linda
R9280	Health and Safety Works	96	4	0	0	0	0	0	100 Chan, Linda
R9310	Mental Health Scheme (R9310)	98	25	251	0	0	0	0	374 Binns, Carole
R9320	HIV Aids Capital Grant	19	1	0	0	0	0	0	20 Shields, David
R9330	National Care Standards and H&S Work	37	183	241	0	0	0	0	461 Chan, Linda
R9340	Replacement of Appliances and Equipment	41	119	80	0	0	0	0	240 Chan, Linda
R9360	Blue Badge - Southampton Centre for Excellence	0	50	0	0	0	0	0	50 Robson, Alan
R9400	Adult Disability - Own Home Support Grant	23	0	77	0	0	0	0	100 Wood, Rosemary
R9410	Home Improvement Works	182	15	0	0	0	0	0	197 Chan, Linda
R9500	IT Infrastructure Grant	0	100	116	0	0	0	0	216 Wood, Rosemary
R9918	Kentish Road Refurbishment for SIPS Team	0	13	0	0	0	0	0	13 Valentine, Carol
		3,086	1,862	1,825	0	0	0	0	6,773
Total Adult Social Care & Health									
		3,086	1,862	1,825	0	0	0	0	6,773

HOUSING & LOCAL SERVICES CAPITAL

Scheme No.	Description	Prior to	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Total
		2009/10 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Later Yrs £000	£000	£000
Housing General Fund									
Approved Schemes									
GF001	Support to RSL's	728	1,065	600	0	0	0	0	2,393 Stanley, Sherree
GF100	Home Improvement Loans (GF100)	1,253	1,624	0	0	0	0	0	2,877 Juan, Paul
GF200	Accessible Homes	0	164	246	0	0	0	0	410 Juan, Paul
GF300	PUSH (GF300)	26	45	71	0	0	0	0	142 Juan, Paul
GF400	Landlord Loans	0	0	123	0	0	0	0	123 Juan, Paul
GF500	Warm Home Grant	0	82	0	0	0	0	0	82 Juan, Paul
GF600	Home Improvement Agency (GF600)	0	76	0	0	0	0	0	76 Juan, Paul
GF700	Technical Salaries	0	357	0	0	0	0	0	357 Juan, Paul
GF800	Insulation	1	125	175	49	0	0	0	350 Juan, Paul
GF900	Disable Facilities Grant	1,269	2,100	468	0	0	0	0	3,837 Juan, Paul
		3,277	5,638	1,683	49	0	0	0	10,647
Unapproved Schemes									
G6520	Enabling Schemes - 2011/12	0	0	0	51	0	0	0	51 Stanley, Sherree
GF001	Support to RSL's	0	0	1,049	919	0	0	0	1,968 Stanley, Sherree
GF100	Home Improvement Loans (GF100)	0	0	1,594	1,594	1,594	0	0	4,782 Juan, Paul
GF200	Accessible Homes	0	0	279	279	279	0	0	837 Juan, Paul
GF300	PUSH (GF300)	0	0	61	61	61	0	0	183 Juan, Paul
GF400	Landlord Loans	0	0	129	129	129	0	0	387 Juan, Paul
GF500	Warm Home Grant	0	0	148	148	148	0	0	444 Juan, Paul
GF600	Home Improvement Agency (GF600)	0	0	75	77	77	0	0	229 Juan, Paul
GF700	Technical Salaries	0	0	379	379	379	0	0	1,137 Juan, Paul
GF900	Disable Facilities Grant	0	0	1,333	1,987	2,069	290	290	5,679 Juan, Paul
		0	0	5,047	5,624	4,736	290	290	15,697
Total Housing General Fund		3,277	5,638	6,730	5,673	4,736	290	290	26,344

Scheme No.	Description	Prior to 2009/10 £000	Estimate 2009/10 £000	Estimate 2010/11 £000	Estimate 2011/12 £000	Estimate 2012/13 £000	Estimate Later Yrs £000	Total £000	Project Manager
Neighbourhoods									
Approved Schemes									
NS009	Allotment Improvements	0	14	0	0	0	0	14	Yeats, Nicholas
NS010	Portsmouth Recreation Ground Phased Improvements	0	23	0	0	0	0	23	Yeats, Nicholas
NS011	Southampton Common Access Project	16	16	0	0	0	0	32	Yeats, Nicholas
NS012	Riverside Green Flag Improvements	44	31	0	0	0	0	75	Yeats, Nicholas
NS013	Weston Shore Green Flag Improvements	0	25	0	0	0	0	25	Yeats, Nicholas
NS014	Queen Park Improvements	7	10	59	0	0	0	76	Yeats, Nicholas
NS015	Daisy Dip Improvements (NS015)	14	20	10	0	0	0	44	Yeats, Nicholas
NS018	Pearlree Minor Improvements	0	8	0	0	0	0	8	Yeats, Nicholas
NS019	Frogs Copse Improvements	10	0	9	0	0	0	19	Yeats, Nicholas
NS020	Lordsdale Greenway Access Improvements	14	4	0	0	0	0	18	Yeats, Nicholas
NS021	Shoreburs Honeypot Improvements	0	7	6	0	0	0	13	Yeats, Nicholas
NS022	Central Parks Interpretation Signage	0	10	0	0	0	0	10	Yeats, Nicholas
NS023	Freemantle Common Minor Improvements	0	10	0	0	0	0	10	Yeats, Nicholas
NS025	Hoglands Skating Improvements	0	6	0	0	0	0	6	Yeats, Nicholas
NS026	Redbridge Wharf Youth Improvements	10	10	0	0	0	0	20	Yeats, Nicholas
NS027	Minor Parks Development Works	5	17	3	0	0	0	25	Yeats, Nicholas
NS028	Community Facilities (NS028)	18	172	0	0	0	0	190	Jones, Dawn
NS029	St James Park HLF Project	0	322	1,114	0	0	0	1,436	Saward, Helen
NS030	Mobile Working For P&C Frontline	0	30	0	0	0	0	30	Horton, John
NS031	Parks Safety Improvements	0	25	0	0	0	0	25	Horton, John
NS032	Preventing Illegal Access To Green Space	22	78	50	0	0	0	150	Yeats, Nicholas
NS033	LAA Stretch Target 12	51	28	0	0	0	0	79	Saward, Helen
NS034	Streetscene Thornhill	8	312	60	0	0	0	380	Howard, Paul
		219	1,178	1,311	0	0	0	2,708	
Unapproved Schemes									
NS024	Freemantle Lake Park Improvements	0	8	9	0	0	0	17	Yeats, Nicholas
NS027	Minor Parks Development Works	0	0	50	0	0	0	50	Yeats, Nicholas
		0	8	59	0	0	0	67	
Total Neighbourhoods		219	1,186	1,370	0	0	0	2,775	
Total Housing & Local Services		3,496	6,824	8,100	5,673	4,736	290	29,119	

LEISURE, CULTURE & HERITAGE PORTFOLIO

Scheme No.	Description	Prior to 2009/10		Estimate 2009/10		Estimate 2010/11		Estimate 2011/12		Estimate 2012/13		Estimate Later Yrs		Total		
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	Project Manager
Approved Schemes																
LC101	Tudor House Museum (LC101)	511	4	0	0	0	0	0	0	0	0	0	0	0	515	Dyer-Slade, Tina
LC101	Tudor House Museum (LC101)	1,825	1,699	3,233	545	0	0	0	0	0	0	0	0	0	7,302	Lowe, Jason
LC102	Heritage Centre / Sea City Museum	48	1,309	68	0	0	0	0	0	0	0	0	0	0	1,425	Dyer-Slade, Tina
LC201	Arts and Heritage	0	0	5	0	0	0	0	0	0	0	0	0	0	5	Russel, Andrew
LC201	Arts and Heritage	1	41	0	0	0	0	0	0	0	0	0	0	0	42	Shepherd, Lisa
LC201	Arts and Heritage	302	4	8	0	0	0	0	0	0	0	0	0	0	314	Smith, Elizabeth
LC301	SNAC (LC301)	979	250	683	803	8,601	8,601	1,694	1,694	13,010	13,010	0	0	0	149	Ludden, Jayne
LC401	Pitch Improvements (LC401)	0	65	0	84	0	0	0	0	0	0	0	0	0	177	Ludden, Jayne
LC403	Sport and Recreation	2	175	0	0	0	0	0	0	0	0	0	0	0	470	Baldwin, David
LC501	Libraries	2	468	0	0	0	0	0	0	0	0	0	0	0	41	Greene, Nigel
LC601	Other Projects (LC601)	37	4	0	0	0	0	0	0	0	0	0	0	0	41	Greene, Nigel
		3,707	4,019	3,997	1,432	8,601	8,601	1,694	1,694	23,450	23,450					
Unapproved Schemes																
LC102	Heritage Centre / Sea City Museum	0	0	3,775	9,420	102	278	13,575	13,575	0	0	0	0	0	344	Dyer-Slade, Tina
LC201	Arts and Heritage	14	0	258	72	0	0	0	0	0	0	0	0	0	74	Smith, Elizabeth
LC201	Arts and Heritage	0	0	0	74	0	0	0	0	0	0	0	0	0	6,620	Low, Jill
LC301	SNAC (LC301)	0	0	0	0	0	0	0	0	0	0	0	0	0	246	Ludden, Jayne
LC401	Pitch Improvements (LC401)	0	0	246	0	0	0	0	0	0	0	0	0	0	69	Ludden, Jayne
LC402	Swimming Pool Improvements (LC402)	0	69	0	0	0	0	0	0	0	0	0	0	0	50	Dyer-Slade, Tina
LC602	Other Projects (LC602)	0	0	0	50	0	0	0	0	0	0	0	0	0	50	Dyer-Slade, Tina
		14	69	4,279	9,616	102	6,898	20,978	20,978							
Total Leisure, Culture & Heritage																
		3,721	4,088	8,276	11,048	8,703	8,592	44,428	44,428							

RESOURCES & WORKFORCE PLANNING PROGRAMME

Scheme No.	Description	Prior to	Estimate	Estimate	Estimate	Estimate	Estimate	Total
		2009/10 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Later Yrs £000	£000
Approved Schemes								
M9640	Connection to Utilicom District Cooling System	224	20	0	0	0	0	244 Hodge, Richard
M9710	Office Accomodation	1,058	71	7,480	7,372	4,019	0	20,000 Fox, Avis
M9760	Homeworking - Dedicated Arrangements	22	7	0	0	0	0	29 Fox, Annabel
P6230	Refurbishment of Computer Suite	291	270	0	0	0	0	561 Allan, Mark
P6830	Property Review	28	0	12	0	0	0	40 Fox, Annabel
P6840	Expansion of IT Remote Access Home Working	253	0	2	0	0	0	255 Fox, Annabel
P6850	R & M backlog New Capital 2 million	1,049	3,347	70	0	0	0	4,466 Elliott, Andrew
P6860	Overline House Accomm. Changes	187	0	20	0	0	0	207 Fox, Annabel
P8000	183 High Street	0	0	1,768	0	0	0	1,768 Maddox-Hinton, Dee
		3,112	3,715	9,352	7,372	4,019	0	27,570
Unapproved Schemes								
P6850	R & M backlog New Capital	0	0	0	0	1,633	0	1,633 Elliott, Andrew
P6650	Magistrates Court / Art Gallery	0	0	2,241	968	0	0	3,209 Elliott, Andrew
		0	0	2,241	968	1,633	0	4,842
Total Resources & Workforce Planning		3,112	3,715	11,593	8,340	5,652	0	32,412

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Major Variations since the September 2009 Capital Update

Portfolio	Scheme	£000	Source of Funding	Council Priority
Increases to the Programme				
CSL	Bitterne Park 6th Form	6,380	GG	Investing in Education & Training
E&T	New Cremators	2,660	CR, Rev	Keeping the City Green & Clean
E&T	Gantry Development - Energy Infrastructure	650	GG	Keeping the City Green & Clean
E&T	S106 Funded Improvements	1,302	C	Getting the City Working
H&LS	St James Phase 2	1,436	CR, C	Looking After People
H&LS	Disabled Facilities	1,650	CR, GG	Looking After People
H&LS	Home Improvement Loans	1,594	GG	Looking After People
LC&H	Heritage Centre / Sea City Museum	13,585	C / GG	Getting the City Working
R&WP	Magistrates Court / Art Gallery	3,209	CR	Getting the City Working
R&WP	Office Accommodation	1,324	CR	
	Other variances	1,358	Various	Various
		35,148		
Decreases to the Programme				
R&WP	Repair & Maintenance Backlog (transferred to schemes above)	-1,707		
	Other variances	0	Various	Various
		-1,707		
Total		33,441		

Key:

Portfolio

- CSL Children's Services & Learning
- E&T Environment & Transport
- H&LS Housing & Local Services
- R&WP Resources & Workforce Planning

Funding Source

- C Contributions
- CR Corporate Resources
- GG Government Grants

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Major Changes in Capital Resources since September 2009 Update

The main reasons for the resource changes are:

- **Unsupported Borrowing (£3.2M increase)**
 - £2.0M Repair & Maintenance Backlog
 - £1.7M New Cremators
 - £0.3M Economic Development – Major Projects
 - £0.3M Adult Social Care & Health Works and Equipment for Care Homes
 - (£1.1M) Other Various

- **Capital Receipts (£2.3M increase)**
 - £1.3M Housing Capital Receipts
 - £1.0M Non-Housing Capital Receipts

- **Contributions (£12.0M increase)**
 - £9.0M Heritage Centre / Sea City Museum
 - £1.3M St James Phase 2
 - £0.4M Highways Improvements
 - £0.4M Southampton Central Station
 - £0.9M Other Various

- **Capital Grants (£14.7M increase)**
 - £6.4M Bitterne Park 6th Form
 - £1.6M Home Improvement Loans
 - £1.3M Disabled Facilities
 - £4.6M Heritage Centre / Sea City Museum
 - (£0.9M) Housing Local Company
 - £1.7M Other Various

- **DRF (£2.1M increase)**
 - £0.9M New Cremators
 - £0.6M Roads Programme
 - £0.5M Repair & Maintenance Programme
 - £0.1M Other Various

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Agenda Item 6

ITEM NO:6

DECISION-MAKER:	CABINET COUNCIL		
SUBJECT:	GENERAL FUND REVENUE BUDGET 2010/11 TO 2012/13		
DATE OF DECISION:	1ST FEBRUARY 2010 17TH FEBRUARY 2010		
REPORT OF:	CABINET MEMBER FOR RESOURCES AND WORKFORCE PLANNING		
AUTHOR:	Name:	ROB CARR	Tel: 023 80 83 2708
	E-mail:	Rob.Carr@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY

N/A

SUMMARY

Since the Council set its 2009/10 budget in February 2009, the Country has officially been in recession, economic growth has declined and unemployment is rising. There is a range of expert views as to when the decline will reverse and the Country will begin to see an economic upturn.

Clearly the economic climate has a direct impact upon the Council. Income levels in key areas such as car parking continue to decline and demand for certain service areas supporting those individuals most affected by the economic climate continue to rise sharply, such as benefit applications.

The Council has been taking a longer-term strategic approach to service and financial planning over a number of years, driving out significant efficiency savings year on year. However, against the current backdrop, the Council has been required to take an extremely robust approach to medium term planning and is challenging every aspect of service delivery in order to ensure that the services provided and the performance levels achieved are at an appropriate level commensurate with the stated Priorities.

As part of this over the Spring and Summer Officers prepared a detailed forecast for the 2010/11 budget together with options for additional spending and proposals for closing the estimated budget gap. These details were further developed in conjunction with the Executive and a report was presented to the Cabinet on 26th October 2009 setting out the position for 2010/11 and the broad budget and council tax proposals of the Executive.

This publication also signalled the start of a detailed consultation period with a wide range of stakeholders. Proposals affecting staff were provided to the trade unions and detailed budget proposals were given to opposition political groups on a confidential basis to enable them to start developing their own alternative budgets.

Work has been ongoing to refine the overall budget proposals and the purpose of this report is to:

- Update this information and set out the latest estimated overall financial position on the General Fund Revenue Budget for 2010/11 and
- Outline the main issues that need to be addressed in considering the Cabinets recommendations to Council on 17th February 2010.

RECOMMENDATIONS:

CABINET

It is recommended that Cabinet

- (i) Note the position on the estimated outturn and revised budget for 2009/10 as set out in paragraphs 4 to 9
- (ii) Approve £250,000 in 2009/10 for highway maintenance following the severe weather conditions at the start of this year, to be met from savings in the overall general fund budget in 2009/10.
- (iii) Note the position on the forecast roll forward budget for 2010/11 as set out in paragraphs 10 to 16.
- (iv) Delegate authority to Policy Coordinators following consultation with the relevant Cabinet Members to implement any changes to fees and charges that are part of the approved general fund budget.
- (v) Note and approve the arrangements made by the Leader, in accordance with the Local Government Act 2000, for the Cabinet Member for Resources and Workforce Planning to have responsibility for financial management and budgetary policies and strategies, and that the Cabinet Member for Resources and Workforce Planning will, in accordance with the Budget & Policy Framework Rules as set out in the Council's Constitution, be authorised accordingly to finalise the Executive's proposals in respect of the Budget for 2010/11, in consultation with the Leader, for submission to Full Council on 17th February 2010.
- (vi) Recommends that Full Council
- (vii) Notes the Consultation process that was followed outlined in Appendix 1.
- (viii) Approves the revised estimate for 2009/10 as set out in Appendix 2.
- (ix) Notes the position on the forecast roll forward budget for 2010/11 as set out in paragraphs 10 to 16.
- (x) Approves the Invest to Save Bids set out in Appendix 3.
- (xi) Approves the revenue pressures, revenue developments and revenue bids as set out in Appendices 4, 5 and 6.
- (xii) Approves the efficiencies, income and service reductions as set out in Appendix 7.

- (xiii) Approves the General Fund Revenue Budget as set out in Appendix 8 which assumes a council tax increase of 2.50%.
- (xiv) Delegates authority to the Chief Financial Officer (CFO) to action all budget changes arising from the approved pressures, bids, efficiencies, income and service reductions and incorporate any other approved amendments into the General Fund estimates.
- (xv) Notes that after taking these items into account, there is an estimated General Fund balance of £4.5M at the end of 2012/13 as detailed in paragraph 36.
- (xvi) Delegates authority to the Executive Director of Resources in consultation with the Solicitor to the Council to do anything necessary to give effect to the recommendations in this report.
- (xvii) Sets the Budget Requirement for 2010/11 at £183,269,600.
- (xviii) Notes the estimates of precepts on the Council Tax collection fund for 2010/11 as set out in Appendix 10.
- (xix) Notes the Medium Term Forecast as set out in Appendix 11.
- (xx) Authorises the Chief Executive and Chief Officers to pursue the development of the options for efficiencies, income and service reductions as set out in Appendix 7 for the financial years 2011/12 and 2012/13 and continue to develop options to close the remaining projected gaps in those years in line with the proposed Efficiency Strategy.
- (xxi) Approves a further £250,000 in 2009/10 for highway maintenance following the severe weather conditions at the start of this year, to be met from savings in the overall general fund budget in 2009/10.
- (xxii) Approves the Efficiency Strategy attached in Appendix 12.

COUNCIL

It is recommended that Council

- i) Notes the Consultation process that was followed outlined in Appendix 1.
- ii) Approves the revised estimate for 2009/10 as set out in Appendix 2.
- iii) Notes the position on the forecast roll forward budget for 2010/11 as set out in paragraphs 10 to 16.
- iv) Approves the Invest to Save Bids set out in Appendix 3.
- v) Approves the revenue pressures, revenue developments and revenue bids as set out in Appendices 4, 5 and 6.
- vi) Approves the efficiencies, income and service reductions as set out in Appendix 7.
- vii) Approves the General Fund Revenue Budget as set out in Appendix 8 which assumes a council tax increase of 2.50%.

- viii) Delegates authority to the Chief Financial Officer (CFO) to action all budget changes arising from the approved pressures, bids, efficiencies, income and service reductions and incorporate any other approved amendments into the General Fund estimates.
- ix) Notes that after taking these items into account, there is an estimated General Fund balance of £4.5M at the end of 2012/13 as detailed in paragraph 36.
- x) Delegates authority to the Executive Director of Resources in consultation with the Solicitor to the Council to do anything necessary to give effect to the recommendations in this report.
- xi) Sets the Budget Requirement for 2010/11 at £183,269,600.
- xii) Notes the estimates of precepts on the Council Tax collection fund for 2010/11 as set out in Appendix 10.
- xiii) Notes the Medium Term Forecast as set out in Appendix 11.
- xiv) Authorises the Chief Executive and Chief Officers to pursue the development of the options for efficiencies, income and service reductions as set out in Appendix 7 for the financial years 2011/12 and 2012/13 and continue to develop options to close the remaining projected gaps in those years in line with the proposed Efficiency Strategy.
- xv) Approves a further £250,000 in 2009/10 for highway maintenance following the severe weather conditions at the start of this year, to be met from savings in the overall general fund budget in 2009/10.
- xvi) Approves the Efficiency Strategy attached in Appendix 12.

REASONS FOR REPORT RECOMMENDATIONS

1. The Constitution requires the Executive to recommend to Council on the 17th February 2010 its budget proposals for the forthcoming year. The recommendations contained in this report set out the various elements of the budget that need to be considered and addressed by the Cabinet in preparing the final papers that will be forwarded to Council.

CONSULTATION

2. The items for consultation in the 26th October 2009 Cabinet report were presented in order to help facilitate widespread consultation with a range of stakeholders, including members of the public, affected organisations, the business community, staff and Trade Unions, who were all invited to submit comments on the proposals. A number of targeted meetings were held with specific groups, but only a small number of direct responses were received in respect of the proposals. There were particular concerns from community groups about the reduction in the Active Communities team and therefore as a result Cabinet are proposing retaining an additional 0.5 FTE post in this area and this is reflected in the savings proposals in Appendix 7.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- Alternative options for revenue spending form an integral part of the development of the overall Budget Strategy that will be considered at the budget setting meeting on 17th February 2010. Alternative options may be drawn up by opposition groups and presented to the same meeting.

DETAIL

ESTIMATED OUTTURN AND REVISED BUDGET 2009/10

- This report is concerned mainly with the revenue estimates for 2010/11. However, there are elements of the 2009/10 estimated outturn that will have an impact on the overall financial position. The planned draws from balances in the year have been reflected in the balances position shown in this report and take into account the overall financial position highlighted in the Corporate Monitoring report for the nine months ending December 2009.
- The original revenue estimates for 2009/10 assumed a draw from balances of just under £1.9M. After reflecting the revised forecast position from Month 9 and assuming additional expenditure on highways maintenance in the current year, this draw reduces by £250,000 to just over £1.6M as show in Appendix 2. The table below summarises the main changes:

	£M
Net Decrease in Interest Paid	1.500
Contribution to Interest Equalisation Reserve	(1.500)
Reduction in net cost of Benefits	0.750
Increased funding for Highways Maintenance	0.500
Reduction in Draw From Balances	0.250

- Due to the unpredictable nature of forecasting interest rates for the Council's investments, a prudent budget was set for the year. During the first half of the year, the credit crunch resulted in turbulent interest rates on the money markets, but based on investment returns already achieved it is now possible to amend the forecast with a degree of certainty. Due to falling interest rates which have remained at historic lows, the forecast for investment income has been decreased. However, this has been more than offset by a reduction in interest payable achieved through the debt restructuring exercise undertaken at the end of January 2009 and outlined in the Annual Treasury Management Strategy report approved by Council on 18th February 2009.
- In achieving this, the Council has exposed itself to short term variable interest rate risk and whilst in the current climate of low interest rates this is obviously a sound strategy, at some point when the market starts to move the Council will need to act quickly to lock into fixed long term rates which may be at similar levels to the debt it has restructured. Furthermore, the volatility in the financial markets means that interest costs and investment income will continue to fluctuate for some time.

8. It was therefore recommended that an Interest Equalisation Reserve be created from the savings arising from the debt restructure to help to manage volatility in the future and ensure that there is minimal impact on annual budget decisions. Consequently, the £1.5M forecast saving on net interest paid will be added to the Interest Equalisation Reserve.
9. The forecast surplus for net benefits payments has been increased by £750,000 due to the increased income achieved from the improved recovery rate on overpayments. This funding has been used in part to increase the budget for highway maintenance in 2009/10 by £500,000 in order to help address the deterioration in the road network following the severe weather conditions experienced in the early part of the year. Due to the virement limits, a maximum of £250,000 can initially be approved by Cabinet on 1st February, with a recommendation to Full Council on 17th February to approve a further £250,000 for this purpose. Any funds not utilised in the current year will be carried forward into 2010/11.

FORECAST ROLL FORWARD BUDGET 2010/11

10. The Cabinet report on 26th October 2009 identified a roll forward gap of £3.7M before any further revenue developments, pressures or savings were taken into account. However, this figure has now been amended to reflect changes in the overall position since this date, including changes highlighted in the Consultation Report.
11. The final Local Government Finance Settlement for 2010/11 was received on 20th January 2010. The final settlement position was marginally higher compared to that previously anticipated and reported on 26th October 2009 by £38,200.
12. The council tax base for 2010/11 has been set at 66,167, using delegated powers granted by Council on 17th January 2007, which has increased the tax base and leads to additional income of £316,000 over and above that assumed in October.
13. The estimated Collection Fund surplus at the end of 2009/10 was set at £1.0M for the purposes of the Consultation Report for 2010/11. Collection rates during the year have improved and single person discounts have been reduced. The latest estimate of the surplus has consequently increased to £1.142M.
14. The Risk Fund has been reduced by £1.2M. This reflects the reduced contingency for staff pay increases from 2% to 1% in the light of the current economic climate which equates to £1.0M. The Council is anticipating that a 0% pay award will be agreed for 2010/11 but recognises that some contingency provision is required in advance of a final decision. In addition, changes have been made to reflect increased certainty in relation to Concessionary Fares and updated forecasts of the impact of the economic situation on the Council's income and demand for key services which lead to a net reduction of £0.2M.

15. Other changes in the detailed estimates submitted by Portfolios and Trading Areas have also been reflected in the figures and show a favourable variance due mainly to a downward adjustment in the estimate of inflation in relation to Insurance premiums payable by the Council. However, this is more than offset by the adverse impact the dramatic changes in the economic climate have had on anticipated investment income, which is estimated to be lower than originally forecast. The table below shows these net changes in the overall forecast position:

	£000's
Forecast Deficit in October Cabinet Papers (assuming 2.5%)	3,656.5
Improved RSG/NDR Settlement	(38.2)
Improved Council Tax Base	(316.0)
Collection Fund Surplus	(1,141.8)
Reduced Risk Fund	(1,200.0)
Draw From Balances	(1000.0)
Detailed Estimate Changes and Investment Income	435.9
Revised Forecast Deficit	396.4

16. This position shown in the table above represents the 'base' position from which all three political groups may develop their own budgets taking into account the proposals for new spending and savings options put forward by Officers. The specific proposals in this report as set out in the appendices and outlined in the following paragraphs represent the Executive's budget proposals for 2010/11.

INVEST TO SAVE

17. During this year's budget process, services have been asked to put forward efficiency savings, which assume that there will be a reduction in cost, without there being an overall impact on service provision and the Council's performance. For some of these proposals there is up front expenditure that needs to be incurred before the savings can be realised and these are being put forward as Invest to Save Bids although they do not impact until 2011/12.
18. The Invest to Save Bids, listed in Appendix 3, total £45,000 in 2011/12 and will be met from the Invest to Save Fund.

REVENUE PRESSURES

19. Part of the Budget process each year also looks at unavoidable pressures on services that will have a financial impact, many of which are outside of the control of the service itself. Examples of these would be volume changes, which have a direct impact on costs (e.g. increase in waste levels), legislative changes such as new functions and standards, or areas where the current budget simply does not reflect the level of activity within the service.
20. Pressures totalling £1.22M are being recommended for 2010/11 and are detailed in Appendix 4.

REVENUE DEVELOPMENTS AND REVENUE BIDS

21. Each political group also has the opportunity to put forward new proposals for spending as part of the budget process which reflect their priorities for service provision. Spending to fund revenue developments is detailed in Appendix 5 and totals just under £5.9M in 2010/11. Most of these reflect ongoing commitments that were approved as part of the budget in previous years.
22. The majority of the revenue developments are complex and strategic projects around which there are uncertainties in relation to timing and speed of progress. Consequently, the funding for revenue developments is placed into a Revenue Development Fund to enable the Council to retain flexibility in funding. Approval to release this funding, making adjustments between schemes and in the timing as required, is delegated to the Executive Director of Resources following consultation with the Cabinet Member for Resources and Workforce Planning.
23. Services were also invited to put forward a series of bids in order to fund new spending initiatives. These have been kept separate from the pressures identified above since there is an element of choice in deciding whether to proceed or not with these items. The bids have been reviewed and the proposals for new expenditure put forward by the Executive total £0.6M in 2010/11. These are detailed in Appendix 6.

EFFICIENCIES, INCOME AND SERVICE REDUCTIONS

24. For the purposes of considering an overall budget package, it should be noted that the roll forward budget includes 1.7% inflation on fees and charges income and a 3% vacancy factor built in to all salary budgets as well as the ongoing effects of savings identified in previous budget rounds. In addition, no allowance has again been given for increments in 2010/11.
25. The 26th October 2009 Cabinet report set out major items for consultation and at that point, proposals for efficiencies, income generation and service reductions were required to bridge a revised budget gap of just under £9.1M after taking the following action which is now reflected in the base position:
 - Draw of £1.0M from balances.
 - Reduced allowance for staff pay increases from 2% to 1% which equates to a saving of £1.0M.
 - £1.0M Collection Fund surplus from the improved collection of the council tax over recent years.

This level of savings was required to balance the draft budget at an assumed council tax increase of 2.50%.

26. The Executives recommendations for efficiencies, income generation and service reductions now total £8.068M and are set out in detail in Appendix 7.
27. The savings proposals inevitably have an impact on staffing within the City

Council with 119.72 FTE posts affected of which 42.62 are currently vacant and 77.10 are in post. The Council has an excellent past record of using its redeployment policies to minimise any redundancies arising out of the budget proposals and the Executive will ensure that this continues for 2010/11.

28. Those proposals approved when the Full Council sets its budget on 17th February will fall into the classification of 'urgent, unplanned' reductions in employee numbers. Therefore, employees will be notified that they are being placed on the 'Redeployment Register' following Full Council decision on 17th February for a period of three-months. This has resulted in some of the financial savings being reduced in order to take account of the part year costs of redeployment, and any extension to that period would undermine the Councils financial planning process as the balanced budget is based upon this redeployment approach. To be clear, no redeployment period resulting from any proposals approved by the Council on 17th February 2010 can finish later than 30th June 2010.

PROPOSED BUDGET PACKAGE

29. Summarised below is the proposed budget package put forward by the Executive for consideration. The detailed analysis is reflected in the General Fund Revenue Account set out in Appendix 8 and shows the changes from the base position outlined in paragraphs 10 to 16. The proposals are based on a Council Tax increase of 2.50% and include a draw from balances of £1M.

30.

	£M
Total roll forward spending (after use of balances)	183,666.0
Pressures (Appendix 4)	1,220.0
Rev Developments and Bids (Appendices 5 and 6)	6,451.7
Efficiencies, Income and Service Reductions (Appendix 7)	(8,068.1)
Budget requirement	183,296.6

COUNCIL TAX

31. The Budget Requirement shown in Appendix 8 is used to calculate the level of council tax for 2010/11. After taking into account Government Grants and an assumed surplus on the collection fund at the end of 2009/10 of just over £1.1M, the total amount to be met by council tax payers is £81,994.5M. This is then divided by the council tax base set by the Executive Director for Resources in consultation with the Cabinet Member for Resources and Workforce Planning to give the basic amount of council tax for the year of £1,239.21 which is an increase of 2.50%. The full calculation is set out in Appendix 9.
32. The estimates of the payments from the Collection Fund in the form of precepts for 2010/11 are set out in Appendix 10. This includes preliminary figures for the Police and Fire authorities who are proposing council tax increases of 2.91% and 1.79% respectively. The Appendix also shows that

when these items are added to Southampton's council tax, the overall percentage increase falls from 2.50% to 2.51%. These figures will not be confirmed until the budget setting day.

GENERAL FUND BALANCES

33. It is important for Cabinet to consider the position on balances. Balances are used either to:

- support revenue spending,
- support the capital programme, or
- provide a 'working' balance at a minimum level suggested by the CFO with any projected excess being available to fund any one-off expenditure pressures or to reduce the council tax on a one-off basis.

The latter option is not recommended by the CFO.

34. Several years ago, CIPFA issued guidance on a risk based approach to setting an appropriate level of reserves. The CFO at the time produced a calculation for the City which took into account factors such as:

- Exposure to pay and price inflation
- Volatile areas of income generation
- Demand led service expenditure
- Exposure to interest rate variations
- Contractual commitments
- Achievement of budget savings
- VAT partial exemption risk

35. This calculation is updated periodically to reflect current levels of expenditure and income and treasury management operations and also new considerations such as the street lighting PFI scheme. Based on this calculation, the minimum level of balances was increased from £4.0M to £4.5M in line with the good practice guidance several years ago. This level has been reviewed this year and despite new risks around government grant and interest rate exposure, other changes (such as reduced RPI risk and risks around the Capita contract now that we are over two years in) have meant that the minimum level of balances can remain at £4.5M.

36. The table below shows the position for balances after taking into account the outturn for 2008/09, the estimated outturn for 2009/10, the budget proposals set out in this report and the current update of the capital programme.

	2009/10	2010/11	2011/12	2012/13
	£000's	£000's	£000's	£000's
Estimated Opening Balance	15,182.9	10,665.2	6,592.2	5,547.2
Draw from / (to) Revenue	(131.8)	(1,000.0)		
Other Net Contributions	900.0	874.0		
Draw to Support Capital	(1,196.0)	(947.0)		
Draw for Strategic Schemes	(4,089.9)	(3,000.0)	(1,045.0)	(1,045.0)
Closing Balance	10,665.2	6,592.2	5,547.2	4,502.2

MEDIUM TERM FORECAST

37. A roll forward forecast has been estimated for 2011/12 and 2012/13 taking into account the future years effects of the proposed pressures and savings as set out in this report. The forecast is included as Appendix 11. The funding gap will be reviewed and addressed as part of the ongoing development of 3 year budgeting and Members are being asked to authorise the Chief Officers Management Team to pursue the development of future years options highlighted in Appendix 7.
38. Three year grant settlement figures were announced previously the last year of which is 2010/11 and as no figures are available for 2011/12 onwards it is difficult to move any further towards a more robust rolling three year financial plan. This is exacerbated by the economic climate and the inevitable impact this will have in future years on Government spending and local authority funding. The intention remains, however, to produce a high level plan containing longer term objectives that can be pursued outside of the annual budget process and the current forecasts assume a reduction of 3.0% per annum in Government funding for 2011/12 and 2012/13.
39. Appendix 7 also highlights other options for efficiencies, income and service reductions in future years which the Chief Officers Management Team need authorisation to progress. In addition to this work, the Council will continue to build on the initial work with Capita in respect of Transformation in line with a new Efficiency Strategy which is attached at Appendix 12.
40. The aim of the Efficiency Strategy is to ensure a robust and co-ordinated approach to determining the programme of change which will deliver fundamental changes in the ways the Council works, supporting its vision to become more customer focused by delivering services more efficiently using high quality data to make better decisions. The primary objective of the programme is to reduce complexity and costs through focus on customer outcomes, simplification and standardisation.

41. The strategy supports the systematic organisational review of functions, systems and processes. In doing so it also supports the Council's "Value for Money" assessment in the Use of Resources element of the Corporate Area Assessment, ensuring key efficiency requirements are firmly built into management and governance processes.
42. The Council needs this strategic approach to efficiency in order to achieve long-term sustainable gains and service improvements. The Efficiency Strategy attached as Appendix 12 to this report outlines in particular the governance arrangements which will ensure strong leadership and drive to deliver the annual efficiency programme plan.

FINANCIAL/RESOURCE IMPLICATIONS

Capital

43. The revenue implications of funding the capital programme through supported and unsupported borrowing are reflected in the 2010/11 estimates presented in Appendix 8.

Revenue

44. As set out in the report.

Property

45. None

Other

46. None

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

47. The Executive has a legal responsibility to recommend a budget to the Council.

Other Legal Implications:

48. Appendix 13 sets out a detailed synopsis of the legal issues associated with budget setting within Local Government and Appendix 14 fulfils the Chief Financial Officers statutory duty under the LGA 2003 for reporting on the robustness of the budget proposals and the adequacy of reserves.

POLICY FRAMEWORK IMPLICATIONS

49. This report sets out the Executive's proposed budget to Council which is being developed in line with the constitution and forms an integral part of budget and policy framework.

SUPPORTING DOCUMENTATION

Appendices

1.	Report on Budget Consultation Process and Outcomes
2.	Revised General Fund Revenue Budget 2009/10
3.	Summary of Invest to Save Bids
4.	Summary of Revenue Pressures
5.	Summary of Revenue Developments
6.	Summary of Revenue Bids
7.	Summary of Efficiencies, Additional Income and Service Reductions
8.	2010/11 General Fund Revenue Account
9.	2010/11 Council Tax Calculation
10.	2010/11 Collection Fund Estimates
11.	Medium Term Financial Forecast
12.	Efficiency Strategy
13.	Statutory Power To Undertake Proposals In The Report
14.	Chief Financial Officers View On The Budget

Documents In Members' Rooms

1.	None
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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)

1.	Cabinet report on draft budget proposals 26 th October 2009	
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Background documents available for inspection at:

KEY DECISION? **Yes**

WARDS/COMMUNITIES AFFECTED:	All
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Appendix 1

CONSULTATION PROCESS

The Cabinet undertook a range of consultation activities to work with all organisations affected by proposals, as well as consulting with the public on major issues.

Specifically the Cabinet:

- Consulted directly with schools on proposals which affect them
- Consulted with partners in the city, including the Primary Care Trust, the police and the voluntary sector
- Undertook a specific, separate consultation with voluntary organisations directly affected by the proposals so they could make detailed representations on the proposals and feed into the decision making process before a final decision is actually made
- Wrote to all other organisations, and user groups which may be affected by the proposals to ensure there is clarity and an opportunity to feed back
- Met with the Trade Unions corporately and at a Portfolio / Directorate level to effectively consult on staff issues which arose.
- Ensured that the general public could comment on the budget through City View and the web site.

There was information in City View which was distributed at the end of November. This included feedback forms for readers to complete. This information was also be available on the council web site with mechanisms to allow feedback online.

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GENERAL FUND 2009/10 - REVISED BUDGET

	Working Budget £000's	Revised Budget £000's	Variance £000's
Portfolios (Net Controllable Spend) *	166,447	166,947	500 A
Non-Controllable Portfolio Costs	19,154	19,154	0
Portfolio Total	185,601	186,101	500 A
Levies & Contributions			
Southern Seas Fisheries Levy	36	36	0
Flood Defence Levy	42	42	0
Coroners Service	450	450	0
	529	529	0
Capital Asset Management			
Capital Financing Charges	9,393	7,893	1,500 F
Capital Asset Management Account	(21,584)	(21,584)	0
	(12,191)	(13,691)	1,500 F
Other Expenditure & Income			
Direct Revenue Financing of Capital	1,791	1,791	0
Net Housing Benefit Payments	(102)	(852)	750 F
Contribution from Invest to Save Fund	(185)	(185)	0
Contribution to Interest Equalisation Reserve	0	1,500	1,500 A
Contribution to Transformation Fund	300	300	0
Revenue Development Fund	2,426	2,426	0
Open Spaces and HRA	527	527	0
Risk Fund	4,272	4,272	0
LPSA Contribution	(150)	(150)	0
Contingencies	250	250	0
Surplus/Deficit on Trading Areas	(50)	(50)	0
	9,077	9,827	750 A
NET GF SPENDING	183,016	182,766	250 F
Draw from Balances:			
To fund the Capital Programme	(1,791)	(1,791)	0
Draw from Strategic Reserve (Pensions/Reds)	(148)	(148)	0
Draw from Balances (General)	(1,882)	(1,632)	250 F
	(3,820)	(3,570)	250 F
BUDGET REQUIREMENT	179,196	179,196	0

* Environment & Transport Portfolio - Additional Funding for Highways Maintenance

SUMMARY OF INVEST TO SAVE BIDS

Portfolio Ref	Service Activity	Description of Item	Impact / Issues	Recurring or One Off (R or O)	2010/11 £000's	2011/12 £000's	2012/13 £000's	Head of Service
<u>Environment & Transport Portfolio</u>								
E&T 1	Sustainability	CRC Post	Invest to Save -post to co-ordinate data collection , reporting and compliance with CRC, working directly with services to develop and deliver energy and carbon saving measures	R		45	45	Paul Nichols
Environment & Transport Portfolio Total					0	45	45	
GRAND TOTAL					0	45	45	

SUMMARY OF REVENUE PRESSURES

Portfolio Ref	Service Activity	Description of Item	Impact / Issues	Recurring or One Off (R or O)	2010/11	2011/12	2012/13	Head of Service
					£000's	£000's	£000's	
<u>Adult Social Care & Health Portfolio</u>								
ASCH 1	Adult Disability Care Services	Safeguarding Adults	<p>Referrals for safeguarding have increased by over 300% and staff are no longer able to manage the impact without affecting performance targets in assessment and other areas. Six further social workers and appropriate management and business support are required - this amounts to two for each of the area teams. This is the minimum considered viable to manage the impact</p> <p>The PCT IS in the process of reviewing packages of care in respect of learning disabilities that do not meet NHS guidance on continuing care. To date a number of pack ages have already been identified that have transferred to the Council and this pressure reflects those additional packages.</p>	R	330	404	404	Jane Brentor
ASCH 2	Learning Disabilities	Southampton Primary Care Trust and Funding		R	400	400	400	Jane Brentor
Adult Social Care & Health Portfolio Total					730	804	804	
<u>Children's Services Portfolio</u>								
CS 1	Children in Care	Increasing numbers of children in care	<p>IN 2009/10 THE CUT IN CITY BUDGET FOR CHILDREN PLACED WITH Independent Fostering Agencies (IFAs) was reduced by £437,000. Although it was hoped that costs could be reduced, the increasing number of families in crisis coupled with early referrals of children in need, has seen the numbers of children in care increasing across the city. Investing in in-house foster carers saves approximately £30,000 per placement over the cost of a private IFA placement and will therefore reduce the demand on the Disch Fund. The £400,000</p>	R	490	490	490	Felicity Budgen
Children's Services Portfolio Total					490	490	490	
GRAND TOTAL					1,220	1,294	1,294	

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SUMMARY OF REVENUE DEVELOPMENTS

Portfolio Ref	Service Activity	Description of Item	Impact / Issues	2010/11 £000's	2011/12 £000's	2012/13 £000's	Head of Service
<u>Children's Services Portfolio</u>							
CS 1	Infrastructure and Capital	To support the planning and preparation for "Building Schools for the Future".	This will enable the rebuilding or refurbishment of up to five secondary schools.	1,100	1,350	1,400	Karl Limbert
CS 2	Children in Care	Safeguarding Children	A review of the safeguarding arrangements within the City has highlighted the need for additional social workers and support staff.	1,228	1,456	1,456	Felicity Budgen
Children's Services Portfolio Total				2,328	2,806	2,856	
<u>Environment & Transport Portfolio</u>							
E&T 1	Streetlighting PFI	Increased revenue provision for streetlighting	This is the estimated funding gap between the level of resources currently dedicated to Street lighting and those required under the new PFI contract	1,000	1,000	1,000	Mick Bishop
E&T 2	Highways	Additional Highways funding	Additional funding to increase year on year the highways improvement programme.	800	1,600	2,400	Mick Bishop
E&T 3	Highways	Highways Partnership Procurement	Funding to pursue an external partnership	500	150		Mick Bishop
E&T 4	Directorate & Portfolio Management	Town Depot Project Management	This funding is to add a Town Depot project manager to the Environment establishment.	70	70		Frances Martin
Environment & Transport Portfolio Total				2,370	2,820	3,400	

SUMMARY OF REVENUE DEVELOPMENTS

Portfolio Ref	Service Activity	Description of Item	Impact / Issues	2010/11 £000's	2011/12 £000's	2012/13 £000's	Head of Service
<u>Leisure, Culture & Heritage Portfolio</u>							
LCH 1	Sport & Recreation	Costs of market testing and procurement	Estimated procurement, legal and other ancillary costs associated with alternative management options for Sports & Recreation venues.	193.0			Mike Harris
Leisure, Culture & Heritage Portfolio Total				193	0	0	
<u>Corporate</u>							
RES 1	Council Tax Discount	Local Council Tax Discount	Provision for the local council tax discounts for households containing persons over 65 years of age (10%) and for special constables (100%)	1,000	1,000	1,000	
Corporate Total				1,000	1,000	1,000	
GRAND TOTAL				5,891	6,626	7,256	

SUMMARY OF REVENUE BIDS

Portfolio Ref	Service Activity	Description of Item	Impact / Issues	Recurring or One Off (R or O)	2010/11	2011/12	2012/13	Head of Service
					£000's	£000's	£000's	
<u>Adult Social Care & Health Portfolio</u>								
ASCH 1	Portfolio Wide	Short Term Management Capacity	The Executive Director has suggested that funding to increase management capacity in the short term is created to respond to various issues in the Directorate such as the outcome of the CQC inspection	O	100			Brian Parrott
ASCH 2	Portfolio Wide	Long Term Management Capacity	Initial work on the reconfiguration exercise has indicated that additional resources are required at the senior level within the Directorate to enhance management capacity for service delivery	R	100	100	100	Brian Parrott
ASCH 3	Portfolio Wide	Reconfiguration of Health and Adult Social Care	If reconfiguration work is to continue with the PCT it will require additional resources over 2 years of which half would be met by SCC	R	100	100		Brian Parrott
Adult Social Care & Health Portfolio Total					300	200	100	
<u>Children's Services Portfolio</u>								
CS 1	Children in Care	Additional Legal support to Safeguarding plus Child Protection Co-ordinator	A review is taking place to identify additional legal responsibilities following the Laming report. The £105,000 pressure represents two additional solicitors plus admin time. Once cases are taken on by internal solicitors it is anticipated that the cost of external legal advice will fall by £45,000 in future years.	R	105	60	60	Felicity Budgen
Children's Services Portfolio Total					105	60	60	

SUMMARY OF REVENUE BIDS

Portfolio Ref	Service Activity	Description of Item	Impact / Issues	Recurring or One Off (R or O)	2010/11	2011/12	2012/13	Head of Service
					£000's	£000's	£000's	
<u>Housing & Local Services Portfolio</u>								
HLS 1	Parks and Street Cleansing	Thornhill Tidy Team + East District Team	Mainstreaming critical elements of front line operation following withdrawal of NDC funding, safeguarding service standards and commitments both within Thornhill and across the entire the East District Team (see supporting paper).	R	50	25	25	Jon Dyer-Slade
HLS 2	Parks and Street Cleansing	Parks and Street Cleansing Service	Increase capacity of service to utilise inputs from volunteers and external partners e.g. Community Payback Teams to carry out improvements to the local environment that cannot be resourced within the current funding envelope. Post-holder will be tasked with increasing service capacity by at least 100 hours per week (equivalent net value £60,000 of additional project work delivered per annum).	R	30	30	30	Jon Dyer-Slade
Housing & Local Services Portfolio Total					80	55	55	
<u>Leisure, Culture & Heritage Portfolio</u>								
LCH 1	Arts and Heritage	Revenue subsidy for re-opening of Tudor House Museum	Exact timing will be dependent on development proposals currently being pursued	R	76	103	103	Mike Harris
Leisure, Culture & Heritage Portfolio Total					76	103	103	
GRAND TOTAL					561	418	318	

SUMMARY OF EFFICIENCIES, ADDITIONAL INCOME AND SERVICE REDUCTIONS

Portfolio	2010/11			Total
	Efficiencies	Income	Service Reductions	
	£000's	£000's	£000's	
Adult Social Care & Health	(1,527)	(430)	0	(1,957)
Childrens Services	(995)	(283)	(115)	(1,393)
Economic Development	(51)	0	(111)	(162)
Environment & Transport	(1,768)	(375)	(246)	(2,389)
Housing & Local Services	(436)	(8)	(108)	(552)
Leader's Portfolio	(137)	(58)	(80)	(275)
Leisure Culture & Heritage	(398)	(74)	(175)	(647)
Resources & Workforce Planning	(693)	0	0	(693)
	(6,005)	(1,228)	(835)	(8,068)

IMPACT OF PROPOSALS ON STAFFING

Portfolio	FTE In Post	FTE Vacant	FTE Total
Adult Social Care & Health	35.00	0.00	35.00
Children Services	3.00	6.00	9.00
Economic Development	1.50	3.00	4.50
Environment & Transport	11.80	13.90	25.70
Housing & Local Services	8.50	3.00	11.50
Leaders	2.50	1.00	3.50
Leisure, Culture & Heritage	10.80	9.30	20.10
Resources & Workforce Planning	4.00	6.42	10.42
	77.10	42.62	119.72

SUMMARY OF EFFICIENCIES, ADDITIONAL INCOME AND SERVICE REDUCTIONS

Portfolio Ref	Service Activity	Description of Item	Impact / Issues	2010/11	2011/12	2012/13	FTE In Post	FTE Vacant	Head of Service
				£000's	£000's	£000's			
Adult Social Care & Health - Efficiencies									
ASCH 1	Adult Disability Care Services	Giving only 1.0% inflation rather than 1.7% in 10/11 and 11/12 financial years on residential / domiciliary providers and Direct payments	Possible reduction in care availability. Reduced working arrangements with providers may result due to dissatisfaction - this is particularly high risk because in house home closures will mean that there will be an initial peak of demand onto external residential providers and we will want them to work with us not to artificially inflate rates. The new domiciliary care framework contract does not have a specific amount of inflation built into framework contract but is subject to negotiation. However, we have not paid inflation in this current year and we know that one of the smaller providers has some cash reserve problems, although they are managing this at the moment. It is possible that the smaller providers will not be able to remain viable and we have already depleted the provider market to a small number of viable providers locally. This proposal includes not paying inflation on Direct Payments in order to treat all forms of social care provision equally but it must be recognised that individual users will not have the negotiating power that is available to the Council. Residential and domiciliary care rely heavily on human resources. It has always been accepted that where personnel are involved a higher than standard RPI inflation based increase should apply. This proposal not only does not recognise that but has the impact of a real terms reduction in pay for low paid carers. It is very possible that the risks associated with the proposal will reduce care viability considerably and as such it is a high risk proposal. However, it will be influenced by the actual rate of inflation at the beginning of the next financial year which, if it remains low, will reduce the impact of this proposal. Working to a 'cost model' it is expected that some providers will reduce their price during a retendering exercise and some customers will move to supported living. There may be some disruption for some customers. It is likely that the PCT will expect a percentage of the savings and/or declare fewer cases to be funded as continuing health care as a result of the review. The work will only have part year effect in the first year.	(145)	(290)	(290)		Jane Brentor	
ASCH 2	Adult Disability Care Services	Giving only 0.0% inflation rather than 1.7% in 10/11 and 11/12 financial years on residential and domiciliary providers		(179)	(358)	(358)			Jane Brentor
ASCH 3	Learning Disability	Framework contract for LD residential care		(200)	(400)	(400)			Jane Brentor
ASCH 4	Carer's Grant	Provide Day care from Carer's Grant	Semal and Bedford House day care provision has been core funded but some elements are used to provide respite to carers of people with mental ill health and physical disability. Funding could be provided from the Carers Grant which has traditionally under spent.	(200)	(200)	(200)			Jane Brentor

SUMMARY OF EFFICIENCIES, ADDITIONAL INCOME AND SERVICE REDUCTIONS

Portfolio Ref	Service Activity	Description of Item	Impact / Issues	2010/11 £000's	2011/12 £000's	2012/13 £000's	FTE In Post	FTE Vacant	Head of Service
ASCH 5	Provider Services	Change in house domiciliary provision to create short term enabling and crisis support, transferring a proportion of current in-house provision to the independent sector	<p>This will require retaining all structure changes, with redundancies possible if and when the remaining service to long term customers becomes unviable. All current staff have been fully informed of the changes and personnel consequences. The management of this change is likely to take 9 months minimum with the project requiring Cabinet decision agreed in November. It also assumes sufficient provision being available in the independent sector with no raised costs for complex care. This is an extension of the saving proposal put forward in 2009/10, it has been identified that additional savings can be achieved beyond that proposed in 2009/10</p>	(203)	(317)	(432)	4.00		Jane Brentor
ASCH 6	Provider Services	Residential Review	Gradual closure of two in-house residential homes and re-provision with independent domiciliary or residential care. The proposal is subject to the assumed completion of the current judicial process.	(300)	(400)	(400)	31.00		Jane Brentor
ASCH 7	Adult Disability Care Services	Efficiencies in the procurement of Residential and Nursing Care	Residential and Nursing care for elderly clients has been procured in a more efficient manner within 2008/09. In 2008/09 this enabled the Portfolio to offset the inability to achieve a one off income target of £300,000 from Health. For 2009/10 and beyond the income target was not built into the budget as it was unachievable. The efficiencies in Residential and Nursing care observed in 2008/09 will continue for the current and future years and are therefore available to be given up for savings.	(300)	(300)	(300)			Jane Brentor
Sub-total				(1,527)	(2,265)	(2,380)	35.00	0.00	
Adult Social Care & Health - Income									
ASCH 8	Adult Disability care Services	New charging policy to result in increased income.	Customer dissatisfaction has been experienced but system is seen to be fair and less complex. This is a saving beyond that proposed during the 2009/10 budget setting. This increase in income for 10/11 can be achieved as it has been established that a higher than expected number of customers have sufficient capital to increase their charges to full cost.	(430)	(430)	(430)			Jane Brentor
Sub-total				(430)	(430)	(430)	0.00	0.00	
Adult Social Care & Health Portfolio Total				(1,957)	(2,695)	(2,810)	35.00	0.00	

SUMMARY OF EFFICIENCIES, ADDITIONAL INCOME AND SERVICE REDUCTIONS

Portfolio Ref	Service Activity	Description of Item	Impact / Issues	2010/11 £000's	2011/12 £000's	2012/13 £000's	FTE In Post	FTE Vacant	Head of Service
Children Services - Efficiencies									
CS 1	Commissioning, Planning & Performance	Efficiencies within Children's Data Team	The deletion of a senior manager post, with the transfer of the post holder to a vacant post elsewhere in the directorate. The Children's Data Team has managed without the post holder, who has been on DCSF secondment, although technical support to this team has been reduced.	(58)	(58)	(58)		1.00	Sue Allan
CS 2	Disability	Choices Advocacy	This saving will be found through transferring the cost of the contract to the carers grant. During the first quarter of the calendar year 2010 a review of service cost codes will be undertaken to identify a saving of £14K to transfer to the MARP cost code.	(14)	(14)	(14)			Felicity Budgen
CS 3	Early Years & Childcare	Efficiencies within Children's Centres and use of growth in Sure Start grant	Efficiencies in organisation and use of increased Sure Start grant to fund core services	(17)	(17)	(17)			Paul Nugent
CS 4	Early Years & Childcare	Early Years and Childcare Services	Efficiencies in Early Years Development & Childcare and Children's Information Service teams	(40)	(40)	(40)		1.00	Paul Nugent
CS 5	Infrastructure & Capital	ICT Strategy team	Efficiencies with CSL ICT Team by deletion of two vacant posts and £28k funded from the Individual Schools Budget as agreed by the Schools Forum	(150)	(200)	(200)		2.00	Andrew Hind
CS 6	Services to Schools	Efficiencies within Music Service	Efficiencies in senior leadership following restructure of service	(28)	(28)	(28)	1.00		Paul Nugent
CS 7	Services to Schools	Study Support Centre	Efficiencies made from utilising funding from Extended Services grant	(54)	(54)	(54)			Paul Nugent/ Alison Alexander
CS 8	Children's Social Work Management	Cease contract for Children's Rights Co-ordinator	The service supports children in care and children in need through group work advocacy and individual support. The contract has ended, with advocacy and individual support services provided by teams within the Youth and Community Support division	(4)	(4)	(4)			Felicity Budgen
CS 9	Children in Care	Residential Units Review	A review of residential care is currently being undertaken to re-shape the current provision to provide more targeted and cost effective services to young people.	(150)	(450)	(450)	TBC	TBC	Felicity Budgen

SUMMARY OF EFFICIENCIES, ADDITIONAL INCOME AND SERVICE REDUCTIONS

Portfolio Ref	Service Activity	Description of Item	Impact / Issues	2010/11 £000's	2011/12 £000's	2012/13 £000's	FTE In Post	FTE Vacant	Head of Service
CS 10	Disability	Review of Disability Services	There are no staffing implications in 2010/11. Savings will be achieved through service and supplies efficiencies.	(50)	(200)	(200)			Felicity Budgen
CS 11	All	Restructure of Children's Services	Efficiencies achieved through structural changes to the Directorate including the transformational change in service provision through localities	(250)	(350)	(350)	1.00	2.00	Clive Webster
CS 12	14 to 19 and Learning & Skills	Efficiencies within Adult & Community Learning	The restructure of the Division has resulted in the decision to outsource Adult & Community Learning delivery. Consequently there is no requirement for the Learner Support post previously funded by the City Council	(34)	(34)	(34)	1.00		Alison Alexander
CS 13	Children & Youth Support	Restructure of the Young People and Community Support Division	Through merging the functions of the Play Service, Youth Service, Connexions Service and Extended Schools efficiencies can be made across the Division	(45)	(45)	(45)			Alison Alexander
CS 14	Young People & Community Support	Efficiencies from funding Positive Activities for Young People	Positive Activities for Young People grant will be used to fund existing staff, previously funded by City Council.	(21)	(21)	(21)			Alison Alexander
CS 15	All	Review of Transport	Efficiencies from the merging of the home to school transport, post 16 transport and school travel advisor budgets	(125)	(200)	(200)			Alison Alexander
Sub-total				(995)	(1,715)	(1,715)	3.00	6.00	
Children Services - Income									
CS 16	Inclusion Support Services	Charging for Behaviour Intervention Support Team	This will be funded from the Individual Schools Budget as agreed by the Schools Forum	(115)	(346)	(346)			Felicity Budgen
CS 17	Inclusion Support Services	Income generation from Psychology Service	This will be funded from the Individual Schools Budget as agreed by the Schools Forum	(60)	(119)	(119)			Felicity Budgen
CS 18	Infrastructure & Capital	PFI Unitary Charge	Additional contribution from PFI schools towards utility costs section of Unitary Charge	(50)	(50)	(50)			Andrew Hind
CS 19	School Improvement	Standards & School Improvement Team	Additional income from schools and external organisations for services provided by school inspectors and employee savings by ending secondments	(22)	(22)	(22)			Paul Nugent

SUMMARY OF EFFICIENCIES, ADDITIONAL INCOME AND SERVICE REDUCTIONS

Portfolio Ref	Service Activity	Description of Item	Impact / Issues	2010/11 £000's	2011/12 £000's	2012/13 £000's	FTE In Post	FTE Vacant	Head of Service
CS 20	Services to Schools	Income generation within City Catering	Increase opportunities for income from external source	(16)	(66)	(66)			Paul Nugent
CS 21	Services to Schools	Governor Services	This will be funded from the Individual Schools Budget as agreed by the Schools Forum	(20)	(20)	(20)			Paul Nugent
		Sub-total		(283)	(623)	(623)	0.00	0.00	
<u>Children Services - Service Reductions</u>									
CS 22	Inclusion Support Services	Reductions within Inclusion Service	Reductions to training/conference budgets	(20)	(20)	(20)			Felicity Budgen
CS 23	14 to 19 and Learning & Skills	Reduction of Community Subsidy	This will be funded from the Individual Schools Budget as agreed by the Schools Forum	(53)	(53)	(53)			Alison Alexander
CS 24	14 to 19 and Learning & Skills	Reduction of grant paid to City College for delivery of employment based training programmes.	The removal of this subsidy, whilst affecting the organisations bottom line surplus, should not affect the organisation's viability. This may have an effect upon the ability of City Training to offer targeted support for young people.	(42)	(42)	(42)			Alison Alexander
		Sub-total		(115)	(115)	(115)	0.00	0.00	
		Children's Services Portfolio Total		(1,393)	(2,453)	(2,453)	3.00	6.00	

SUMMARY OF EFFICIENCIES, ADDITIONAL INCOME AND SERVICE REDUCTIONS

Portfolio Ref	Service Activity	Description of Item	Impact / Issues	2010/11 £000's	2011/12 £000's	2012/13 £000's	FTE In Post	FTE Vacant	Head of Service
<u>Economic Development - Efficiencies</u>									
ED 1	City Centre Management	Delete part-time Marketing Assistant post	City Centre Management Company to take up operations	(9)	(9)	(9)	0.50		Tim Levenson
ED 2	Economic Development	Delete 1 post of Economist/Statistician	Corporate Policy & Performance team to undertake the calculation of key information from national data sources. Use of PUSH resources to undertake local research.	(29)	(29)	(29)		1.00	Tim Levenson
ED 3	European & International Service	Subscriptions	Find alternative ways of funding subscriptions	(13)	(13)	(13)			Tim Levenson
ED 4	Economic Development & Regeneration	Reduce divisional general expenditure	Reduction in general expenditure as a result of efficiencies from the amalgamation of the City Development and Economy and Regeneration teams	(20)	(20)	(20)			Dawn Baxendale
Sub-total				(51)	(71)	(71)	0.50	1.00	
<u>Economic Development - Income</u>									
ED 5	Economic Development & Regeneration	Income Generation	Seek external funding from a variety of sources including Europe, grants and regeneration relocation income	(17)	(17)	(17)			Tim Levenson
Sub-total				0	(17)	(17)	0.00	0.00	
<u>Economic Development - Service Reductions</u>									
ED 6	Economic Development	Delete post of Graphics Assistant	Graphics work will be undertaken through liaison with Communications. Current post holder retires in October 2009.	(29)	(29)	(29)		1.00	Tim Levenson
ED 7	Tourism	Delete 2 posts	Existing economic development post will manage tourism policy aspects. There will, however, be reduced capacity to develop tourism initiatives	(69)	(69)	(69)	1.00	1.00	Tim Levenson
ED 8	Tourism	Marketing Budget for Tourism	Private sector contributions are being explored	(13)	(31)	(31)			Tim Levenson
Sub-total				(111)	(129)	(129)	1.00	2.00	
Economic Development Portfolio Total				(162)	(217)	(217)	1.50	3.00	

SUMMARY OF EFFICIENCIES, ADDITIONAL INCOME AND SERVICE REDUCTIONS

Portfolio Ref	Service Activity	Description of Item	Impact / Issues	2010/11 £000's	2011/12 £000's	2012/13 £000's	FTE In Post	FTE Vacant	Head of Service
<u>Environment & Transport - Efficiencies</u>									
E&T 1	Bereavement Services	Changes in work practices	Minor efficiencies and savings from composting waste and other grounds maintenance operational activities	(20)	(20)	(20)			Liz Marsh
E&T 2	Bereavement Services	Crematorium - more efficient use of energy	As part of a Crematorium upgrade, the purchase of more fuel efficient equipment will help reduce carbon footprint	(30)	(30)	(30)			Liz Marsh
E&T 3	Divisional Business Support	Deletion of word processing post and reduction in hours for other posts	Less responsive service to non front line services	(30)	(50)	(50)	1.80	0.50	Liz Marsh
E&T 4	Divisional Business Support	Reduce Environmental Health & Trading Standards trainee budget	Will reduce the ability of the service to 'grow it's own' professional staff	(25)	(25)	(25)		1.40	Liz Marsh
E&T 5	Divisional Business Support	Divisional Efficiency Savings	Reduction of budgets for supplies, services and transport	(10)	(10)	(10)			Liz Marsh
E&T 6	Environmental Health	Relocation of Pest Control Premises	Drive down costs by the use of shared accommodation	(10)	(10)	(10)			Liz Marsh
E&T 7	Environmental Health	Relocation of Environmental Health staff to alternative accommodation	Relocate to Dock Gate 20 site or alternative suitable site.	(60)	(60)	(60)			Liz Marsh
E&T 8	Registration Services	Restructure of Registration Services	Reorganisation and reduction of one post with the result that there would be a less responsive statutory service	(20)	(40)	(40)	1.00		Liz Marsh
E&T 9	Parking Services	Reduce back office resources	Minimal service impact due to reduced number of PCNs although redundancy costs due to deletion of filled post	(5)	(15)	(30)	1.00		Mick Bishop
E&T 10	Service Support and Development	Reduce back office resources	Support to front line teams will be reduced and staff will be forced to use self-service.	(43)	(43)	(43)		1.50	Mick Bishop
E&T 11	Public Realm	Reduced payments into highways insurance fund	Reducing the contribution will reduce the opening balance but should be manageable next year and within the Highways PPP.	(100)	(150)	(150)			Mick Bishop
E&T 12	Public Realm	Restructure programme management resources within the Public Realm Teams	Restructure opportunity flows from the reduced capital programme for 2010/11	(60)	(60)	(60)	1.00	1.00	Mick Bishop

SUMMARY OF EFFICIENCIES, ADDITIONAL INCOME AND SERVICE REDUCTIONS

Portfolio Ref	Service Activity	Description of Item	Impact / Issues	2010/11 £000's	2011/12 £000's	2012/13 £000's	FTE In Post	FTE Vacant	Head of Service
E&T 13	ROMANSE	Reduce Control Room Operating hours and maintain status quo with Real Time Information	Real time information will not be expanded and a review will be required to identify new technology opportunities. Control room operating hours will be reduced.	(80)	(100)	(100)	1.00		Mick Bishop
E&T 14	Asset Management	Restructure resources within the Asset Management Team	Reduction in Engineering capacity may reduce the ability to give detailed Highways advice	(23)	(23)	(23)	1.00		Mick Bishop
E&T 15	Highways Routine Maintenance	Efficiencies in fees and charging service budgets.	Savings on materials , fee percentage changes and service budgets reductions will realise this efficiency	(60)	(60)	(60)			Mick Bishop
E&T 16	Network Management	Reduce technical clerk resources	Ability to manage and co-ordinate works on the Highway may be reduced. Reduction in budget may affect the partnership affordability envelope and partnership service levels.	(26)	(26)	(26)	1.00		Mick Bishop
E&T 17	Public Realm	Revised Multi Storey Car Park (MSCP) maintenance programme , reduced Civil Enforcement back office resources.	Utilising increased on-street car parking surplus to support the highways capital programme with corresponding reductions in the Direct Revenue Financing.	(250)	(250)	(250)			Mick Bishop
E&T 18	Travel and Transport	Review Bus Operator Reimbursement System	To ensure calculations are made on an appropriate basis; likely to be potential for savings in this area but there are appeal risks	(85)	(100)	(100)			Paul Nichols
E&T 19	Development Control/ Business Support	Review structure of DC Case Officer/Technical Support roles to adapt to reduced income levels throughout downturn	Review roles and structure of development control and associated support teams. There are risks to continued service improvement where resources are reduced. Position will need to be reviewed once there is an upturn in the economy.	(170)	(170)	(170)	2.00	3.00	Paul Nichols
E&T 20	Divisional	Reduction in supplies and services budgets	Cross Divisional savings on direct costs. Some impacts on learning and development, trainee programmes and the level of resourcing for a range of projects and activities.	(20)	(20)	(20)			Paul Nichols
E&T 21	Travel and Transport	More efficient use of transport	Travel Coordination Unit (TCU) to facilitate the more effective use of staff travel within the Environment Directorate.	(50)	(50)	(50)			Paul Nichols
E&T 22	Waste Disposal	Contract negotiations reducing costs	These are 'one off' savings	(119)	(100)	(100)			Andrew Trayer
E&T 23	Waste Disposal	Savings on budgeted pass through costs	None	(80)	(80)	(80)			Andrew Trayer

SUMMARY OF EFFICIENCIES, ADDITIONAL INCOME AND SERVICE REDUCTIONS

Portfolio Ref	Service Activity	Description of Item	Impact / Issues	2010/11	2011/12	2012/13	FTE In Post	FTE Vacant	Head of Service
				£000's	£000's	£000's			
E&T 24	Waste Disposal	Reduced tonnage of waste collected for disposal	Civic Amenity Waste	(80)	(80)	(80)			Andrew Trayer
E&T 25	Waste Disposal	Disposal contract commercial waste rebate	SCC share of income secured through 2009 waste disposal contract negotiations based upon the amount of commercial waste processed at the Energy Recovery Facilities.	(35)	(35)	(35)			Andrew Trayer
E&T 26	Waste Collection	Improvements to absence monitoring management	Improve absence monitoring management through a combination of enhanced reporting procedures and reviewing current corporate policies.	(4)	(4)	(4)			Andrew Trayer
E&T 27	Waste Disposal	Refinancing of the waste disposal contract	Dependent upon the conclusion of negotiations by the Authorities (Hampshire County Council, Southampton City Council and Portsmouth City Council) with Veolia Environmental Services	(60)	(60)	(60)			Andrew Trayer
E&T 28	Fleet Transport	Fleet Transport warranties & tyre contract efficiencies	Recently negotiated tyre contract incorporates stricter controls and monitoring. Robust management of vehicle and equipment warranties to ensure costs of repairs under warranty are reimbursed.	(25)	(25)	(25)			Andrew Trayer
E&T 29	Fleet Transport	Driving standards efficiencies	Invest to save' post which will implement policies/procedures and provide / procure driver training to reduce maintenance and vehicle damage costs across the authority. This initiative will require negotiation with TU's and corporate/ political endorsement.	(10)	(40)	(40)			Andrew Trayer
E&T 30	Fleet Transport	External vehicle hire cost reductions	Savings will be achieved due to the reduction in age of the vehicle fleet. Newer vehicles have less 'fair wear and tear' damage which reduces downtime. Consequently, there will be a reduced need to hire replacement vehicles while fleet vehicles are off road being maintained in the workshops.	(20)	(20)	(20)			Andrew Trayer
E&T 31	Waste and Fleet	Divisional Efficiency Savings - Future measures	Increased fees & charges including those to schools / HRA; Waste reduction measures; Negotiate favourable vehicle parts contracts etc, reduced resources, reduction to training budgets, corporate employment savings.	(20)	(102)	(102)			Andrew Trayer
E&T 32	Waste Collection	Reduced container storage costs	Container storage requirements have been reviewed and reduced. Able to release some of the budget set aside.	(10)	(20)	(20)			Andrew Trayer
E&T 33	Waste and Fleet	Divisional Efficiency Savings - Future measures	Reduction of a range of budget headings including equipment, vehicle repairs, supplies and services	(50)	(50)	(50)			Andrew Trayer

SUMMARY OF EFFICIENCIES, ADDITIONAL INCOME AND SERVICE REDUCTIONS

Portfolio Ref	Service Activity	Description of Item	Impact / Issues	2010/11 £000's	2011/12 £000's	2012/13 £000's	FTE In Post	FTE Vacant	Head of Service
E&T 34	Waste Disposal	Disposal Contract - reduction in landfill costs	Reduction in costs associated with the recycling of the incinerator bottom ash.	(50)	(50)	(50)			Andrew Trayer
E&T 35	Waste Disposal	Disposal Contract - reduction in fixed fees.	Renegotiation of the contract terms and conditions has resulted in a reduction in the fixed fees for the infrastructure.	(80)	(80)	(80)			Andrew Trayer
E&T 36	Waste Disposal	Reduced tonnage of waste collected for disposal	Kerbside collected waste	(46)	(46)	(46)			Andrew Trayer
E&T 37	ROMANSE	Install LED Traffic Lights	Energy saving from SALIX investment. Dependent upon Highway Futures contract arrangements in years 2 and beyond	(60)	(60)	(60)			Mick Bishop
E&T 38	Directorate & Portfolio Management	Reduce Supplies & Services Budgets	No scope to fund Directorate initiatives. Very limited overall budget	(62)	(62)	(62)			Frances Martin
Sub-total				(1,768)	(2,226)	(2,141)	9.80	7.40	
Environment & Transport - Income									
E&T 39	Bereavement Services	Crematorium	Cremation fee increase by 6.63% (over the 1.7%) to £650 (from £600). Increase burial fee by a further 22.4% (above the 1.7%) to £500 (from £403) and purchase of grave/burial fee by a further 13.8% to £1,200 (from £1,039) - Further fee increases in 2011/12. Increased cost to be offset by investment in physical improvements to the crematorium.	(150)	(270)	(270)			Liz Marsh
E&T 40	Bereavement Services	Increased memorialisation sales.			(50)	(50)			Liz Marsh
E&T 41	Environmental Health	New income from Scores on the Doors star rating system			(10)	(10)			Liz Marsh
E&T 42	Environmental Health	Income arising from new Port Health checks on imported food		(20)	(20)	(20)			Liz Marsh
E&T 43	Network Management	Increased income flowing from increased enforcement action	Figures assume Highways PPP commences in September 2010	(13)	(13)	(13)			Mick Bishop
E&T 44	Network Management	Additional income from increased sampling inspections of works on the highway	Potential issue with utility companies, full effect may not be realised. Figures assume Highways PPP commences in September 2010	(13)	(13)	(13)			Mick Bishop

SUMMARY OF EFFICIENCIES, ADDITIONAL INCOME AND SERVICE REDUCTIONS

Portfolio Ref	Service Activity	Description of Item	Impact / Issues	2010/11	2011/12	2012/13	FTE In Post	FTE Vacant	Head of Service
				£000's	£000's	£000's			
E&T 45	Network Management	Section 74 Highways Notices	Utilities may object and challenge the notices relating to extended occupation of the highway. Figures assume Highways PPP commences in September 2010	(38)	(38)	(38)			Mick Bishop
E&T 46	Travel and Transport	Implement travel plan guidance with charges for monitoring of plans	Introduce developer charges for monitoring of travel plans. Likely to increase workload in this area so some additional cost will offset new income.	(30)	(30)	(30)			Paul Nichols
E&T 47	Planning and Sustainability	Capitalise staff time against new infrastructure tariff	Relies on the development and implementation of an updated policy for developer contributions, in line with the Core Strategy, to set up strategic funds for a range of infrastructure projects. Yield dependent on the timing of the economic upturn.	(320)	(320)	(320)			Paul Nichols
E&T 48	Divisional	Selling specialist consultancy services to other authorities	Allocating a limited proportion of specialist officer time for consultancy, to enable us to retain access to a cost-effective, in-house specialist team. Areas being considered are SEA, energy, flood risk management, conservation and archaeology.	(20)	(40)	(40)			Paul Nichols
E&T 49	Waste Collection	Increase to HRA second & subsequent collection charges	Increase charges to HRA for second & subsequent collections, to bring these in line with those charged to educational establishments.	(20)	(20)	(20)			Andrew Trayer
E&T 50	Waste Disposal	Charge HRA for the disposal of waste collected from housing estates.	To bring Southampton City Council arrangements for this type of waste in-line with those at Hampshire County Council and Portsmouth City Council.	(81)	(81)	(81)			Andrew Trayer
E&T 51	Waste Collection	Charge for replacement green garden waste bags	To be applied when replacement sacks are requested by residents. Will need a robust policy to prevent the use of non SCC bags for containment of garden waste, together with policy adjustments for residual / recycling waste collections regarding garden waste in wheeled bins / bags	(20)	(20)	(20)			Andrew Trayer
Sub-total				(375)	(925)	(925)	0.00	0.00	

SUMMARY OF EFFICIENCIES, ADDITIONAL INCOME AND SERVICE REDUCTIONS

Portfolio Ref	Service Activity	Description of Item	Impact / Issues	2010/11	2011/12	2012/13	FTE In Post	FTE Vacant	Head of Service
				£000's	£000's	£000's			
<u>Environment & Transport - Service Reductions</u>									
E&T 52	Environmental Health	Reduction of two posts in the Pest Control Service	Risk of adverse impact on the Council's 'street scene' agenda and reduction in income from proactive work, e.g. pigeon proofing and clearance of filthy and verminous premises.	(20)	(50)	(50)	2.00		Liz Marsh
E&T 53	Environmental Health	Reduction to Environmental Health Food Safety Service	Further reductions in staffing levels may be to the detriment of food safety related performance indicators - particularly once the economy begins to recover.	(45)	(45)	(45)		1.50	Liz Marsh
E&T 54	Environmental Health	Reduction to Environmental Health Pollution and Safety Service.	Delete 1.5 technical and 0.5 admin posts and training other P & S staff to undertake asbestos surveying work. This will take staff away from health and safety and pollution control and nuisance work (statutory work) with the potential to impact on customer satisfaction performance indicators due to reduced response times.	(60)	(60)	(60)		2.00	Liz Marsh
E&T 55	Travel and Transport	Remove No 154 service to and from Springhill School	This service is an anomaly, being the only dedicated school service in the city. Service to be retendered in Oct/Nov 09.	(15)	(20)	(20)			Paul Nichols
E&T 56	Divisional	Close the Planning Officer Trainee Prog in 2010/11 (3 posts)	This is an HPDG funded programme through 10/11. Closing the programme will have a significant impact on Development Control, Spatial Planning and Sustainability, each losing an effective professional post. As a Division, we are losing the ability to 'grow our own' future professional staff.	(40)				3.00	Paul Nichols
E&T 57	Travel and Transport	Reduced subsidy for the 13/15 bus services	Sholing, Bitterne and Weston services provide poor value for money. .	(66)	(66)	(66)			Paul Nichols
Sub-total				(246)	(241)	(241)	2.00	6.50	
Environment & Transport Portfolio Total				(2,389)	(3,392)	(3,307)	11.80	13.90	

SUMMARY OF EFFICIENCIES, ADDITIONAL INCOME AND SERVICE REDUCTIONS

Portfolio Ref	Service Activity	Description of Item	Impact / Issues	2010/11 £000's	2011/12 £000's	2012/13 £000's	FTE In Post	FTE Vacant	Head of Service
<u>Housing & Local Services - Efficiencies</u>									
HLS 1	Neighbourhood Wardens	Reallocation of management overheads from General Fund to HRA	Reallocation of management overhead attributed to this service area and savings in supplies and services budget from 2010/11. This will increase costs to HRA and be allowed for in HRA budget setting.	(35)	(35)	(35)			Nick Cross
HLS 2	Kanes Hill Gypsy Site	Savings on water costs plus increase in electricity charges to residents	Remove contingency which was included to anticipate high increases in costs of water and waste on site that have not materialised. The unit charge for electricity at the site has fallen out of step with current prices. The unit charge has been increased	(10)	(10)	(10)			Nick Cross
HLS 3	Directorate & Portfolio Management	Restructure back office / administrative activities in Director's Office	Review & restructure business support activities and location of functions between Director's Office and Divisions to maximise efficiency, remove duplication and non essential activity. Director's Office savings are shared between the HRA and the General Fund.	(10)	(15)	(15)	0.50		Jon Wallace
HLS 4	Housing Needs	Reassessment of charges to HRA	This will increase costs to the HRA which will be considered as part of the budget setting process for that account.	(27)	(27)	(27)			Barbara Compton
HLS 5	Housing Strategy	Reorganise Business Support / Strategy teams work and reduce supplies and services budgets	Phase 2 Review & restructure Housing Strategy and business support activities and functions to support PUSH activities and maximise efficiency which means that supplies and services budgets can be rationalised. No direct service or staffing impact anticipated.	(20)	(20)	(20)			Barbara Compton
HLS 6	Common, Hawthorns & Natural Environment	Revise the operational arrangements at the Hawthorns	Restructure the operational arrangements at the Hawthorns using more flexible working arrangements to achieve additional income and reductions in overall operational costs.	(10)	(15)	(15)			Jon Dyer-Slade
HLS 7	Hawthorns & Natural Environment	Reduce Natural Environment Supplies and Services spend	The ability to maintain the infrastructure of The Common and Hawthorns reduces to essential H&S repairs only.	(10)	(10)	(10)			Jon Dyer-Slade
HLS 8	Trees, Allotments & Parks Improvements	Reduce the volume of tree maintenance work undertaken by external contractor	Phase 1 of STORMS will be completed. It is expected that the amount of reactive tree work will reduce. There is likely to be a slight but manageable increased H&S / insurance claims risk associated with this reduction.	(45)	(65)	(65)			Jon Dyer-Slade

SUMMARY OF EFFICIENCIES, ADDITIONAL INCOME AND SERVICE REDUCTIONS

Portfolio Ref	Service Activity	Description of Item	Impact / Issues	2010/11 £000's	2011/12 £000's	2012/13 £000's	FTE In Post	FTE Vacant	Head of Service
HLS 9	Active Communities / Stronger Communities	Phase 1 of restructuring the current separate Active Communities and Stronger Communities team and simplify the management arrangements	Delete the Active Communities Manager post during 2010/11 and achieve full year saving in 2011/12 and offset part of the manager post with external funding for one year. Combine admin arrangements for the two teams and reduce cost.	(55)	(49)	(49)	2.00	1.00	Jon Dyer-Slade
HLS 10	Parks and Streets Cleansing	Street Cleansing Waste transfer & Disposal Efficiencies	Linked to depot arrangements but working on further efficiencies from this area involving revised waste collection, transport and disposal methods / technologies.	(20)	(30)	(30)			Jon Dyer-Slade
HLS 11	Parks and Streets Cleansing	Fleet Cost Reductions	This efficiency achieved in part through reducing number of vehicles as a result of re-modelling service delivery arrangements for front-line teams, and in part through working with Transport Services to reduce fleet supply and support costs.	(70)	(100)	(100)			Jon Dyer-Slade
HLS 12	Parks and Streets Cleansing	Retender specialist facilities cleaning	Combining a number of smaller contracts into a larger tendered arrangement and reducing the spec slightly to achieve better value for money. Includes parks and sporting venues.	(14)	(14)	(14)			Jon Dyer-Slade
HLS 13	Parks and Streets Cleansing	Contingency funds removed, including funds for Health and Safety work and minor repairs	Mainly H&S funds. Major repairs to parks assets can only be funded in future through requests to risk management fund, or future inclusion of assets within the scope of the corporate repair and maintenance budget, with R & M needs prioritised along with other corporate assets.	(35)	(35)	(35)			Jon Dyer-Slade
HLS 14	Parks and Streets Cleansing	Efficiencies & extra income within the grounds maintenance team working in schools and external colleges	Increased income from expanding the external work and improving the grounds to schools	(20)	(30)	(30)			Jon Dyer-Slade
HLS 15	Parks and Streets Cleansing	Restructure Project Team	Develop better joint working with Safer Communities staff and teams in Environment services.	(20)	(20)	(20)	0.50		Jon Dyer-Slade
HLS 16	Parks and Streets Cleansing	Devolve staff and activities of citywide reactive team into new Central, East and West District Teams.	Development of mobile technology will enable efficient devolution of response to 24 hour customer enquiries to District Teams with a reduction in overall cleansing establishment by 2 FTE posts. Specialist functions such as mechanical sweeping, graffiti removal, and Fresh Start will retain a citywide remit but be managed as part of the City Centre cleansing team.	(30)	(40)	(40)	2.00		Jon Dyer-Slade

SUMMARY OF EFFICIENCIES, ADDITIONAL INCOME AND SERVICE REDUCTIONS

Portfolio Ref	Service Activity	Description of Item	Impact / Issues	2010/11 £000's	2011/12 £000's	2012/13 £000's	FTE In Post	FTE Vacant	Head of Service
HLS 17	Parks and Streets Cleansing	Rationalise elements of the specialist grounds maintenance team and convert grass tennis courts to an event space (Arts Market).	Localised delivery of the outdoor recreation services plus modest income from event space.	(5)	(20)	(20)	0.50		Jon Dyer-Slade
Sub-total				(436)	(535)	(535)	5.50	1.00	
Housing & Local Services - Income									
HLS 18	Parks and Streets Cleansing	Further income and efficiencies from Parks and Open Spaces	Currently prices are well below market norms and neighbouring authorities. These modest increases will reduce the subsidy across the service area. Services will still be provided at prices below market norms.	(8)	(15)	(15)			Jon Dyer-Slade
Sub-total				(8)	(15)	(15)	0.00	0.00	
Housing & Local Services - Service Reductions									
HLS 19	Housing Needs	Streamline work e.g. Reductions in number of Special Assessments and checks on Housing Register applicants done on sample basis only.	Change in policy on special assessments will mean that no medical / social / welfare assessments will be done except for exceptional urgent circumstances. Also cease comprehensive detailed checks on applicants to housing register and replace with sample check.	(43)	(43)	(43)		2.00	Barbara Compton
HLS 20	Active Communities / Stronger Communities	Phase 1 of restructuring the current separate Active Communities and Stronger Communities teams and simplify the management arrangements.	The service would be reduced by combining the role of posts across the Stronger and Active Communities Teams and focussing resources on supporting the community associations in running the community buildings. There will be a reduction in the number of project worker posts and the budget to support community groups / resident associations. Community development workers will reduce from 5.5 to 4.5 matching one per district (3) plus 1 citywide team leader and specialist support for the City Centre area.	(65)	(83)	(83)	3.00		Jon Dyer-Slade
Sub-total				(108)	(126)	(126)	3.00	2.00	
Housing & Local Services Portfolio Total				(552)	(676)	(676)	8.50	3.00	

SUMMARY OF EFFICIENCIES, ADDITIONAL INCOME AND SERVICE REDUCTIONS

Portfolio Ref	Service Activity	Description of Item	Impact / Issues	2010/11 £000's	2011/12 £000's	2012/13 £000's	FTE In Post	FTE Vacant	Head of Service
<u>Leaders - Efficiencies</u>									
L 1	Portfolio Management	Review of annual subscriptions to external organisations	The Council has a number of subscriptions to external organisations which reside within the Leader's Portfolio because of their impact across the entire organisation. These subscriptions have been reviewed to ensure that they are consistent with current council priorities and provide value for money. A £25,000 saving from 2010/11 onwards was approved as part of the mini budget last year and this saving represents the balance of the expected savings from the review process.	(1)	(9)	(9)			Joy Wilmot-Palmer
L 2	Directorate Management	Deletion of Capital Construction fees budget	None this is a below the line recharge and no residual works are anticipated locally in lieu of the major accommodation (ASAP) project in 2010/11.	(4)	(4)	(4)			Joy Wilmot-Palmer
L 3	Best Value & Corporate Performance	Reduction in Office Expenditure and Corporate Learning and Development expenses	Quarterly senior management conferences, organisational briefings and awaydays will need to be rationalised and the use of external venues limited. Revised working practices will be introduced to enable sharing of PAs, office accommodation and training arrangements across the corporate policy team.	(28)	(28)	(28)			Joy Wilmot-Palmer
L 4	Legal Services	Deletion of one secretarial Assistant Post	The post supports the Housing/ASB and Social Services /Education Team. Tasks will be completed by the rest of the team and may have an impact on speed of service provision	(24)	(24)	(24)	1.00		Mark Heath
L 5	Registrations & Business Support	Deletion of one Clerical Assistant post	All centralised administration duties would be absorbed by secretarial/admin staff across the division. In addition the maintenance of personnel records, e.g. sickness, attendance etc. would have to be maintained by individual line Managers together with health and safety monitoring e.g. PAT tests, equipment inventories etc. This may lead to a small reduction in fee earning hours available.	(21)	(21)	(21)	1.00		Mark Heath

SUMMARY OF EFFICIENCIES, ADDITIONAL INCOME AND SERVICE REDUCTIONS

Portfolio Ref	Service Activity	Description of Item	Impact / Issues	2010/11	2011/12	2012/13	FTE In Post	FTE Vacant	Head of Service
				£000's	£000's	£000's			
L 6	Legal Services	Reduction in external legal costs	The Council spends money on external lawyers, as the provision of legal support is managed on a mixed economy basis. As a result of a joint project between all the Hampshire local authority legal depts over the last 5 years, the shared services agenda is well established. It has been agreed to pursue a Hants led framework, tendering of which will enable further savings to be made. That will take at least a year to complete. In the meantime the current level of external spend will be robustly managed .	(25)	(50)	(50)			Mark Heath
L 7	Legal Services	Review the contracted provision for legal procurement advice leading to a mini restructure within the team.	The section 75 work for children's and adult services- i.e. the partnership work with the PCT would be spread across the same number of legal staff but the level of expertise currently held will be reduced and there will be a learning curve during which time there is likely to be slower turnaround for all procurement work.	(34)	(34)	(34)	0.50		Mark Heath
Sub-total				(137)	(170)	(170)	2.50	0.00	
Leaders - Income									
L 8	Democratic Support and Members Services	Implementation of administration arrangements for Statutory Admissions Forum	This activity was approved by Cabinet in July 2009 with the forum coming into being in September 2009. This will require a re-evaluation of the workloads in democratic services to accommodate the additional setting up and administration required including ensuring that constitutions etc, are correct and in place.	(6)	(6)	(6)			Mark Heath
L 9	Licensing	Additional Income - EBC joint working arrangements	Additional workload pressures for existing team members	(35)	(35)	(35)			Mark Heath
L 10	Legal Services	City Centre management	Income from Legal services provided to Streets Ahead Southampton Ltd (the new City Centre management company)	(2)	(2)	(2)			Mark Heath
L 11	Corporate Legal	Additional income - Other LA investigations	Additional workload pressures, availability of officers may be reduced if working off-site	(15)	(5)	(5)			Mark Heath
Sub-total				(56)	(48)	(48)	0.00	0.00	

SUMMARY OF EFFICIENCIES, ADDITIONAL INCOME AND SERVICE REDUCTIONS

Portfolio Ref	Service Activity	Description of Item	Impact / Issues	2010/11	2011/12	2012/13	FTE In Post	FTE Vacant	Head of Service
				£000's	£000's	£000's			
<u>Leaders - Service Reductions</u>									
L 12	Strategic / Portfolio Management	Deletion of corporate resident survey budgets	The deletion of the Place Survey and other resident survey budgets will result in the Council not receiving any overall, representative feedback from local residents on all of its activities. Since this is a more cost effective solution than this being undertaken on a service by service basis it is proposed that this will saving be achieved by the consolidation of all Portfolio consultation and survey budgets within the Leader's Portfolio together with partner contributions. The consolidation of these budgets will also support the ambition of tracking the impact of targeted Media campaigns set out in Westminster's Communications Review report.	(40)	(40)	(40)			Joy Wilmot-Palmer
L 13	Democratic Support and Members Services	Members Allowances	No annual inflationary increase in Members allowances. Requires Council decision but no new IRP report as the scheme is not being amended	(6)	(6)	(6)			Mark Heath
L 14	Democratic Support and Members Services	Members Expenses	Reductions in the budgets for conferences, equipment, stationery and publications	(4)	(4)	(4)			Mark Heath
L 15	Democratic Support and Members Services	Scrutiny Panels	Reduce the number of Scrutiny Panels by 2 and the number of inquiries by 4. The loss of 4 inquiry meetings will not produce significant savings within Democratic and Members Services. The amount of work in connection with these meetings will equate to approximately 0.2 of a FTE post.	(5)	(5)	(5)			Mark Heath
L 16	Democratic Support and Members Services	Briefing meeting process to be revised and Council meetings to be reduced by 1 meeting per year	Revised approach to the servicing and support to Cabinet Member Briefings which may have implications for other Directorates. The scheme of delegation and financial limits may also need to be amended. The loss of one Council meeting will mean that the business for that meeting will need to be transferred to other Council meetings within the cycle.	(25)	(25)	(25)		1.00	Mark Heath
Sub-total				(80)	(80)	(80)	0.00	1.00	
Leaders Portfolio Total				(275)	(298)	(298)	2.50	1.00	

SUMMARY OF EFFICIENCIES, ADDITIONAL INCOME AND SERVICE REDUCTIONS

Portfolio Ref	Service Activity	Description of Item	Impact / Issues	2010/11 £000's	2011/12 £000's	2012/13 £000's	FTE In Post	FTE Vacant	Head of Service
<u>Leisure, Culture & Heritage - Efficiencies</u>									
LCH 1	Libraries	Volunteering programme to support Library staff	Expand volunteering programme to increase presence and role of volunteers in the delivery of the library service. This involves recruiting and retaining a large pool of volunteers to deliver savings target. Proposal is to deliver part year implementation in 2010/11 due to scale of volunteer recruitment required. Due to this phasing expected to reduce FTEs by 2 in 2010/11 with further 4 by 2011/12	(37)	(112)	(112)	5.40	0.60	Mike Harris
LCH 2	Sports & Recreation	Restructure of retained Client Side / Sports Development	Review retained client side structure post contract including deletion of Sports development post, and deletion of facilities managers post. Creation of PT contract monitoring officer post. Focus on supporting Active Southampton as broader physical activity partnership. Loss of capacity to support voluntary sector.	(22)	(42)	(42)		1.00	Mike Harris
LCH 3	Sports & Recreation	Review of Marketing & Sales Budgets	Marketing resource will transfer to new partnership, plans for retained budgets can be rationalised, particularly if Oaklands and St Mary's are transferred to alternative management providers.	(10)	(10)	(10)			Mike Harris
LCH 4	Sports & Recreation	Alternative management arrangements at St Mary's Leisure Centre	Secure a partner to manage facility on Council's behalf. The staff involved would TUPE to the new provider. Procurement route may mean that current levels of public access / programming may vary.	(40)	(51)	(51)			Mike Harris
LCH 5	Sports & Recreation	Efficiencies from alternative management arrangements	Procurement of a partner to manage facilities on the Council's behalf. Decision expected February 2010, contract to start September 2010. Part year for 2010/11. Impact assessment completed	(111)	(407)	(407)			Mike Harris
LCH 6	Sports & Recreation	Deletion of a Senior Recreation Assistant Post at the Quays - part year only.	Links to item LCH 5 Assumption is that value of saving is part of procurement saving once contract is let.	(7)			1.00		Mike Harris

SUMMARY OF EFFICIENCIES, ADDITIONAL INCOME AND SERVICE REDUCTIONS

Portfolio Ref	Service Activity	Description of Item	Impact / Issues	2010/11 £000's	2011/12 £000's	2012/13 £000's	FTE In Post	FTE Vacant	Head of Service
LCH 7	Major Projects	Review of Major Projects Team Staffing Structure	Loss of dedicated project management capacity for specific projects and reduced ability to respond to unforeseen opportunities / projects. Responsibility for Titanic programme diverted to Arts & Heritage team, Olympics programme to be coordinated by lower graded post and relying on cross council team to deliver.	(33)	(33)	(33)	1.00		Mike Harris
LCH 8	Externalised Services	Move contingency budgets to Corporate Risk Fund	Corporate risk fund will take risk of meeting SCC's responsibilities as landlord in contracts relating to Ski Centre, Guildhall and Fountains Cafe	(25)	(25)	(25)			Mike Harris
LCH 9	Directorate & Portfolio Management	Restructure back office / administrative activities in Director's Office	Review & restructure business support activities and location of functions between Director's Office and Divisions to maximise efficiency, remove duplication and non essential activity. Director's Office savings are shared between the HRA and the General Fund.	(10)	(15)	(15)	0.50		Jon Wallace
LCH 10	Directorate & Portfolio Management	Reduction in Supplies and Services budgets	Range of efficiency reductions following review of these budgets across the division.	(17)	(17)	(17)			Mike Harris
LCH 11	Arts & Heritage	Develop use of volunteers in Arts & Heritage venues	Develop volunteer based service to work along side paid staff in Museums and Gallery to reduce reliance on casual and pool staff.	(25)	(40)	(40)		3.00	Mike Harris
LCH 12	Arts & Heritage	Reduce property maintenance and supplies and services budgets	Following recent implementation of new staffing structure and management arrangements, to further review / rationalise visitor services, collections storage, maintenance and general supplies & services budgets. No direct service impact.	(49)	(49)	(49)			Mike Harris
LCH 13	Arts & Heritage	Delete vacant part time post in Collections team	Reduction in curatorial capacity. No direct service impact.	(12)	(12)	(12)		0.20	Mike Harris
Sub-total				(398)	(813)	(813)	7.90	4.80	
<u>Leisure, Culture & Heritage - Income</u>									
LCH 14	Libraries	Increased income targets	Increase DVD hire charges, introduction of vending machines, commercial agreements with partners for event / product promotion	(12)	(12)	(12)			Mike Harris
LCH 15	Sports & Recreation	Review of Fees & Charges at all venues	Targeted increase above inflation for certain sports activities where market allows. Links to item LCH 5. Assumption is that value of saving is part of procurement saving once contract is let. Part year affect only.	(43)					Mike Harris

SUMMARY OF EFFICIENCIES, ADDITIONAL INCOME AND SERVICE REDUCTIONS

Portfolio Ref	Service Activity	Description of Item	Impact / Issues	2010/11 £000's	2011/12 £000's	2012/13 £000's	FTE In Post	FTE Vacant	Head of Service
LCH 16	Sports & Recreation	Charge for Strokesaver Booklets at Golf Course	New charge for enhanced product	(11)	(11)	(11)			Mike Harris
LCH 17	Sports & Recreation	Changes to arrangements for managing football pitch bookings.	Links to item LCH 5. Assumption is that value of saving is part of procurement saving once contract is let. Reduction in staff casual hours costs facilitated by hirers putting out corner flags, nets etc.	(8)					Mike Harris
		Sub-total		(74)	(23)	(23)	0.00	0.00	
<u>Leisure, Culture & Heritage - Service Reductions</u>									
LCH 18	Libraries	Closure of Millbrook Library as part of Cumbrian Way Estate Redevelopment	Estate redevelopment planned on existing site with tenant consultation to be held on future re-provision. Approx 12,500 visits yearly with part time opening hours. Potential coverage by mobile library and some user displacement to main library in Shirley. Assumed part year saving from October 2010	(10)	(26)	(26)	0.90		Mike Harris
LCH 19	Libraries	Shared building costs from dual use of Burgess Road library with local housing office services	Current premises operating costs are approx £24k. Allowing for possible increased energy / cleaning cost etc estimated shared contribution of £10k. LHO moving due to Tankerville Road redevelopment.	(10)	(10)	(10)			Mike Harris
LCH 20	Libraries	Delete Children's Librarian post	Loss of dedicated capacity to coordinate citywide facilities, activities and services for young people. Reduced level of children's activities and services will remain.	(38)	(38)	(38)	1.00		Mike Harris
LCH 21	Arts & Heritage	Deletion of Public Arts Officer Post	Loss of capacity to implement the Council's Public Arts Policy. Postholder provides link between broader city developments and culture and heritage aspirations / development plans; manages heritage projects including wall of remembrance	(42)	(42)	(42)	1.00		Mike Harris
LCH 22	Libraries	Review of Book Fund Provision	Rationalisation and reduction of range & location of books / other items in libraries. (Allowance already been made for reduction through Library closures). Books are core product of the service and loss of range and quality will impact on customer satisfaction.	(75)	(135)	(135)			Mike Harris
		Sub-total		(175)	(251)	(251)	2.90	9.00	
		Leisure, Culture & Heritage Portfolio Total		(647)	(1,087)	(1,087)	10.80	9.30	

2010/11 GENERAL FUND REVENUE ACCOUNT

Portfolios	2010/11 Forecast £000's	Invest to Save Bids £000's	Revenue Pressures £000's	Revenue Bids £000's	Savings & Income £000's	2010/11 Budget £000's
Adult Social Care & Health	56,373.5	0.0	730.0	300.0	(1,957.0)	55,446.5
Childrens Services	52,771.0	0.0	490.0	105.0	(1,393.3)	51,972.7
Economic Development	5,077.3	0.0	0.0	0.0	(162.0)	4,915.3
Environment & Transport	33,553.0	0.0	0.0	0.0	(2,329.0)	31,224.0
Housing & Local Services	12,030.9	0.0	0.0	80.0	(552.0)	11,558.9
Leader's Portfolio	5,821.5	0.0	0.0	0.0	(275.0)	5,546.5
Leisure Culture & Heritage	14,297.6	0.0	0.0	76.0	(647.0)	13,726.6
Resources & Workforce Planning	10,180.2	0.0	0.0	0.0	(692.8)	9,487.4
Sub-total for Portfolios	190,105.0	0.0	1,220.0	561.0	(8,008.1)	183,877.9
Levies & Contributions						
Southern Seas Fisheries Levy	44.0					44.0
Flood Defence Levy	44.0					44.0
Coroners Service	440.5					440.5
	528.5	0.0	0.0	0.0	0.0	528.5
Capital Asset Management						
Capital Financing Charges	11,572.9					11,572.9
Capital Asset Management Account	(23,652.4)					(23,652.4)
	(12,079.5)	0.0	0.0	0.0	0.0	(12,079.5)
Other Expenditure & Income						
Direct Revenue Financing of Capital	947.0					947.0
Trading Areas (Surplus) / Deficit	208.2				(60.0)	148.2
Net Housing Benefit Payments	(881.9)					(881.9)
Revenue Development Fund	0.0			5,890.7		5,890.7
Open Spaces and HRA	535.7					535.7
Risk Fund	6,000.0					6,000.0
Contingencies	250.0					250.0
	7,059.0	0.0	0.0	5,890.7	(60.0)	12,889.7
NET GF SPENDING	185,613.0	0.0	1,220.0	6,451.7	(8,068.1)	185,216.6
Draw from Balances:						
Draw from Balances (General)	(1,000.0)					(1,000.0)
To Fund the Capital Programme	(947.0)					(947.0)
	(1,947.0)	0.0	0.0	0.0	0.0	(1,947.0)
Net Gap in Budget	396.4	0.0	1,220.0	6,451.7	(8,068.1)	0.0
BUDGET REQUIREMENT	183,269.6	0.0	0.0	0.0	0.0	183,269.6

COUNCIL TAX CALCULATION - 2010/11

	2009/10 £000	2010/11 £000	Change £000	Change %
Budget Requirement (a)	179,195.6	183,269.6	4,074.0	2.27%
Less NDR	(79,846.2)	(87,436.7)		
Less RSG	(18,429.5)	(12,696.6)		
Aggregate External Finance	(98,275.7)	(100,133.3)	(1,857.6)	1.89%
Deficit / (Surplus) on Collection Fund	(1,536.8)	(1,141.8)	395.0	0.0%
Net Grant Income (b)	(99,812.5)	(101,275.1)	(1,462.6)	1.47%
Amount to be met from Council Tax (a - b)	79,383.1	81,994.5	2,611.4	3.29%
Tax base	65,661.5	66,167.0	505.5	0.77%
Basic amount of Council Tax (Band D)	1,208.97	1,239.21	30.24	2.50%
Last years Council Tax		1,208.97		
Increase (Cash)		30.24		
Increase (Cash per Week)		0.58		
Increase (%)		2.50%		

COLLECTION FUND ESTIMATES 2010/11

	2009/10	2010/11	Change	Change
	£000's	£000's	£000's	%
Southampton City Council Precept	79,383.1	81,994.5	2,611.4	3.29%
Hampshire Police Precept	9,331.2	9,676.9	345.8	3.71%
Fire and Rescue Services Precept	3,959.4	4,061.3	101.9	2.57%
Income due from Council Tax Payers	<u>92,673.6</u>	<u>95,732.8</u>	<u>3,059.1</u>	<u>3.30%</u>
Tax Base for Area	65,661.5	66,167.0	505.5	0.77%
Basic Amount of Tax for Band D Property	<u>1,411.37</u>	<u>1,446.84</u>	<u>35.46</u>	<u>2.51%</u>

MEDIUM TERM FINANCIAL FORECAST

Portfolios	2010/11 Forecast £000's	Base Changes £000's	2011/12 Forecast £000's	Base Changes £000's	2012/13 Forecast £000's
Adult Social Care & Health	55,446.5		55,446.5		55,446.5
Childrens Services	51,972.7		51,972.7		51,972.7
Economic Development	4,915.3		4,915.3		4,915.3
Environment & Transport	31,224.0		31,224.0		31,224.0
Housing & Local Services	11,558.9		11,558.9		11,558.9
Leader's Portfolio	5,546.5		5,546.5		5,546.5
Leisure Culture & Heritage	13,726.6		13,726.6		13,726.6
Resources & Workforce Planning	9,487.4		9,487.4		9,487.4
Base Changes & Inflation		9,281.2	9,281.2	8,000.0	17,281.2
Sub-total for Portfolios	183,877.9	9,281.2	193,159.1	8,000.0	201,159.1
Levies & Contributions					
Southern Seas Fisheries Levy	44.0		44.0		44.0
Flood Defence Levy	44.0		44.0		44.0
Coroners Service	440.5		440.5		440.5
	528.5	0.0	528.5	0.0	528.5
Capital Asset Management					
Capital Financing Charges	11,572.9	600.0	12,172.9	600.0	12,772.9
Capital Asset Management Account	(23,652.4)		(23,652.4)		(23,652.4)
	(12,079.5)	600.0	(11,479.5)	600.0	(10,879.5)
Other Expenditure & Income					
Direct Revenue Financing of Capital	947.0	(947.0)	0.0		0.0
Trading Areas (Surplus)/Deficit	148.2	(148.2)	0.0		0.0
Net Housing Benefit Payments	(881.9)		(881.9)		(881.9)
Contribution from Invest to Save Fund		(45.0)	(45.0)		(45.0)
Revenue Development Fund	5,890.7	735.3	6,626.0	630.0	7,256.0
Open Spaces and HRA	535.7		535.7		535.7
Risk Fund	6,000.0	1,000.0	7,000.0	500.0	7,500.0
Contingencies	250.0		250.0		250.0
	12,889.7	595.1	13,484.8	1,130.0	14,614.8
NET GF SPENDING	185,216.6	10,476.3	195,692.9	9,730.0	205,422.9
Draw from Balances:					
Draw from Balances (General)	(1,000.0)	1,000.0	0.0		0.0
To fund the Capital Programme	(947.0)	947.0	0.0		0.0
NET GAP IN BUDGET	(1,947.0)	1,947.0	0.0	0.0	0.0
Budget requirement	183,269.6	12,423.3	195,692.9	9,730.0	205,422.9
Capping Limit	183,269.6	(2,131.1)	181,138.5	(897.6)	180,240.9
Roll Forward Gap	0.0	14,554.4	14,554.4	10,627.6	25,182.0
Add Pressures - Future Years (Known)		74.0	74.0		74.0
Add Pressures - Future Years (Unknown)		1,500.0	1,500.0	1,500.0	3,000.0
Add Revenue Bids - Future Years (Known)		(98.0)	(98.0)	(100.0)	(198.0)
Add Revenue Bids - Future Years (Unknown)		500.0	500.0	500.0	1,000.0
Less Savings - Future Years (Known)		(3,769.0)	(3,769.0)	(30.0)	(3,799.0)
Revised Gap	0.0	12,761.4	12,761.4	12,497.6	25,259.0

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APPENDIX 12

SOUTHAMPTON CITY COUNCIL

EFFICIENCY PROGRAMME STRATEGY 2010 - 2012

Release: Final
Date: 18 January 2010
Author: Sarah Dennis
Owner: Carolyn Williamson
Client: Director of Resources
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1. EXECUTIVE SUMMARY

1.1. Aim of the Efficiency Programme

The aim of this Efficiency Programme is to deliver fundamental changes in the ways the Council works, supporting its vision to become more customer focused by delivering services more efficiently using high quality data to make better decisions.



1.2. To be successful in these aspirations the Efficiency Programme needs:

- Clear and strong leadership of change and ownership of challenges by members and senior management;
- Commitment to delivering defined and realistic outcomes by all stakeholders including employees, involving citizens and suppliers where relevant;
- To redesign services based on an understanding of value from the customers' perspective;
- To operate within a programme management framework where project interdependencies are clearly recognised and managed and projects are prioritised and coordinated appropriately;
- A structured, evidence based and 'fit for purpose' business case approach;
- Sufficient resource capacity for change and implementation;
- Recognition that to change, the Council needs to empower employees, challenge unnecessary bureaucracy and tradition and accept measured risks;
- A mechanism to monitor, evaluate and review progress in the programme's delivery.

1.3. Purpose

The purpose of this strategy is to set out a shared view for a coordinated approach to the efficiency programme.

The primary objectives of the programme will be to reduce complexity and costs through focus on customer outcomes, simplification and standardisation.

The strategy supports the systematic organisational review of functions, systems and processes. In doing so it also supports the Council's "Value for Money" assessment in the Use of Resources element of the Corporate Area Assessment, ensuring key efficiency requirements are firmly built into management and governance processes.

2. OUR CURRENT POSITION

2.1. Efficiency challenges

The Council faces unprecedented financial pressures against increasing demand for services, service quality and value for money, which will impact ability to deliver corporate priorities through existing service delivery models and operational infrastructure. The next Comprehensive Spending Review is likely to result in further significant reductions in Council funding, commanding challenging financial savings over a sustained period.

The Council needs a strategic approach to efficiency which aims for long-term sustainable gains and service improvements. The approach must support the Council's wider objectives and cut waste throughout the delivery chain. It must be capable of taking an holistic view of the Council's planned outcomes, whilst seeking integration and efficiency opportunities across the organisation, going beyond traditional departmental boundaries, structures and service delivery models.

2.2. Delivery to date

A range of service-based procurement and efficiency savings have been delivered since 2007/08 under the joint Transformation Programme within the framework of the Strategic Services Partnership with Capita. In accordance with the partnership agreement, the leadership role for this programme passed back to the Council in September 2009, releasing Capita from the transformation approach and establishing the Efficiency Programme.

It is widely considered that the opportunities for further service-based reviews still exist; however, these alone will not be sufficient to drive the levels of financial savings required in the future and it is evident that a comprehensive programme of cross-cutting reviews needs to be established.

The Council has commissioned a review by LG Futures, due for completion early 2010, drawing upon national benchmarking and comparative cost and performance data, to identify prioritised options to deliver significant cost savings based on cessation or reduction of services and potential service efficiencies. The outcomes of this review will provide focus for further investigation within the efficiency programme.

2.3. Governance framework

The Council has recently introduced a robust programme and project management methodology, PM Connect, to ensure that all change programmes and investments are properly justified, owned, visible and capable of delivering clearly stated outcomes. PM Connect will define the management framework for the Efficiency Programme and all projects will be governed using this methodology which supports appropriate scaling of effort commensurate with the level of project risk.

3. BUSINESS DRIVERS FOR THE EFFICIENCY PROGRAMME STRATEGY

3.1. National Context

Operational Efficiency Programme (Comprehensive Spending Review 2007) – resulted in challenging year on year budget reductions until 2010-11. The OEP workstream on back office operations and IT claims that the public sector should be able to achieve a reduction in annual back office costs of around 20-25% by the end of 2011-2012. It recommends publication of a set of ‘value for money’ indicators on back office operations which will be reviewed by the Audit Commission under the ‘Use of Resources’ assessment. Further, it recommends that “a systematic review of functions, systems and processes” should be conducted by the end of 2010-11 to drive simplification and standardisation, leading to significantly greater sharing of services and potentially increasing outsourcing. The scale and timeframes for improvement are considerable compared to previous requirements (e.g. Gershon) and therefore a faster, more powerful approach to change is necessary.

Economic Trends – the current state of the economy is creating additional challenges for the Council. Demands for some services are significantly increasing, with businesses and residents needing additional support and intervention, whilst income collection in traditionally profitable areas is being impacted. Services need to develop a better data driven understanding of variation in demand for services, in terms of both volumes and quality, of the capacity required to meet demand and of the relationship between cost and customer value. Without this, services will lack the agility to map scarce resources to demand proactively, therefore being unable to meet shifts in demand with existing or reduced resources.

‘Total Place’ Agenda – is focused on designing services around the needs of individuals. Its aim is to look at how a ‘whole area’ approach to public services can lead to better services at less cost, identifying and avoiding overlap and duplication between organisations, delivering change in both service improvement and efficiency.

Comprehensive Area Assessment (CAA) – “Use of Resources” assessment requires as a minimum that the council actively seeks and evaluates new ways of delivering services to achieve efficiencies, for example using business process re-engineering techniques to improve processes and structures. It also requires the council to set itself and monitor and manage performance against challenging efficiency targets. A council that is performing well will implement innovative ways of delivering services, again using business process re-engineering techniques to change processes and structures, resulting in more efficient and improved services. The Transformation programme was previously used to evidence the Council’s performance in this area.

3.2. Corporate priorities and values

The principal aims of this Efficiency Programme strategy are embedded within the Council’s first corporate priority theme:

Providing good value, high quality services – delivering value for money and efficient services, avoiding excessive taxation, ensuring good City governance, and working with neighbouring authorities, partner agencies and with appropriate strategic partners

And within the fourth organisational value:

Deliver outcomes and strive for continuous improvement - we will manage effectively to ensure business performance and high standards of service. We will monitor and evaluate our activities continuously and strive for improvements in all that we do. We will promote effective working partnerships, internally and externally

3.3. Corporate strategies

The Council's response to central government's Operational Efficiency Programme workstrands is supported by the Corporate Improvement Plan and the following corporate strategies, approved and adopted by Cabinet in 2009:

Customer Services Strategy – delivering services to citizens at a time and in a manner suited to their requirements, ensuring that the vast majority of enquiries are responded to promptly and resolved at first point of contact.

Workforce strategy (local incentives and empowerment) – developing a more flexible, responsive and skilled workforce to deliver services efficiently

Corporate information management strategy (back office / IT) – managing and exploiting information as a valuable asset

Procurement strategy (collaborative procurement) – ensuring best value in procurement through an appropriate balance of quality and price and making effective use of frameworks and collaborative buying where possible

Corporate Property Strategy (asset management / sales and property) - owning and managing a property portfolio of the right size and quality to support the corporate priorities and be responsive to the service needs of modern local government

Accommodation Strategy (asset management / sales and property) – rationalising civic property portfolio and implementing flexible working arrangements that optimise the use of space in a structured way.

Organisational agility, change, efficiency, collaboration and innovation are key themes within these strategies.

These strategies have many interdependencies and therefore the Council needs to ensure through its programme management and by application of a 'whole system' approach to decision making, that overall value takes precedence over locally optimal solutions should a conflict occur. The Efficiency Programme Strategy will therefore 'underpin' these strategic themes, supporting their coordination and delivery.

3.4. Corporate business plans

Business Planning and EFQM - the annual process identifies core service outcomes, service levels and resource requirements, supporting identification of areas where the overall capability and efficiency of services can be optimised, so providing focus for efficiency programme reviews.

Portfolio Spending Reviews - quantify management's targets for delivering service-based efficiency savings.

4. STRATEGIC PLAN

4.1. Developing an Efficiency Programme Plan

The key themes identified within this document will be the driving force for the Efficiency Programme Strategy. The fundamental purpose of which must be to move the Council towards a culture of ongoing continuous improvement and efficiency.

The Council needs to be able to demonstrate it has adopted a structured and systematic approach to its review of functions, systems and processes. As such, the strategy will be implemented through the determination and delivery of a rolling

Efficiency Programme Plan, developed in consultation with senior management and based on the outcomes of the LG Futures Review, Business Planning and EFQM process and Portfolio Spending Reviews.

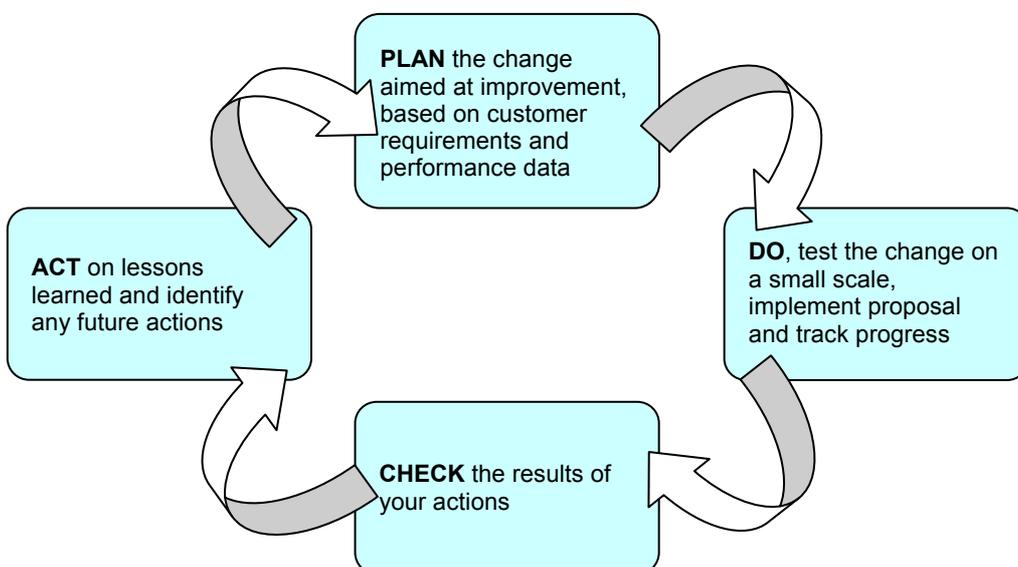
The plan will be subject to ongoing review and annual adjustment, to ensure it remains aligned with the Council’s key objectives and changing priorities.

4.2. Plan delivery

The Efficiency Programme Plan will identify a programme of prioritised strategic assessments. Progress of the reviews from this assessment to full efficiency project implementation and conclusion will follow the PM Connect approval route. Using the PM Connect Project Evaluation Tool, the reviews will be categorised and supported as follows:

Project category	Project support	Typical review type
Gold	<ul style="list-style-type: none"> Project sponsored by nominated Executive Director. High level of project leadership/ support or project delivery from Efficiency Team. 	<ul style="list-style-type: none"> Expected to lead to significant efficiency savings Involves a high level of complexity to implement (for example, cross-cutting reviews) High risk or high profile (for example, reviews involving customer facing services)
Silver	<ul style="list-style-type: none"> Project sponsored by relevant Executive Director. Directorate led with project guidance/ assurance from Efficiency Team. 	<ul style="list-style-type: none"> Expected to lead to some efficiency savings Involves a medium level of complexity or risk to implement Not expected to attract significant attention (for example, a review involving support services)
Bronze	<ul style="list-style-type: none"> Project sponsored by relevant Head of Service/ Level 1 Project led and managed by Level 2 within service area under review 	<ul style="list-style-type: none"> Not expected to contribute significantly to efficiency savings Implementation is expected to be straight forward and low risk Low profile review

Reviews will broadly follow the **PDCA (plan-do-check-act)** iterative four-step improvement process [see also Project Overview template in Appendix two]:



4.3. Gateway 1 – strategic assessment

An in-house review team, comprising representatives from the Efficiency Programme team, Finance, Corporate Policy and Performance and the directorate/service under review, will be responsible for delivering the strategic assessment to the nominated Project Sponsor.

Each strategic assessment will involve a thorough data-driven analysis of the service position based on customer outcomes. The assessment will be delivered within a 4 week timescale and will:

Define the scope and intended outcomes of the project for confirmation with the Project Sponsor.

Measure the current process value stream and performance and efficiency indicators to understand customer outcome requirements and to ensure appropriate focus of the service efficiency design.

Explore options for future service delivery targets, focused on customer outcome requirements and undertake a gap analysis between the current ('as is') situation and the customer outcome requirements ('to be') to provide a high level solution design.

The design will be documented in an **Outline Project Proposal**, identifying a series of workstreams, which will include "quick wins" and some medium to longer term implementation projects, together with estimated timescales and costs for delivery of the workstreams.

4.4. Gateway 2 – business justification

This stage will require **development** of a **Project Business Case** for each project workstream within an 8 week timescale, providing a detailed and prioritised solution design for each of the recommended option(s). The business case will consider:

Service levels – consideration of whether the services could be stopped; reduced to a defined statutory minimum or to "statutory minimum plus"

Service efficiencies - delivering the service in a more efficient way, using 'lean' principles (i.e. reviewing how services function or organise their work and removing or significantly reducing "waste") underpinned by a customer outcome focused approach to include:

- Process – 'doing the right work', removing work that does not deliver "customer value" and utilising existing technologies more effectively to streamline the process;
- People – 'doing the work right', ensuring staff are properly trained, resourced, utilised and empowered to deliver the service;
- Organisation – 'managing the right way', supporting the people who operate the process with the right organisational structure, technology, measurements and delivery channel. This may include review of options for integrated service delivery, shared services, commissioning or outsourcing.

Service charges - options for developing the service strategy on fees and charges

A 'challenge group' will be established for each review, chaired by the nominated Project Sponsor. The purpose of the group will be to ensure the business case(s)

have been robustly prepared and that all efficiency options have been appropriately explored and appraised.

To ensure business case recommendations are effective and sustainable they must:

- focus on delivering customer value;
- be appropriate to the scale and scope of the area under review;
- focus on sustainable outcomes, with success evaluated by agreed measures of performance including cashable benefits and release of productive time;
- support realisation of benefits that extend beyond the review itself and “future proof” the review area as far as possible; and
- ensure clear accountability for the delivery of the project benefits.

4.5. Gateway 3 – project initiation

Project initiation may include **implementation** of a pilot project to test the recommended solution(s). Any lessons learned or conclusion from the pilot will be fed back into the solution design.

A clear **Project initiation document** will be developed, aligning planned outcomes and milestones with resource utilisation proposals. All parties involved in the project must be clear on the project's intended outcomes and their responsibilities in delivering those outcomes.

The Project Sponsor must ensure there is genuine commitment to the project. Any concerns around commitment and its impact on delivery, that cannot be easily resolved must be escalated through the reporting process to the Efficiency Programme Board.

4.6. Gateway 4 – implementation

Full project **implementation** will be the responsibility of the nominated new process or service owner.

Support will be provided to the projects from the Efficiency Programme Team in accordance with the project categorisation.

Highlight reports will be made throughout the duration of the project to the Project Sponsor and to the Efficiency Programme Board at key project delivery milestones.

4.7. Gateway 5 – project closure

The business cases will define the expected outcomes from the efficiency projects and success in delivering project outcomes will be **checked** against this.

There will be an expectation that any cashable efficiencies identified will be delivered in accordance with the agreed project implementation timescale and integrated into the budget process. The cashable efficiencies will normally be attributed to the service delivering the efficiencies. Where efficiencies result from a cross-cutting review, the efficiencies will be attributed on a fair and equitable basis.

Any variation to project outcomes, be they level, timescale or scope of project delivery, must be agreed by the Efficiency Programme Board on a timely basis and would normally be expected to have been identified prior to project closure.

Project closure will include the identification of any future actions and identification of lessons learned and any other benefits realised.

5. EFFICIENCY STRATEGY DELIVERY – ROLES AND RESPONSIBILITIES

5.1. Members

The Cabinet will review and approve any significant amendments to the Efficiency Programme Strategy as part of the annual budget setting process.

5.2. Efficiency Programme Board

An 'Efficiency Programme Board', comprising the Cabinet Member for Resources, Chief Executive, Assistant Chief Executive (Strategy), Executive Director for Resources, and the Solicitor to the Council will:

- select and prioritise efficiency reviews, creating an Efficiency Programme;
- meet on a quarterly basis to oversee and challenge delivery of the programme;
- bring timely resolution to any issues blocking programme delivery;
- meeting "virtually" on an ad hoc basis to resolve any significant corporate issues affecting the balance of the programme should the needs arise.

The Head of the Efficiency Programme will report to the Board but will not be a board member.

5.3. Chief Officers and Heads of Service

Chief Officers and Heads of Service will:

- actively and consistently sponsor the efficiency programme reviews;
- ensure the efficiency agenda and delivery targets (including financial targets) are incorporated into the EFQM business planning process and portfolio spending reviews;
- take ownership and responsibility for delivery of Efficiency Programme reviews;
- make progress reports on key milestone delivery and outcomes to the Efficiency Programme Team;
- attend the Efficiency Programme Board on request to report on progress; and
- commit appropriate resources in terms of project support and professional/technical expertise to ensure the efficiency programme can be delivered in a relevant and timely manner.

5.4. Efficiency Programme Team

The Efficiency Programme team, led by a Head of Efficiency Programme, will operate as 'programme office' to coordinate the planning and realisation of outcomes in relation to the Council's efficiency agenda. In particular the team will:

- lead on the development of the Council's Efficiency Programme Strategy;

- coordinate a systematic programme of reviews of all functions, systems and processes over a five year period, to drive simplification and standardisation and to ensure they are fit for purpose and deliver value for money;
- review progress against delivery plans on a regular basis, ensuring outcomes are clearly focused on efficiency savings and service improvements;
- work across the Council regarding any efficiency programme implications for corporate policies and complex and cross-cutting reviews;
- provide an independent and objective challenge to Directorate-led efficiency reviews, assisting project leaders in focusing on the core service delivery value chain and removing or streamlining activities that do not add value to the service user;
- lead on cross-cutting efficiency reviews as appropriate;
- manage the allocation and prioritisation of funding for “invest to save” programmes and initiatives;
- ensure the Council can demonstrate a systematic review of functions, systems and processes to drive leaner operational management, simplification and standardisation in support of the central government operational efficiency programme;
- advise on the proper management and delivery of efficiency projects and programmes in accordance with the principles set out under the Council’s P.M. Connect Methodology;
- work alongside the Organisational Development team to ensure that appropriate skills and capability are developed and maintained within the authority to support the efficiency programme;
- act as ‘coordinator’ for benchmarking activity and recruitment and selection of external support/ expertise for the efficiency programme; and
- work alongside external support/ expertise to ensure adopted review processes are capable of delivering required outcomes and behaviours and skills are transferred to the in-house team where appropriate.

Staff for the Efficiency Programme Team will be drawn from four areas:

- the Efficiency Programme service;
- using secondees into the Efficiency Programme Service from across the Council;
- from service areas managing change directly; and
- from limited use of specialist resource from external resources.

The programme will have access to the Efficiency Fund for enabling and invest to save projects.

6. RISKS AND MITIGATION

Risk	Probability	Impact	Mitigation
Efficiency programme does not deliver anticipated benefits	Medium	High	Programme owned and sponsored at Executive Director level with regular reporting and accountability for delivery to the Efficiency Programme Board.
Working culture does not support delivery of benefits through rapid and significant behaviour change.	Medium	High	Behaviour change supported by Management Academy work programmes. Change programme will be properly and appropriately communicated to staff.
Programme complexity will result in lack of certainty over costs and efficiency savings.	High	Medium	Robust programme and project management and governance will ensure visibility of costs and efficiency savings. Estimated efficiency savings will focus on removal of the root causes of waste and will be based on best available financial data. Decisions to proceed will be based on an evaluation of pessimistic, realistic and optimistic costs and savings.

APPENDIX ONE – ACTION PLAN

REF	OUTCOME		ACTIONS	Q4-09	Q1-10	Q2-10	Q3-10	Q4-10	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12	
1.	Clear strategic direction and governance arrangements for Efficiency Programme.	1.1	Develop and implement a comprehensive efficiency programme strategy that ensures roles and responsibilities for delivery are clearly understood.														
		1.2	Initiate quarterly Efficiency Programme Board meetings and ensure Board members are apprised of their roles and responsibilities.														
		1.3	Establish programme management structure and reporting arrangements														
2	A rolling schedule of reviews to be conducted within a three-year period, to deliver a systematic review of all functions, systems and processes every five years.	2.1	Desk top review of LG Futures review recommendations, Business Planning and EFQM exercises and Portfolio Spending Reviews to develop Efficiency Programme in consultation with senior management.														
		2.2	Obtain Board approval for the Efficiency Programme Plan.														

REF	OUTCOME		ACTIONS	Q4-09	Q1-10	Q2-10	Q3-10	Q4-10	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12
3	Outline Project Proposals that identify projects workstreams based around service levels, efficiencies and charges.	3.1	Commence service 'health check' reviews.													
4	Business case for each review that details recommended option(s), cashable benefits, performance measures and planned outcomes.	4.1	Establish challenge groups.													
		4.2	Develop business cases for each project workstream or set of workstreams.													
5	In-house capability and skills to support the efficiency programme	5.1	Develop and roll-out management academy "Win, win, win" workshop module that supports the efficiency programme strategy delivery.													

APPENDIX TWO: EFFICIENCY PROGRAMME PROJECT OVERVIEW

<p>Team leader</p>		<p>Pilot</p>
<p>Team members</p>		<p>Implement a pilot – did the solution work? Feedback any lessons learned/ conclusions into solution design. Retest. Transfer ownership of the project to the process/ service owner.</p> <p>PM Connect Product: Project Initiation document – Gateway 3 (Project initiation)</p>
<p>Project outline</p> <p>Define the case for change in terms of reasons for action or a problem statement. What are the project scope and intended outcomes? What will change as a result?</p>		<p>Completion</p> <p>Implement the new service/ processes. Track progress.</p> <p>Do</p> <p>PM Connect Product: Highlight Reports – Gateway 4 (Implementation)</p>
<p>Current state ‘as is’</p> <p>Measure the current state in terms of the process value stream and performance or efficiency indicators to provide a baseline. Use existing data wherever possible that can later ‘prove the case’. Measures should be relevant to customer outcome requirements, e.g. turnaround time, cost, process complexity, approvals or handoffs, service levels and charges. Present graphically where appropriate.</p> <p>Plan</p>		<p>Confirmed state ‘as is’</p> <p>Check that the target state has been achieved using measures identified in the Target state box. Have we achieved and closed the gap?</p> <p>Check</p> <p>PM Connect Product: Project End Report – Gateway 5 (Project closure)</p>
<p>Target state ‘to be’</p> <p>Explore required target service delivery focusing on customer outcome requirements (voice of the customer) Explain target situation using measures identified above. Present graphically where appropriate. Analyse data measures to identify sources of delays, waste and poor quality. Undertake a gap analysis between the current situation (‘as is’) and customer outcome requirements (‘to be’) to provide a high level solution design.</p> <p>Act</p> <p>Identify any future actions</p> <p>Act</p> <p>PM Connect Product: Outline Project Proposal – Gateway 1 (strategic assessment)</p>		
<p>Solution requirements</p> <p>Develop detailed solution design to solve the problems causing the gaps. Consider: service levels, service efficiencies, service charges. Prioritise solution requirements through evaluation of impact and risk.</p> <p>PM Connect Product: Project Business case – Gateway 2 (Business justification)</p>		<p>Reflect</p> <p>Lessons learned? What other benefits have been realised?</p>

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STATUTORY POWER TO UNDERTAKE PROPOSALS IN THE REPORT**1. INTRODUCTION**

It is important that Members are fully aware of the full legal implications of the entire budget and Council Tax making process, when they consider any aspect of setting the Council's Budget. Formal and full advice to all Members of the Council protects Members, both in their official and personal capacity, as well as the Council. If Members have received the appropriate professional legal and financial advice and act reasonably, generally the courts will not interfere in their decisions.

2. GENERAL POSITION

- a. The first and overriding legal duty on Members is their fiduciary duty to weigh the needs of service users against the interests of local taxpayers. In planning the budget, Members are under a fiduciary duty to act prudently, responsibly, in a businesslike manner and in their view of what constitutes the best interests of the general body of local taxpayers. In deciding upon expenditure, the Council must fairly hold a balance between recipients of the benefits of services provided by the Council and its local taxpayers. Members should note that their fiduciary duty includes consideration of future local taxpayers as well as present local taxpayers.
- b. There is a general requirement in administrative law that a local authority decision must be rational, authorised by law and must take account of all relevant considerations, whilst ignoring any irrelevant ones. It should also be noted that the concept of proportionality, given great emphasis in the Human Rights Act 1998, is also becoming a relevant factor for determining the reasonableness of any decision and should be borne in mind by Members.
- c. An authority commits an illegal act if it acts beyond or in abuse of its statutory powers or in breach of its fiduciary duty. It will also act illegally if it fails to take relevant considerations into account or acts in outrageous defiance of reason.

3. OBLIGATION TO MAKE A COUNCIL TAX

- a. The legal significance of the Annual Budget derives from the Council's duty under the Local Government Finance Act 1992 (the 1992 Act) to set a balanced budget. This is achieved by calculating the aggregate of:
 - i. the expenditure it estimates it will incur in the year in performing its functions in the year (including an allowance for contingencies),

- ii. the payments it estimates it will make in the year in defraying expenditure already incurred and
 - iii. expenditure it will incur in funding costs before a transfer of funds is made from the Collection Fund and then deducting such sums as will be paid into the General Fund, i.e. income. Calculations made under this section must be made before 11th March in the preceding financial year.
- b. In order to fulfil this duty, the Council must prepare detailed estimates of its expenditure for the coming year and of the resources which will be available to meet this expenditure. Account must be taken of any deficit brought forward from a previous year and the amount needed to cover contingencies. The resources include income from rents, fees and charges and any available balances. All of these issues must be addressed in the budget report. The estimation of the detailed resource and expenditure items is the main reason for the budget process. The budget must balance, i.e. proposed expenditure must be met from proposed income from all sources, with any shortfall being the precept on the Collection Fund.
 - c. Failure to make a lawful Council Tax on or before 11th March could have serious financial results for the Council and make the Council vulnerable to an Order from the Courts requiring it to make a Council Tax.
 - d. Section 151 of the Local Government Act 1972 places a general duty on local authorities to make arrangements for "the proper administration of their financial affairs'.
 - e. Information must be published and included in the Council Tax demand notice. The Secretary of State has made regulations, which require charging authorities to issue demand notices in a form and with contents prescribed by these regulations.
 - f. There is also a duty under Section 65 of the 1992 Act to consult persons or bodies appearing to be representative of persons subject to non-domestic rates in each area about proposals for expenditure (including capital expenditure) for each financial year.

4. DEFICIT BUDGETING

- a. A deficit budget, one which does not cover all anticipated expenditure with resources reasonably expected to be available, is unlawful. Any Council Tax which rests on such a budget will be invalid. Councils are constrained to make a Council Tax before all the separate elements, which will constitute available resources or anticipated expenditure, have been identified and quantified fully. Best estimates have to be employed.
- b. Where these best estimates include sums for unallocated savings or unidentified expectations of income, extreme care must be taken to ensure

that the estimates are reasonable and realistic and do not reflect an unlawful intention to incur a deficit. It might be appropriate at budget setting time to require regular monitoring throughout the financial year of such estimated savings or income. Prompt action to reduce spending must be taken, if at any stage it seems likely that a balance between income and expenditure will not be achieved.

5. BORROWING

The rules and regulations governing a local authority's ability to borrow money were altered significantly by the introduction of the Local Government and Housing Act 1989 and subsequent regulations. This has now been abolished and replaced by the self regulating Prudential Code.

6. OTHER RELEVANT LEGISLATION

- a. The Local Government Finance Act 1988 (the 1988 Act) created the (now repealed) Community Charge and the current National Non- Domestic Rating regime and deals with grants, funds, capital expenditure and the financial administration of a local authority.
- b. Under Section 114 (2) and 114 (3) of the 1988 Act, the Chief Financial Officer is required to make a report, if it appears to him/her that a decision or course of action the Council or an officer has agreed or is about to make is unlawful, or that expenditure is likely to exceed resources available.
- c. Members have a duty to determine whether they agree with the Chief Financial Officer's statutory report issued under Section 26 Local Government Act 2003. If Members were to disagree, they would need to set out cogent reasons for so doing. Unless such reasons could be set forward, Members' action in disagreeing with the Chief Financial Officer's views on the basis of his/her professional judgement would be likely to be held unreasonable and constitute wilful misconduct. It should be noted that under the Members' Code of Conduct, Members are required to take account of any advice issued by Chief Financial Officer (and the Monitoring Officer) acting in their statutory capacities.

7. BEST VALUE: LOCAL GOVERNMENT ACT 1999

The Local Government Act 1999 (the 1999 Act) introduced a duty of Best Value, which came into force on 1st April 2000. Members need to be aware of and take account of the impact on the Council of this duty.

8. THE CONSTITUTIONAL POSITION: LOCAL GOVERNMENT ACT 2000 (THE 2000 ACT)

- a. The 2000 Act has had a fundamental effect on the governance of the Council and in particular has resulted in a change to the working arrangements of Council, with the requirement for a Constitution setting out executive (Cabinet) and scrutiny and overview arrangements. The 2000 Act also provides a power for Councils to promote the economic, social and environmental well-being of their areas and develop community strategies. In addition, the 2000 Act establishes an ethical framework.
- b. Of particular importance to the Council Tax setting process and Budget Meeting of the Full Council is the Council's Budget and Policy Framework Procedure Rules set out in Part 4 of the City Council's Constitution. These provide a legal framework for the decision making process whereby the Budget of the City Council is determined, and the Council Tax is set. In addition, Members need to be aware that these Rules provide a route whereby the Leader may require the Full Council to reconsider their position if they do not accept the Executive's recommended budget without amendment.
- c. In addition, the Constitution contains a range of further material relevant to the setting of the Council Tax and the Budget Setting meeting:
 - i. Article 12 contains guidance on decision making and the law;
 - ii. The Council Procedure Rules in Part 4 regulate the conduct of the Full Council meeting (although traditionally, some of the rules relating to the conduct of the debate are suspended to allow different arrangements during the budget debate);
 - iii. The Members' Code of Conduct must be followed by Members; and
 - iv. The Officer/Member Protocol contains guidance both on pre-budget discussions, but also on how officers and Members should interact with specific guidance about budget preparation issues.

9. PERSONAL LIABILITY AND SURCHARGE

The 2000 Act abolished the local government surcharge provisions and replaced them with a new statutory offence of 'misuse of public office'. This new statutory offence covers two situations, namely unlawfully incurring expenditure or incurring expenditure as a result of wilful misconduct. It also covers the exercise of a public function in a manner that involves dishonesty or oppression or malice. The Courts (rather than the District Auditor) would impose penalties. The Council could sue for losses/deficiencies sustained.

10. LEGAL STATUS OF POLITICAL PROMISES AND DOCUMENTS

- a. It is appropriate for Members to consider their own position as some Members may have expressed support publicly for policies that are not policies of the Council.
- b. Political documents do not represent a legal commitment on behalf of the Council. To treat any political document as a legal commitment by the Council would be illegal. Where there is a valid choice before Members, then, at that stage and only at that stage, Members may take political documents into account.
- c. All decisions must be taken within the framework of the formal decision making process of the Authority. Members must take into account all relevant matters and disregard all irrelevant ones. Decisions taken at a political meeting, such as a political group meeting, have no status within this process. A Member, who votes in accordance with a group decision which has been reached, having regard to relevant factors and who has addressed their mind independently to those factors and to the decision itself, will be acting within the law.
- d. The Courts have also advised on the balancing exercise to be undertaken by a Council when deciding whether to pursue a particular policy:

A local authority must exercise its statutory powers in the public interest and for the purpose of which those powers have been conferred. Political views, as to the weight to be attached to the various relevant considerations and as to what is appropriate in the public interest in the light of those considerations may properly influence the exercise of a statutory discretion. A decision will not be unlawful merely because some political advantage, such as electoral popularity, is expected to flow from it, so long as the decision is made for a legitimate purpose or purposes. Because at some stage in the evolution of a policy an improper political purpose has been espoused, does not mean that the policy ultimately adopted is necessarily unlawful. However, a political purpose extraneous to the statutory purpose can taint a decision with impropriety. Where there is more than one purpose:-

- a) *The decision will generally be lawful provided that the permitted purpose is the true and dominant purpose behind the act. This is so even though some secondary or incidental advantage may be gained for some purpose, which is outside the authority's powers.*
- b) *The decision will be invalid if there are two purposes one ultra vires and one intra vires and the ultra vires purpose is a (even if not the) major purpose of the decision. Accordingly a decision substantially influenced by a wish to alter the composition of the electorate would be unlawful.*
- c) *Where there is some evidence justifying enquiry, the Court will consider whether an apparently lawful purpose e.g. home ownership is merely a colourable device to conceal an illegitimate purpose e.g. electoral advantage.*

d) Even if those voting for a particular policy at a Council meeting have perfectly proper reasons in mind, the policy can be tainted by the improper motives of others who have taken part in the formulation of that policy although not actually present to vote. As a matter of law it is possible for a corrupt principal to cause a result through an innocent agent.

11. OTHER LEGAL IMPLICATIONS

The financial forecasts contained in this report have been prepared and are submitted as part of the budget process set out in the Council's Constitution. As part of the review process by Chief Officers Management Team, the proposals contained in this report have been checked from a legal viewpoint and a number in minor issues are being followed up with Officers.

APPENDIX 14

STATEMENT ON GENERAL FUND BUDGET STRATEGY
BY THE CHIEF FINANCIAL OFFICER
UNDER S.25 LOCAL GOVERNMENT ACT 2003

Section 25 of the Local Government Act 2003 imposes a duty on the Chief Financial Officer to report on the following matters:-

- a) The robustness of the estimates made for the purpose of the calculations (to set the Council Tax), and
- b) The adequacy of the proposed financial reserves.

a) Robustness of estimates

Budget setting is made up of several estimates some involving quite complex forecasting. By the very definition of the word, estimates are not factual and the degree of accuracy will not only vary but also take different periods of time to be proven to be correct or otherwise.

During the Spring and Summer of 2009 the Executive (supported by the Chief Officers Management Team) developed a series of detailed budget proposals of which the major items for consultation were presented to Cabinet on 26th October 2009. These were subsequently given to all political groups in December. Whilst some figures were changed and new proposals have been put forward, these have also been validated by COMT prior to their inclusion in the final proposed budget. There is therefore a high degree of validation inherent within the final budget proposals.

Key elements within the budget are provisions for inflation on pay and prices, projected levels of income and achievability of savings. Details of these items are included in the reports and have already been through the validation process as set out above, however, there are five points to draw out:-

- i) Assumptions made in all of the forecasts are basically sound. The pay increases have yet to be negotiated, however, a zero pay award has been incorporated into the budget for 2010/11, with a contingency for up to 1.0%.
- ii) Individual savings items have been approved by relevant Chief Officers and have been subject to scrutiny by the Chief Officers Management Team. Responsibility for actioning any changes in the budgets will fall to me as Chief Financial Officer and all savings approved will be monitored throughout the year although responsibility for the delivery of these savings rests with the relevant Executive Director.

- iii) The current recommendation by the Cabinet retains a general contingency of £250,000 together with a risk based contingency sum of £6.0M which should cover any estimation issues or activity changes that arise during the year.
- iv) The current recommendation by Cabinet includes the continued use of a fund to manage the cost of revenue developments totalling just under £6.0M. This will enable any adjustments between schemes and in the timing of projects to be managed during the year.
- v) The current economic climate and national issues surrounding continuing care and the safeguarding of children have impacted on the budget. Adequate provision to cover all of these issues has been included within the final budget proposals and will be the subject of detailed monitoring throughout the year.

b) Adequacy of proposed financial reserves

- i) The Council holds a number of specific reserves for issues like debt write off that are assessed on an ongoing basis against the specific debts to which they relate. Review of these provisions forms part of the budget preparations covered above.
- ii) The general reserves are used to support revenue, capital and strategic pressures and to provide a working balance.

Details of the use of general reserves are included in the report. The level of reserves and the projected use is forecast for 3 years. The minimum level of balances is recommended by the Chief Financial Officer taking into account issues like the proposed draw from reserves, the level of risk contained within the budget and previous experience on potential levels of net overspend.

Best practice guidance issued by CIPFA is followed in determining a level of reserves based on assessed risks, which are periodically reviewed and which currently produces a recommended minimum working balance of £4.5M despite increased risks in some areas such as future government funding. There is no legal definition or Audit Commission recommendation on the absolute level of reserves that any authority should hold but the risk based approach does provide a consistent, transparent methodology that can be updated periodically.

In order to balance the budget, it has been necessary to draw £1M from balances. However, the estimated outturn position for the current year reported for Month 9 monitoring indicates that

sufficient balances will still exist and the Council will avoid dropping below the minimum level of balances.

- iii) Attention is drawn to the level and use of capital resources in the General Fund Capital Programme report. This identifies that there is currently a deficit in the funding of the overall capital programme based on a revised estimate of capital receipts which have been affected by the current economic climate.

Slippage in capital receipts could also require a further temporary draw from balances unless accompanied by equivalent slippage in spend. Non receipt of any planned income will require a permanent draw from balances or savings in the programme. In drawing up the capital programme these risk factors are obviously taken into account but as a backstop position these potential shortfalls will continue to be reviewed over the longer term and where possible, be reduced by re-phasing schemes or bringing forward the use of prudential borrowing.

The Council also has key strategic sites which it is currently holding until market conditions improve and this provides a further source of contingency to reduce the risks outlined in the above paragraphs.

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Agenda Item 7

ITEM NO:7

DECISION-MAKER:	CABINET COUNCIL		
SUBJECT:	HOUSING REVENUE ACCOUNT BUDGET REPORT		
DATE OF DECISION:	1 FEBRUARY 2010 17 FEBRUARY 2010		
REPORT OF:	Cabinet Member for Housing and Local Services		
AUTHOR:	Name:	David Singleton	Tel: 023 8083 2236
	E-mail:	David.Singleton@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY

None

SUMMARY

This is the Housing Revenue Account (HRA) budget report covering the HRA revenue budget for 2009/10 and 2010/11 and capital budget for the period 2009/10 to 2012/13.

For the revenue budget this report sets out the revised budgets for the current financial year and the budgets for the new financial year for all the day to day housing services that are provided to Council tenants. This report also sets out the proposed increases in rents, service charge and other charges to council tenants from April 2010. Key revenue issues are:

- At the time of preparing this report the final HRA subsidy determination for 2010/11 have not been received from the Department for Communities and Local Government (CLG) so the budget proposals in this report may need to be modified if there is a material difference between the final and draft determinations.
- The Council is in "negative subsidy". The payment to CLG is increasing from £4.0M in 2009/10 to £8.5M in 2010/11. However, the payment for 2010/11 is £2.4M higher than would have been the case because £2.4M of the Major Repairs Allowance was taken into account in assessing the subsidy payment for 2009/10. The negative subsidy payment is forecast to increase in subsequent years.
- In the draft determinations the CLG are proposing to bring the target completion date for rent restructuring forward to 2012/13 from 2023/24.
- Following the CLGs new rent restructuring rules would give an average rent increase of 2.45%.
- There are net revenue efficiency savings of approximately £750,000 p.a.
- No increases are proposed on service charges or charges for garages and parking spaces.

This report also updates the HRA Capital Programme that was approved by Council in September 2009. The capital programme has spending plans of approximately £110M over the period 2009/10 to 2012/13. The focus of spending is:

- Making improvements to over 6,000 dwellings in order to achieve and maintain the decent homes standard
- Improvements to housing for older people
- Crime reduction and safety
- Lift refurbishments
- Communal Digital TV
- Heating upgrades
- Window replacement
- Energy efficiency measures
- Decent Neighbourhoods Programme

The detailed spending plans reflect the priorities set out in the HRA Business Plan and have been discussed with tenants. It is expected that this programme of improvement works will achieve the objective of ensuring that all Council owned homes reach the decent homes standard by 2010.

The report also provides an update on the Reform of Council Housing Finance, including the possibility of the Council receiving a “buy-out” offer that would enable it to exit from the HRA subsidy system and cease making annual payments to CLG. Delegations to officers are proposed in the event that a response to the “buy-out” offer is required in such a period that it is not possible to report to Council.

RECOMMENDATIONS:

CABINET

- (i) To consider the report and agree that the following recommendations be made to Council at the meeting on 17 February 2010.

COUNCIL

- (i) To thank Tenant Association Representatives for their input to the capital and revenue budget setting process and to note their views as set out in this report.
- (ii) To agree that, with effect from the 5th April 2010, the current average weekly dwelling rent figure of £63.57 should increase by 2.45%, which equates to an average increase of £1.56 per week, and to approve the following to calculate this increase:
 - That the percentage reduction applied to all dwelling rents should be 0.9%, equivalent to a reduction of £0.57 per week
 - That the revised phased introduction of the Government’s Rent Restructuring regime should be followed, giving an increase in average rent levels of 2.96% (£1.88 per week)
 - That the final step should be a further increase in average rent levels of 0.39% (£0.25 per week) for the caps and limits adjustment and,
 to note that:
 - The total percentage increase in individual rents will vary according to the restructured rent of their property in 2012/13.

- (iii) To agree that there is no increase in the charges for garages and parking spaces for 2010/11.
- (iv) To agree that there is no increase in tenants service charges for 2010/11.
- (v) To approve the Housing Revenue Account Revenue Estimates as set out in the attached Appendix 1.
- (vi) To approve the revised Housing Revenue Account Capital Programme set out in Appendix 2 which includes total spending of £82.214M on work that meets the definition of “affordable housing”.
- (vii) To approve the use of resources to fund the HRA Capital Programme as shown in Appendix 3, including the following use of unsupported (prudential) borrowing:
 - £2.150M to support the overall programme (unchanged from the report in September 2009)
 - £3.356M to fund the new build programme that is not funded from HCA grant
 - £2.600M to fund the digital TV proposals if this is more cost effectively purchased rather than leased
 - £0.870M to fund the estate regeneration programme pending the receipt of capital receipts from sale of the sites and
 - £3.100M of short term borrowing to sustain the programme in 2010/11, which can be repaid by the end of 2012/13.
- (viii) To note that, because the final HRA subsidy papers have not yet been received from the Government, it may be necessary for either:
 - The Cabinet Member for Housing and Local Services to move changes to the recommendations in this report at Council if there is a material difference between the final subsidy papers and the draft subsidy papers that have been used in compiling these estimates or
 - For Council to agree to delegate to the Executive Director for Neighbourhoods, in consultation with the Executive Director for Resources and following consultation with the Cabinet Member for Housing and Local Services, authority to make changes to the recommendations in this report if the final subsidy papers have not been received by the time of the Council meeting and there is a material difference between the final subsidy papers and the draft subsidy papers that have been used in compiling these estimates.
- (ix) To note the savings that have been made in the budget process, as set out in paragraphs 13 to 15.
- (x) To note that rental income and service charge payments will be paid by tenants over a 48 week period.
- (xi) To note that the overall shortfall in resources of £2.561M to fund the capital programme is within the tolerances set by the Executive

Director for Resources in the approved Medium Term Financial Strategy and that plans are in place to close this gap as set out in paragraph 31.

- (xii) To delegate to the Executive Director for Resources, following consultation with the Cabinet Members for Housing and Local Services and Resources and Workforce Planning, the Executive Director for Neighbourhoods and the Solicitor to the Council, authority to determine the Council's response to the "buy-out" offer for Reform of Council Housing Finance if the response is required in such a period that it is not possible to submit a report to Council.

REASONS FOR REPORT RECOMMENDATIONS

1. The Council's Constitution sets out the process to be followed in preparing the Council's budget. This process includes a requirement for the Executive to formally submit their budget proposals for the forthcoming year to Council. The budget proposals in this report cover the HRA revenue budget and capital programme.

CONSULTATION

2. The consultation formed part of the "Having Your Say" approach to tenants and resident involvement, with the budget consultation being part of the "winter conference". This was a well attended meeting with 65 tenants and residents in attendance. The key budget issues set out in this report were discussed at this meeting. The budget position has also been the subject of discussion with representatives from the Tenants Federation
3. There was concern expressed about the increasing "subsidy" payment to the CLG and the impact of the Government's rent restructuring policy on rent levels. It was agreed that everybody (tenants, members and officers) should continue their work to bring about a change to the current subsidy system as soon as practical and it is hoped that the anticipated proposals on the Reform of Council Housing Finance will address the problems with HRA subsidy.
4. The size and content of the HRA capital programme was also discussed and it was noted that the capital spending proposals are in line with the outcome of stock options appraisal and tenants' aspirations.
5. It is recommended that Members formally recognise the support and commitment of tenants and tenant representatives who have participated in this years capital and revenue budget setting exercise.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

6. The alternative option of not setting next year's rent increase in accordance with the new rent restructuring guidance as well as changes to the HRA Capital Programme and HRA Revenue Estimates have been discussed with the tenant representatives. It was noted that setting a lower rent increase in 2010/11 would result in higher increases in subsequent years and lead to reductions in the capital programme. It was also noted that setting a higher rent increase in 2010/11 would lead to an equivalent loss of HRA subsidy in 2011/12. Both options were not supported.

DETAIL

Background

7. The HRA budget comprises a set of revenue estimates and a capital programme. The revenue budget covers 2009/10 and 2010/11. The proposed increase in rents and other charges is an integral part of the revenue estimates for 2010/11. The capital programme covers the period 2009/10 to 2012/13.
8. The HRA records all the income and expenditure associated with the provision and management of Council owned homes in the City. This account funds a significant range of services to over 18,000 Southampton tenants and leaseholders and their families. This includes housing management, repairs and improvements, welfare advice, sheltered housing services, neighbourhood wardens, and contributes to bringing all Council properties up to the decent home standard.
9. The HRA Capital Programme deals with all capital expenditure on Council Housing and related environmental works. The revised Capital Programme is shown at Appendix 2. This has been updated in consultation with tenant representatives as part of the budget setting process.
10. The main focus of the HRA capital programme is to deliver the decent homes and decent neighbourhoods agenda. Other important areas of spending are estate regeneration, crime reduction and safety and property adaptations for people with disabilities.
11. The budget proposals in this report will ensure that all Council properties meet the decent homes standard by 2010.

Revenue Budget

12. The main issues that need to be considered in setting the revenue budget are set out below.

Responsive repairs

13. The proposed budget for 2010/11 is £10.549M. The main features of this budget have been a drop in the number of responsive repair orders (saving £325,000) offset by an increase in the number of voids (costing £298,000). The combined effect of this is that savings of £27,000 are expected in 2010/11.

Programme repairs

14. The proposed budget for 2010/11 is £5.193M, which accommodates cost pressures on Emergency Lighting (£70,000) and Gas servicing (£90,000) which have been offset by savings on Servicing contracts (£46,000), Structural Surveys (£170,000), Health and Safety works (£40,000) plus a range of small savings on other schemes. The net savings amount to £248,000.

Supervision and Management

15. There have been a significant number of changes in this part of the budget for 2010/11 which are summarised below:

- There are projected savings arising from the restructure of the Housing Management division which are estimated at £203,000. These are efficiency savings relating to the way business support and project / policy development is delivered.
- The Housing Management division restructure is also reviewing how the Council interacts with its customers to best deliver the services that residents want. The division will in future be working in a more proactive way with its residents in the communities where they live. This part of the restructure will generate some further efficiencies of approximately £270k

The overall effect of these savings plus a number of other smaller items is that overall savings of £475,000 are expected in 2010/11.

HRA subsidy

16. At the time of preparing this report the Council, in common with all other Councils in the country, has only received a draft subsidy determination for 2010/11. The final determination is not expected until early February, although CLG have not given any definitive date when it will be published. This means that all the subsidy and rent increase assessments in this report are based on draft information and may need to be revised when the final papers are received. Other consequential budget changes may also be required.
17. In order to manage this situation and ensure that further changes to rents are not required after 5 April 2010, it may be necessary for either:
 - The Cabinet Member for Housing and Local Services to move changes to the recommendations in this report at Council if there is a material difference between the final subsidy papers and the draft subsidy papers that have been used in compiling these estimates or
 - For Council to agree to delegate to the Executive Director for Neighbourhoods, in consultation with the Executive Director for Resources and following consultation with the Cabinet Member for Housing and Local Services, authority to make changes to the recommendations in this report if the final subsidy papers have not been received by the time of the Council meeting and there is a material difference between the final subsidy papers and the draft subsidy papers that have been used in compiling these estimates.
18. Based on the draft determinations, the Council is still in “negative subsidy”. The payment to CLG is increasing from £4.0M in 2009/10 to £8.5M in 2010/11. However, the payment for 2010/11 is £2.4M higher than would have been the case because £2.4M of the Major Repairs Allowance was taken into account in assessing the subsidy payment for 2009/10. The payment to CLG is a major concern, particularly as it is expected to increase in subsequent years. At a national level it is now generally accepted that the Government receives more in “negative subsidy” payments from some councils than it pays out in subsidy to others, which is why the system is often referred to as “a tax on tenants”. Proposals that are expected on the Reform of Council Housing Finance could well address this issue (see paragraphs 37 – 41 below)

19. The main features of the draft determinations are set out below:
- The Management and Maintenance allowances are the Governments assessment of how much the Council should spend on Supervision and Management and the Repairs service. The Council will receive £34.7M in 2010/11, approximately £600,000 more than expected from these allowances.
 - The Major Repairs allowance is paid to help finance the HRA capital programme and is supposed to represent the costs of maintaining the stock at its current standard. At £10.4M for 2010/11 this is in line with expected levels.
 - The Government pays a Capital Financing allowance based on what it assumes the level of HRA debt to be. The assumed debt level for Southampton is approximately £121M, compared to a real debt level of approximately £102M. In 2010/11 the subsidy payment is estimated to be £3.0M, compared to the estimated real interest charges of around £2.4M. Whilst there is still a “surplus” from this system it is still some £350K lower than was the case a year ago due to lower interest rates.
 - Last year CLG announced that the convergence date for Rent Restructuring would be extended to 2023/24. It is now proposed that rent convergence is brought forward to 2012/13. This gives an overall increase in rent income paid to CLG of 3.3%. The issues arising from this are examined in more detail below.

Dwelling Rent income

20. This income is determined by the CLG rent restructuring guidelines. Rent restructuring is the government’s policy that rents for all council owned dwellings will gradually increase to match those for Housing Associations.
21. Under this formula, the inflationary increase is determined by the Retail Price Index for September 2009, which was -1.4%. The formula requires the addition of a further 0.5% plus an element for converging with Housing Association rent levels. Last year the date for this convergence was set for 2023/24. This has now been brought forward to 2012/13. This has the effect of increasing average rent levels by 4.5%, giving an overall increase in average rent levels of 3.6%, or £2.26 per week.
22. However, within the rent restructuring rules, there is also a requirement that the rent convergence component of the increase for each dwelling should not exceed £2.00 per week. This requirement is not new, but this is the first time that this has become a major issue for us. Applying this constraint would reduce the rent convergence component to 2.96%, giving an average rent increase to 2.06%. However, the rent taken away by CLG through the subsidy settlement will still increase by 3.3%, which would lead to a reduction in resources available to fund the capital programme.
23. CLG recognise that the 2 different methods of calculation can result in financial problems for Councils and there is a formula for calculating compensation (known as caps and limits), but this is only paid a year in arrears.

24. In this formula, the government makes an assumption of what the level of actual average rents should be and our actual average rents are £0.25 per week below the government's assumptions. It is proposed that our actual average rents are brought up to the level assumed by government as this is permitted by the rent restructuring rules and will still enable us to maximise our caps and limits compensation claim in 2011/12.
25. The £0.25 per week is equivalent to a 0.39% increase in average rents, which gives an overall average rent increase of 2.45% (£1.56 per week).

Tenants Service / Support Charges

26. There are no changes to the number of service charges proposed for 2010/11. The current service charges for 2009/10 are shown in the table below (based on 48 rent weeks):

Description	Weekly charge
Tower block wardens	£5.53
Sheltered housing management charge:	
• Scheme based accommodation	£5.31
• All other sheltered accommodation	£1.33
Concierge monitoring charge	£1.20
Sheltered support charge	£2.85
Community Alarm monitoring charge	£1.35

27. In view of the current economic situation it is not proposed to increase these charges for 2010/11.

Other Charges

28. It is not proposed to increase any of the charges for garages or parking spaces for 2010/11. This is also a reflection of the current economic situation.

Level of HRA revenue balances and contingency provision

29. The revenue budget at appendix 1 shows that the contingency provision for 2009/10 has been deleted as it is no longer required. It is however recommended that this is retained at £100,000 for 2010/11.
30. For 2010/11, it is recommended that the level of HRA balances should be unchanged at £1,200,000.

Capital Budget

31. The size of the capital programme is determined by the resources that are available to fund it. When the capital programme was last considered by Council in September it was noted that there was an overall shortfall in resources of £2.420M and that plans were in place to close the gap. This gap is substantively unchanged and stands at £2.561M. In order to bridge the gap discussions are continuing with the HCA over the availability of grant aid for

the estate regeneration programme. If this is unsuccessful it will be necessary to consider expenditure reductions or undertaking prudential borrowing. There is scope to fund borrowing from the direct revenue financing that is available.

32. The resources that are available to fund the HRA capital programme comprise:

- ◆ HRA supported borrowing
- ◆ Unsupported (prudential) borrowing
- ◆ Usable Capital Receipts
- ◆ Grants and Contributions from third parties
- ◆ Direct Revenue Financing (DRF) and
- ◆ The Major Repairs Allowance (MRA)

33. Appendix 3 contains an explanation of these terms and an annual forecast of the resources available. The forecast assumes no change to the current policy of allocating new usable receipts from the Sale of Council Houses to the Housing General Fund Capital Programme. These receipts are used to fund grants to Housing Associations for the provision of new social housing. This accords with the Housing strategy and the priorities of tenants expressed in the stock options work.

34. Reasons for the changes in resources are set out below:

- Unsupported borrowing – There is a reduction in the level of unsupported borrowing of £0.480M. The borrowing requirement for the New Build programme has been reduced by £1.350M to match with that required to fund the schemes that have been approved by the Homes and Communities Agency (HCA). The borrowing requirement for Estate Regeneration has been increased by £0.870M as the capital receipts are now expected later than previously forecast. This borrowing will be repaid when the capital receipts are received.
- Direct Revenue Financing – This has increased by £0.239M, due to the revenue changes mentioned earlier in the report
- Major Repairs Allowance – This has decreased by £0.450M due to a forecast reduction in allowances after 2010/11.
- Grants and Contributions – These have increased by £0.119M. There have been a number of changes in this area, the main items of which are summarised below:
 - Grant from the HCA for the LA new build programme has been reduced to match the latest approvals (£1.490M reduction)
 - PUSH funding previously allocated to fund the set up costs for the Local Housing Company has been transferred to fund the immediate costs of estate regeneration (£0.470M increase)
 - Additional contributions from the HCA to fund additional expenditure on estate regeneration, together with a contribution towards existing approved expenditure (£1.107M increase)

- Loss of contributions from energy suppliers (£0.420M).

35. The programme presented to Council in September 2009 has also been revised taking into account the latest cost and phasing of schemes as well as available resources. A provisional programme has also been developed for 2012/13 to maintain a 3 year forward view. The detailed programme is shown at appendix 2 and the change to the annual spending levels is shown below:

Year	New Proposed Programme £M	September 2009 Programme £M	Change £M
2009/10	32.426	34.339	-1.913
2010/11	36.631	38.627	-1.996
2011/12	22.287	17.538	4.749
Sub - total	91.344	90.504	0.840
2012/13	19.219	n/a	n/a
Total	110.563	n/a	n/a

The changes to the programme are explained in detail in Appendix 4

36. The capital spending plans represent a significant investment in the stock and the surrounding neighbourhood. The main focus for spending is explained below:

- In 2010/11 SCC is planning to spend £10.6M on achieving the Decent Homes' Standard with a further £16.7M being spent in the following two years maintaining the Standard.
- There is approximately £2.618M in the programme to continue to support the implementation of the Sheltered Housing Review. Works are planned to be carried out to Manston Court, Challis Court, Milner Court, Graylings, Weston Court, Neptune Court and Pleasant View. These works will primarily consist of redecoration, new flooring, lighting and ceilings to the communal areas with other enhancements such as entrance lobbies/canopies, new internet/computer areas as well as a new external scooter store being installed within the Manston Court project. There is also a plan for landscaping works to all Courts across the city.
- This year will see the refurbishment of 6 lifts on the east side of the city being commenced (Wharnccliffe, Highlands and Riverview House). In addition to this both Milner and Neptune Courts will have new fully DDA compliant lifts built externally to the main entrance. The lift works recently commenced at Millbank House will continue into 2010/11.
- This year we will be completing works to a further 120 dwellings as part of the window refurbishment programme. This forms part of SCC's aim to replace all the existing single glazed wooden and metal framed windows across the city.

- Crime Reduction and Safety is a “key” element and is important to SCC tenants. Procurement has now been tackled and new electronic door entry systems, complete with metal doors, are being installed to 3 areas of the city (Central, Millbrook/Maybush and Townhill). The investment of £1.247M will see enhancements to approximately 100 front and rear entrances.
- Digital TV will be the only way of receiving a signal by mid-2012. To meet this deadline SCC has been developing a method for a network to be installed across all of our dwellings. It is anticipated that works will commence early in 2010/11 and be completed within 2011/12 with a total investment of £2.6M.
- Over the next 3 years £2.5M will be invested in installing new heating system and also heating system upgrades.
- SCC are currently actively investigating the possibility of external cladding to solid wall constructed properties and other non-traditional build types. Following the successful implementation of individual meters a second phase will be commenced following consultation with tenants. There are a number of inefficient traditional boilers currently in use across the city and investment is being made to upgrade these to condensing boilers.

Reform of Council Housing Finance

37. For some time SCC has been promoting the reform of council housing finance. In last years budget report it was noted that:
- The Treasury and CLG have started a national review of the HRA and the subsidy system. The findings are due to be announced in summer 2009.
 - Tenants are very concerned at the current subsidy payments to CLG and forecasts for the future and have expressed their concerns in writing to local MPs.
 - SCC have joined with other Councils to lobby for change and have protested about the system in our annual response to CLG on subsidy and rents

It was agreed that everybody (tenants, members and officers) should continue their work to bring about a change to the current subsidy system as soon as practical.

38. The consultation paper was published in July 2009 and consultation closed at the end of October 2009. The consultation covered a range of matters, but the key issue for this report is the potential for Councils to be able to “buy” their way out of the subsidy system. The buy out is likely to involve the council needing to borrow money in order to pay the levy to government and in return, the council will exit from the subsidy system and cease making annual payments to CLG.
39. It is understood that there was overwhelming support for this option in principle amongst local authorities, as the alternative was to continue with a modified version of the current system. However, the consultation paper did not contain any details of what the costs might be for each council to buy

their way out of the current system, and this is clearly crucial in determining whether this cost effective for the council.

40. The government is still considering the responses to the consultation paper but it is understood that they are likely to make each council a buy out offer in “the spring”, with councils needing to decide their response before the general election. This could require a very quick assessment of the economics of the offer which may not allow time for reporting to council.
41. It is therefore proposed to delegate to the Executive Director for Resources, following consultation with appropriate Cabinet Members for Housing and Local Services and Resources and Workforce Planning, the Executive Director for Neighbourhoods and the Solicitor to the Council, authority to determine the Council’s response to the buy-out” offer for Reform of Council Housing Finance if the response is required in such a period that it is not possible to submit a report to Council.

FINANCIAL/RESOURCE IMPLICATIONS

Capital

42. These are in the body of the report.

Revenue

43. These are in the body of the report

Property

44. None.

Other

45. None.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

46. Housing Act legislation provides the authority to increase rent and other associated or like charges. There are no specific legal implications arising from the overall budget proposals contained in this report
47. The provision, maintenance and improvement of social housing by local authorities is authorised by various Housing Acts and other legislation

Other Legal Implications:

48. None.

POLICY FRAMEWORK IMPLICATIONS

49. The HRA estimates form part of the Council’s budget and are therefore key elements of the council’s overall budget and policy framework. The proposed estimates also reflect the priorities set out in the approved stock options report and HRA Business Plan.
50. It is expected that with the programme of capital improvements in this report the objective of ensuring that all Council owned homes reach the decent homes standard by 2010 will still be achieved.

SUPPORTING DOCUMENTATION

Appendices

1.	HRA Revenue Estimates 2009/10 and 2010/11.
2.	Detailed HRA capital programme 2009/10 to 2012/13.
3.	Forecast of HRA capital resources and explanation of terms
4.	Explanation of detailed capital variances

Documents In Members' Rooms

1.	None
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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)

1.	None	
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Background documents available for inspection at:

KEY DECISION **Yes**

WARDS/COMMUNITIES AFFECTED:	All
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HOUSING REVENUE ACCOUNT BUDGET REPORT - APPENDIX 1**REVENUE BUDGET**

Original Estimate 2009/10 £'000	Revised Estimate 2009/10 £'000	Estimate 2010/11 £'000
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SUMMARY**EXPENDITURE**

10,311.9	10,175.9	Responsive Repairs	10,548.9
5,411.4	5,417.1	Programmed Repairs	5,193.3
<u>15,723.3</u>	<u>15,593.0</u>	Total Repairs	<u>15,742.2</u>
91.8	91.8	Rents Payable	95.3
46.6	46.6	Debt Management	46.8
17,005.6	16,586.1	Supervision & Management	17,130.9
3,749.1	1,834.5	Debt Charges	2,364.0
15,061.2	15,061.2	Major Repairs Allowance	10,394.5
7,126.6	7,157.3	Direct Revenue Financing of Capital	5,814.2
1,677.2	3,986.7	Housing Subsidy paid to DCLG	8,549.6
191.2	0.0	Contingency	100.0
<u>60,672.6</u>	<u>60,357.2</u>	TOTAL EXPENDITURE	<u>60,237.5</u>

INCOME

56,324.3	56,174.1	Dwelling Rents	57,268.9
1,400.2	1,300.0	Other Rents	1,280.7
<u>57,724.5</u>	<u>57,474.1</u>	Total Rental Income	<u>58,549.6</u>
1,082.2	1,010.2	Service Charge Income	1,034.8
577.3	595.1	Leaseholder Service Charges	602.1
101.6	90.8	Interest Received	51.0
<u>59,485.6</u>	<u>59,170.2</u>	TOTAL INCOME	<u>60,237.5</u>
<u>-1,187.0</u>	<u>-1,187.0</u>	SURPLUS/(DEFICIT) FOR YEAR	<u>0.0</u>

BALANCES

2,387.0	2,387.0	Working Balance B/Fwd	1,200.0
-1,187.0	-1,187.0	Surplus/(deficit) for year	0.0
<u>1,200.0</u>	<u>1,200.0</u>	WORKING BALANCE C/FWD	<u>1,200.0</u>

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HOUSING REVENUE ACCOUNT BUDGET REPORT APPENDIX 2**HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME FEBRUARY 2010**

	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	Total £'000
<u>SUMMARY</u>					
<u>Committed Totals</u>					
Decent Homes	16,875	10,183	0	0	27,058
Decent Homes Plus	9,405	4,715	800	0	14,920
Decent Neighbourhoods	3,279	2,653	277	0	6,209
Estate Regeneration	2,244	4,450	1,858	200	8,752
LA New Build	213	4,037	473	0	4,723
Other	20	30	0	0	50
Total HRA Committed	32,036	26,068	3,408	200	61,712
<u>Uncommitted Totals</u>					
Decent Homes	0	740	9,359	10,098	20,197
Decent Homes Plus	190	5,916	6,812	7,121	20,039
Decent Neighbourhoods	150	2,837	1,638	1,200	5,825
Estate Regeneration	0	0	0	500	500
LA New Build	0	970	970	0	1,940
Other	50	100	100	100	350
Total HRA Uncommitted	390	10,563	18,879	19,019	48,851
<u>Overall Programme</u>					
Decent Homes	16,875	10,923	9,359	10,098	47,255
Decent Homes Plus	9,595	10,631	7,612	7,121	34,959
Decent Neighbourhoods	3,429	5,490	1,915	1,200	12,034
Estate Regeneration	2,244	4,450	1,858	700	9,252
LA New Build	213	5,007	1,443	0	6,663
Other	70	130	100	100	400
Total HRA Capital Programme	32,426	36,631	22,287	19,219	110,563

PROGRAMME DETAILS

Decent Homes	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000
Committed					
Sheltered Decent Homes 08/09	1,426	2,100			3,526
Decent Homes Millbrook	3,062				3,062
Decent Homes Peartree & Sholing		500			500
Decent Homes Maybush	1,240	200			1,440
Decent Homes Shirley	2,391	2,000			4,391
Decent Homes Townhill Park	3,058				3,058
Decent Homes Harefield	250	931			1,181
Decent Homes Central	500	2,130			2,630
Decent Homes Swaythling	2,903	1,000			3,903
Decent Homes Lordshill	250	358			608
Decent Homes Thornhill Non NDC		7			7
Decent Homes Thornhill NDC		91			91
Decent Homes Weston		275			275
Decent Homes Voids	459	261			720
Electrical Renewal	86				86
Electrical Risers	288	100			388
Roof Replacement Programme - Green Lane	112				112
Roof Replacement Programme - Witts Hill	300	80			380
Roof Replacement Programme - Meggesson Avenue		150			150
Structural Works Various Low, Medium & High Rise	500				500
Water Tanks and Pump Replacement	50				50
Total Decent Homes Committed	16,875	10,183	0	0	27,058
Uncommitted					
Decent Homes Contingency		300			300
Decent Homes Future works			8,359	8,368	16,727
Electrical Renewal			300	300	600
Roof Replacement Programme			300	300	600
Structural Works		400	400	1,130	1,930
Water Tanks and Pump Replacement		40			40
Total Decent Homes Uncommitted	0	740	9,359	10,098	20,197
Total Decent Homes	16,875	10,923	9,359	10,098	47,255

<u>Decent Homes Plus</u>	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000
Committed					
Adaptations for Disabled People	1,469				1,469
Castle House Balconies	354				354
Crime Reduction & Safety 08/09City Wide	100	147			247
Crime Reduction & Safety 09/10City Wide		500			500
Digital TV	300	1,500	800		2,600
Shirley Towers Windows	200	794			994
Door & Window Upgrade	599				599
Electronic Concierge	1,363				1,363
Energy Saving Programme 08/09	226				226
Energy Saving Programme 09/10	400				400
Heating Systems Upgrade 09/10City Wide New Heating	722	200			922
Lift RefurbishmentVarious	28				28
Lift RefurbishmentCastle & Millbank House	600	100			700
Lift RefurbishmentMilner, Neptune & Manston	400	281			681
Lift RefurbishmentWharncliffe, Riverview & Highlands	830	200			1,030
NDC Communal Improvements	352				352
TPY Thornhill Improvements - Deep Clean & Door / Window:	53				53
Programme Management Fees	390				390
Sheltered Communal ImprovementsManston		850			850
Sheltered Communal ImprovementsWeston	50				50
Sheltered Landscaping	137	100			237
Kinloss Studio Conversions & Communal Improvements	697				697
Sheltered Accommodation Bedsit Upgrade 08/09	35				35
Sheltered Accommodation Bedsit Upgrade 09/10	100	43			143
Total Decent Homes Plus Committed	9,405	4,715	800	0	14,920
Uncommitted					
Adaptations for Disabled People		1,350	1,350	1,350	4,050
Communal Improvements				967	967
Crime Reduction & Safety		450	450	450	1,350
Door & Window Upgrade		648	1,150	988	2,786
Electronic ConciergeAdditional Work			200		200
Energy Saving Programme		400	400	240	1,040
Heating Systems Upgrade		250	700	1,630	2,580
Lift Refurbishment			1,010	746	1,756
Mobile Working		450			450
Programme Management Fees		400	400	400	1,200
Sheltered Communal Improvements	190	787	1,052	250	2,279
Sheltered Communal ImprovementsGraylings		590			590
Sheltered Communal ImprovementsChallis		291			291
Sheltered Accommodation Studio conversions to 1 bed flats		100	100	100	300
Sheltered Accommodation Bedsit Upgrade		200			200
Total Decent Homes Plus Uncommitted	190	5,916	6,812	7,121	20,039
Total Decent Homes Plus	9,595	10,631	7,612	7,121	34,959

<u>Decent Neighbourhoods</u>	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000
Committed					
Central	50	251			301
Townhill ParkMcArthur & Vanguard	60	515	26		601
Harefield		500			500
Pear tree / SholingTankerville		203	5		208
WestonInternational Way		416	10		426
Garage Site Upgrade	12				12
Ext. Improvements to Walk Up Blocks		36			36
Environmental Improvement Works	67				67
Estate Improvement Programme	200				200
Parking on Verges	3				3
Shopping Parade Upgrade	65				65
Thornhill Better Neighbourhoods	2,492	97			2,589
Thornhill Cycleway	100				100
MillbrookBlock Improvements		390	11		401
MillbrookParking	150	225	225		600
MillbrookAdizone	80	20			100
Total Decent Neighbourhoods Committed	3,279	2,653	277	0	6,209
Uncommitted					
Northam		250			250
Holyrood		500			500
Kingsland		225	50		275
Thornhill		100			100
Weston		487	13		500
Harefield / Townhill Park		685	15		700
Estate Improvement Programme		200	200	200	600
Swaythling Relocation	150				150
MillbrookBlock Improvements		390	360		750
Shirley			1,000		1,000
Future Decent Neighbourhoods Schemes				1,000	1,000
Total Decent Neighbourhoods Uncommitted	150	2,837	1,638	1,200	5,825
Total Decent Neighbourhoods	3,429	5,490	1,915	1,200	12,034
<u>Estate Regeneration</u>	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000
Committed					
Capacity Study	25	14			39
Hinkler Parade	1,289	793	188		2,270
Cumbrian Way	211	733	285	40	1,269
Exford Parade	457	2,052	1,002	80	3,591
Laxton Close	131	489	296	40	956
Meggeson Avenue	131	369	87	40	627
Total Estate Regeneration Committed	2,244	4,450	1,858	200	8,752
Uncommitted					
Future schemes				500	500
Total Estate Regeneration Uncommitted	0	0	0	500	500
Total Estate Regeneration	2,244	4,450	1,858	700	9,252

Local Authority New Build

	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000
Committed					
Borrowdale Road	37	704	84		825
Flamborough Close	21	400	47		468
Chiltern Green	20	380	44		444
Grateley Close	59	1,121	131		1,311
Orpen Road	35	660	77		772
Keynsham Close	41	772	90		903
Total Local Authority New Build Committed	213	4,037	473	0	4,723
Uncommitted					
Leaside Way		251	251		502
Cumbrian Way		719	719		1,438
Total Local Authority New Build Uncommitted	0	970	970	0	1,940
Total Local Authority New Build	213	5,007	1,443	0	6,663

Other

	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000
Committed					
IT Development	20	30			50
Total Other Committed	20	30	0	0	50
Uncommitted					
IT Development	50	100	100	100	350
Total Other Uncommitted	50	100	100	100	350
Total Other	70	130	100	100	400

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APPENDIX 3**FORECAST OF HRA CAPITAL RESOURCES AND EXPLANATION OF TERMS**

Resource	2009/10	2010/11	2011/12	2012/13	Total
	£M	£M	£M	£M	£M
Supported Borrowing	1.496	1.496	0	0	2.992
Unsupported Borrowing	0.300	9.149	1.757	0.870	12.076
Useable capital receipts	0.400	0.700	1.770	0.870	3.740
Grants and contributions from third parties	3.955	3.086	0.595	0.110	7.746
Direct Revenue Financing	11.214	11.806	5.148	1.611	29.779
Major Repairs Allowance	15.061	10.394	13.017	13.197	51.669
Total	32.426	36.631	22.287	16.658	108.002

Supported Borrowing

Supported borrowing is where the Government funds the cost of borrowing through the Housing Revenue Account Subsidy Settlement.

Unsupported Borrowing (prudential borrowing)

Unsupported borrowing is where the Housing Revenue Account meets the full capital financing costs with no support from Government.

There is therefore no specific cash limit on borrowing but the key focus is on the ability to meet the capital financing costs from revenue budgets in the long term.

Useable Capital Receipts

Authorities are only able to use 25% of the proceeds from the sale of Council Houses and 50% from the sale of other Housing Revenue Account assets to finance capital expenditure in either the Housing Revenue Account or the General Fund Capital Programmes. However, it is possible to fully utilise the receipts from the sale of certain HRA assets (the principal exclusions being receipts from Right-to-Buy sales and Large Scale Voluntary Transfers) provided the receipts are used for “the provision of affordable housing”. The definition of “affordable housing” includes support to Registered Social Landlords and works to the Councils own stock to bring the dwellings up to decent homes standard (or higher standard). To utilise this facility it is

necessary for a resolution to be passed that sets the Council's expected spend on "affordable housing" for a given period before any sales take place. Such a resolution is included in the HRA budget report.

It should be noted that General Fund receipts can be used to finance the HRA Capital Programme and vice versa without any compensating adjustments being made to either the General Fund or the Housing Revenue Account. However, the interest receipted on the usable proportion of all capital receipts must be paid to the General Fund. Therefore, if Housing Revenue Account expenditure on capital schemes is financed from usable capital receipts, there is a cost to the General Fund because it will not receive interest on those capital receipts.

Grants and contributions from third parties

Contributions are received from third parties in respect of capital expenditure incurred by the Council e.g. payments from leaseholders of sold Council flats in respect of any major works that have been carried out to their homes. In addition significant contributions are expected from the NDC and a CHP developer.

Direct Revenue Financing

This is the contribution from the HRA revenue account to fund the capital programme.

Major Repairs Allowance

The MRA is intended to represent the cost of maintaining the stock in its current condition and is an annual allowance set by DCLG as part of the annual HRA subsidy settlement.

APPENDIX 4**INCREASES AND DECREASES ON CAPITAL SCHEMES**

1. **Electrical Risers – Slippage £100K**
Due to a Leaseholder Valuation Tribunal being instigated, proposed works were delayed by several months, therefore the programme has now slipped into 2010/11.
2. **Roof Replacement – Slippage £80K**
Due to procurement issues works could not start as originally programmed. Timescales could not be recovered as Section 20 leaseholder consultation had to take place with specific timescales, therefore the programme has now slipped into 2010/11.
3. **Crime Reduction and Safety – Slippage 08/09 £147K and 09/10 £250K**
Due to procurement issues, works could not commence as originally programmed. This has now been resolved and works will commence at the end of 2009/10 but the substantial part will now be carried out in 2010/11.
4. **Shirley Towers windows – Slippage £300K**
Investigatory works have not identified the actual source of the water ingress (may not be a window issue). Further investigations are currently being carried out and any programmed repairs will now be carried out in 2010/11.
5. **Lifts Refurbishment**
 - 07/08 Scheme – Slippage £100K, Decreased £213K**
 - Due to the original contractor refusing to “stand by” original tender, works at Millbank House had to be re-tendered and therefore the programme was adjusted.
 - The original proposals included works to sheltered blocks, but following the recent review the works were re-evaluated and removed from this programme.
 - 08/09 Scheme – Slippage £107K**
 - Following the Sheltered Housing Review all works were re-evaluated and programmes reassessed with works continuing in 2010/11.
 - 09/10 Scheme – Slippage £200K**
 - Works to Wharncliffe, Riverview and Highlands House were delayed due to feasibility study issues. Programmes of works have been re-evaluated and works will continue into 2010/11.
 - 10/11 Scheme – Relocated £360K and Decreased £300K**
 - Due to the backlog of refurbishment works, it was decided not to carry out any new works, but relocate £360K into the 2011/12 scheme and £300K offered as a saving.
6. **Sheltered Landscaping**
 - 08/09 Slippage £100K**
 - Due to the Sheltered Housing review all works were stopped and re-evaluated. In line with the new proposals works have now been identified but due to planting seasons etc works will not commence until 2010/11.

09/10 Slippage £152K

- As above.

7. **Sheltered Studio conversion**

09/10 Voids Slippage £43K

- Following the Sheltered Housing Review it was agreed that Tatwin Crescent should not be included within this project, therefore the anticipated number of voids has declined.

10/11 Bedsit Upgrade – Decreased £300K

- The Sheltered Housing Review has indicated a reduced number of dwellings requiring works and that the revised numbers can be met from previous years' budgets.

8. **Kinloss Court – Increased £290K**

The original proposal did not include the communal areas and kitchen upgrade.

9. **Sheltered Communal Improvements – Increased £344K**

The overall provision for Sheltered Housing has been increased to meet the requirements of the Sheltered Housing Asset Plan. Within this overall total, specific projects have now been identified and set up:- Graylings, Challis Court, Weston Court, Manston Court and Kinloss Court.