

Cabinet

**Tuesday, 19th August, 2014
at 4.30 pm**

Council Chamber - Civic Centre

This meeting is open to the public

Members

Councillor Letts, Leader of the Council
Councillor Barnes-Andrews, Cabinet Member for
Resources and Leisure
Councillor Jeffery, Cabinet Member for Education
and Change
Councillor Chaloner, Cabinet Member for
Children's Safeguarding
Councillor Kaur, Cabinet Member for Communities
Councillor Rayment, Cabinet Member for
Environment and Transport
Councillor Shields, Cabinet Member for Health
and Adult Social Care
Councillor Payne, Cabinet Member for Housing
and Sustainability

(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.

The Forward Plan

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

Implementation of Decisions

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

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

Southampton City Council’s Priorities:

- Jobs for local people
- Prevention and early intervention
- Protecting vulnerable people
- Affordable housing
- Services for all
- City pride
- A sustainable Council

Executive Functions

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

Key Decisions

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

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

Decisions to be discussed or taken that are key

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.

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

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

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

Municipal Year Dates (Tuesdays)

2014	2015
17 June	20 January
15 July	10 February*
19 August	17 February
16 September	17 March
21 October	21 April
18 November	
16 December	(* Budget)

CONDUCT OF MEETING

TERMS OF REFERENCE

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

RULES OF PROCEDURE

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

BUSINESS TO BE DISCUSSED

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

QUORUM

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

DISCLOSURE OF INTERESTS

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

DISCLOSABLE PECUNIARY INTERESTS

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

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

(ii) Sponsorship:

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

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

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

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

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

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

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

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

Other Interests

A Member must regard himself or herself as having an, 'Other Interest' in any membership of, or occupation of a position of general control or management in:

Any body to which they have been appointed or nominated by Southampton City Council

Any public authority or body exercising functions of a public nature

Any body directed to charitable purposes

Any body whose principal purpose includes the influence of public opinion or policy

Principles of Decision Making

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

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

In exercising discretion, the decision maker must:

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

AGENDA

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

1 APOLOGIES

To receive any apologies.

2 DISCLOSURE OF PERSONAL AND PECUNIARY INTERESTS

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

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.

EXECUTIVE BUSINESS

3 STATEMENT FROM THE LEADER

4 RECORD OF THE PREVIOUS DECISION MAKING

Record of the decision making held on 15 July 2014, attached.

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

There are no matters referred for reconsideration.

6 REPORTS FROM OVERVIEW AND SCRUTINY COMMITTEES (IF ANY)

There are no items for consideration.

7 EXECUTIVE APPOINTMENTS

To deal with any executive appointments, as required.

8 QUESTIONS FROM MEMBERS TO CABINET MEMBERS

To consider any questions to the Executive from Members of the Council submitted on notice.

MONITORING REPORTS

9 CORPORATE REVENUE FINANCIAL MONITORING FOR THE PERIOD TO THE END OF JUNE 2014

Report of the Cabinet Member for Resources detailing the revenue financial position for the Authority for the three months to the end of June 2014, attached.

ITEMS FOR DECISION BY CABINET

10 SOLENT DISTURBANCE MITIGATION

Report of the Cabinet Member for Environment and Transport seeking to adopt the Solent Disturbance Mitigation Project, attached.

11 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 report in the following item.

This report contains information deemed to be exempt from general publication by virtue of categories 5 (legal professional privilege) and 7A (obligation of confidentiality) to paragraph 10.4 of the Council's Access to Information Procedure Rules as contained in the Constitution.

12 PROPERTY SEARCH LITIGATION

Confidential report of the Head of Legal and Democratic Services detailing matters for approval regarding property searches, attached.

Monday, 11 August 2014

Head of Legal and Democratic Services

SOUTHAMPTON CITY COUNCIL
EXECUTIVE DECISION MAKING

RECORD OF THE DECISION MAKING HELD ON 15 JULY 2014

Present:

Councillor Letts	Leader of the Council
Councillor Barnes-Andrews	Cabinet Member for Resources and Leisure
Councillor Jeffery	Cabinet Member for Education and Change
Councillor Chaloner	Cabinet Member for Children's Safeguarding
Councillor Kaur	Cabinet Member for Communities
Councillor Rayment	Cabinet Member for Environment and Transport
Councillor Shields	Cabinet Member for Health and Adult Social Care
Councillor Payne	Cabinet Member for Housing and Sustainability

10. EXECUTIVE APPOINTMENTS

Cabinet approved the following appointments:

Learning Disabilities Partnership Board – Councillor Coombs
Association of Port Health Authorities (Scrutiny Committee) – Councillor Smith
Member User Group – Councillor Painton
Community Champion for Older People – Councillor Lewzey

11. HRA CAPITAL PROGRAMME PROJECT APPROVALS 2014-15 AND 2015-16
PHASE 1

DECISION MADE: (Ref: CAB 14/15 12881)

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

To approve in accordance with Financial Procedure Rules expenditure of £4,472,000 phased

£1,921,000 in 2014-15; and

£2,551,000 in 2015-16

on replacement windows, structural works, Disabled Adaptations, Programme Management Fees and Supported Housing Asset Programme (SHAP), provision for which exists within the Safe, Wind and Weather Tight, Modern Facilities and Well-Maintained Communal facilities sections of the HRA Capital Programme as detailed in the table below:

	2014-15	2015-16	Total
	£000s	£000s	£000s

Safe Wind and Weather Tight			
Window Replacement	476	715	1,191
Structural Works	1	330	331
Total for Safe Wind and Weather Tight	477	1,045	1,522
Modern Facilities			
Disabled Adaptations	141	112	253
Programme Management Fees	481	541	1,022
Total for Modern Facilities	622	653	1,275
Well Maintained Communal Facilities			
Supported Housing Asset Programme (SHAP)	822	853	1,675
Total for Well Maintained Communal Facilities	822	853	1,675
TOTAL	1,921	2,551	4,472

12. PROPOSAL TO ENTER INTO A JOINT VENTURE

DECISION MADE: (Ref: CAB 14/15 12976)

On consideration of the report of the Director of Corporate Services, Cabinet agreed the following:

- (i) That the creation of a limited liability partnership (LLP) between the Council and Public Sector Plc Facilitating Limited (PSPF) be approved;
- (ii) That the final terms of the necessary agreements be agreed by the Director of Corporate Services, following consultation with the Cabinet Member for Resources, provided that all the due diligence checks have been carried out successfully;
- (iii) That it be noted that the LLP arrangement requires the establishment of an LLP Members board with equal Council and private sector representation, supported by an Operations board for officers;
- (iv) That the Council representation on these boards be agreed by the Director of Corporate Services following consultation with the Cabinet Member for Resources once the format of these boards is established as part of the final terms of the agreement; and that the Council representation on the LLP board will be from members of the Cabinet;
- (v) That it be noted that the LLP will be an additional option for the Council to use to deal with its property portfolio; and

- (vi) That it be noted that further reports will be submitted to Cabinet in respect of relevant proposals to pursue a property related project through the LLP.

13. EXPANSION OF SPRINGWELL SCHOOL
DECISION MADE: (Ref: CAB 14/15 12960)

On consideration of the report of the Cabinet Member for Education and Change, Cabinet agreed the following:

- (i) To note the outcome of statutory consultation as set out in this report.
- (ii) To authorise the increase in pupil numbers at Springwell School (Community Special School) from the 1 September 2014 by the addition of 16 places.
- (iii) To delegate authority to the People Director, following consultation with the Cabinet Member for Education & Change, to do anything necessary to give effect to the recommendations in this report.

14. ROCKSTONE LANE, CONFIRMATION OF ARTICLE 4 DIRECTION
DECISION MADE: (Ref: CAB 14/15 12817)

On consideration of the report of the Cabinet Member for Environment and Transport, Cabinet agreed that having considered the objections to the proposals, to confirm the Article 4 Direction for Rockstone Lane, removing Permitted Development Rights for the properties set out in Appendix 1.

15. ACCOMMODATION STRATEGY UPDATE 2014
DECISION MADE: (Ref: CAB 14/15 12981)

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

- (i) To approve the next phase of the Accommodation Strategy to enable the potential vacation of One Guildhall Square, followed by Service Properties through the implementation of further accommodation changes to in order to generate ongoing revenue savings.
- (ii) Subject to the conclusion of successful negotiations with a third party, to approve the grant of a lease of the Council's office space within OGS and delegate authority to the Head of Property, Procurement and Health & Safety and the Head of Legal and Democratic Services to finalise the detailed terms and complete the lease.
- (iii) To add in accordance with Financial Procedure Rules a sum of £1,837,000 to the Resources Portfolio Capital programme in 2014/15 to enable the next phase of the accommodation strategy to be implemented.
- (iv) To vire in accordance with Financial Procedure Rules a sum of £742,000 from the Accommodation Strategy Action Programme (ASAP) and £1,095,000 from the Vacation of Marland House schemes within the Resources Portfolio Capital programme to the newly created scheme for the next phase of the accommodation strategy

- (v) To note the revenue under spend of £425,000 as set out in the report and approve the extended scope of this remaining budget to now include spend to support the next phase of the accommodation strategy.
- (vi) To note that the existing authority delegated to the Director of Corporate Services will continue to be applied, to allocate premises related resources (revenue and capital) to enable any works necessary to be delivered to ensure the implementation of this next phase of the Accommodation Strategy.

16. SOUTHAMPTON CITY STRATEGY 2014-2025

DECISION MADE: (Ref: CAB 14/15 12996)

On consideration of the report of the Leader of the Council, Cabinet agreed to endorse the draft Southampton City Strategy 2014 - 2025 prepared by Southampton Connect and to recommend its approval to Council on 16th July 2014.

17. COUNCIL STRATEGY 2014 - 2017

DECISION MADE: (Ref: CAB 14/15 13000)

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

- (i) To note the recommendations made by the Overview and Scrutiny Management Committee, as reported verbally at the meeting, which, if approved by Council, will be reflected in the final version of the Council Strategy.
- (ii) To recommend the draft Council Strategy 2014-2017, including the Council priorities attached as Appendix 1, to Council for approval.

18. IMPLEMENTING THE COUNCIL STRATEGY 2014-2017

DECISION MADE (Ref: CAB 14/15 13001)

On consideration of the report of the Leader of the Council, Cabinet made the following decision to:

- (i) Note and endorse the work that has been completed and the work currently planned or underway as the part of the implementation of the One Council Transformation Programme, as detailed in this report.
- (ii) Approve the establishment of a single approach to the customer model for the Council.
- (iii) Approve, as part of the customer model, the establishment of a single 'front door' for customers of services within the People Directorate (adults, housing and children) as set out in this report.
- (iv) Delegate authority to the Chief Executive following consultation with the Cabinet Members for Resources & Leisure and Education & Change to agree and implement the final option for the single 'front door' and the associated investment needed to deliver it.
- (v) Approve the proposal for a new model for business support as set out in paragraphs 87 – 93 of this report.
- (vi) Authorise the Assistant Chief Executive to implement further phases of the Business Support Project as detailed in paragraph 94.

- (vii) Note and endorse the governance arrangements as set out in paragraphs 97 – 101 of this report.
- (viii) Note that further reports on the transformation programme will be brought forward to Cabinet and Council over the next six months.
- (ix) Authorise the Chief Executive, following consultation with the Cabinet Members for Resources & Leisure and Education & Change to take any further action necessary to give effect to the content of this report.

19. ADULT SOCIAL CARE PROVIDER SERVICES

DECISION MADE: (Ref: CAB 14/15 13004)

On consideration of the report of the Cabinet Member for Health and Adult Social Care, Cabinet agreed the following:

- (i) To authorise the Director of People to initiate a process of consultation regarding proposals to re-provide and redesign the care services for adults specified in Section 11 of this report.
- (ii) To note the indicative savings to be realised as shown in Section 17 of this report should proposals for re-provision and re-design be subsequently taken forward.

20. CONSULTATION ON PROPOSED CHANGES TO THE GENERAL FUND REVENUE AND CAPITAL BUDGET P

DECISION MADE: (Ref: CAB 14/15 13020)

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

- (i) To add £1.3M to the Environment & Transport Capital Programme for a new scheme 'Unclassified Roads – Carriageway Resurfacing' to be funded from the following sources:-
 - (a) A grant of £233,000 awarded from the Department for Transport's Pothole Repair Fund 2014/15;
 - (b) Local Transport Plan grant for Highways Maintenance of £425,000 available from scheme under spends in 2013/14;
 - (c) Local Transport Plan grant for Integrated Transport of £295,000 available from the deletion of the 'Improved Safety 2014/15 – Engineering' project.
 - (d) Direct Revenue Financing available from the Highways Strategic Partnership Third Party Income surplus for 2013/14 (£126,000) and a one-off contribution from the On Street Car Parking Surplus Account (£221,000) following a favourable outturn position in 2013/14 mainly due to staff savings.
- (ii) To approve, in accordance with Financial Procedure Rules, capital expenditure of £1.3M in 2014/15 on the 'Unclassified Roads – Carriageway Resurfacing' scheme within the Environment & Transport Capital Programme to help improve the condition of the roads network.
- (iii) Notes the high level revenue forecast for the General Fund for 2015/16 as detailed in paragraph 13.

- (iv) Note the Executive's proposals for savings as set out in the Appendix to this report and approve their release for consultation, where appropriate.
- (v) Note that formal consultation on the relevant proposals as set out in Appendix 1 will now commence with trades unions, affected staff and any people or organisations affected by the proposals to ensure all options have been considered.
- (vi) Note the spending pressure for Pay and Allowances as set out in paragraph 10.
- (vii) Note the spending initiative to support the Council's approach to Customer Services as set out in paragraph 12.
- (viii) Note the change to the Council's minimum revenue provision as outlined in paragraphs 27 – 30 which released £4.5M of revenue in year benefit in 2013/14 and £0.6M in future years.
- (ix) Delegate authority to the Chief Financial Officer (CFO) following consultation with the Cabinet Member for Resources and Leisure to do anything necessary to give effect to the recommendations in this report.
- (x) To instruct officers to implement savings at the earliest date to secure benefits in 2014/15

21. PROPERTY DISPOSALS - REVISION OF AGREED TERMS

DECISION MADE: (Ref: CAB 14/15 12972)

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

- (i) To delegate authority to the Head of Property, Procurement and Health and Safety to negotiate and agree the terms of the sale following consultation with the Cabinet Member for Resources, and the Leader in respect of Marland House, and Culture and carry out all ancillary matters to dispose of the site on the basis of the terms set out in the confidential appendix.
- (ii) To note the estimated value of the capital receipt from these disposals has already been built into the funding of the capital programme, apart from the new receipt for 22 - 28 Above Bar. Any receipts that differ from the estimates will need to be considered corporately as part of any future prioritisation of resources as the intention is to use any additional capital receipts from disposals over and above those which are funding the current programme to repay long-term council borrowing.

22. ADVOCACY SERVICES FOR ADULTS

DECISION MADE: (Ref: CAB 14/15 12761)

On consideration of the report of the Cabinet Member for Health and Adult Social Care, Cabinet having complied with paragraph 15 of the Council's Access to Information Procedure Rules agreed the following:

- (i) To approve the re-commissioning, through a tender process, of advocacy services for all adults, inclusive of all elements of specialist and dedicated advocacy currently provided across the City.
- (ii) Following a procurement process to delegate authority to the Director of People to select a provider(s) and after consultation with the Head of Legal and Democratic Services to enter into a contract with a service provider(s), for a maximum period of 5 years, for the provision of advocacy services and take all ancillary action to give effect to this decision

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Agenda Item 9

DECISION-MAKER:	CABINET		
SUBJECT:	CORPORATE REVENUE FINANCIAL MONITORING FOR THE PERIOD TO THE END OF JUNE 2014		
DATE OF DECISION:	19 AUGUST 2014		
REPORT OF:	CABINET MEMBER FOR RESOURCES		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Stephen Fitzgerald	Tel: 023 8083 4897
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STATEMENT OF CONFIDENTIALITY
N/A

BRIEF SUMMARY

This report summarises the General Fund and Housing Revenue Account (HRA) revenue financial position for the Authority for the three months to the end of June 2014, and highlights any key issues by Portfolio which need to be brought to the attention of Cabinet.

RECOMMENDATIONS:

General Fund

It is recommended that Cabinet:

- i) Note the current General Fund revenue position for 2014/15 as at Month 3 (June), which is a forecast over spend at year end of £0.7M against the budget approved by Council on 12 February 2014, as outlined in paragraph 4.
- ii) Note that the baseline forecast over spend for portfolios is just under £4.4M.
- iii) Note that portfolios plan to take remedial action to manage a number of the corporate and key issues highlighted in this report and that the financial impact is reflected in the forecast position.
- iv) Note that the Risk Fund includes £3.1M to cover service related risks, (following the allocation of £1.3M to portfolios), and that the estimated draw at Month 3 is £2.1M to cover expenditure which is included within the baseline forecast portfolio over spend of £4.4M. The portfolio position after the draw from the Risk Fund is an over spend of £2.3M.
- v) Note that it has been assumed that the contingency, which stands at £250,000, will be fully utilised by the end of 2014/15.
- vi) Note the performance to date with regard to the delivery of the agreed

savings proposals approved for 2014/15 as detailed in Appendix 9.

- vii) Note the performance against the financial health indicators detailed in Appendix 10.
- viii) Note the performance outlined in the Quarterly Treasury Management Report attached as Appendix 11.

Housing Revenue Account

It is recommended that Cabinet:

- ix) Note the current HRA budget monitoring position for 2014/15, as at Month 3 (June). There is a forecast over spend at year end of **£86,500** against the budget approved by Council on 12 February 2014, as outlined in paragraph 31.

REASONS FOR REPORT RECOMMENDATIONS

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

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 2. Not applicable

DETAIL (Including consultation carried out)

- 3. Heads of Service, Budget Holders and Directors have been consulted in preparing the reasons for variations contained in the appendices.

Financial Summary

- 4. Appendix 1 sets out a high level financial summary for the General Fund, and shows that the overall forecast outturn position for the Council is an over spend of **£0.7M**, as shown below:

	Forecast Outturn Variance £000's	Forecast Outturn Variance %
Baseline Portfolio Total	4,398.5 A	2.4
Draw From Risk Fund	2,141.5 F	
Portfolio Total	2,257.0 A	1.1
Capital Asset Management	600.0 F	
Non-specific Government Grants	984.5 F	
Net Total General Fund	672.5 A	0.8

- 5. As shown in the above table, the forecast portfolio revenue outturn on net

controllable spend for the end of the year compared to the working budget is an over spend of £2,257,000 and this is analysed below:

Portfolio	Baseline Forecast Outturn Variance £000's	Risk Fund Items £000's	Forecast Outturn Variance		See Appendix
			£000's	%	
Communities	1,662.4 A	780.0 F	882.4 A	2.3	2
Children's Services	188.5 A	215.5 F	27.0 F	1.4	3
Environment & Transport	696.1 A	90.0 F	606.1 A	2.3	4
Health & Adult Services	2,122.0 A	645.0 F	1,477.0 A	2.3	5
Housing & Sustainability	206.7 A	216.1 F	9.4 F	0.5	6
Leader's	106.4 F	0.0	106.4 F	2.2	7
Resources & Leisure	370.8 F	194.9 F	565.7 F	1.2	8
Portfolio Total	4,398.5 A	2,141.5 F	2,257.0 A	1.1	

6. The corporate and key issues affecting each portfolio are set out in Appendices 2 to 8, as per the previous table.

Remedial Action

7. Portfolios plan to take remedial action to manage a number of the corporate and key issues highlighted in this report. Specific actions are included within Appendices 2 to 8 where applicable and the financial impact is reflected in the forecast position. Please note that at this time last financial year a Portfolio adverse variance of a similar magnitude was predicted, but following remedial actions taken by officers and other factors the actual Portfolio outturn position was a significant favourable variance. Whilst there is clearly no guarantee that this year will see the same outcome, the Council's management team will put in place remedial action and will be working to ensure that the financial position is brought within budget by year end.

Capital Asset Management

8. The favourable variance of £0.6M is due to forecast interest payable being below that originally estimated, because of lower than anticipated borrowing costs, and forecast interest receivable being above that originally anticipated.
9. The cost of financing the authority's long term and short term debt in 2014/15 is currently forecast to be £800,000 less than budgeted, of which approximately 50% benefits the General Fund. This is mainly a result of variable interest rates being lower than estimated, no new long term borrowing being undertaken in 2013/14 and to deferring any new borrowing to later in this financial year than initially planned.
10. Investment income for the year is currently forecast to be £200,000 higher than originally estimated.

Non-Specific Government Grants

11. Additional non-specific Government grant income not included in the budget is anticipated resulting in a forecast favourable variance of £984,500 as follows:
12. The amount of Education Services Grant that the Council receives is based on the number of pupils in maintained schools in the city. This number is continually updated as schools convert to academies. Based on known academy conversions this financial year, the amount forecast to be received in 2014/15 is expected to be £800,000 more than budget.
13. An increase of £87,000 to the Local Service Support Grant (LSSG) from the Department for Communities and Local Government to cover the Extended Rights to Free Travel Grant from the Department for Education.
14. Remands allocation of £97,500 has been received from the Ministry of Justice.

Risk Fund

15. Potential pressures that may arise during 2014/15 relating to volatile areas of both expenditure and income are being managed through the Risk Fund. A sum of £4.4M was included in the budget to cover these pressures and is taken into account during the year as evidence is provided to substantiate the additional expenditure against the specific items identified.
16. The Risk Fund, which originally stood at £4.4M, now totals £3.1M following the allocation of £1.3M. The funding allocated is shown below:

Portfolio	Service Activity	£000's
Health & Adult Social Care	Learning Development	800.0
Health & Adult Social Care	Independent Living	400.0
Resources & Leisure	Active Nation Utilities	83.0
Funding Allocated From the Risk Fund		1,283.0

17. At Month 3, it is estimated that pressures within Portfolios will require the allocation of a further £2.1M from the Risk Fund, as shown in the table below, leaving a balance of £1.0M:

Portfolio	Service Activity	£000's
Children's Services	Tier 4 Services	430.0
Children's Services	Safeguarding Management/Legal	200.0
Children's Services	Infrastructure	150.0
Communities	Youth Remand	215.5
Environment & Transport	Waste Disposal	90.0

Health & Adult Social Care	Adult Disabilities	400.0
Health & Adult Social Care	Continuing Care	245.0
Housing & Sustainability	CRC Purchases	216.1
Resources & Leisure	Museum Income	149.3
Resources & Leisure	Sport & Rec Energy	45.6
Portfolio Draw From Risk Fund		2,141.5

18. At this stage of the year it has been prudently assumed that the remainder of the Risk Fund will be fully utilised in 2014/15 but this position will be actively reviewed. The provision made within the Risk Fund will be reviewed as part of the development of the budget for 2015/16 to ensure that a sufficient allocation is included for such pressures in the future.

Contingency

19. The contingency totals £250,000 and it has been assumed that it will be fully utilised by the end of 2014/15. (Two uses of the contingency that have been agreed after the quarter end date are a £25,000 payment to Solent Credit Union to purchase deferred shares, and an £8,000 payment to Music in the City.)

Approved Carry Forward Requests

20. Full Council has agreed to automatically carry forward any surplus/deficit on Central Repairs and Maintenance at year-end subject to the overall financial position of the Authority. Furthermore, Cabinet has approved the delegation of authority to the Chief Financial Officer (CFO), following consultation with the Cabinet Member for Resources, to allocate premises related resources (revenue and capital) in order to maximise the efficient use of resources in respect of general repairs and maintenance, major works to civic buildings and the implementation of the accommodation strategy.

Potential Carry Forward Requests

21. Portfolios have not highlighted any potential carry forwards for submission which is as to be expected at this early stage of the year.

Key Portfolio Issues

22. The corporate and other key issues for each portfolio are detailed in Appendices 2 to 8.
23. It is good practice to recognise that any forecast is based on assumptions about key variables and to undertake an assessment of the risk surrounding these assumptions. Having done this a forecast range has been produced for each corporate and key issue, where applicable, which represents the pessimistic and optimistic forecast outturn position. This range is included within the detail contained in Appendices 2 to 8.
24. There are, however, certain corporate issues which are highlighted in the tables below as being the most significant for Cabinet to note. The adverse variances

are noted in the table below. There are no significant favourable variances at this stage.

Corporate Adverse Variances

Portfolio	Corporate Issue	Adverse Forecast £000's	After Risk Fund Draw £000's	See Appendix & Reference
Children's Services	Tier 4 Safeguarding	1,149.1	719.1	2 / CS1
Children's Services	Safeguarding Mgt/Legal	123.4	0.0	2 / CS2
Children's Services	Disability Services	108.8	108.8	2 / CS3
Children's Services	Operations and Services	218.0	218.0	2 / CS4
Communities	Prevention and Inclusion	215.5	0.0	3 / COMM1
Environment & Transport	Waste Disposal	528.2	438.2	4 / E&T1
Health & Adult Social Care	Long Term Care	2,037.1	1,392.1	5 / H&ASC1
Resources & Leisure	Gallery and Museums	101.7	0.0	8 / RES1

Implementation of Savings Proposals

25. Savings proposals of £14.5M were approved by Council in February 2014 as part of the overall budget package for 2014/15. The delivery of the savings is crucial to the financial position of the authority. Below is a summary of the progress as at the end of the first quarter to highlight the level of risk associated with delivery and Appendix 9 contains further details:

	%
Implemented and Saving Achieved	73.5
Not Yet Fully Implemented and Achieved But Broadly on Track	16.0
Saving Not on Track to be Achieved	10.5

26. Where savings are not on track to be achieved and a high level of risk is associated with delivery then this is due to non implementation in some cases

but also due to the impact of factors such as rising demand for services which have meant that despite being implemented the estimated level of financial savings have not materialised.

27. The overall financial shortfall in the delivery of the savings proposals is currently forecast as £1,269,000 or 8.8% of the total to be delivered which is shown by Portfolio in Appendix 9.
28. The financial implications of the delivery of these proposals are reflected in the current forecast position, areas of ongoing concern have been fully reviewed, and appropriate action plans put into place. In addition, any implications for the budget for 2015/16 and future years will be addressed as part of the development of the budget.

Financial Health Indicators

29. In order to make an overall assessment of the financial performance of the authority it is necessary to look beyond pure financial monitoring and take account of the progress against defined indicators of financial health. Appendix 10 outlines the performance to date, and in some cases the forecast, against a range of financial indicators which will help to highlight any potential areas of concern where further action may be required.

Quarterly Treasury Management Report

30. The Council approved a number of indicators at its meeting of 12 February 2014 and Appendix 11 outlines current performance against these indicators in more detail, along with an economic update and key information about the Council's borrowing and investments.

Housing Revenue Account

31. The expenditure budget for the HRA was set at £75.1M and the income budget at £75.1M, resulting in no net draw from balances. The forecast position for the year end on income and expenditure items shows an adverse variance of £86,500 compared to this budget.
32. There are no corporate variances to report but the detail is set out in Appendix 12.

RESOURCE IMPLICATIONS

Capital/Revenue

33. The revenue implications are contained in the report. There are no capital implications.

Property/Other

34. None.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

35. Financial reporting is consistent with the Chief Financial Officer's duty to ensure good financial administration within the Council.

Other Legal Implications:

36. None.

POLICY FRAMEWORK IMPLICATIONS

37. None.

KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:	All
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SUPPORTING DOCUMENTATION

Appendices

1.	General Fund Summary
2.	Children's Services Portfolio
3.	Communities Portfolio
4.	Environment & Transport Portfolio
5.	Health & Adult Social Care Portfolio
6.	Housing & Sustainability
7.	Leader's Portfolio
8.	Resources & Leisure Portfolio
9.	Implementation of Savings Proposals
10.	Financial Health Indicators
11.	Quarterly Treasury Management Report
12.	Housing Revenue Account

Documents In Members' Rooms

1.	
2.	

Equality Impact Assessment

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

Equality Impact Assessment and Other Background documents available for inspection at:

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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1.	General Fund Revenue Budget Report 2014/15 to 2016/17 (Approved by Council on 12 February 2014)	

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Agenda Item 9

APPENDIX 1
Appendix 1

GENERAL FUND 2014/15 - OVERALL SUMMARY

JUNE 2014	Working Budget £000's	Forecast Outturn £000's	Forecast Variance £000's
Portfolios (Net Controllable Spend)			
Children's Services	38,894	40,557	1,662 A
Communities	1,929	2,118	189 A
Environment & Transport	26,036	26,732	696 A
Health & Adult Social Care	64,158	66,280	2,122 A
Housing & Sustainability	1,716	1,923	207 A
Leader's Portfolio	4,816	4,710	106 F
Resources & Leisure	47,777	47,406	371 F
Baseline for Portfolios	185,326	189,724	4,399 A
Net Draw From Risk Fund	2,142	0	2,142 F
Sub-total (Net Controllable Spend) for Portfolios	187,467	189,724	2,257 A
Non-Controllable Portfolio Costs	22,002	22,002	0
Portfolio Total	209,469	211,726	2,257 A
Levies & Contributions			
Southern Seas Fisheries Levy	31	31	0
Flood Defence Levy	40	40	0
Coroners Service	560	560	0
	631	631	0
Capital Asset Management			
Capital Financing Charges	12,588	11,988	600 F
Capital Asset Management Account	(24,526)	(24,526)	0
	(11,937)	(12,537)	600 F
Other Expenditure & Income			
Direct Revenue Financing of Capital	100	100	0
Net Housing Benefit Payments	(758)	(758)	0
Non-Specific Government Grants	(70,587)	(71,572)	985 F
Business Rates	(40,456)	(40,456)	0
Collection Fund Deficit	(1,782)	(1,782)	0
Open Space and HRA	436	436	0
Risk Fund	976	976	0
Contingencies	250	250	0
Surplus/Deficit on Trading Areas	0	0	0
	(111,822)	(112,807)	985 F
NET GF SPENDING	86,341	87,013	673 A
Draw from Balances:			
To fund the Capital Programme	(100)	(100)	0
Waste Bid	357	357	0
Marlands IT	(60)	(60)	0
SALT Funding	(57)	(57)	0
Health & Social Care Transfer Funding	(4,587)	(4,587)	0
IER Funding	(22)	(22)	0
Draw from Strategic Reserve (Pensions & Redundancies)	(26)	(26)	0
Draw from Balances (General)	(8,379)	(9,052)	673 A
	(12,874)	(13,546)	673 A
COUNCIL TAX REQUIREMENT	73,467	73,467	0

CHILDREN'S SERVICES PORTFOLIO

KEY ISSUES – MONTH 3

The Portfolio is currently forecast to over spend by **£882,400** at year-end, which represents a percentage over spend against budget of **2.3%**. This forecast is constructed from the bottom up through discussions with individual budget holders and is then adjusted to take into account the wider Portfolio view and corporate items as shown below:

	£000's	%
Baseline Portfolio Forecast	1,662.4 A	4.3
Risk Fund Items	780.0 F	
Portfolio Forecast	882.4 A	2.3

The CORPORATE issues for the Portfolio are:

CS 1 – Tier 4 Safeguarding Specialist Services (forecast adverse variance £1,149,100)

This budget funds the cost of children that have to be taken into care. Although the number of children in care is similar to the budgeted position, there is an increase in the forecast number of fostering and residential placements with external providers, and a reduction in fostering placements with SCC foster carers.

Forecast Range £2.0M adverse to £500,000 adverse

The increasing number of children requiring specialist support packages has led to a forecast overspend of £437,300 on residential placements. These placements can cost up to £785 per day, and, therefore, a small increase in the number of children requiring such intensive support can have a significant impact on the financial position. Placements are only used, therefore, as a last resort measure, and, as such are difficult to predict with any certainty.

The forecast overspend of £873,400 on fostering has arisen as a result of using more placements from Independent Fostering Agencies (IFA's), and less from SCC foster carers than originally anticipated. In particular, there has been an increased need for parent and baby placements than originally anticipated within the budget, (from 3 estimated places to 9 placements in June), which are more expensive than standard IFA placements. IFA placements tend to cost approximately 2.5 times as much as an SCC foster placement.

An increase in the number and average cost of staying put placements for young people over 18 has led to an overspend of £171,900 on leaving care services. This overspend is after an assumed level of grant income has been applied. The detailed arrangements in respect of the grant have yet to be confirmed.

There are several new and existing placements across Tier 4 that may attract additional funding from Education or Health. The detailed work to quantify this has not been completed. However, based on observed trends a favourable adjustment of £300,000 has been included at this stage.

A draw of £430,000 is forecast to be made from the Risk Fund reducing the over spend on Tier 4 Safeguarding Specialist Services to £719,100. The table outlines the changes in activity levels for 2014/15:

Service	Daily Rate Range	Children Numbers					
		Budget	Budget Plus Risk Fund Provision	Apr	May	June	Year End
Fostering up to 18	£22 -£90	321	321	292	297	292	293
Independent Fostering Agencies (IFA)	£85 - £275	88	98	101	106	108	105
IFA Parent and Baby Placements	£176 - £324	3	3	9	8	9	6
Inter Agency Fostering Placements	£58 - £126	3	3	1	1	1	1
Supported Placements or Rent	£9 - £54	1	1	5	5	6	6
Residential – Independent Sector	£257 - £785	9	9	11	12	12	11
Civil Secure Accommodation	£720 - £820	1	1	1	1	1	1
Sub-total: Children in Care		426	436	420	430	429	423
Residential (Not Looked After)	£108 - £333	3	3	3	2	2	2
Supported Placements or Rent (Not Looked After)	£9 - £54	5	5	2	2	2	2
Over 18's	£11 - £236	21	21	26	27	29	28
Adoption Allowances	£3 - £38	102	102	93	92	92	100
Special Guardianship Allowances	£2 - £44	115	115	95	96	96	120
Residence Order Allowances	£7 - £22	13	13	17	17	17	17
Total		685	695	656	666	667	692

Figures for CIC exclude disability placements, UASC's and children placed at nil cost (e.g., with parents)

CS 2 – Safeguarding Management and Legal Services (forecast adverse variance £123,400)

The overspend on this budget is due to the cost of interim and agency workers currently required to support the Safeguarding function.

Forecast Range £300,000 adverse to £0

This adverse variance is due to additional costs of agency and interim workers that are currently being required to support the Safeguarding function. The over spend is being partially offset by a forecast under spend on legal of £83,200 which has arisen from a reduction in court fees. It is assumed that this saving will not be offset by a compensating reduction in grant income. A draw of £200,000 is forecast to be made from the Risk Fund removing the over spend on Safeguarding Management and Legal Services.

CS 3 – Disability Services (forecast adverse variance £108,800)

New packages of care for children with disabilities have commenced during the year, leading to a forecast overspend.

Forecast Range £350,000 adverse to £200,000 adverse.

The requirement for packages of care for children with disabilities is difficult to predict with any certainty due to the volatility in the cost of care and the individual needs of each child with a disability. In particular, one new residential placement commenced after the budget had been set.

CS 4 - Operations and Services – Transport (forecast adverse variance £218,000)

Higher than estimated home to school transport costs.

Forecast Range £250,000 adverse to £200,000 adverse.

Home to school transport for children attending a special school overspent in 2013/14 by £313,000. In setting the 2014/15 estimates, additional budget was allocated to assist meeting this pressure of £105,300. However there is still a residual pressure on this budget. A review has been undertaken to establish the level of pressure although this will not be known with any certainty until all the contracts are set for the academic year in September 2014. This is currently forecast to be £150,000 overspent against budget. An allocation of £200,000 has been included within the Council's risk fund for this purpose.

In addition, it should be noted that there is likely to be an additional pressure resulting from proposals to increase places at Great Oaks and Springwell special schools. This has resulted in a forecast pressure of £68,000.

OTHER KEY issues for the Portfolio.

There are no other key issues for the Portfolio.

Summary of Risk Fund Items

Service Activity	£000's
Tier 4 Services	430.0
Safeguarding Management and Legal Services	200.0
Infrastructure – Transport	150.0
Risk Fund Items	780.0

COMMUNITIES PORTFOLIO**KEY ISSUES – MONTH 3**

The Portfolio is currently forecast to under spend by **£27,000** at year-end, which represents a percentage under spend against budget of **1.4%**. This forecast is constructed from the bottom up through discussions with individual budget holders and is then adjusted to take into account the wider Portfolio view and corporate items as shown below:

	£000's	%
Baseline Portfolio Forecast	188.5 A	9.8
Risk Fund Items	215.5 F	
Portfolio Forecast	27.0 F	1.4

The CORPORATE issues for the Portfolio are:

COMM 1 – Prevention & Inclusion Service (forecast adverse variance £215,500)**Responsibility for young offenders in remand**

Forecast Range £350,000 adverse to £200,000 adverse

Due to the volatile nature of the need for remand and the range of costs at specific facilities (ranging from £158 to £555 per night), provision for this has been made in the Risk Fund.

Summary of Risk Fund Items

Service Activity	£000's
Youth Remand	215.5
Risk Fund Items	215.5

ENVIRONMENT & TRANSPORT PORTFOLIO**KEY ISSUES – MONTH 3**

The Portfolio is currently forecast to over spend by **£606,100** at year-end, which represents a percentage over spend against budget of **2.3%**. The forecast is constructed from the bottom up through discussions with individual budget holders and is then adjusted to take into account the wider Portfolio view and corporate items as shown below:

	£000's	%
Baseline Portfolio Forecast	696.1 A	2.7
Risk Fund Items	90.0 F	
Portfolio Forecast	606.1 A	2.3

The CORPORATE issue for the Portfolio is:

E&T 1 – Waste Disposal (forecast adverse variance £528,200)

There are various forecast changes with an adverse overall variance.

Forecast Range £700,000 adverse to £400,000 adverse

The Waste Disposal Contract has increased rates from January 2014, which are anticipated to increase overall costs by £90,000 in this financial year. This is a forecast draw on the Risk Fund.

In addition, there are forecast additional disposal costs of £190,000 for the Civic Amenity Waste Centres and £110,000 for general collected household waste, due to increased volumes of waste collected. Both of these variances are in line with neighbouring authorities within the County.

There is a forecast shortfall of £80,000 in recycling income and the savings proposal to charge for school waste disposal cannot be implemented, due to legislative reasons, at a cost of £100,000.

However, there are reduced recycling centre contract incentives of £20,000 and a Marchwood site rent saving of £17,000, both of which offset this position.

The OTHER KEY issue for the Portfolio is:

E&T 2 – Development Control (forecast adverse variance £182,300)

There are forecast lower levels of income for this service.

The Council is able to use up to 5% of the Community Infrastructure Levy (CIL) receipts to cover the costs of monitoring, administering and updating the Levy. As these processes are being carried out from within existing resources, a savings proposal was approved by Council in February 2012 based on the anticipated additional income from infrastructure

charge administration fees. The Council report noted that the yield from CIL is uncertain, as it will depend on market recovery, and that the income will therefore need to be closely monitored following implementation of the process.

An income target of £130,000 is now included in Environment and Transport Portfolio's base revenue budget for CIL administration. However, there have been changes by Central Government to the CIL regulations which mean that schemes that previously would have been liable to pay the Levy no longer will be. The current forecast for CIL administration income is £10,000, an adverse variance of £120,000.

Development Control is also forecast to under achieve against the target for planning application income by £50,000, due to a fall in the volume of applications. For a similar reason, pre-application income is forecast to be £10,300 adverse.

Summary of Risk Fund Items

Service Activity	£000's
Waste Disposal Contract	90.0
Risk Fund Items	90.0

HEALTH & ADULT SOCIAL CARE PORTFOLIO

KEY ISSUES – MONTH 3

The Portfolio is currently forecast to over spend by **£1,477,000** at year-end, which represents a percentage over spend against budget of **2.3%**. This forecast is constructed from the bottom up through discussions with individual budget holders and is then adjusted to take into account the wider Portfolio view and corporate items as shown below:

	£000's	%
Baseline Portfolio Forecast	2,122.0 A	3.3
Risk Fund Items	645.0 F	
Portfolio Forecast	1,477.0 A	2.3

The CORPORATE issues for the Portfolio are:

H&ASC 1 – Long Term (forecast adverse variance £2,037,100)

The volume of care provision that caused an over spend in 2013/14 for this service activity has continued into 2014/15. In addition there is uncertainty that savings agreed in February 2014 for reductions in volume of care will be achieved.

Forecast Range £2.0M adverse to £2.5M adverse

There are projected over spends of £1,931,900 on Domiciliary and £349,100 on Nursing, partially offset by an under spend on Residential of £281,300 and Direct Payments of £83,900.

The volume of activity included in the forecast outturn position is comparable to the actual levels for 2013/14, this has led to a continuation of the underlying pressure from 2013/14 being carried over into 2014/15.

In addition a number of savings initiatives were agreed for 2014/15 to reduce the volume of care provided, subsequently the budget was reduced. However at this early point in the year, it is been difficult to ascertain sufficient evidence that these initiatives will deliver the required savings, therefore causing the adverse forecast position. It should be noted that the Reablement Service is currently achieving a rate of 67% of clients leaving care with no further long term care requirements. Should this level be maintained it is anticipated that the underlying pressure will reduce. This will be monitored carefully in future months. Aside from this a possible increase in the volumes of clients was highlighted when the budget was set in February 2014 so a provision has been made within the Risk Fund of £645,000, it is assumed that this will be utilised in full.

A voluntary suspension has now been removed from a block provider of Nursing care, however there will still be a delay placing clients there. As a result there are plans to seek recompense for 23 vacant beds for a period of 10 weeks which would equate to £150,000.

	Net Budget £000's	Unit Prices	Budgeted Units	Forecast £000's	Forecast Units	Difference (Units)	Variance to Budget £000's
Day Care	61.6	60.78PD	1,013	95.9	1,578	564	34.3
Direct Payments	2879.3	11.85PH	242,930	2,795.4	235,851	(7,079)	(83.9)
Domiciliary	4585.7	14.36PH	319,231	6,517.6	453,719	134,488	1,931.9
Nursing	2260.9	67.44PD	33,525	2,610.0	38,701	5,176	349.1
Residential	5005.7	51.13PD	97,901	4,724.4	92,400	(5,502)	(281.3)
Total	14793.2			16,743.3			1,950.1

There are several posts within the Long Term and Review teams that are being covered by locums either due to vacancy or due to maternity cover, this has led to a forecast over spend of £40,000. In addition there is an issue regard the funding of staff within the team by Health partners, at this time it is forecast this will be an additional adverse variance until this is resolved or alternative funding is sought. Whilst it cannot be accurately quantified there is a risk that the use of Locum's is likely to increase during the year which would create a further adverse variance.

The OTHER KEY issues for the Portfolio are:

H&ASC 2 – Reablement (forecast adverse variance £204,900)

Increase in the use of Locum's to cover maternity and sick leave within the Hospital Discharge team.

Forecast Range £200,000 adverse to £300,000 adverse.

This forecast over spend is due to the use of Locum's covering vacant posts and posts that are subject to requiring maternity cover. The cost of a Locum is currently 30% greater than the cost of a Council Social Worker. Agency levels within Brownhill are forecast to be 21% of staffing budgets compared to a budgeted figure of 18%; this is due to an increase in the number of staff on long term sickness.

HAS 3 – Adult Services Management (forecast favourable £179,400)

Savings resulting from vacant posts.

Forecast Range £100,000 favourable to £200,000 favourable.

There are currently approx 15 FTE vacant posts within business support, as a result of the business support review these posts will not be filled this year, creating an overall saving of £260,000. This is offset in part with the recruitment of 2 Locum Service Manager's for 6 months at a cost of £80,000.

Summary of Risk Fund items

Service Activity	£000's
Adult Disability	400.0
Continuing Care	245.0
Risk Fund Items	645.0

HOUSING & SUSTAINABILITY PORTFOLIO**KEY ISSUES – MONTH 3**

The Portfolio is currently forecast to under spend by **£9.400** at year end, which represents a percentage variance against budget of **0.5%**. This forecast is constructed from the bottom up through discussions with individual budget holders and is then adjusted to take into account the wider Portfolio view and corporate items as shown below:

	£000's	%
Baseline Portfolio Forecast	206.7 A	12.0
Risk Fund Items	216.1 F	
Portfolio Forecast	9.4 F	0.5

There are no CORPORATE issues for the Portfolio at this stage.

The OTHER KEY issue for the Portfolio is:

HOUS1 – Sustainability (forecast adverse variance £206,700)

Forecast Range £250,000 adverse to £200,000 adverse.

There is a variance due to the cost of purchasing Carbon Reduction Certificates.

It is estimated that the cost of purchasing Carbon Reduction Certificates (CRCs) for the authority in 2014/15 will be £216,100. This is covered by a provision in the Risk Fund. In addition, there are minor favourable variances across Sustainability, totalling £9,400.

Summary of Risk Fund Items

Service Activity	£000's
Sustainability – CRC purchases	216.1
Risk Fund Items	216.1

LEADER'S PORTFOLIO**KEY ISSUES – MONTH 3**

The Portfolio is currently forecast to under spend by **£106,400** at year-end, which represents a percentage variance against budget of **2.2%**. This forecast is constructed from the bottom up through discussions with individual budget holders and is then adjusted to take into account the wider Portfolio view and corporate items as shown below:

	£000's	%
Baseline Portfolio Forecast	106.4 F	2.2
Risk Fund Items	0.0	
Portfolio Forecast	106.4 F*	2.2

* Please note this excludes those items in the current budget proposals that can be advanced as part of in-year savings for 2014/15, but are subject to consultation

There are no CORPORATE issues for the Portfolio at this stage.

The OTHER KEY issues for the Portfolio at this stage are:

LPOR 1 – Democratic Services (forecast favourable variance £22,000)

Reduction in number of Cabinet members / changes to member pension provision

Forecast Range not applicable

A reduction in the number of cabinet members, together with Government legislation affecting member pension provision, form part of current budget proposals for 2015/16 and can be advanced as part of in-year savings for 2014/15.

LPOR 2 – Land Charges (forecast favourable variance £90,000)

Additional income

Forecast Range not applicable

The value and volume of Land Charges income received is directly affected by conditions in the housing market and wider economy and is therefore difficult to predict. This favourable variance is based on a considered projection of income received to date and will be reviewed on a quarterly basis throughout the year.

RESOURCES & LEISURE PORTFOLIO

KEY ISSUES – MONTH 3

The Portfolio is currently forecast to under spend by **£565,700** at year-end, which represents a percentage variance against budget of **1.2%**. This forecast is constructed from the bottom up through discussions with individual budget holders and is then adjusted to take into account the wider Portfolio view and corporate items as shown below:

	£000's	%
Baseline Portfolio Forecast	370.8 F	0.8
Risk Fund Items	194.9 F	
Portfolio Forecast	565.7 F*	1.2

* Please note this excludes those items in the current budget proposals that can be advanced as part of in-year savings for 2014/15, but are subject to consultation.

The CORPORATE issues for the Portfolio at this stage are:

RES 1 – Gallery and Museums (forecast adverse variance £101,700)

Shortfall in venue income due to lower visitor numbers than anticipated

Forecast Range £400,000 adverse to £100,000 adverse

Visitor numbers to SeaCity and Tudor House were lower than anticipated for the first three months of the year. This is expected to result in a shortfall in income of £20,300 for Tudor House and £129,000 for SeaCity. A provision for this has been made in the Risk Fund.

Strategic marketing campaigns continue, for the fee paying venues in particular. A new exhibition (Wild Planet) opened in May in the Pavilion in SeaCity Museum. There is one price option to visit the museum and the exhibition, and it is hoped that the perceived added value of including the exhibition in the ticket price will help to drive footfall.

The adverse variance in income is partially offset by a favourable variance on staffing across the two venues of £34,400. This is due to vacant catering posts which are not expected to be filled during the current financial year.

The OTHER KEY issues for the Portfolio at this stage are:

RES 2 – Contract Management Division (forecast favourable variance £113,000)

Restructure resulting in salary savings

Forecast Range not applicable

The rationalisation of the contract management team following centralisation is now complete, resulting in an annual saving of £113,000 from 2014/15 and ongoing. This ongoing saving forms part of current budget proposals for 2015/16 and can be advanced as part of in-year savings for 2014/15.

RES 3 – Property Portfolio Management (forecast favourable variance £481,000)

Additional Investment Property income

Forecast Range not applicable

A favourable variance has arisen within the Investment Property account primarily as a result of delayed property disposals pending a review of the wider Property Strategy and future disposal / investment plans.

RES 4 – Leisure Client Team (forecast adverse variance £45,600)

Contractual utility inflation on the Active Nation contract

Forecast Range £60,000 adverse to £40,000 adverse

Under the contract with Active Nation to run the Council's sports provision, the Council bears the risk of cost inflation on utilities over and above the Consumer Price Index. This is currently estimated to be £45,600 and provision has been made in the Risk Fund.

RES 5 – Major Projects (forecast adverse variance £75,900)

Business rates for Oaklands Pool

Forecast Range £100,000 adverse to £50,000 adverse

Business rates totalling £51,000 are payable for Oaklands Pool. £34,000 of this relates to 2013/14 and £17,000 is for the current financial year, until September when the building is due to be handed to the community group.

This expenditure was not previously anticipated as the building has been unoccupied. However, as refurbishment work has been carried out on the building over the past year, it is not eligible for S44a relief for business rates.

Summary of Risk Fund Items

Service Activity	£000's
Museum income shortfall	149.3
Sport & Rec Contract - Energy	45.6
Risk Fund Items	194.9

IMPLEMENTATION OF SAVINGS PROPOSALS

	Total Savings 2014/15		Forecast Shortfall 2014/15		Implemented and Saving Achieved		Not Yet Fully Implemented and Achieved But Broadly on Track			Saving Not on Track to be Achieved			
	Budget £000's	Forecast £000's	£000's	%	%	Budget £000's	Forecast £000's	%	Budget £000's	Forecast £000's	%	Budget £000's	Forecast £000's
<u>Portfolio Savings</u>													
Children's Services	(140)	(140)	0	0.0%	100.0%	(140)	(140)	0.0%	0	0	0.0%	0	0
Communities	(166)	(166)	0	0.0%	68.7%	(114)	(114)	31.3%	(52)	(52)	0.0%	0	0
Environment & Transport	(1,978)	(1,828)	150	7.6%	61.0%	(1,207)	(1,207)	39.0%	(771)	(621)	0.0%	0	0
Health & Adult Social Care	(6,811)	(5,692)	1,119	16.4%	57.9%	(3,945)	(3,945)	19.8%	(1,350)	(1,350)	22.3%	(1,516)	(397)
Housing & Sustainability	(52)	(52)	0	0.0%	80.8%	(42)	(42)	19.2%	(10)	(10)	0.0%	0	0
Leader's Portfolio	(310)	(310)	0	0.0%	100.0%	(310)	(310)	0.0%	0	0	0.0%	0	0
Resources & Leisure	(2,574)	(2,574)	0	0.0%	94.7%	(2,437)	(2,437)	5.3%	(137)	(137)	0.0%	0	0
Sub-Total	(12,031)	(10,762)	1,269	10.5%	68.1%	(8,195)	(8,195)	19.3%	(2,320)	(2,170)	12.6%	(1,516)	(397)
<u>Corporate Savings</u>													
Capita "Relaunch Savings"	(1,500)	(1,500)	0	0.0%	100.0%	(1,500)	(1,500)	0.0%	0		0.0%	0	
People Transformation	(920)	(920)	0	0.0%	100.0%	(920)	(920)	0.0%	0		0.0%	0	
Total	(14,451)	(13,182)	1,269	8.8%	73.5%	(10,615)	(10,615)	16.1%	(2,320)	(2,170)	10.5%	(1,516)	(397)

FINANCIAL HEALTH INDICATORS – MONTH 3

Prudential Indicators Relating to Borrowing

	<u>Maximum</u>	<u>Forecast</u>	<u>Status</u>
Maximum Level of External Debt £M	£750M	£399M	Green
As % of Authorised Limit	100%	53.2%	Green
	<u>Target</u>	<u>Actual YTD</u>	<u>Status</u>
Average % Rate New Borrowing	5.00%	0.0%	Green
Average % Rate Existing Long Term Borrowing	5.00%	3.32%	Green
Average Short Term Investment Rate	0.47%	0.69%	Green

Minimum Level of General Fund Balances

		<u>Status</u>
Minimum General Fund Balance	£5.5M	
Forecast Year End General Fund balance	£22.0M	Green

Income Collection

	<u>2013/14</u>	<u>Actual YTD</u>	<u>Status</u>
Outstanding Debt:			
More Than 12 Months Old	32%	29%	Green
Less Than 12 Months But More Than 6 Months Old	8%	8%	Amber
Less Than 6 Months But More Than 60 Days Old	9%	13%	Green
Less Than 60 Days Old	52%	50%	Green

Creditor Payments

		<u>Status</u>
Target Payment Days	30	
Actual Current Average Payment Days	19	Green
Target % of undisputed invoices paid within 30 days	95.00%	
Actual % of undisputed invoices paid within 30 days	93.66%	Amber

Tax Collection rate

	<u>Target Collection Rate</u>	<u>Month 3 Collection Rate</u>		<u>Status</u>
		<u>Last Year</u>	<u>This Year</u>	
Council Tax	96.20% (tba)	26.80%	28.08%	Amber
National Non Domestic Rates	98.70%	32.70%	32.26%	Amber

QUARTERLY TREASURY MANAGEMENT REPORT – MONTH 3

1. Borrowing Requirement and Debt Management

As at the 30 June 2014, the council's overall outstanding long term borrowing was £261M, at an average rate of 3.32% and an average maturity of 23.6 years, this has fallen by £3M since the 1 April due to maturing debt which has not yet been replaced. The total long term debt portfolio is made up of loans from the Public Works Loan Board (PWLB) of £252M and market loans of £9M.

Included within the PWLB portfolio is £35M of variable rate loans, which are currently averaging between 0.55% and 0.60% and are helping to keep overall borrowing costs down. Whilst in the current climate of low interest rates this remains a sound strategy, the Council need to review these regularly and if appropriate switching into fixed rate loans.

The Council does not have any temporary borrowing at present having repaid outstanding balances at year end and whilst these have remained affordable and attractive, due to our higher than expected level of cash (and subsequent investments) no need has arisen.

As at the 31 March 2014 the Council used £73M of internal resources in lieu of borrowing which has been the most cost effective means of funding past capital expenditure to date. This has lowered overall treasury risk by reducing both external debt and temporary investments. However, this position will not be sustainable over the medium to long term and the Council will need to borrow to cover this amount as balances fall. Following the latest update of the Capital Programme, approved by Council in February 2014, the Council is expected to borrow up to £83M between 2014/15 and 2016/17. Of this £51M relates to new capital spend (£6M GF and £45M HRA) and the remainder to the refinancing of existing debt and externalising internal debt to cover the expected fall in balances and also the need to lock back into longer term debt prior to interest rises.

No new borrowing has been taken to date and none is expected to be taken until the second half of the year and will be assessed in conjunction with the development of the capital programme, cash balances and advice from the Council's treasury advisor.

Budgeted Expenditure

The interest cost of financing the Authority's long term and short term loan debt is charged corporately to the Income and Expenditure account. The interest cost in 2014/15 of financing the Authority's loan debt is currently expected to be £10.4M compared with an approved estimate of £11.2M, a total saving of £0.8M of which approximately 50% benefits the General Fund revenue position. This is mainly due to variable interest rates being lower than those estimated, no new long term borrowing being taken in 2013/14 and deferring any new borrowing to later in the year.

2. Investment Activity

The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held.

The Guidance on Local Government Investments in England gives priority to security and liquidity and the Council's aim is to achieve a yield commensurate with these principles. The table below summarises activity during the year to date:

	Balance on 01/04/2014	Investments Repaid	New Investments	Balance as at 30/6/2014	Increase/ (Decrease) in Investment for Year
	£M	£M	£M	£M	£M
Short Term Investments	18	(9)	6	15	(3)
Money Market Funds & Call Accounts	48	(110)	135	73	25
EIB Bonds	3	0	0	3	0
Long Term Investments	0	0	5	5	5
Total Investments	69	(119)	146	96	27

Security of capital has remained the Council's main investment objective. This has been maintained by following the Council's counterparty policy as set out in its TM Strategy Statement for 2014/15.

Counterparty credit quality is assessed and monitored with reference to: Credit Ratings. The Council's minimum long-term counterparty rating is A- (or equivalent across rating agencies Fitch, S&P and Moody's); credit default swaps; financial statements, information on potential government support and reports in the quality financial press.

Budgeted Income

The Council does not expect any losses from non-performance in relation to its investments by any of its counterparties. The UK Bank Rate has been maintained at 0.5% since March 2009 and is not expected to rise this year. As a consequence short-term money market rates have remained at relatively low levels with new deposits being made at an average rate of 0.53%, investments in Money Market Funds and call accounts generated an average rate of 0.49%. Average cash balances were £107M during the quarter; these are expected to decline towards the end of the financial year as the incidence of government grant income and council tax income is skewed towards the earlier part of the year.

The Authority's budgeted investment income for the year was estimated at £0.3M, the Authority currently anticipates an investment outturn of £0.5M for the year if we continue with the current investment strategy. However following advice from our treasury advisors and our continued high investment balances the Authority has estimated it will have sufficient cash balances over the medium term to consider investing in a number of longer term financial instruments which will generate a better return. On the 1 April the Council invested £5M in property funds which offer the potential for enhanced returns over the longer term, but may be more volatile in the shorter term. These funds, which are managed by professional fund managers which allows the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments, we are also looking into the purchase of covered bonds and floating rate notes (FRN's); further details will be reported as part of the Mid Year Treasury report.

Authority Banking Arrangements – Co-operative Bank:

As reported previously the Authority current bankers do not meet the Authority's minimum credit criteria of A- (or equivalent) and Moody's have further downgraded the long-term rating of Co-op Bank from Caa1 to Caa2, reflecting the agency's view that the ongoing deleveraging process at the Co-op will lead to a smaller and less

systemically important institution, with the result there is a much reduced likelihood the UK government would commit taxpayer's money to inject capital into the bank if required. The Authority does not use the Co-op Bank as an investment counterparty and work is now in progress to move its banking arrangements to Lloyds Bank which will be complete by September 2014. Until this time we will continue to mitigate our exposure to credit risk as reported in the review of Prudential Limits and Treasury Management Outturn 2013/14 submitted to council on the 16 July and can be found as item 13 via the following link:

<http://www.southampton.gov.uk/modernGov/ieListDocuments.aspx?CId=122&MId=2832&Ver=4>

3. Compliance with Prudential Indicators

The Council can confirm that it has complied with its Prudential Indicators for 2014/15, approved by Full Council on 12 February 2014. The table below summarises the Key Prudential Indicators:

Indicator	Limit	Actual at 30 June 2014
Authorised Limit for external debt £M	£760M	
Operational Limit for external debt £M	£750M	
Maximum borrowing year to date		£274.1M
Limit of fixed interest debt %	100%	83.2%
Limit of variable interest debt %	50%	16.8%
Limit for Non-specified investments £M	£38M	£8M

HOUSING REVENUE ACCOUNT

KEY ISSUES – MONTH 3

The Housing Revenue Account (HRA) is currently forecast to over spend by **£86,500** on income and expenditure items at year-end, which represents a percentage variance against budget of **0.1%**.

There are no CORPORATE issues for the Portfolio at this stage.

The OTHER KEY issue for the Portfolio is:

HRA1 - Tenant Service Charges (forecast adverse variance £52,200)

The warden review implementation has been delayed.

Forecast range £200,000 adverse to £50,000 adverse

Income associated with the warden review has been budgeted for the whole year. However, due to delays in implementing the changes, income is not expected until July 2014.

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DECISION-MAKER:	CABINET		
SUBJECT:	SOLENT DISTURBANCE MITIGATION PROJECT		
DATE OF DECISION:	19 AUGUST 2014		
REPORT OF:	CABINET MEMBER FOR ENVIRONMENT AND TRANSPORT		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Stephen Harrison Planning Officer Team Leader	Tel: 023 8091 7568
	E-mail:	stephen.harrison@southampton.gov.uk	
Director	Name:	Stuart Love	Tel: 023 8091 7713
	E-mail:	stuart.love@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY
Not Applicable

BRIEF SUMMARY

In order to minimise the risk of objections to development from Natural England, the Council needs to enact the requirements of the Conservation of Habitats and Species Regulations 2010 on all new residential development and ensure our planning permissions are protected from challenge by adopting the Solent Disturbance Mitigation Project (SDMP). This project seeks to mitigate the impacts of new residential development on the Solent Special Protection Areas (SPAs), alongside all other Partnership Urban South Hampshire (PUSH) Authorities.

RECOMMENDATIONS:

- (i) To note the context of this report;
- (ii) To approve the adoption of the Solent Disturbance Mitigation project so that all new residential development is required to mitigate against the harm caused, in line with policy CS22 of the Core Strategy (2010), by either the submission of site specific schemes of work or payment of a £172 contribution per residential unit, prior to implementation of the development; and
- (iii) Delegate the detailed mechanism for securing the planning obligations to the Head of Culture and Planning, as it evolves.

REASONS FOR REPORT RECOMMENDATIONS

1. In line with all other PUSH Authorities, the Council has a duty as a competent authority to ensure that new development does not cause an unacceptable impact to protected species. Developers also need to ensure that their developments mitigate any potential impact and this will also protect new residential planning applications from challenge by third parties, including Natural England. A copy of the relevant minutes from the PUSH Joint Committee held on the 25th March 2014, which sets out more of the

background, are appended to this report.

2. To ensure that appropriate mechanisms are in place to mitigate against the potential harm on Solent Special Protection Areas, that otherwise would be caused by the increased recreational disturbance from new residential development within the surrounding Solent area.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3. Failure to mitigate would lead to breach of the Conservation of Habitats and Species Regulations 2010.
4. Doing nothing would lead to possible legal challenge by third parties, including Natural England on new residential planning permissions issued.

DETAIL (Including consultation carried out)

Background

5. The Solent is internationally important for its wildlife interest and there are various protective designations including three Special Protection Areas (SPAs), which have been designated predominantly for the protection of the large numbers of wading birds and wildfowl which spend the winter on the Solent. A substantial amount of house building is planned around the Solent and this new development would have several potential impacts on the SPAs, one of which is increased recreational activity at the coast resulting from population increases associated with new homes.
6. Addressing this issue is necessary to enable regeneration and development to go ahead. The European Habitats and Birds Directives protect rare species and habitats and these Directives have been transposed into UK law through the Habitats Regulations. Under these regulations, Southampton City Council has a duty to assess whether or not a proposed development or a combination of developments is likely to have a significant effect on a SPA and failure to do so would be a failure of its duty as a competent authority and decisions made open to challenge by Natural England and/or others.
7. Further background information can be found at the following link to [Solent Disturbance Mitigation Project](#).
8. As a result and to mitigate against this impact the thirteen Solent local planning authorities in consultation with partner organisations have jointly identified the measures - known as 'mitigation measures' - which are needed to ensure that the additional recreational activity resulting from new house building does not have a significant impact on birds in the SPAs. This was identified in the Council's Core Strategy in 2010 as a necessary mechanism with the details to be subsequently agreed.
9. The current strategy is twofold, with one option to provide a contribution of £172 per residential dwelling, payable prior to implementation of the planning consent, via a bespoke Unilateral Undertaking for schemes which do not trigger the threshold for a Section 106 Agreement (net gain of 5 residential units).
10. The second option is for a scheme of works to be submitted as part of the planning application proposing measures to remove the impact of the development on the SPAs. All such submissions would be reviewed by

Southampton City Council in consultation with Natural England on a case-by-case basis. The expectation is that the majority of relevant applications will be liable and exceptions are likely to be rare across Hampshire.

Detail

11. Following the adoption of the SDMP by the City Council it is anticipated that all new residential development approved after the Cabinet decision should be supported by a Unilateral Undertaking (or alternative means as the process evolves) which will be signed by the applicant. This undertaking will agree to make a contribution of £172 per dwelling (index linked) and will be completed before planning permission can be issued. Failure to agree will result in the planning application being refused as contrary to Policy CS22 of the LDF Core Strategy (2010) as supported by the Habitat Regulations and any other relevant policies and/or legislation.
12. The undertaking will be triggered when development commences. The Council's website has advised applicants that all new planning applications for residential development (including applications for 'prior approval' when an applicant seeks to convert an office or shop to residential use under the new permitted development regime) received on or after Monday 7th June 2014 will be caught by this change in approach, with the new processes implemented directly following the Cabinet approval of what has already been agreed at the PUSH level.
13. It is likely that an exemption and/or reduced rate will be granted, unless there is clear evidence of harm, for single bedroom car free developments within the city centre and student residential schemes where the associated impacts are likely be less than they would be for a typical family dwelling.
14. The process will be managed by the Council's Planning Obligations Officers with support from the Council's Legal Services, and it is anticipated that a standard Unilateral Undertaking for use by developers will be available on the Council's website shortly. Once adopted it is anticipated that the processes involved will be very similar to those already adopted for securing infrastructure and site specific improvements and affordable housing from existing residential developments in the City.
15. The monies collected will be pooled, and managed on behalf of the PUSH authorities by Test Valley Borough Council, and initially spent on employing a Project Officer, associated dog wardens and improved information and advice within the affected areas (as agreed by PUSH). Further mitigation packages will be agreed, as required, over time.

RESOURCE IMPLICATIONS

Capital/Revenue

16. The additional planning obligation would be sought on all new residential development and as such, would require additional mitigation provision on all additional residential development below the current S106 threshold of 5 units.
17. This will result in additional workloads within Development Management, which will be absorbed by current staffing levels and budget frameworks. A single authority will take responsibility to manage the spend of the pooled contributions on specified "mitigation measures" within the Solent Special

- Protection Areas, on behalf of the contributing authorities.
18. Based on a target of 650 houses a year (with some exempt or reduced fee) there may be income generated of over £80,000 per annum. At present it is not anticipated there will be an admin fee retained by the Council. The methodology of transferring collected monies to Test Valley is yet to be finalised – this may be actioned once or twice per financial year –subject to a future meeting of the SDMP group.

Property/Other

19. Southampton City Council planning applications will also be subject to the Solent Disturbance Mitigation Project, where the planning application seeks new residential development.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

20. A resource implication exists for the Legal Department in administering the planning obligation, but this additional resource will, in part, be mitigated by payment of the relevant legal fees required for checking of the Unilateral Undertaking, payable by the Planning Applicants.

Other Legal Implications:

21. Without these measures in place planning applications would be open to challenge by third parties including Natural England for failure to mitigate against the relevant harmful recreational activity on Solent Special Protection Areas.

POLICY FRAMEWORK IMPLICATIONS

22. The planning obligation can be adopted in accordance with Southampton City Council’s Core Strategy (Jan 2010) policy CS22.

KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:	All
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SUPPORTING DOCUMENTATION

Appendices

1.	PUSH Joint Committee Minutes (24 th March 2014)
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Documents In Members' Rooms

1.	None
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Equality Impact Assessment

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

Equality Impact Assessment and Other Background documents available for inspection at:

Title of Background Paper(s)

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

1.	None	
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Minutes of the Partnership for Urban South Hampshire (PUSH) Joint Committee

*Minutes of a meeting held on 25 March 2014
in the Council Chamber, Civic Offices, Fareham*

Members:

Councillor	Seán Woodward
Councillor	Gerald Vernon-Jackson
Councillor	Simon Letts
Councillor	David Airey
Councillor	Keith Mans
Councillor	Tony Briggs
Councillor	Martin Hatley
Councillor	Rob Humby
Councillor	Ian Stephens

Authority Represented:

Fareham BC
Portsmouth CC
Southampton CC
Eastleigh BC
Hampshire CC
Havant BC
Test Valley BC
Winchester CC
Isle of Wight Council

Chief Executives:

Nick Tustian
Peter Grimwood
Ian Lycett
Stuart Jarvis (on behalf of Andrew Smith)
Tom Horwood
Kathy Wadsworth
Roger Tetstall
Steve Tilbury
John Metcalf (nominated Officer)
Dave Yates

Authority Represented:

Eastleigh BC
Fareham BC
Gosport BC
Hampshire CC
Havant BC & East Hampshire DC
Portsmouth CC
Test Valley BC
Winchester CC
Isle of Wight Council
New Forest DC

Co-opted Members

Gary Jeffries

Organisation Represented:

Solent Local Enterprise Partnership

For further information please contact Democratic Services at
Fareham Borough Council Tel: 01329 824594
democraticservices@fareham.gov.uk

1. APOLOGIES FOR ABSENCE AND CHANGES IN JOINT COMMITTEE MEMBERSHIP

Apologies for absence were received from Councillor Ferris Cowper – East Hants DC, Councillor Keith House – Eastleigh BC (Councillor David Airey deputising), Councillor Mark Hook – Gosport BC, Councillor Keith Wood – Winchester CC (Councillor Rob Humby deputising), Sandy Hopkins - Havant BC and East Hants BC (Tom Horwood deputising), David Williams – Portsmouth CC (Kathy Wadsworth deputising), Simon Eden – Winchester CC (Steve Tilbury deputising) and James Humphrys – Environment Agency.

2. MINUTES

RESOLVED that the minutes of the PUSH Joint Committee meeting held on 28 January be confirmed as a correct record.

3. CHAIRMAN'S ANNOUNCEMENTS

The Chairman welcomed Nick Tustian, Chief Executive of Eastleigh Borough Council to his first PUSH Joint Committee.

Solent LTB Update

The Chairman reminded the Committee that at its meeting held in September 2013, they were advised that the Solent Local Transport Body (LTB) had agreed in principle to establish a single strategic transport interface, which would merge the strategic functions and activities of Transport for South Hampshire and the Isle of Wight (TfSHIOW) with the Solent LTB.

He confirmed that Solent Transport is now the new name for the Transport for South Hampshire and Isle of Wight partnership. The re-branding of the local authority partnership will make the area of operations clearer for residents, businesses and transport operators and better reflect the strategic transport work that will continue to take place in the Solent area.

The Chairman advised that to date the Partnership has helped secure funding to deliver projects such as the Bus Rapid Transport scheme in Fareham, The Local Sustainable Transport Fund and Better Bus Area Fund. Solent Transport will continue to work closely with the Solent Local Enterprise Partnership, Highways Agency, Network Rail, South Hampshire Bus Operators Association and other parties, to plan and deliver future improvements such as the links between Portsmouth and Southampton. The partnership includes the four statutory highway and transport authorities of Hampshire County Council, Portsmouth City Council, Southampton City Council and Isle of Wight Council.

Cities Minister speaks at Solent Skills Summit

The Chairman advised the Committee that Greg Clark MP, Minister for Cities, provided the keynote address at the Solent Local Enterprise Partnership's (LEP) Solent Skills Summit held on 11 March 2014.

The event saw the launch of the Solent Skills Strategy, which aims to tackle the Solent's skills challenges across four priority areas: developing world-class skills; transitions to employment; raising business investment in skills and developing a responsive skills and employment system.

Speakers from local businesses, further education colleges and over 100 attendees joined the Rt Hon Greg Clark MP in welcoming the new strategy at City College Southampton. The focus now shifts towards securing resource through the Growth Deal process with Government and delivering on the recommendations in the strategy.

The Chairman stated that following the event, Greg Clark MP said: "As the national economy recovers and we seek to create employment opportunities through initiatives such as City Deals and Growth Deals, it is going to be increasingly important to ensure that we have a skilled labour market in the UK that can take advantage of this growth. Many of these opportunities will require higher level skills and, increasingly, expertise in STEM [Science, Technology, Engineering and Mathematics] subjects, which makes it critically important that we address skills gaps in our workforce as soon as possible. Skills is therefore an issue right at the heart of local growth and I am delighted to see the Solent tackling this head on with the strategy they have published today."

The Solent Skills Strategy has now been published and is available for download at the Solent LEP website.

4. DECLARATIONS OF INTEREST

There were no declarations of interest.

5. DEPUTATIONS

There were no deputations made at this meeting.

6. UPDATES FROM DELIVERY PANEL CHAIRMEN

There were no updates from Delivery Panel Chairmen.

7. PUSH INTERIM EXECUTIVE DIRECTOR'S REPORT

The Joint Committee received a report from the PUSH Programme & Information Manager (acting up as Interim Executive Director) on matters that merit reporting to this Committee, but do not justify a full report in their own right.

RESOLVED that the Joint Committee:

1. AGREES to reinstate PUSH's SELP membership to a level 3 subscription, at a cost of £6.6K which would commence on 26 March 2014 until further notice;

2. APPROVES the recommendation to appoint Paul Nichols, Head of Planning Transport and Sustainability at Southampton City Council, on a part-time secondment basis to manage and steer the delivery of the new spatial strategy at an operational level; and
3. NOTES the Matters for Information outlined in Part B of this report.

8. PUSH BUDGET MONITORING REPORT

The Joint Committee received a report on the Capital & Revenue budget for 2013/14 and considered Capital and Revenue forward budgets for 2014/15.

RESOLVED that the Joint Committee:

1. NOTES the spend for the year to date and the forecast outturn for the year, as set out in the report;
2. APPROVES the proposed interim capital and revenue budgets for 2014/15 as set out in the report;
3. APPROVES a carry forward of £251K to 2014/15 for the following forecast revenue budget underspends in 2013/14:
 - Economic Development: £122K
 - Sustainability & Community Infrastructure Panel : £35K
 - Housing and Planning: £20K
 - Quality Places: £24K
 - LEP Contributions : £50K;
4. APPROVES a carry forward to 2014/15 of £580,000 for the following forecast capital budget under spends in 2013/14:
 - Hayling Island Access Trails: £20K
 - Portsmouth Creative Industries: £250K
 - Progression Studios: £50K
 - Portsmouth CC Arches: £40K
 - Cell Block Enterprise: £49K
 - Gosport Town Centre: £85K
 - Southampton Northern Quarter: £86K; and
5. NOTES that the forecast under spend to be carried forward from the 2013/14 budgets into 2014/15 are provisional, and may be subject to change when the final outturn position for 2013/14 is known.

9. SPATIAL STRATEGY REVIEW

The Joint Committee received a report which captures the draft specification, timetable and resource requirements for the Spatial Strategy Review.

RESOLVED that the Joint Committee:

1. APPROVES authorisation in order for officers to appoint a consultant to undertake the proposed programme of work. The first phase will take place over the period April 2014 to March 2015 and will lead to the preparation of a draft Options Appraisal for consultation with the public and other interested parties, in close consultation with PUSH Leaders and the PUSH Planning Officers Group;
2. AGREES that PUSH authorities will not object to emerging Local Plans in the PUSH area on the basis of their housing numbers, where they are consistent with the PUSH Spatial Strategy 2012, whilst the new spatial strategy to 2036 is being prepared; and
3. AGREES to the preparation of a Memorandum of Understanding setting out the agreement in (2) above, as suggested by the Planning Inspectorate.

10. SOLENT DISTURBANCE AND MITIGATION PROJECT (SDMP)

The Joint Committee received a report on the progress made to date in establishing an Interim arrangement towards securing a SDMP.

RESOLVED that the Joint Committee NOTES and APPROVES:

1. The proposed approach set out in paragraphs 23-29 of the paper for taking forward the work of the Solent Disturbance Mitigation Project (SDMP) as below:
 - 23 The proposed interim approach comprises a number of elements, the details of the framework to be reported back to a future meeting of the committee
 - 24 Project Initiation Officer
 - Brief for post has been agreed and appointment made, managed by Portsmouth City Council the post will focus on developing the long term strategy
 - Funding for a period of 22 hours per week for 11 months has been secured
 - Funding for additional hours/extended period would be funded from the proposed developer contributions.
 - 25 Ranger project
 - Phased introduction dependent upon availability of funding, commencing with a full time post with additional posts subject to funding being available
 - Management of posts by Hampshire County Council Countryside Service
 - Job descriptions to be agreed (including remit for wider education role)
 - Geographic areas covered to be agreed, in principle concentrate resources in specific areas where visitor pressure having most impact on wildlife

- Operational budget
- 26 Monitoring
- Programme of monitoring to be agreed with NE
 - Annual reports to be prepared
- 27 Development contributions
- Scale £172 per dwelling, index linked
 - Development liable to contribute, exceptions be justified, area apply policy 5.6km zone
 - Contributions to be paid on commencement of development
 - Mechanisms for securing contributions to be determined locally within an overall framework
 - Pooling of contributions, one authority to hold the contributions
 - Process for release of funding to be agreed
- 28 Project Management
- Project board(membership to be agreed) to provide strategic lead and to receive regular (quarterly) reports and reporting to PUSH delivery panel
 - Officer Steering group, (membership to be agreed) to include non LPA representatives e.g.
 - Officer working group(membership to be agreed)
- 29 Period of interim proposals
- 2014-2017

Councillor Gerald Vernon-Jackson expressed his concerns over the policy to apply Development Contributions to a 5.6km zone. It was agreed that his reservations be noted.

(The meeting started at 6:00pm and ended at 7.05pm).

(NB: The next meeting of the Partnership for Urban South Hampshire (PUSH) Joint Committee will be held on Tuesday 24 June 2014).

Agenda Item 12

by virtue of paragraph number 5, 7a of the Council's Access to information Procedure Rules

Document is Confidential

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