

Public Document Pack

Cabinet

Tuesday, 19th April, 2016
at 4.30 pm

PLEASE NOTE TIME OF MEETING

Council Chamber - Civic Centre

This meeting is open to the public

Members

Councillor Simon Letts, Leader of the Council

Councillor Daniel Jeffery, Cabinet Member for
Education and Children's Social Care

Councillor Mark Chaloner, Cabinet Member for
Finance

Councillor Satvir Kaur, Cabinet Member for
Communities, Culture and Leisure

Councillor Jacqui Rayment, Cabinet Member for
Environment and Transport

Councillor Dave Shields, Cabinet Member for Health
and Adult Social Care

Councillor Warwick Payne, Cabinet Member for
Housing and Sustainability

Councillor Christopher Hammond, Cabinet Member
for Transformation

(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 switch your mobile telephones to silent whilst in the meeting.

Use of Social Media

The Council supports the video or audio recording of meetings open to the public, for either live or subsequent broadcast. However, if, in the Chair’s opinion, a person filming or recording a meeting or taking photographs is interrupting proceedings or causing a disturbance, under the Council’s Standing Orders the person can be ordered to stop their activity, or to leave the meeting.

By entering the meeting room you are consenting to being recorded and to the use of those images and recordings for broadcasting and or/training purposes. The meeting may be recorded by the press or members of the public. Any person or organisation filming, recording or broadcasting any meeting of the Council is responsible for any claims or other liability resulting from them doing so. Details of the Council’s Guidance on the recording of meetings is available on the Council’s website.

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

Procedure / Public Representations

At the discretion of the Chair, members of the public may address the meeting on any report included on the agenda in which they have a relevant interest. Any member of the public wishing to address the meeting should advise the Democratic Support Officer (DSO) whose contact details are on the front sheet of the agenda.

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

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

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

Municipal Year Dates (Tuesdays)

2015	2016
16 June	19 January
14 July	9 February (Budget)
18 August	16 February
15 September	15 March
20 October	19 April
17 November	
15 December	

CONDUCT OF MEETING

TERMS OF REFERENCE

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

RULES OF PROCEDURE

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

DISCLOSURE OF INTERESTS

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

DISCLOSABLE PECUNIARY INTERESTS

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

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

(ii) Sponsorship:

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

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

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

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

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

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

- a) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body, or
- b) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you / your spouse etc has a beneficial interest that exceeds one hundredth of the total issued share capital of that class.

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.

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.

In exercising discretion, the decision maker must:

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

AGENDA

1 APOLOGIES

To receive any apologies.

2 DISCLOSURE OF PERSONAL AND PECUNIARY INTERESTS

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

EXECUTIVE BUSINESS

3 STATEMENT FROM THE LEADER

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

Record of the decision making held on 15th March 2016, 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.

ITEMS FOR DECISION BY CABINET

8 REVISED HOUSES IN MULTIPLE OCCUPATION SUPPLEMENTARY PLANNING DOCUMENT □ (Pages 5 - 64)

Report of the Leader of the Council seeking approval for the revised Houses in Multiple Occupation Supplementary Planning Document, attached.

9 ACCEPTANCE OF EU GRANT FUNDING FOR CITY DEAL DELIVERY □ (Pages 65 - 72)

Report of the Leader of the Council seeking approval to accept European Social Funds for the delivery of the Solent Jobs Programme, part of the City Deal agreement with Government, attached.

10 PROPERTY INVESTMENT FUND (PIF) □ (Pages 73 - 90)

Report of the Leader of the Council seeking approval to the Property Investment Fund, investment criteria, governance arrangements and delivery options, attached.

11 SOUTHAMPTON OUTDOOR SPORTS CENTRE (Pages 91 - 114)

Report of the Cabinet Member for Communities, Culture and Leisure outlining the next steps to deliver improvements to the Sports Centre following public consultation, attached.

Monday, 11 April 2016

Service Director, Legal and Governance

SOUTHAMPTON CITY COUNCIL
EXECUTIVE DECISION MAKING

RECORD OF THE DECISION MAKING HELD ON 15 MARCH 2016

Present:

Councillor Letts	Leader of the Council
Councillor Jeffery	Cabinet Member for Education and Children's Social Care
Councillor Chaloner	Cabinet Member for Finance
Councillor Kaur	Cabinet Member for Communities, Culture and Leisure
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
Councillor Hammond	Cabinet Member for Transformation

47. NEWTOWN YOUTH CENTRE - CHANGE OF TRUSTEES IN PROPERTY
DECISION MADE: (CAB 15/16 16642)

On consideration of the report of the Leader of the Council and having received representations from interested parties, Cabinet agreed to uphold the previous decision to exclude this property from offer under the Community Asset Transfer (CAT) process in order to ensure the continued delivery of youth services from the site.

48. CONTROLLING STREET DRINKING AND BEGGING USING PUBLIC SPACES
PROTECTION ORDERS
DECISION MADE: (CAB 15/16 16264)

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

- (i) To consider the representations received in relation to this matter in response to the consultation carried out between 3rd November and 11th December 2015 as set out in appendices 2 and 3;
- (ii) To approve five Public Spaces Protection Orders to control begging and street drinking in the localities shown in the maps at Appendix 1 and set the fixed penalty notice fine at £100;
- (iii) To delegate authority to issue fixed penalty notices to the Service Director: Transactions and Universal Services and all other ancillary powers for non-compliance with the requirements of a Public Spaces Protection Order; and
- (iv) To note that police officers may also take enforcement action and issue Orders, Directions and Notices as considered appropriate, including Fixed Penalty Notices, under the Public Space Protection Orders.

49. SAFE CITY AND YOUTH JUSTICE STRATEGY UPDATES
DECISION MADE: (CAB 15/16 16190)

On consideration of the report of the Cabinet Member for Housing and Sustainability, Cabinet agreed to consider and recommend to Council the updated Safe City Strategy and Youth Justice Strategy.

50. COMMUNITY ASSET TRANSFER STRATEGY: PROGRESS AND REVIEW
DECISION MADE: (CAB 15/16 16619)

On consideration of the report of the Cabinet Member for Communities, Culture and Leisure and having received representations from interested parties, Cabinet agreed the following amended recommendations:

- (i) To approve the disposal of Red Lodge Community Swimming Pool to Red Lodge Community Pool Limited on a freehold basis at Less than Best Consideration for the sum of £1;
- (ii) To approve the disposal by way of a long lease (125 years) of Moorlands Community Centre to West Itchen Community Trust at Less than Best Consideration for a sum in the region of £1870;
- (iii) To delegate authority to the Transformation Implementation Director in consultation with the Cabinet Member for Communities, Culture and Leisure, the Cabinet Member for Finance and the Head of Capital Assets to transfer the following properties:
 - Freemantle Community Centre
 - Merryoak Community Centre
 - Sholing Community Centre
 - St. Denys Community Centreat Less than Best Consideration (where appropriate) to either the current or any new applicants and to subsequently agree detailed disposal terms and negotiate and carry out all ancillary matters to enable disposal of the sites;
- (iv) To delegate authority to the Head of Capital Assets to approve the disposals on a leasehold or freehold basis at Less than Best Consideration;
- (v) To delegate authority to the Transformation Implementation Director, following consultation with the Cabinet Member for Communities, Culture and Leisure, the Cabinet Member for Finance and the Head of Capital Assets to do anything necessary to give effect to the recommendations contained in this report; and
- (vi) To note progress on transferring community centres and buildings following implementation of the new process.

51. SPRINGWELL SCHOOL EXPANSION PHASE 2
DECISION MADE: (CAB 15/16 16743)

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

- (i) Subject to Council approval of recommendations (iv) and (v) below, to authorise the expansion of Springwell Special School (Phase 2) and to procure the works and all associated delivery services in accordance with the Council's Contract Procedure Rules.
- (ii) To delegate authority to the Service Director: Children's and Families following consultation with the Service Director: Legal & Governance and the Acting Service Director: Strategic Finance and Commercialisation to do anything necessary to procure the expansion works and services together with anything ancillary to, necessary for or calculated to facilitate the expansion.
- (iii) To delegate authority to the Service Director: Children's and Families to consult on, publish and, in the absence of any objections, to determine statutory school organisation proposals to expand Springwell Special School by 28 pupil places together with the associated physical enlargement in accordance with the requirements of the School Standards & Framework Act 1998 and statutory school organisation guidance. In the event that objections to the proposals are received in the statutory representation period, to note that a further report to Cabinet will be required.

52. AGREEMENT TO PROCURE HEADSTART PROGRAMMES AND TO DELEGATE POWERS TO AWARD THE CONTRACT

DECISION MADE: (CAB 15/16 16624)

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

- (i) Subject to approval by Council to accept the funding in advance, approval is sought to delegate authority to the Director of Quality & Integration to carry out a procurement process for the provision of HeadStart Phase 3 as set out in this report and to enter into contracts in accordance with Contract Procedure Rules; and
- (ii) Subject to approval by Council to accept the funding in advance, approval is sought to delegate authority to the Director of Quality & Integration following consultation with the relevant cabinet member to decide on the final model of commissioned services and all decision making in relation to this programme.

53. REVIEW, REDESIGN AND PROCUREMENT OF BEHAVIOUR CHANGE SERVICES

DECISION MADE: (CAB 15/16 16593)

On consideration of the report of the Cabinet Member for Health and Adult Social Care, Cabinet approved the recommendations set out in the confidential report.

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Agenda Item 8

DECISION-MAKER:	CABINET		
SUBJECT:	REVISED HOUSES IN MULTIPLE OCCUPATION SUPPLEMENTARY PLANNING DOCUMENT		
DATE OF DECISION:	19 APRIL 2016		
REPORT OF:	LEADER OF THE COUNCIL		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Dawn Heppell	Tel: 023 8083 3828
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STATEMENT OF CONFIDENTIALITY	
None	
BRIEF SUMMARY	
The Revised Houses in Multiple Occupation Supplementary Planning Document (SPD) sets out how the Council will determine planning applications for new Houses in Multiple Occupation (HMO). It provides further guidance on the adopted Local Plan Review policy and updates the HMO SPD which was adopted in March 2012. When adopted it will be a material consideration in the determination of planning applications.	
RECOMMENDATIONS:	
(i)	To adopt the Revised Houses in Multiple Occupation Supplementary Planning Document;
(ii)	To delegate authority to the Planning & Development Manager, to make minor editing changes to the document prior to publication.
REASONS FOR REPORT RECOMMENDATIONS	
1.	To provide a clear and updated planning policy for Houses in Multiple Occupation (HMOs).
2.	To address issues raised with the implementation of the current Houses in Multiple Occupation SPD (adopted 2012).
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
3.	Not to adopt the Revised SPD. This would not address important issues that have arisen since the original SPD was adopted.
4.	To adopt a modified version of the SPD with all the changes except applying a consistent 10% threshold across the City. This would not address the impact of HMOs in areas where a 20% threshold is currently applied.
DETAIL (Including consultation carried out)	
5.	The Revised Houses in Multiple Occupation Supplementary Planning Document (HMO SPD) sets out how the Council will determine applications for new HMOs. It replaces the original HMO SPD, adopted in March 2012. It

	restricts the change of use of dwellinghouses to HMOs in areas with an overconcentration of HMOs. Planning permission is not currently granted for new HMOs in local areas where 10% (within the wards of Bassett, Swaythling and Portswood) or 20% (all other wards) of dwellings are HMOs. The proportion is assessed within a 40 metre radius of the application property.
6.	The Revised HMO SPD proposes the following principal changes:
7.	<u>Change to threshold</u> - Removal of the 20% threshold for the concentration of HMOs, to apply a 10% threshold throughout the City
8.	<u>'Sandwiching'</u> - Introducing a new policy preventing the 'sandwiching' of properties between two HMOs
9.	<u>'Exceptional circumstances'</u> - Clarification of the policy on exceptional circumstances, stating that where 80% of properties in the area considered are existing HMOs the threshold approach will not apply
	Background
10.	HMOs provide much needed housing accommodation in the City. There are around 7,000 HMOs across the City, representing over 9% of the City's private sector housing stock (Housing Strategy 2011-15).
11.	A large number of HMOs in one area however can change the physical character of that area, and this can lead to conflict with the existing community. It is for this reason that it is important the planning system provides appropriate control over the mix of housing types across the City and avoids increasing the overconcentration of HMOs.
12	An Article 4(1) direction removed the permitted development rights of house owners to convert a single dwelling house into an HMO in Southampton. Planning permission is now required to convert a dwelling-house into a small/medium HMO. Planning permission was already required for large HMOs. The SPD is a material consideration in determining applications.
	The need for review
13.	The main concern with the SPD as it currently exists is whether it provides adequate protection for balanced residential communities: principally the percentage of HMOs within the 40m radius; and whether it provides reasonable protection to safeguard existing family homes from being 'sandwiched' on either side by HMOs.
14.	These issues were investigated by a Scrutiny Inquiry Panel from November 2013 to May 2014 and endorsed by Cabinet in June 2014. Workshops were held in 2015 with stakeholders (residents associations and landlords/letting agents) to gather their views on the SPD. It is clear that revising the SPD will not meet all the concerns and objectives of the various stakeholders but will enable the Cabinet to adequately address the main concerns with the SPD as set out in this report. This will enable more effective use of the Article 4(1) Direction.
15.	Since the SPD was adopted the National Planning Policy Framework (NPPF) has been produced by government and replaced previous national guidance. Revising the SPD will enable it to be aligned with national policy. In addition, since the adoption of the SPD a 10% threshold has been widely adopted nationally by Councils including Portsmouth City Council and Bournemouth Borough Council.

16.	The Local Plan is now in the process of being reviewed and updated. Given the timescale for adoption, and the need for the SPD to be updated quickly, it is proposed that the Local Plan will be updated to reflect the revised SPD.
	Content of the Revised HMO SPD - Change of threshold
17.	The current SPD includes two thresholds; 10% in the wards of Bassett, Swaythling and Portswood and 20% elsewhere in the City. The 10% threshold was introduced to protect the character and balance of the northern wards and prevent a decline in family housing in areas with a significantly higher proportion of owner occupied households than the citywide average.
18.	It is now proposed to apply a 10% threshold across the City. This will provide consistency throughout the City. It is also in response to concerns reported by local residents to officers and members of the planning panel about the negative impacts of introducing a new HMO into their neighbourhood. The main concerns relate to negative amenity impacts from transient occupiers, disturbance from the more intensive use of a home (as the number of people living in a HMO property will generally be higher than in a residential dwelling) and greater demand for on street parking.
19.	A total of 111 planning applications for new HMOs have been processed since the threshold approach was implemented, an average of 25 per year. Most of these applications were in wards with a 20% threshold. The numbers of applications are low and the growth of new HMOs in widely known overly saturated areas is being limited. In addition the Council's experience in applying the SPD shows inspectors have supported 10% as a reasonable threshold.
20.	The overall proportion of HMOs in the western, north eastern and south eastern wards in the City is considerably below the 10% threshold and therefore the impact there is likely to be minimal. The proportion in the central wards of Bevois, Bargate and Freemantle is around 18%, significantly above the 10% threshold.
21.	The intention of the revision is not to prevent HMOs in wards with a high proportion of the HMO but to consider local circumstances in the immediate surrounds of the application property and redistribute HMOs over a wider area. Although the proportion within a ward may exceed 10%, this may not be the case in the local area (assessed as all properties in a 40 metre radius). Where there is a concentration above 10% in the local area, it will restrict further HMOs as the policy seeks to spread HMOs away from the most concentrated areas.
	Content of the Revised HMO SPD – sandwiching
22.	One of the concerns raised with the current SPD is the lack of a policy to prevent 'sandwiching'. This is where the introduction of a new HMO would result in an existing dwelling being 'sandwiched' by adjoining HMOs on both sides. In addition to increasing the local concentration of HMOs and potential amenity issues on both sides, 'sandwiching' can also reduce the opportunity for occupants to achieve a full market price for their property.
23.	The revised SPD specifically states that planning permission will not be granted where it would result in a residential property 'being sandwiched between two HMOs'.

	Content of the Revised HMO SPD – exceptional circumstances
24.	The current SPD refers to exceptional circumstances where the vast majority of properties are HMOs and the retention of ‘1 or 2’ of the remaining dwellings would have little effect on the balance and mix of the community. This wording has restricted the application of exceptional circumstances.
25.	It is recognised that some limited areas of the City have such a high proportion of HMOs that their character has been fundamentally and irreversibly altered. In this situation some owner occupiers or long term residents who want to leave the street, may struggle to sell their property. The revised SPD therefore introduces an upper threshold limit above which the introduction of any new HMOs would not change the character. This is set at 80% of properties within the 40 metre radius.
	Consultation
26.	Before drafting the revised SPD, the Council held three workshops with residents associations and landlords/letting agents. Notes from these are included in Appendix 1. Residents associations expressed concerns about the impact of HMOs, argued for increases in the 40 metre radius and for a 10% threshold citywide. Landlords and letting agents reported increasing demand for HMOs and rent rises and practical difficulties identifying HMOs and determining a property’s planning history. Both groups expressed wider frustrations about how the licensing and planning systems work together.
27.	The revised SPD was published for consultation in March 2016. Comments were requested on the SPD and a short online survey was produced. The key issues raised and council responses are attached in Appendix 2.
28	A total of 22 written responses were received and 37 respondents completed the online survey. These were all submitted by either local residents (all the survey responses and 11 written responses); residents’ associations (9 written responses); or councillors and political groups. Although a formal response was not received from landlords, Appendix 2 includes the key issues raised in a meeting with landlords’ representatives on 24 March 2016.
29	Residents and residents’ associations were generally supportive of the 10% citywide threshold. There were suggestions that the threshold is applied over a larger area, to large HMOs and that halls of residence be counted in the assessment. Concerns were raised about the impact of large HMOs and their intensification. The introduction of a ‘sandwiching’ measure was supported but it was argued that this should also be applied to properties at the rear and opposite. There were concerns about exceptional circumstances and the further loss of family homes and impact on character. Many of the comments focused on the negative impacts of HMOs - changing the character of areas, issues such as anti-social behaviour, noise, and crime and parking problems and poor standards and maintenance, including front gardens.
30	Landlords’ representatives were concerned that the changes would stop new HMOs coming forward and therefore worsen housing problems. They suggested that a different threshold be introduced such as 15% citywide. They did not expect that new purpose built student accommodation would free up HMOs due to increases in student numbers. It was also argued that occupiers on low incomes needed to be in central areas and so would not benefit from any freeing up of student properties close to the university.

31.	Following comments received in the consultation, the latest draft SPD clarifies that the impacts of intensifying large HMOs are taken into account when considering applications for extensions (paragraphs 4.8.3 and 4.8.5). Also, the council will investigate whether the approach to flipping could be extended to enable more established HMOs to be rented out to families without changing their use (4.7.2). This may require changes to the Article 4 Direction. Further minor changes include updating text to refer to the additional license scheme and removing text applying to the consultation.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
32.	The SPD is prepared within the existing planning policy budget.
<u>Property/Other</u>	
33.	There are no property implications for the Council.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
34.	Sections 17, 19 and 23 of the Planning and Compulsory Purchase Act, 2004
<u>Other Legal Implications:</u>	
35.	The proposed SPD is determined having regard to the Equalities Act 2010 and the assessed impact on communities (see ESIA supporting this report) together with requirements of the Human Rights Act 1998, particularly article 1 of the first protocol which deals with the protection of property rights. The proposals set out in the SDP do impact upon private property interest in terms of restrictions on use / change of use to HMO status however these restrictions are required as proportionate and reasonable in the circumstances and necessary in order to achieve a legitimate aim – the protection of the wider public from over development of HMO’s within a mixed residential urban setting and the impact over concentration of a particular type of dwelling can have to social , economic and environmental well being or residents and character and amenity of an area.
POLICY FRAMEWORK IMPLICATIONS	
36.	The SPD provides further guidance on how policies H4 from the Local Plan and CS16 from the Core Strategy will be applied. These policies form part of the statutory development plan for the city and are appended in Appendix 5.

KEY DECISION?	Yes
WARDS/COMMUNITIES AFFECTED:	All
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Notes from workshops in March and June 2015
2.	Summary of comments received following formal consultation
3.	Revised Houses in Multiple Occupation Supplementary Planning Document

4.	Equality and Safety Impact Assessment
5.	Policies H 4 and CS 16

Documents In Members' Rooms

1.	None.
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Equality and Safety Impact Assessment

Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	Yes
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Privacy Impact Assessment

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

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.	Representations on the draft Revised HMO SPD	Planning Policy Lower ground floor west wing, Civic Centre
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Revised Houses in Multiple Occupation Supplementary Planning Document (HMO SPD) – report of initial workshop discussions (June 2015)

Further to resolutions by Overview and Scrutiny Management Committee and Cabinet, Officers are reviewing the HMO Supplementary Planning Guidance.

The first stage was to gather an evidence base and then formulate and consider options for the revision.

A series of workshops have been held with stakeholders. These workshops were held as follows:

- Residents' Associations - 31st March 2015
- Landlords and Letting Agents' Representatives – 31st March 2015
- Joint Meeting of RAs and Landlords/Agents – 16th June 2015

Representatives of both the Planning and Development and Environmental Health (HMO Wardens) functions were present at all of the workshops. The notes of the above meetings are attached as Appendices 1 and 2.

The comments received will inform the revised HMO SPD and planning policy for HMOs. It is recognised that revisions to the SPD alone will not meet the concerns and objectives of the various stakeholders. It is therefore proposed that the following additional multi-agency measures be also included as part of a wider revised strategy:

- Continued close working between Planning and Enforcement and HMO Licensing to improve intelligence and data sharing.
- A presumption in favour of pursuing prosecution where breaches of planning and/or licensing requirements has occurred and where expedient, with the council seeking to publicise convictions where appropriate.
- Discussions be held with both Universities in respect of the establishment of behavioural contracts with their students
- Continued ongoing liaison with the Universities and the General Hospital in respect of their future accommodation strategies

KEY POINTS RAISED IN HMO SPD STAKEHOLDERS' WORKSHOPS

Workshop 1 – Residents' Associations – Monday 30th March 2015

- Licensing should not be granted in advance of planning permission. Also, the Magistrates don't seem to understand the difference between the two regulatory regimes
- Space standards are necessary – there is a conflict between HMO Licensing and ideal planning space standards
- Was public consultation ever undertaken on HMP space standards – and do they need revising and then including within the Local Plan?
- The Policy should be 10% City-wide – this still gives headroom for some provision
- Residents are most concerned about the issue of the concentration of HMOs within an area
- Landlords claim there is “no demand” east of the Itchen – this is not true
- Why are landlords so keen on student HMOs? – Residents think that this is because of the short-term nature of such lets
- We need a clear statement of the rules of “switchability” between C3 and C4 uses
- A 40m radius is too low – it should be 100m
- Most students possess cars – yet no evidence put forward for this
- How do we prevent undue concentration of HMOs?
- We need to know how many HMOs we actually do have – this should be the logical starting point for any HMO Policy revision
- It should be based on the number of people, not the number of HMOs – how do we obtain the necessary evidence?
- We need a clear criteria-based policy PLUS account to be taken of amenity impact and population criteria
- If there is more than 10% of properties (or people) in HMO use within a Ward, no further HMOs should be permitted in that Ward
- Can we control Change of Use of student halls of residence to flats, hostels or other uses?

- Why should Halls of Residence be excluded from HMO calculations?
- Transport links across the City should be improved to make access to universities and places of work easier, thus making all areas of the City equally attractive for HMO use
- HMOs do result in the loss of family housing

Workshop 2 – Landlords and Letting Agents – Tuesday 31st March 2015

- Consider that the council has a *de facto* embargo against further HMOs in the City
- There are real difficulties in identifying HMOs, given the large number that seem to be unlicensed and/or without planning permission
- There is a problem in differentiating between licensing and planning regimes
- When seeking to buy a property, it can be difficult to determine the property's planning history
- There is a problem with flipping back to C3 use. There is a need to see the history of letting contracts, especially with reference to the qualifying date
- The rental market is continuing to expand and rents are increasing, and therefore so are capital values. There is an increasing problem of affordability, both for tenants and for landlords seeking to expand their stock
- There are clear reasons why young professionals prefer HMO living. It makes economic sense to share Council Tax and utility bills. There is also a cultural issue of living amongst similar other people, especially amongst younger people
- There is a real supply-side problem. There have been very few additions to the HMO stock recently. Proportion of supply is reducing in relation to demand. Rents are increasing as demand rises
- HMOs provide an important contribution to longer-term owner-occupancy as people can save for deposits whilst they are living in HMOs. This advantage is being eroded now that rents are rising. There are long-term implications for younger people being able to get onto the housing ladder in the City as a result
- Increasing prices are leading to mortgage difficulties for landlords. Often have to pay commercial mortgage interest rates as lenders don't really understand the market. These costs have to be passed on, leading again to higher rents and affordability problems
- The City Council shouldn't be restricting student HMOs close to the Universities

- The HMO market needs to be allowed to grow to meet housing need. Not just a “student issue.” Concern, for example, over availability for staff at Hospital being able to find accommodations and also young professionals. Will have long-term implications for the employment market in Southampton
- SCC should make a clear example of small number of rogue landlords – they should be prosecuted and there should be attendant publicity “*pour encourager les autres*”
- Legitimate C4 properties are selling for “well above their true value” as a result of the licensing regime and planning restrictions

**NOTES OF JOINT RESIDENTS' ASSOCIATIONS/LETTING AGENTS AND
LANDLORDS WORKSHOP**

16 June 2015

**Workshop 3 – Joint Residents Association and Landlords/Agents – Tuesday
16th June 2015**

Many of the points raised reiterated those that were discussed at the earlier workshops. Notwithstanding this, debate focussed around the following main issues:

The weak position that the City Council is in due to the difficulty and practical problems associated with assembling and maintaining a detailed evidence base re HMOs

The need to focus upon the small number of 'rogue' landlords who create a disproportionate amount of the problem, and the need to 'name and shame' them in the event of a successful prosecution

Car ownership levels for students – some students do have cars – medical and nursing students were cited as examples of student groups who were more likely to need a car for their studies

Government should be lobbied to create a statutory duty of care that could be placed upon all landlords

What exactly are the anti-social behaviours created by HMO residents? Can a multi-agency approach be taken? Could behavioural contracts be encouraged between Universities and their students?

There is a pressing need to maintain the vitality of the City. This can only be achieved if the resident population has a wide and inclusive character.

There are problems in practically measuring the level of demand for HMOs, both overall and in terms of individual areas/Wards. The problem of measuring demand is exacerbated by the perceived number of unauthorised HMOs across the City, as these are effectively "hidden" indicators of supply and demand.

What levels of demand are there from HMOs east of the Itchen?

The problem of 'ghettoisation.'

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Appendix 2 Main issues and suggestions raised during the consultation period

Comments	Council response	Changes to SPD
<p>1. Information provided on the negative impacts of living next to HMOs: how they change the character of areas; the need to improve standards and maintenance; and the issues of anti-social behaviour, noise and crime; and parking problems.</p>	<p>The aim of the SPD is to prevent new concentrations of HMOs from establishing and thus encourage a more even distribution around the city. It is also intended to improve the quality of new HMO accommodation. The council will continue to use its own powers and work in partnership with others to address these issues.</p>	<p>No change</p>
<p>2. Concern about the impact of intensifying larger HMOs – suggestions that the threshold approach should be applied for increases in the number of people living in larger HMOs (or where the balance of a community will be adversely affected) and that no more large HMOs are permitted where areas are already over 10% limit</p>	<p>The threshold is designed to provide a mix of housing types in each area taking into account the concentration of existing HMOs surrounding the application site. Although the level of occupation of a large HMO is higher than a small HMO, they are treated as the same type of household. Whilst the threshold approach will not apply to intensification of existing large HMOs, amenity issues will be assessed as part of the planning application, in addition to considerations such as living standards and parking provision.</p> <p>Change – extra text added to clarify the policy and highlight the potential impacts of intensifying the use of existing HMOs.</p>	<p>New paragraphs 4.8.3 and 4.8.5 (4.8.2 and 4.8.4 remain the same):</p> <p>4.8.3 The council however recognises that the intensification of persons when existing C4 HMOs increase the number of bedrooms and become large HMOs can have a harmful impact on neighbouring occupiers. This is due to increased comings and goings, especially those associated with the independent lifestyle pattern of occupiers living individually of one another.</p> <p>4.8.5 The council has been regularly supported in these concerns at appeal,</p>

Comments	Council response	Changes to SPD
		<p>where it has been demonstrated that increasing the number of occupants can lead to negative amenity impacts on local residents. It is evidence from past applications, since the introduction of the larger HMOs sui generis class, that this has become a significantly greater issue for the character and amenities of local communities in areas with a high proportion of HMOs. As such the council will carefully consider the impacts on the local community arising from intensifying larger HMOs in an area with a high proportion of existing HMOs.</p>
<p>3. Need to clarify the approach to allow changes between C4 and C3 lets and back again - 'flipping' properties between rentals to families and sharers. Large HMOs should be allowed to flip/revert back to family use</p>	<p>The approach of the revised HMO SPD is to support family housing and prevent the over-concentration of HMOs in saturated areas. Although new HMOs will have a flexible C4/C3 permission, this does not apply to large HMOs or existing C4 uses. The current approach therefore acts as a disincentive to landlords without this flexible permission to rent properties out to families. The council will investigate the changes required, which may include changes to the Article 4 direction, and other requirements to enable an authorised C4 to flip between a C3 and C4 use.</p>	<p>Amend paragraph 4.7.2 as follows:</p> <p>The flexible planning condition <u>currently only applies to</u> can only be applied to new permissions for HMO dwellings; and will not apply to large HMOs or existing C4 uses. <u>The council is investigating how this could be extended to include authorised C4 uses and large HMOs.</u></p>

Comments	Council response	Changes to SPD
4. Suggestion that the threshold is applied over a different area i.e. street, ward, identified areas of restraint	To apply a threshold to an area wider than the current 40m radius would not be workable for planning officers due to the increase in properties to be assessed. Individual wards have not been used because there is little correlation between ward boundaries and the distribution of impacts arising from potential new HMOs. Any new HMO will primarily affect the immediate locality around the property, so it is appropriate that the threshold is set at this level. In addition the approach needs to be clear, easily understood and easily applied.	No change
5. Suggestion to apply a different percentage threshold i.e. a compromise of 15% citywide	The introduction of a 10% threshold will provide consistency throughout the city. It is also in response to concerns reported by local residents to officers and members of the planning panel about the negative impacts of introducing a new HMO into their neighbourhood. The council's experience in applying the SPD shows inspectors have supported 10% as a reasonable threshold. Since the adoption of the SPD a 10% threshold has also been widely adopted nationally by councils including Portsmouth City Council and Bournemouth Borough Council.	No change
6. Concern that changes to the approach would make housing issues worse as there is a need for affordable housing such as bedsits and it is important that occupiers on low income are in	It is acknowledged that there will continue to be demand for HMO accommodation in the city including the cheapest types of accommodation and the city centre will be a draw for many people. The revised SPD does not prevent new HMOs in central areas where the local area is below the 10% threshold, even though individual wards are above the threshold. The background evidence paper also highlights that the majority of HMO postcodes assessed (2,000) were in two Mosaic classifications	No change

Comments	Council response	Changes to SPD
accessible locations in and near the city centre	which cover students, recent graduates and older residents. There is a need for a range of HMO accommodation fulfilling a variety of roles and a more even spread within local areas, recognising that Southampton is generally an accessible city.	
7. Concern that proposals will not address issues from HMOs or stop permanent residents leaving affected areas	The aim of the SPD is to prevent new concentrations of HMOs from establishing and thus encourage a more even distribution around the city. The distribution of applications shows this has happened since its introduction. The revised SPD will introduce a consistent approach across the city and address issues in areas with a 20% threshold currently. The revised SPD also clarifies the policy for exceptional circumstances where the introduction of further HMOs would not change the character of the area and last remaining owner occupiers may struggle to sell their property for continuing C3 use.	No change
8. SPD should state a presumption in favour of the change of use if the proportion of existing HMOs in the local area are below the threshold	The threshold approach is one of the tests for planning applications. A new HMO will be permitted where the threshold limit has not been breached subject to the impact on amenity and character of the local area.	No change
9. Suggestion that large HMOs count double when assessing the proportion of existing HMOs due to their increased impact	The threshold is designed to provide a mix of housing types in each area taking into account the concentration of existing HMOs surrounding the application site. Although the level of occupation of a large HMO is higher than a small HMO, they are treated as the same type of household. When assessing proposals for new HMOs, in addition to the threshold test, amenity and character	No change

Comments	Council response	Changes to SPD
	issues will also be assessed. The amenity and character impacts of large HMOs will be considered in assessing planning applications for extensions to these type of properties. Changes proposed above (1.) clarify this.	
10. Need to take into account halls of residence as part of assessment due to their impact on the demographics of an area and its character. Population density should be considered in addition to the number of HMOs.	The threshold approach assesses the residential properties in the immediate surroundings of the application site in order to prevent the loss of family homes. The Housing Act excludes halls of residence either managed by or on behalf of educational establishments from the buildings which are defined as HMOs. When applications are received, planning officers determine whether they are halls of residence or C4 HMOs depending on the type of accommodation, management arrangements etc. The council generally supports purpose built student accommodation to relieve the pressure on local housing markets as set out in the Core Strategy. Amenity issues will however be considered when determining applications for new purpose built student accommodation.	No change
11. Mixed views were expressed about the impact of the recent increase in purpose built student accommodation. It either provides an alternative to HMOs and increases the supply in existing HMOs or will be unattractive to students after their first year and will be used to	The background evidence document states that future demand for HMO accommodation for students remains uncertain. The council has been advised that there is likely to be some growth in student numbers in the future. In the last 5 years, over 1,000 new student bedspaces have been completed. There are also over 4,000 bedspaces in the pipeline. The nature of these properties which include small flats and studios in addition to larger cluster flats may be attractive to some students returning to student	No change

Comments	Council response	Changes to SPD
enable to universities to expand further.	accommodation later in their courses and postgraduates who would not consider traditional halls of residence.	
12. Need to apply sandwiching approach to properties at the rear and opposite to reflect potential impact on all sides	The sandwiching approach is designed to avoid the potential negative impacts of HMOs on both sides of a residential property. This is a particular issue where properties share a party wall and the impacts when people are using their front door and driveway. In a dense urban area, extending this to include properties to the rear and opposite would be overly complex and restrictive.	No change
13. Extending HMO definition in accordance with the Housing Act 2004 to include 2 bedroom flats as they are capable of being used as HMOs	1 and 2 bed flats continue to be excluded as it is considered that they are unlikely to be used as HMOs. Including small flats would also considerably increase the number of properties included in the assessment and skew the concentration of HMOs in some roads with a mix of flats and houses.	No change
14. Requiring planning permission to be in place before HMOs can be licensed and apply	Planning and licensing are two separate systems assessing different aspects of HMOs. The Planning team is working closely with Licensing to improve the flow of information and ensure both teams are aware of the approach taken on issues and any changes proposed.	No change
15. Housing standards should be more rigorously applied, there is a need for better monitoring and enforcement including use of 215 notices to maintain gardens	The council works with landlords to resolve issues directly. It seeks to avoid using 215 notices which can be expensive and time consuming to implement.	No change

Comments	Council response	Changes to SPD
16. Suggestion for a regulation 7 direction to tackle 'to let' boards	Consent for the display of signs is controlled under existing Advertisement Regulations. The Enforcement team will investigate breaches of the regulations as set out in their enforcement policy. They are working closely with the Licensing team to address the issue.	No change
17. Need for updated parking standards as current levels of parking are insufficient	There are no current plans to update the parking standards in the city. Part of the application for a new HMO will be an assessment of parking to show this is sufficient for the size of the property proposed.	No change

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Southampton Local Plan

Houses in Multiple Occupation Supplementary Planning Document

Draft for cabinet

April 2016

Planning
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1. Introduction

- 1.1 Houses in Multiple Occupation (HMOs) provide much-needed housing accommodation. However, a large number of HMOs in one area can change the physical character of that residential area and this can lead to conflict with the existing community.
- 1.2 The planning system can assist in achieving a mix of households within the city's neighbourhoods, meeting different housing needs whilst protecting the interests of other residents, landlords and businesses. This can best be delivered by preventing the development of excessive concentrations of HMOs and thus encouraging a more even distribution across the city.
- 1.3 On 23rd March 2012, an Article 4(1) direction¹ to remove the permitted development rights of house owners to convert a single dwellinghouse (class C3)² into an HMO came into effect in Southampton. This applies to the whole city. Planning permission is therefore required to convert a dwellinghouse to a small/medium HMO as well as to convert a property into a large HMO for 7 or more occupants.
- 1.4 Supplementary guidance setting out the HMO policy was adopted by the council in March 2012. This applied to both uses 'class C4' (commonly referred to as small/medium-sized) and 'sui generis' (commonly referred to as large-sized) dwellings. A threshold approach was introduced to determine planning applications for new HMOs and the city was divided into two parts; northern wards (Bassett, Swaythling and Portswood) where a 10% threshold was applied and the rest of the city where a 20% threshold was applied. If an application was received for a new HMO in a local area where the proportion of HMOs in the housing stock was above these thresholds, it would not be granted (unless there were exceptional circumstances). The local area was defined as within a 40 metre radius of the application property, or covering a minimum of 10 nearest residential properties.
- 1.5 The council formally consulted on a revised SPD in March 2016 to address issues identified with the previous approach. The main changes in this revised HMO SPD are to apply a consistent 10% threshold throughout the city, to address the issue of 'sandwiching' where a residential property is sandwiched between two HMOs and to further clarify the policy on exceptional circumstances.
- 1.6 In order to make the policy and methodology clear, this revised SPD is a streamlined document and supporting information has been moved into the document's appendices. The original policy is shown overleaf with additions to the text underlined and deletions struck through. The initial background evidence used by the council to justify the threshold approach is found in the

¹ The government introduced 'permitted development' rights in October 2010 to change between use class C3 to C4, an Article 4 direction allows the council to remove these permitted development rights within SCC boundary. Article 4 direction - https://www.southampton.gov.uk/Images/Article%204_tcm63-360879.pdf

² Single dwellinghouse is classed as C3 use in the Uses Class Order under The Town and Country Planning (Use Classes) (Amendment) (England) Order 2010 (SI 2010/654) - <http://www.legislation.gov.uk/ukxi/2010/653/contents/made>

current HMO SPD on the council's policy website. An updated document setting out background evidence is also available on the website.

1.1 Policy text

Planning permission will not be granted;

i) where the proportion of HMO dwellings will exceed 10% of the residential properties*

where their curtilage of the residential property lies wholly or partly within a circle of radius 40 metres from the application site.**

Where the circle does not include a minimum of 10 residential properties, the threshold will apply to the 10 residential properties nearest to the application site located on all frontages of the street (with the same street address).**

ii) Where it would result in any residential property (C3 use) being 'sandwiched' between two HMOs

When the threshold has been breached already, planning permission will only be granted in exceptional circumstances (see section 4.5).

Notwithstanding the threshold limit and exceptional circumstances, other material considerations (such as intensification of use, highway safety, residential amenity of future and existing occupiers) arising from the impact of the proposal will be assessed in accordance with the council's relevant development management policies and guidance.

* Paragraph 4.2.1 sets out the 'residential properties' identified for the purposes of calculating the percentage concentration of HMOs.

** Measured from the midpoint of the main external doorway entrance to be used by all tenants as shown on the proposed plans submitted with the planning application.

2. Purpose of the SPD

- 2.1 This SPD is adopted as part of the council's Local Plan. The document provides supplementary guidance for all parties involved in the planning application process for both small/medium and large HMOs, explaining how the council will assess proposals to convert properties to HMOs.
- 2.2 The SPD is not part of the statutory development plan. However, it is accorded significant weight as a material consideration in the determination of planning applications.
- 2.3 The guidance contained in this SPD expands and provides more detail to policies in the current Development Plan Documents - **namely saved 'H4 – Houses in Multiple Occupation' of the Local Plan Review³ and 'CS16 – Housing Mix and Type' in the Core Strategy⁴**. Refer to Appendix 1 for an extract of these policies.
- 2.4 In broad terms, a HMO under planning legislation is defined as a house or flat occupied by a certain number of unrelated individuals who share **basic amenities** and is classified by the Uses Classes Order⁵:-
- Class C4 – *between 3 and 6 residents*
 - Sui Generis (of its own kind) - *more than 6 residents*
- 2.5 A more detailed planning definition of HMOs is included in Appendix 2.
- 2.6 Although the planning system can influence the location of new HMOs, the statutory powers under the planning system cannot act alone and address the existing problems in areas where high concentrations of HMOs prevail. The council uses other statutory powers to control the nuisance caused by HMOs, as explained below.
- 2.7 The Environmental Health Housing Team provides guidance to landlords and is responsible for two licensing schemes. The mandatory licensing of larger HMOs and the preparation of guidance relating to their living standards⁶ and an additional licensing scheme covering eight wards in the city.
- 2.8 The council's Environmental Health Department provides guidance and assistance in the monitoring and enforcement of local nuisance, including the impact from noise. A statutory nuisance is defined as an act that causes unreasonable disturbance to the use and enjoyment of a neighbour. Where a statutory noise nuisance exists, is likely to happen, or is likely to be repeated, officers can serve a Noise Abatement Notice⁷.

³ City of Southampton Local Plan Review (as amended 2015)

⁴ Local Development Framework Core Strategy (as amended 2015)

⁵ The Town and Country Planning (Use Classes) (Amendment) (England) Order 2010 (SI 2010/653) - <http://www.legislation.gov.uk/uksi/2010/653/article/2/made>

⁶ The following link provides further detail - <http://www.southampton.gov.uk/housing-council-tax/landlords-home-owners/landlords/houses-in-multiple-occupation/licensing-houses-in-multiple-occupation/default.aspx>

⁷ The following link provides further detail - <http://www.southampton.gov.uk/environmental-issues/environmental-health/default.aspx>

3. New Approach

3.1 Planning applications determined so far

- 3.1.1 A total of 111 planning applications for new HMOs have been processed over the past 4 years since March 2012 when the city-wide Article 4 direction was introduced⁸.
- 3.1.2 Based on the table of statistics set out in Appendix 3, a total of 42 applications were approved and 69 refused. This represents a 38% approval rate within all the wards of the city. In terms of the 10% and 20% threshold split between the 3 northern central wards and the rest of the city, the applications processed for new HMOs are as follows:

Wards with a 20% threshold - 67 (32 approved and 35 refused)

Wards with a 10% threshold - 44 (10 approved and 34 refused)

- 3.1.3 The overall outcome of these statistics shows a strong trend that the growth of new HMOs is spreading out to less saturated wards in the city as per the intention of the council's strategy.

- 3.1.4 Within the 10% wards, the following number of applications were processed:

Bassett – Total 10 (2 approved and 8 refused)

Portswood – Total 26 (5 approved and 21 refused)

Swaythling – Total 8 (3 approved and 5 refused)

- 3.1.5 This demonstrates that the 10% threshold approach is limiting new HMOs in known areas of high concentration, as shown by the high refusal rate in the above wards and low number of new applications. The council's experience in applying the HMO SPD shows that inspectors have supported 10% as a reasonable threshold.

- 3.1.6 Looking outside the 10% wards, it is evident that the majority of planning applications for new HMOs in the city fell within the following 20% wards:

Bargate – Total 13 (3 approved and 10 refused)

Bevois – Total 11 (2 approved and 9 refused)

Freemantle – Total 22 (9 approved and 13 refused)

Shirley – Total 9 (9 approved and 0 refused)

- 3.1.7 Within the 20% wards, there was significantly lower refusal rate than that found in the 10% wards; 52% in comparison to 77% in the 10% wards. However the 52% refusal rate shows that there is still an issue with the concentration of HMOs in parts of the 20% wards.

- 3.1.8 It therefore evident that the growth of new HMOs is spreading to other parts of the city away from the most concentrated areas. In addition, the growth of

⁸ Applications determined 23.03.12 – 22.12.15, see Appendix 3

new HMOs within the widely known overly saturated areas such as the Polygon and Portswood is being limited.

3.2 Issues with the current threshold approach

- 3.2.1 Over the past 4 years, it has been evident that local residents are consistently reporting concerns to officers and the members of the planning panel about the negative impacts of introducing a new HMO into their neighbourhood.
- 3.2.2 The main concerns raised relate to:
- 1) the negative impacts on amenity from the transient nature of the occupiers living within a family home orientated community and upsetting the balance and mix of the households within the community;
 - 2) the disturbance arising from the intensification of use of a home by the greater comings and goings associated with occupiers living independently of each other in comparison to a typical a family unit;
 - 3) and the greater demand on street parking in neighbourhoods with heavily parked streets where occupiers of HMOs would independently use their own vehicles, leading to a negative impact on amenity by the displacement of street parking available for local residents within close walking distance of their homes.
- 3.2.3 The council's policy regarding HMOs has also been considered in a scrutiny inquiry and recent consultation on expanding the additional HMO licence scheme.
- 3.2.4 After the Article 4 and HMO SPD had been in place for 18 months the city council's scrutiny panel held an inquiry to discuss how effectively they were working. The panel made a number of recommendations including gathering further information on housing need, HMO numbers and tipping points. It proposed amending the HMO SPD to include no new HMOs which would 'sandwich' family homes. Other recommendations relating to the HMO SPD include amending the guidance placing greater emphasis on amenity and neighbourhood character when considering HMO applications.
- 3.2.5 In July 2013 the city council introduced an additional HMO licensing scheme which covered all HMOs (excluding those subject to Mandatory Licensing) in four wards of the city - Bargate, Bevois, Swaythling and Portswood. In October 2015 following consultation, the scheme was extended to cover four more wards, Shirley, Freemantle, Millbrook, and Basset.
- 3.2.6 The scheme applies to any property occupied by three or more people (including children) who form two or more households. It has the aim to deliver safer properties, better conditions for tenants, reduce the impact of HMOs on established communities and deter bad landlords from operating in our city. There was widespread support for the aims of the additional license scheme. Over 500 responses were received in the consultation on

extending the HMO license scheme and over 90% of respondents agreed with the council aims.

- 3.2.7 In the light of concerns about the impact of HMOs on the character of local areas in Southampton, a citywide 10% threshold is introduced. This will ensure that a consistent approach is applied across the whole city given the recent trend of HMOs to relocate away from the overly saturated areas of the city.
- 3.2.8 Since the introduction of the HMO SPD in 2012, the 10% threshold has now been widely adopted nationally by other council's in the UK. Portsmouth City Council and Bournemouth Borough Council have introduced a 10% threshold as well as other councils including Canterbury, Hastings, Warwick, Worcester and York and emerging policy in Brighton.

3.3 Applying a 10% threshold in wards with a high proportion of HMOs

- 3.3.1 The Housing Condition Survey (2008) estimated the proportion of HMOs in Southampton as part of the housing stock⁹. The proportion of HMOs in wards in the west, north east and south east of the city was between 4-6%, considerably below the 10% threshold. The proportion in the central wards (Bevois, Bargate and Freemantle) was estimated at 18.2%, significantly above the 10% threshold.
- 3.3.2 The intention of the policy is not to prevent HMOs in these areas but to consider local circumstances. Within these wards, there will be areas where the new 10% threshold has not been breached. The revised policy looks at the impact of HMOs within the immediate surrounds of the application property. Although the proportion within a ward may exceed the threshold, this may not be the case within the 40 metre radius (or 10 closest properties). Where there is a concentration of HMOs above 10%, the policy will restrict further HMOs as the policy seeks to spread HMOs away from the most concentrated areas.

⁹ Further information is available in the Background evidence document available at www.southampton.gov.uk/HMOSPD/Background

4. Policy and methodology

Planning permission will not be granted

i) where the proportion of HMO dwellings will exceed 10% of the residential properties*.

where the curtilage of the residential property lies wholly or partly within a circle of radius 40 metres from the application site.**

Where the circle does not include a minimum of 10 residential properties, the threshold will apply to the 10 residential properties nearest to the application site located on all frontages of the street (with the same street address).**

ii) Where it would result in any residential property (C3 use) being 'sandwiched' between two HMOs

When the threshold has been breached already, planning permission will only be granted in exceptional circumstances (see section 4.5).

Notwithstanding the threshold limit and exceptional circumstances, other material considerations (such as intensification of use, highway safety, residential amenity of future and existing occupiers) arising from the impact of the proposal will be assessed in accordance with the council's relevant development management policies and guidance.

* Paragraph 4.2.1 sets out the 'residential properties' identified for the purposes of calculating the percentage concentration of HMOs.

** Measured from the midpoint of the main external doorway entrance to be used by all tenants as shown on the proposed plans submitted with the planning application.

4.1 Approach to determining a planning application

4.1.1 Based on the information provided and on the council's own records, the council will calculate the number of HMOs in the relevant area for each individual planning application. The applicant should undertake their own estimate of the number of HMOs to accompany the planning application and provide all their supporting data. There is a variety of evidence sources on the location of HMOs as listed in paragraph 4.2.2, and the applicant is advised to refer to these sources to build a body of evidence which will be assessed as a matter of fact and degree.

4.2 How to apply the threshold

4.2.1 The percentage concentration of HMOs surrounding the application site will be calculated through three main stages:

Stage 1 – identify residential properties

The residential properties identified are those located within the defined area of impact surrounding the application site i.e. the 40 metre radius or 10 nearest properties. The worked examples in section 4.4 demonstrate this process. To be clear which residential properties are identified, all sub-divided properties including flatted blocks within the same curtilage are counted as one whole property at the first stage (worked example 3 shows an example of this). Appendix 2 includes a list of properties from Schedule 14 of the Housing Act which will not be identified as residential properties, for example student halls of residence, care homes and children's homes.

Stage 2 – Count HMOs

Using the HMO sources listed in paragraph 4.2.2, the residential properties identified at stage 1 will be investigated to check whether they are an existing HMO or have HMO consent. All separate units forming part of the sub-divided residential properties (identified at the first stage as a whole property) which are 1 and 2 bed flats will not be investigated.

Stage 3 – Calculate concentration

The concentration of HMOs surrounding the application site is calculated as a percentage of the 'total estimated number of existing HMOs' against the 'total number of residential properties'. The total number of residential properties does not include those properties listed in Appendix 2 and all 1 and 2 bed flats which form part of the sub-divided properties (identified at the first stage). The final figure calculated is rounded up for a percentage of HMOs equal to or greater than decimal point 0.5, and rounded down when less than 0.5.

4.2.2 For the purposes of the threshold, HMOs can be identified from the following sources:

- **SCC Planning register:** those dwellings with a consent or a lawful use for an HMO (either C4 or sui generis extant planning permission or lawful use, regardless of their current occupation i.e. including those properties with a consent for C3 and C4 use occupied as C3 use). Small HMOs with a lawful flexible permission are counted as a HMO. Please see this SCC [weblink](#) for access.
- **SCC electoral register:** showing 3 or more apparently unrelated individuals, but it is recognised that this will not provide conclusive evidence that the property is an HMO. A property not registered will still be investigated under the other sources. Please see this SCC [weblink](#) for access.
- **SCC Council Tax records:** shows properties which are occupied by full time students only. This information cannot be disclosed to individual members of the public. The information will only be made public by the council in the determination of a planning application. The details of the location of the identified student HMOs amongst other HMOs surrounding the application site will not be disclosed.
- **SCC HMO Licensing register:** shows licensed HMOs under the Housing Act which comprise 3 or more storeys and are occupied by 5 or

more unrelated people (under the mandatory license scheme) and all HMOs in Bargate, Bevois, Swaythling and Portswood and Shirley, Freemantle, Millbrook and Bassett (additional licensing schemes). Please see this SCC [weblink](#) for access.

- 4.2.3 The sources listed above are not a conclusive or exhaustive record of all HMOs in the relevant area. There may be existing HMOs which are occupied but unknown to the council. In particular, on 6th April 2010¹⁰ the Uses Classes Order introduced a class for HMOs to reclassify C3 dwellings to either the new C3 or C4 classes. The reclassification of existing dwellings to C4 use did not require planning permission and therefore will not be registered on the council's register of planning applications. Planning permission was not required to convert from C3 to C4 under permitted development rights until the Article 4 direction came into effect on 23rd March 2012¹¹.
- 4.2.4 These sources will initially provide a reasonable indication of the numbers and location of HMOs in a street. Further investigation of individual properties may be required by the planning officer to provide greater confidence in the estimate, but it is emphasised that it will not be possible to guarantee a 100% accurate count in all cases. Where there is significant doubt as to whether a property is an HMO, it will not be counted towards the threshold.
- 4.2.5 The council does not have a comprehensive database or register of HMOs covering the whole city and it would be impossible to create or maintain one with the resources available. Under the Additional Licensing Schemes in Bargate, Bevois, Swaythling and Portswood and Shirley, Freemantle, Millbrook and Bassett and as more planning applications are processed for HMOs, the council will start to build up a more accurate picture of the distribution of HMOs, although it is recognised that the status of any given property will change over time.

4.3 The approach to sandwiching

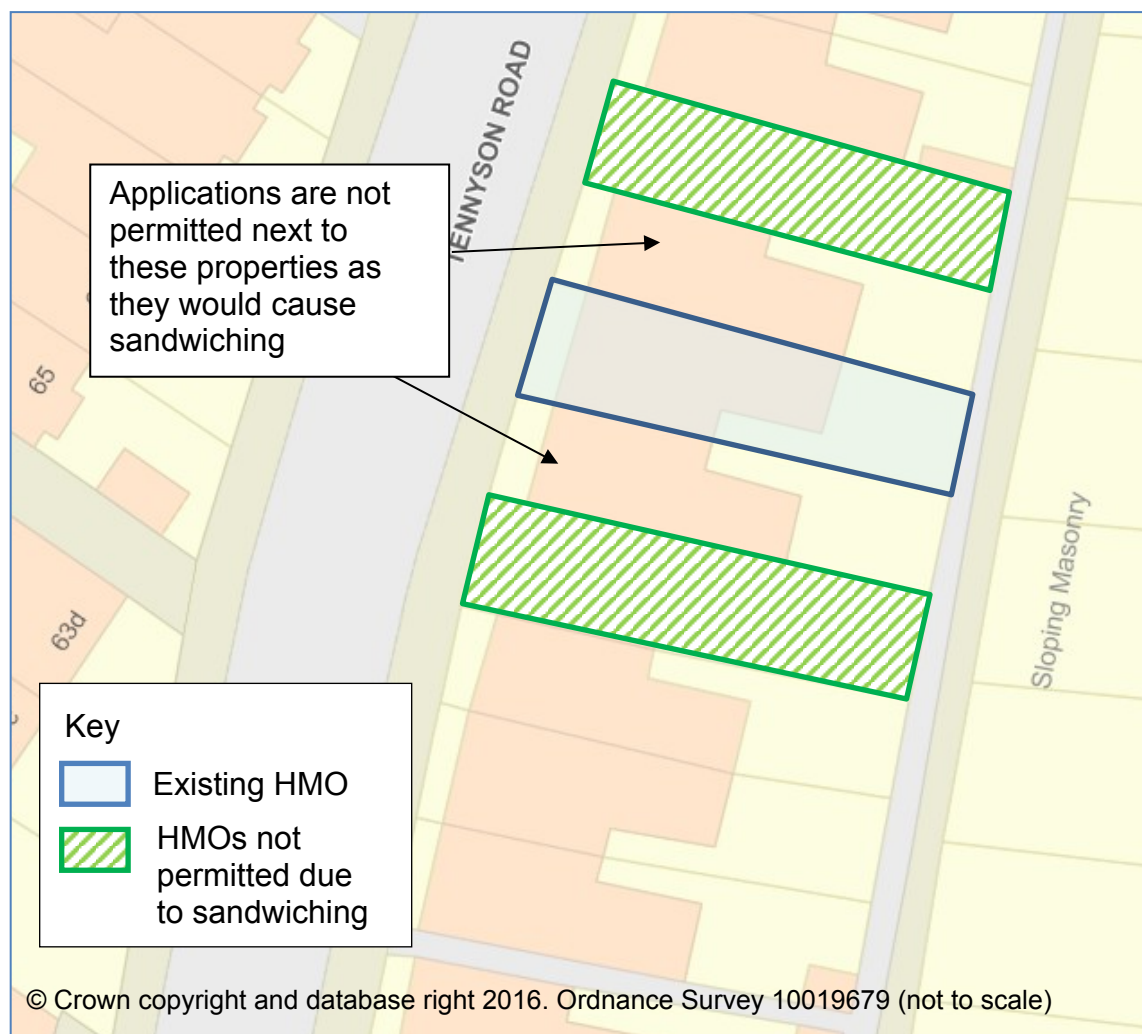
- 4.3.1 Since the adoption of the HMO SPD, an issue has been identified with residential properties being sandwiched and the potential impact on neighbouring properties.
- 4.3.2 As shown in the worked example, planning permission would not be granted where the introduction of new HMO would result in an existing dwelling being sandwiched by any adjoining HMOs on both sides, see worked example 1. This would not apply where the properties are separated by an intersecting road or where properties have a back to back relationship in different streets.
- 4.3.3 Subdivided units will be considered on a case by case basis.

¹⁰ The Town and Country Planning (Use Classes) (Amendment) (England) Order 2010 (SI 2010/654) - <http://www.legislation.gov.uk/ukxi/2010/653/contents/made>

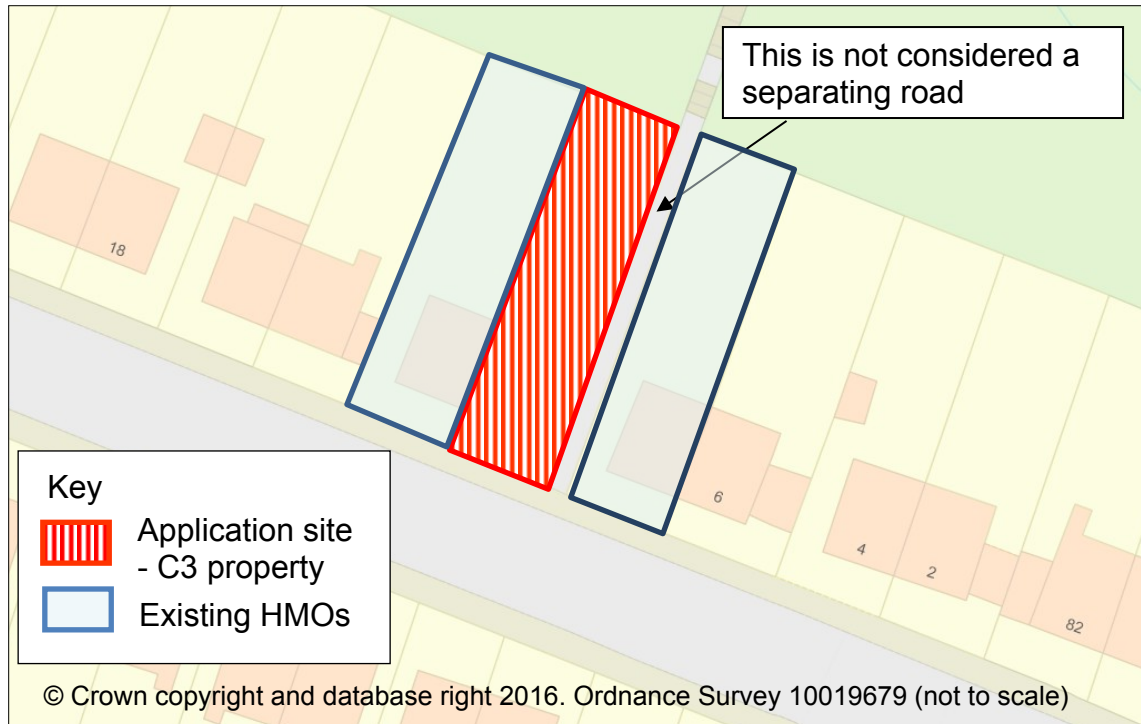
¹¹ The Town and Country Planning (General Permitted Development) (Amendment) (No.2) (England) Order 2010 (SI 2010/2134) - <http://www.legislation.gov.uk/ukxi/2010/2134/contents/made>

4.4 Worked examples

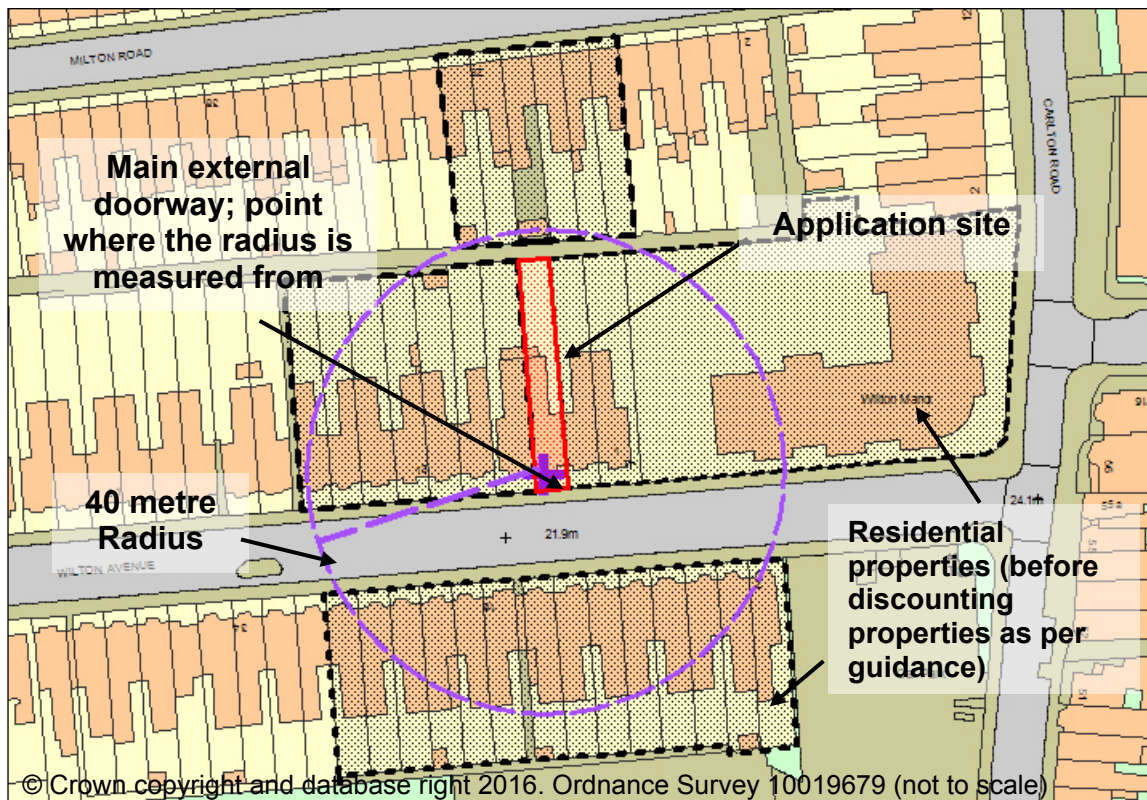
Worked example 1: Tennyson Road (Portswood) – HMOs restricted due to sandwiching



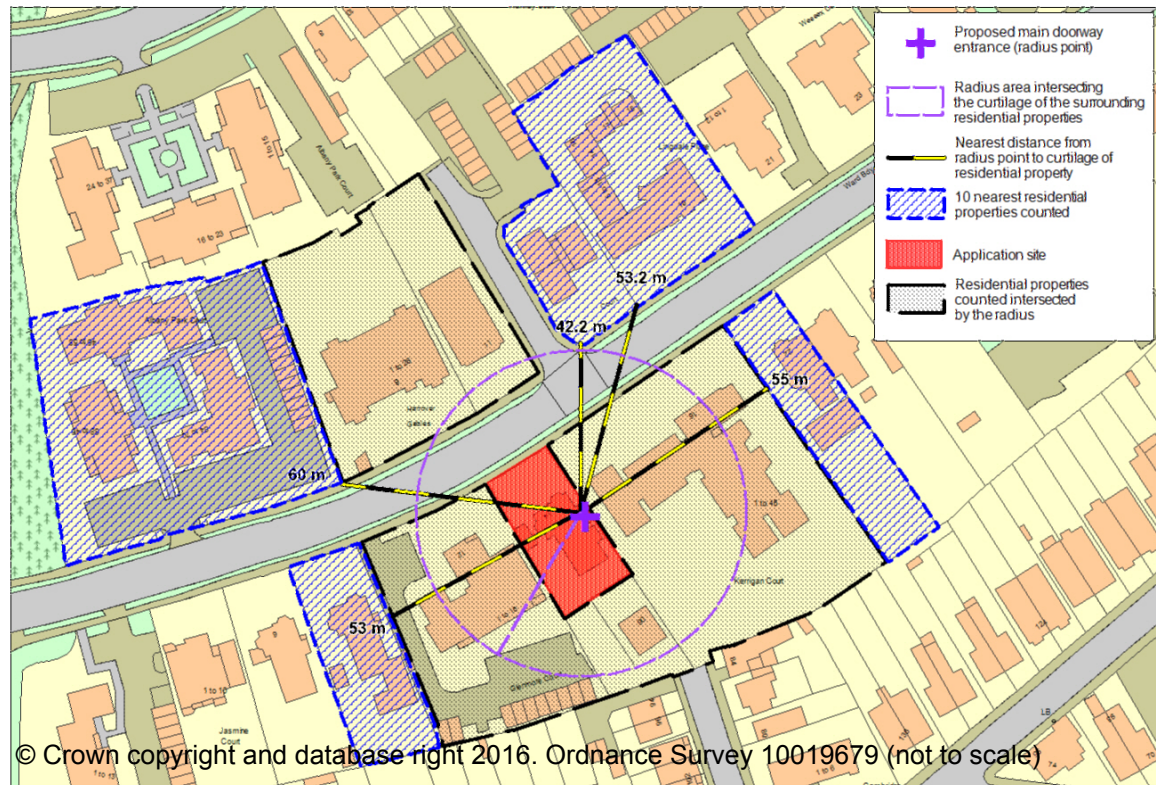
Worked example 2: 10 Sirdar Road (Swaythling) – sandwiched property



Worked example 3: 5 Wilton Avenue (Bargate) applying the 40 metre radius



Worked example 4: 14 Westwood Road (Bevois) identifying 10 nearest residential properties



4.5 Exceptional circumstances

- 4.5.1 Having reviewed the implementation of this approach, the council is proposing to introduce an upper threshold limit to clearly specify when the exceptional circumstances will apply. This new limit applies to an area where the concentration of HMOs is at such a point where the introduction of any new HMO would not change the character. This is because the vast majority of properties are already HMOs, with only a very small proportion of buildings suitable for use as family homes remaining.
- 4.5.2 The retention of these remaining buildings will have little effect on the balance and mix of households in a community which is already over dominated by the proportion of existing HMO households. Therefore, the conversion of the remaining buildings to a HMO would not further harm the character of the area.
- 4.5.3 It is recognised that some owner occupiers or long term residents in the situation described above, being the last remaining residential property and wanting to leave the street, may struggle to sell their property for continued C3 use.

Exceptional circumstances will be a material consideration and will be determined in accordance with the following criteria:

Where 80% of existing properties surrounding the application site within the defined area of impact are HMO dwellings, the applicant should submit a supporting statement with the planning application to demonstrate that there is no reasonable demand for the existing residential property as continued C3 use. No reasonable demand would be demonstrated by a period of at least six months on the property market offered at a reasonable price (based on an assessment of the property market in the local area) or rental level to be verified in writing by a qualified person in a relevant profession such as estate agent.

4.6 Large HMOs (more than 6 occupiers)

- 4.6.1 Planning applications for the change of use of properties into large HMOs will be assessed using the threshold limit.
- 4.6.2 Planning permission will be required to change the use of a small HMO to a large HMO, or to intensify the use of a lawful large HMO (even without any physical extension or external alteration to the property) by increasing the number of occupiers. In this instance the threshold limit will not be triggered as the HMO has already been established in the street and, therefore, has no further effect on the concentration of HMOs and balance and mix of households in the local community.
- 4.6.3 These types of planning applications will be assessed on their own individual merits on a case by case basis against the council's relevant policies and guidance, including standard of living conditions (Appendix 4) and parking standards set out in section 5. Other impacts will be assessed as set out in the policy text.

4.7 Flipping use between a dwellinghouse and an HMO (C3 and C4)

- 4.7.1 It is permitted development (not requiring planning permission) to change the use from a small HMO to a family house. A planning condition will be applied to new C4 planning permissions to allow the flexible use of the dwelling to change in either direction between a C3 and C4 use without the need for planning permission. This will ensure that landlords have the flexibility to let their property either as a single dwellinghouse or as a HMO, dependant on the market, thus creating the opportunity to reprovide family housing from the existing HMO housing stock.
- 4.7.2 The flexible planning condition currently only applies to new permissions for HMO dwellings. The council is investigating how this could be extended to include authorised C4 uses and large HMOs. The lawful use will be able to

continuously change between C3 and C4 occupation for a maximum of 10 years from the date that the permission is granted (subject to not breaching any condition, limitation or specification contained in the permission). This is a provision under the Town and Country Planning (General Permitted Development) Order 1995 Part 3 Class E¹². After the 10 year period the occupied use on this date will then become the lawful use of the property. The applicant can reapply for a new flexible permission to continue flipping the use. Once granted, flexible permissions are counted as an existing HMO when calculating the concentration of HMOs.

- 4.7.3 It will be possible to obtain a flexible permission if the property is currently occupied as a C4 HMO. If it can be demonstrated that the property was established as a C4 HMO on 23rd March 2012, this will then be a material consideration when the council considers the planning application or where lawful use can be demonstrated (see section 6 for guidance on lawful use).

4.8 Extensions to existing HMOs

- 4.8.1 When the council consider a planning application for an extension to an existing lawful HMO, the threshold limit will not be a material consideration as the HMO has already been established in the street and, therefore, has no further effect on the concentration of HMOs and balance and mix of households in the local community.
- 4.8.2 The HMO does not materially change use within class C4 when intensifying the occupation up to 6 people and, therefore, only the physical impact of the extension will be assessed in accordance with the council's relevant planning policies and guidance.
- 4.8.3 The council however recognises that the intensification of persons when existing C4 HMOs increase the number of bedrooms and become large HMOs can have a harmful impact on neighbouring occupiers. This is due to increased comings and goings, especially those associated with the independent lifestyle pattern of occupiers living individually of one another.
- 4.8.4 Where the extension results in an increase of occupiers which results in over 6 persons or more living in the HMO, planning permission must be sought in its own right for a change of use to a large HMO (see section 4.6). The threshold limit will not apply, though other impacts arising from the proposal will be assessed (see policy text) including standard of living conditions and parking standards set out in Appendix 4 and section 5.
- 4.8.5 The council has been regularly supported in these concerns at appeal, where it has been demonstrated that increasing the number of occupants can lead to negative amenity impacts on local residents. There is evidence from past applications, since the introduction of the larger HMOs sui generis class, that this has become a significantly greater issue for the character and amenities of local communities in areas with a high proportion of

¹² This is a provision under the Town and Country Planning (General Permitted Development) Order 1995 Part 3 Class E - <http://www.legislation.gov.uk/ukxi/1995/418/schedule/2/made>

HMOs. As such the council will carefully consider the impacts on the local community arising from intensifying larger HMOs in an area with a high proportion of existing HMOs.

5. Parking Standards

- 5.1 Specific maximum parking standards are included in the HMO SPD to assess planning applications according to the number of bedrooms per HMO household. **These standards are used in conjunction with the guidance set out in the council's Parking Standards SPD¹³.**
- 5.2 **In areas with parking restrictions, local parking policy will also be applied.** Where the HMO is within a residents permit zone, occupants are entitled to apply for permits if they have registered their car at the address, however the number of permits available will be restricted in accordance with the local parking policy. This generally restricts the number of permits to one or two per postal address¹⁴.
- 5.3 Table 1 overleaf sets out the maximum parking that may be provided at new HMO developments. Refer to the accessibility areas map in 'Figure 5' page 16 of the Parking Standards SPD for details on the extent of the standard and high accessibility areas. The 'high accessibility' standards set out in the Parking Standards SPD will apply to the 'city centre'.
- 5.4 Provision of less than the maximum parking standard is permissible. Developers must demonstrate that the amount of parking provided will be sufficient, if they provide a lower quantity. See section 4.2 of the Parking Standards SPD for more detailed guidance.
- 5.5 This parking may be provided via on and off-street parking subject to the conditions and recommendations set out in the Parking Standards SPD. Off-street parking should make up the majority of parking provision for most large scale developments. As per the guidance set out in paragraph 7 under section 4.2 of the Parking Standards SPD, some off street parking is expected for large HMOs providing more than 6 bedrooms. **The guidance to assess where on-street parking may count towards parking provision for development is set out in section 4.2 of the Parking Standards SPD.**

¹³ SCC adopted Parking Standards SPD - <http://www.southampton.gov.uk/planning/planning-policy/supplementary-planning/parking-standards-spd.aspx>

¹⁴ Further information on student parking in residents parking zones is available online at <https://www.southampton.gov.uk/roads-parking/parking/student-parking.aspx>

Table 1 – Parking Standards		
No of Bedrooms	Maximum permitted parking provision	
	Maximum Provision	Maximum provision (high accessibility area including the city centre)
3	2	2
4	3	2
5	3	2
6	3	2
7	3	2
8	4	3
9	4	3
10	5	3
11	5	4
12+	6	4

- 5.6 A minimum number of cycle parking spaces to serve the HMO residents should be made available prior to first occupation of the HMO. These should be enclosed within a secure cycle store. **Section 5 of the Parking Standards SPD sets out guidance to assess the type and design of cycle facilities to be provided.**
- 5.7 The provision of off street parking may result in the replacement of traditional front gardens with open hard standing and the removal of front and side boundary walls. This often creates a negative impact on the existing character of the street and, in some cases localised flooding, and will, therefore, be resisted.
- 5.8 **The planning application will be assessed in accordance with the guidance set out in the Residential Design Guide, Section 2.4 - ‘Garages and Parking Areas’ and Section 3.11 – ‘Plot Boundaries’.**

6. Regularising established HMOs - applying for a Certificate of Lawful Use

- 6.1 A landlord may be eligible to apply for a ‘Certificate of Lawful Use’ to regularise an existing HMO dwelling which is not lawful under the council’s planning records.
- 6.2 A certificate can be applied for to regularise a large or small HMO. Subject to examination through the application process, a small C4 HMO occupied on or before 23rd March 2012 (when the Article 4 direction became effective) or demonstrating four years of continuous C4 occupancy will be deemed the lawful use after this date. Satisfactory evidence will be required to demonstrate the lawful occupation of the HMO.
- 6.3 If a landlord does not want to regularise their small/medium HMO, it is strongly recommended that they retain sufficient documentation to

demonstrate lawful use as a small/medium HMO on 23rd March 2012 or demonstrating four years continuous C4 occupancy. This will reduce the owner's risk of the council taking enforcement action against them.

7. Monitoring

- 7.1 The effectiveness of this Supplementary Planning Document will be monitored as part of the Annual Monitoring Report process using information from planning applications and decisions.

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SCC, 2014 - Maintaining Balanced Neighbourhoods Through Planning' Scrutiny inquiry report

<http://www.southampton.gov.uk/modernGov/documents/s21498/Appendix%201.pdf>

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Local Development Framework Core Strategy (adopted version January 2010)

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<http://www.southampton.gov.uk/planning/planning-policy/supplementary-planning/residential-design-guide.aspx>

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Glossary

The definitions contained in this glossary give general guidance only.

Article 4 direction	The council made a city-wide Article 4 Direction on the 14 March 2011 and, following public consultation, confirmed this on 24 October 2011. The Direction came into force on 23 March 2012 and permitted development rights for a change of use from a Class C3 (Dwellinghouse) to a Class C4 (small HMO) was removed from this date. This means that planning permission will be required for this type of development.
Communal facilities/space	These are spaces or facilities shared by the tenants, for example; basic amenities (toilet, personal washing facilities, cooking facilities), living rooms, dining rooms, kitchens, gardens, cycle stores, parking spaces, etc.
Curtilage	This comprises of the property and area of land surrounding the property i.e. the garden/grounds.
Flipping	The right to continuously change direction between separate use classes without planning permission i.e. C3 and C4
House in Multiple Occupation (HMO)	A house or flat occupied by a certain number of unrelated individuals who share basic amenities. The property must be occupied as the main residence. There are 2 categories of HMOs under the use classes order; Class C4 otherwise known as a small/medium-sized HMO which is occupied between 3 and 6 residents, and large-sized HMO otherwise known as Sui Generis (of its own kind) which is occupied by more than 6 residents.
Permitted development rights or rules (PD)	The rules concerning certain type of development that can be carried out without the need for planning permission subject to following any conditions set out in the regulations. This can include changing the use of a building between use classes.
Radius	This is the circular area surrounding the application site where the threshold will be applied. The radius is measured from the midpoint of the proposed main doorway entrance to be used by the future tenants.
Sandwiching	This is the circumstances where there are adjoining HMOs directly on both sides of an existing dwelling. Where properties are separated by a road or where there is a back to back relationship in different streets then the approach will not apply.
Threshold	This is the set limit or level of the concentration of HMOs.

Appendix 1 Policy Background

1. The City of Southampton Local Plan incorporates a number of documents. These include two citywide plans; the Local Plan Review and the Core Strategy and the City Centre Action Plan (CCAP). These plans were updated in March 2015 when the CCAP was adopted.
2. The policy for Houses in Multiple Occupation is set out in Core Strategy policy CS 16, see below. The Core Strategy updated the overarching Local Plan Review policies. The supporting text of policy CS16 explains that the acceptability of a proposal for an HMO will take into account balancing the contribution that such a conversion will make to meeting housing demand against the potential harm that might be caused to the character and amenity of the surrounding area, and also the suitability of the property concerned (paragraph 5.2.12 refers). It goes on to commit the council to consider ways of controlling HMOs through the planning system such as setting threshold limits and identifying areas of restraint (paragraph 5.2.14).

Policy CS16 Housing Mix and Type

The council will provide a mix of housing types and more sustainable and balanced communities through:-

1. The provision of a target of 30% of total dwellings (gross) as family homes on sites of ten or more dwellings or which exceed 0.5 hectares. The appropriate percentage of family housing for each site will depend upon the established character and density of the neighbourhood and the viability of the scheme.
2. No net loss of family homes on sites capable of accommodating a mix of residential units unless there are overriding policy considerations justifying this loss.
3. Control of Houses in Multiple Occupation (HMOs) where planning permission is required, particularly those properties which provide accommodation for students.
4. Improvement of, and an increase in, the provision of homes for senior citizens and disabled people of all ages.
5. Variation in the levels of housing density (see Policy CS 5).

Family homes are dwellings of three or more bedrooms with direct access to useable private amenity space or garden for the sole use of the household. The private amenity space or garden should be fit for purpose and with the following minimum sizes:

- Flats and maisonettes – 20sq m
- Terraced homes – 50sq m
- Semi-detached homes – 70sq m
- Detached homes – 90sq m

The requirements in points 1-3 above do not apply to specialist housing schemes entirely comprised of accommodation specifically for senior citizens, supported accommodation for people with disabilities and purpose built student accommodation.

3. The Local Plan Review includes detailed development management policies. Policy H4 of the Local Plan Review (see below) provides the criteria against which individual applications will be judged to assess the impact of that specific proposal on the immediate surroundings.

Policy H 4 Houses in Multiple Occupation

Proposals for the conversion of dwellings or other buildings into houses in multiple occupation will be assessed on the balance between the contribution the development could make to meeting housing demand, against the harm to the character and amenity of the area which might occur.

Planning permission will only be granted for conversions to houses in multiple occupation where:

- (i) it would not be detrimental to the amenities of the residents of adjacent or nearby properties;
- (ii) would not be detrimental to the overall character and amenity of the surrounding area;
- (iii) adequate amenity space is provided which:
 - a) provides safe and convenient access from all units;
 - b) is not overshadowed or overlooked especially from public areas; and
 - c) enables sitting out, waste storage and clothes drying.

4. The SPD principally provides guidance on how the council will apply these HMO policies which are relevant to all planning applications for HMOs now the Article 4 direction is effective. The document also provides guidance on parking standards and refers to other guidance on standards for HMOs.
5. Although the National Planning Policy Framework (NPPF) does not directly refer to HMOs, paragraph 50 addresses the need to plan for a mix of housing to deliver sustainable, inclusive, mixed communities.

National Planning Policy Framework, Paragraph 50

To deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities, local planning authorities should:

- plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes);
- identify the size, type, tenure and range of housing that is required in particular locations, reflecting local demand; and
- where they have identified that affordable housing is needed, set policies for meeting this need on site, unless off-site provision or a financial contribution of broadly equivalent value can be robustly justified (for example

to improve or make more effective use of the existing housing stock) and the agreed approach contributes to the objective of creating mixed and balanced communities. Such policies should be sufficiently flexible to take account of changing market conditions over time.

Appendix 2 HMO definition

1. In broad terms, a HMO under planning legislation is defined as a house or flat occupied by a certain number of unrelated individuals who share **basic amenities** and is classified by the Uses Classes Order¹⁵:-
 - Class C4 – *between 3 and 6 residents*
 - Sui Generis (of its own kind) - *more than 6 residents*

2. Class C4 HMO (small/medium)
 For the purposes of Class C4 the occupation of a HMO dwelling has the same meaning as in **section 254 of the Housing Act 2004**¹⁶ with exception of **section 257** (relating to converted flats) and those buildings listed in **schedule 14** (see paragraph 3.4 below). In summary, a HMO is defined as a building or part of a building (i.e. flat) which:
 - is occupied by at least 3 persons not forming a single household; and
 - the HMO is occupied as the only or main residence; and
 - rents are payable or other consideration is provided in respect of at least 1 of those occupying the HMO; and
 - two or more households share one or more basic amenities (or lack such amenities).

3. The meaning of '**basic amenities**' is defined under the Housing Act **section 254(8)**:
 - a toilet;
 - personal washing facilities; or
 - cooking facilities.

4. **Schedule 14** of the Housing Act includes a list of 'buildings which are not HMOs'. It includes the following types which will not be identified as residential properties when calculating the proportion of HMOs on accordance with the methodology in the HMO SPD:
 - social landlord registered and local authority housing;
 - care homes;
 - bail hostels;
 - children's homes;
 - occupied by students that are managed by an education establishment i.e. halls of residence;
 - occupied for the purposes of religious community whose main occupation is prayer, contemplation, education and the relief of suffering;
 - managed or controlled by 'fire and rescue authority' or 'health service body';

5. There will be a number of the HMOs identified by the Environmental Health Housing Team in the category specified under section 257 of the Housing Act which do not fall under the planning definition of HMOs and, therefore, cannot be counted towards the threshold.

¹⁵ The Town and Country Planning (Use Classes) (Amendment) (England) Order 2010 (SI 2010/653) - <http://www.legislation.gov.uk/ukxi/2010/653/article/2/made>

¹⁶ Housing Act 2004 - <http://www.legislation.gov.uk/ukpga/2004/34/introduction>

6. The council proposes not to count buildings containing '1 or 2 bedroom self contained flats', as these buildings are unlikely to accommodate the number of individuals which constitute a HMO.
7. The planning status of residential properties that have been granted a flexible permission (to be a family house and small HMO) will be treated as a HMO when assessing a planning application. This will be regardless whether the property has switched from C4 to C3. See section 4.7 for more information on flexible permissions.

Sui Generis HMO (large)

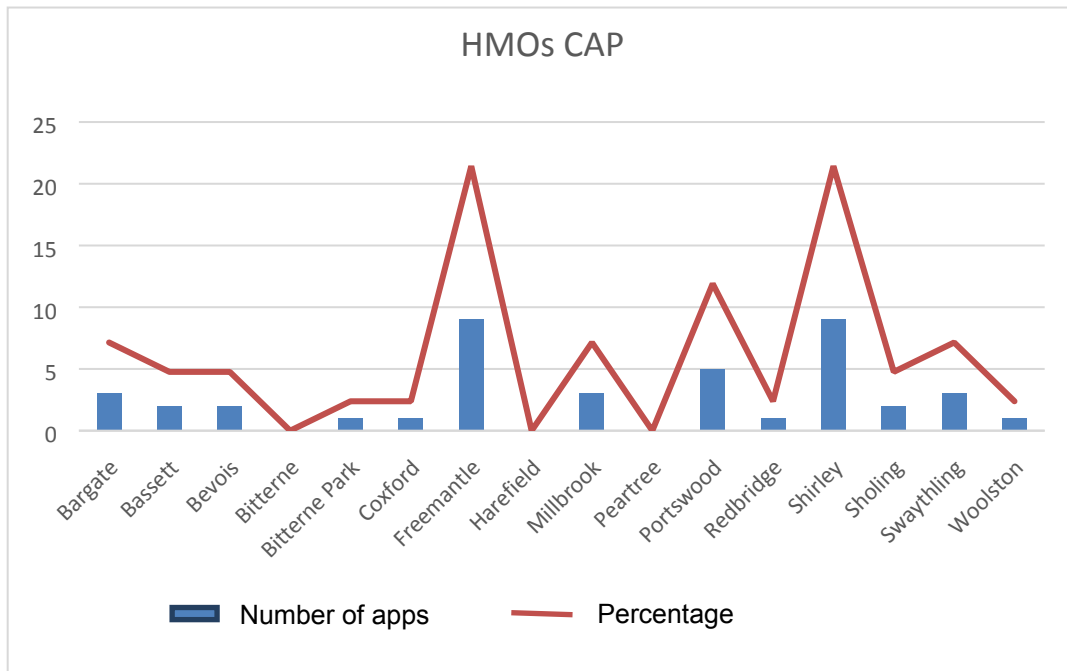
8. For the purposes of defining the occupation of a 'Sui Generis' HMO dwelling there is no meaning defined under planning legislation and therefore the council will assess each case on an individual basis.

Appendix 3 Planning application statistics by ward

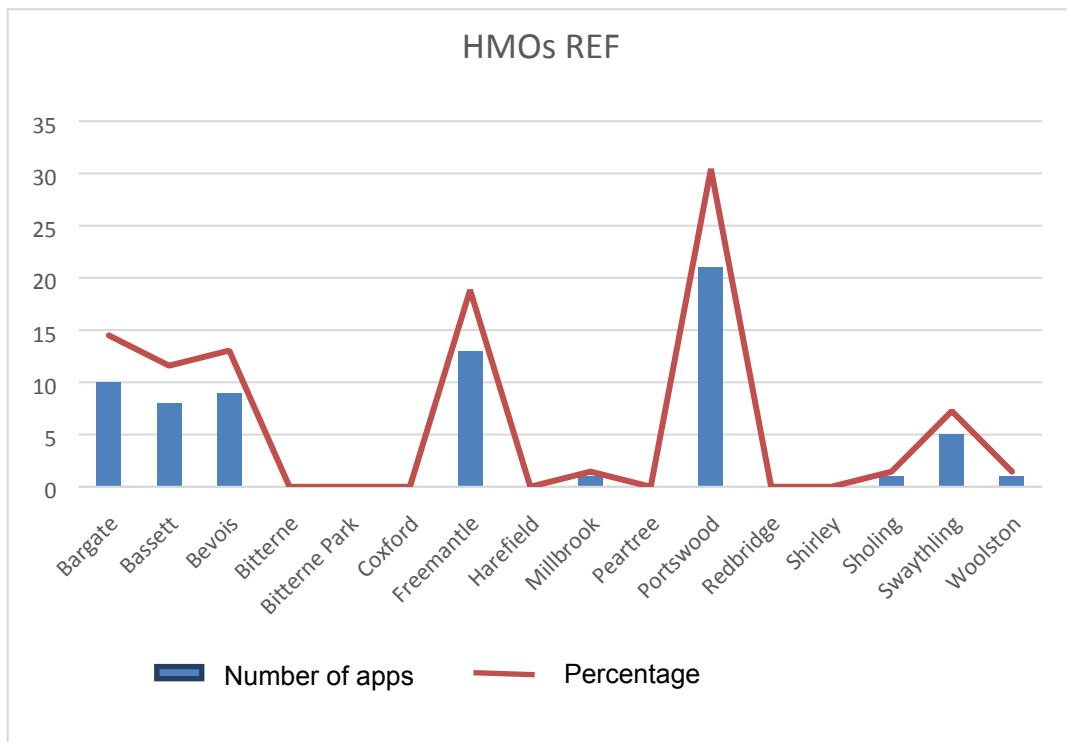
Table 1 All HMO applications by ward (decisions 23.03.12 - 22.12.2015)

Wards	Threshold (%)	New HMOs						
		Number of apps refused	% of apps refused	% refused by ward	Number of apps approved (with conditions)	% of apps approved	% by ward	Total
Bargate	20	10	76.9	14.5	3	23.1	7.1	13
Bassett	10	8	80.0	11.6	2	20.0	4.8	10
Bevois	20	9	81.8	13.0	2	18.2	4.8	11
Bitterne	20	0	0	0.0	0	0	0.0	0
Bitterne Park	20	0	0.0	0.0	1	100.0	2.4	1
Coxford	20	0	0.0	0.0	1	100.0	2.4	1
Freemantle	20	13	59.1	18.8	9	40.9	21.4	22
Harefield	20	0	0	0.0	0	0	0.0	0
Millbrook	20	1	25.0	1.4	3	75.0	7.1	4
Peartree	20	0	0	0.0	0	0	0.0	0
Portswood	10	21	80.8	30.4	5	19.2	11.9	26
Redbridge	20	0	0.0	0.0	1	100.0	2.4	1
Shirley	20	0	0.0	0.0	9	100.0	21.4	9
Sholing	20	1	33.3	1.4	2	66.7	4.8	3
Swaythling	10	5	62.5	7.2	3	37.5	7.1	8
Woolston	20	1	50.0	1.4	1	50.0	2.4	2
	Total	69			42			111
	%	62.2			37.8			

Graph 1 – HMO applications approved with conditions (decisions 23.03.12 - 22.12.2015)



Graph 2 – HMO applications refused (decisions 23.03.12 - 22.12.2015)



Appendix 4 Standard of living conditions for future tenants

1. The guidance set out below expands on the following text relating to Policy H4 of the Local Plan Review:-

Paragraph 7.18

In determining any planning applications for a shared property, the council will have regard to its set standards for multiple occupation accommodation, which relate to room and space standards, range of facilities provided, fire escape provision, security and health and safety requirements.

2. The standard of facilities and safety for tenants is also controlled outside the planning system under the statutory provisions of the Housing Act 2004 and regulated by the council's Environmental Health Housing team¹⁷. In addition to obtaining planning permission, landlords are reminded that they must apply to licence their property under Part II of the Housing Act 2004 for HMOs with *3 storeys or more and 5 or more occupants*¹⁸. Landlords who are caught without a licence, risk being fined by the courts.
3. A licence holder must ensure that the dwelling is compliant with the national minimum standards, in particular the level of bathroom, WC and wash hand basin provision. These standards are set out in the council's 'Approved Standards for HMOs'¹⁹ according to the type of accommodation offered. A HMO dwelling is required to have basic levels of amenities and every planning application will be expected to demonstrate that the proposal has met the standards, which include:
 - rooms of a reasonable size,
 - sufficient number of bathrooms,
 - suitable cooking facilities, and
 - sufficient number of toilets for the number of people living there.
4. The Management of Houses in Multiple Occupation (England) Regulations 2006 require owners / managers of all HMOs to ensure that the property is maintained in a safe condition, that gas and electricity supplies are maintained and that reasonable standards of management are applied.
5. The council will seek to ensure that the Private Housing amenity standards are met to improve the quality of living environments across

¹⁷ Guidance on the council's standards for amenities and safety - <http://www.southampton.gov.uk/housing-council-tax/landlords-home-owners/landlords/houses-in-multiple-occupation/safety-standards.aspx>

¹⁸ For more information on HMO licensing, please contact the SCC Private Housing team or see the following link on the SCC website:- <http://www.southampton.gov.uk/housing-council-tax/landlords-home-owners/landlords/houses-in-multiple-occupation/licensing-houses-in-multiple-occupation.aspx>

¹⁹ The council's 'Approved Standards for HMOs' - http://www.southampton.gov.uk/Images/Guidance%20on%20HMO%20Standards%20v2_tcm63-368099.pdf

the city. The council's Environmental Health Housing team will be consulted at the planning application stage to advise whether the proposal complies with the amenity standards. It is likely that any application that fails to meet these requirements will be refused planning permission.

6. The floor layout and room types should be clearly labelled, indicating as well whether a room is a 'communal space' where tenants will share basic amenities (toilet, personal washing facilities, or cooking facilities) and habitable rooms.

The applicant should be aware that under the Housing Act 2004, the HMO will be required to have basic levels of amenities, and must have rooms of a reasonable size and enough bathrooms, cooking facilities and toilets for the number of people living there.

In accordance with saved policy H4 the consideration of the planning application will include assessing the advice from the Environmental Health Housing team and any implications for future residents. Planning applications are likely to be refused if they do not meet the standards.

7. The council also works in partnership with the University of Southampton and Southampton Solent University to promote the SASSH (Southampton Accreditation Scheme for Student Housing) programme for student shared private rented sector properties advertised through a new online letting service. The Standards are not intended to be onerous and are divided into three separate categories (One Star, Two Star and Three Star) allowing landlords to achieve greater recognition for properties meeting the appropriate criteria. Current SASSH standards and registration can be viewed on the [Student Accreditation Scheme website](#)²⁰.
8. The standard of living conditions for future tenants will be a material consideration. This will be assessed against the council's residential standards set out in the Residential Design Guide Supplementary Planning Document²¹. The main considerations will be access to outlook, privacy, and daylight/sunlight to ensure that future tenants have a good quality residential environment. The applicant will be required to fully provide all communal spaces as approved prior to first occupation by the tenants and, thereafter, retained unless otherwise agreed in writing with the council.

²⁰ The SASSH website (Student Accreditation Scheme for Student Housing) - <http://www.sasshstudentpad.co.uk/Landlords.asp>

²¹ Residential Design Guide (approved version September 2006) - <http://www.southampton.gov.uk/planning/planning-policy/supplementary-planning/residential-design-guide.aspx>

9. **The relevant standards are set out in the Residential Design Guide, Section 2.2 – ‘Access to natural light, outlook and privacy’.**
10. The guidance set out below expands on the following part of Policy H4 of the Local Plan Review:-

Policy H4 extract

- (iii) Adequate amenity space is provided which:
- a) Provides safe and convenient access from all units;
 - b) Is not overshadowed or overlooked especially from public areas;
- and
- c) Enables sitting out, waste storage and clothes drying.

11. The council will assess whether adequate amenity space is provided for the tenants in accordance with the criteria set out in saved policy H4. **The standards expected for amenity space are set out in the Residential Design Guide, section 2.2 – ‘Access to natural light, outlook and privacy’ and section 4.4 – ‘Private Amenity Space’.** No minimum size of the amenity space is specified for the number of tenants living in the HMO, however, it will be assessed whether the space is ‘fit for the purpose intended’ in terms of privacy, quality and usability.
12. **When assessing the physical impact of an extension (refer to section 4.8) on the existing amenity space to be used by existing and future tenants, there will be particular regard to the guidance set out in paragraphs 2.3.12 and 2.3.13 of section 2.3 – ‘Detailed design of extensions and modifications’ of the Residential Design Guide.**

Waste management

13. Poor waste management of a HMO can lead to unattractive eyesores which can adversely impact on the character and amenity of adjacent and nearby properties.
14. The planning drawings showing the proposed layout of the application site and its surroundings (i.e. Site Plan) must show the area where the refuse bins will be stored and presented for collection.
15. Adequate space for management of waste should be sited and designed to enable residents and collection workers to conveniently and safely manoeuvre refuse bins to the collection point. Bins should not be stored visible from a public highway or in full public view. These facilities must be set up and maintained as approved on the submitted plans by the council before the HMO is first occupied by the tenants.
16. Where appropriate the council will require the submission of a waste management plan or statement to show in detail that tenants can

manage their waste in an acceptable way, and this plan must be put in place once approved.

17. **The planning application will be assessed in accordance with the guidance set out in the Residential Design Guide, Section 9 - 'Waste management'.**

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Equality and Safety Impact

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

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

<p>Name or Brief Description of Proposal</p>	<p><u>Revised Houses in Multiple Occupation Supplementary Planning Document (HMO SPD)</u></p> <p>The HMO SPD sets out updated guidance on how planning applications for the conversion of properties from C3 to C4 use will be determined under the Article 4(1) direction. The Article 4(a) direction removed permitted development rights for such conversions and has been in operation since March 2012. It provides additional detail and advice in support of Local Plan Review policy H4 and Core Strategy policy CS 16.</p>
<p>Brief Service Profile (including number of customers)</p>	<p>The HMO SPD applies across the city to everyone looking to convert their residential property to a HMO. One of the major changes proposed, the reduction in the threshold for the concentration of HMOs, particularly affects residents in wards outside the northern wards (Bassett, Swaythling and Portswood) as the threshold will stay the same in the northern wards.</p>
<p>Summary of Impact and Issues</p>	<p>The revised HMO SPD provides guidance on appropriate locations for HMOs to avoid an overconcentration of HMOs in a local area which may lead to negative impacts. It also prevents ‘sandwiching’ where a property is hemmed in by HMOs either side. By controlling the</p>

	<p>number of HMOs in an area, the guidance in the SPD should result in more balanced communities and a better spread of HMOs over the city. Controlling 'sandwiching' can help reduce the potential for owner occupiers to experience adverse impacts from HMOs on either side. However it is recognised that planning powers on their own cannot deal with all the potential negative impacts of a concentration of HMOs on communities. If demand for HMOs increases and applications are brought forward in areas with low concentrations of HMOs, the SPD could result in fewer new HMOs coming forward in the future.</p>
Potential Positive Impacts	<p>Where there are concentrations of HMOs, there can be problems with noise, anti-social behaviour and poorly maintained properties. These can cause tensions with the permanent residents. By controlling the number of HMOs in an area, the SPD should result in more balanced communities.</p>
Responsible Service Manager	
Date	24.02.16

Approved by Senior Manager	
Signature	Samuel Fox Planning + Development Manager.
Date	 25.02.16.

Potential Impact

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
Age	<p>Younger people (including students) are the main occupiers of HMOs. The guidance in the SPD may lead to a reduction in the supply of HMOs in some parts of the city, particularly the central wards, thus affecting</p>	<p>The council supports the development of purpose built student accommodation as an alternative to student HMOs.</p>

	housing opportunities for young people.	The exceptional circumstances policy has been clarified and applies to streets where 80% of properties are already HMOs.
Disability	No identified impacts	N/A
Gender Reassignment	No identified impacts	N/A
Marriage and Civil Partnership	No identified impacts	N/A
Pregnancy and Maternity	No identified impacts	N/A
Race	No identified impacts	N/A
Religion or Belief	No identified impacts	N/A
Sex	No identified impacts	N/A
Sexual Orientation	No identified impacts	N/A
Community Safety	A concentration of HMOs in an area can lead to problems with noise and anti-social behaviour. By controlling the number of HMOs in an area the guidance in the SPD should help reduce these problems. However planning powers on their own cannot deal with these matters.	N/A – positive impact
Poverty	There is an unknown impact as continuing issues of affordability including issues financing new affordable accommodation and the impact of housing benefit changes could increase demand for HMOs. The guidance in the SPD could result in fewer new HMOs coming forward in some parts of the city.	The revised HMO SPD will be subject to consultation before it is adopted. This enables people to raise issues and suggest changes. If adopted, its impact will be monitored. If it has an unintended effect of reducing HMOs, the policy can be revisited and amended.
Other Significant Impacts	No identified impacts	N/A

Policies H4 and CS16

The Houses in Multiple Occupation Supplementary Planning Document provides further guidance on policy H4 in the Local Plan Review and policy CS 16 in the Core Strategy.

Policy H4 Houses in Multiple Occupation

Proposals for the conversion of dwellings or other buildings into houses in multiple occupation will be assessed on the balance between the contribution the development could make to meeting housing demand, against the harm to the character and amenity of the area which might occur.

Planning permission will only be granted for conversions to houses in multiple occupation where:

- (i) it would not be detrimental to the amenities of the residents of adjacent or nearby properties;
- (ii) would not be detrimental to the overall character and amenity of the surrounding area;
- (iii) adequate amenity space is provided which:
 - a) provides safe and convenient access from all units;
 - b) is not overshadowed or overlooked especially from public areas; and
 - c) enables sitting out, waste storage and clothes drying.

Policy CS16 Housing Mix and Type

The council will provide a mix of housing types and more sustainable and balanced communities through:-

1. The provision of a target of 30% of total dwellings (gross) as family homes on sites of ten or more dwellings or which exceed 0.5 hectares. The appropriate percentage of family housing for each site will depend upon the established character and density of the neighbourhood and the viability of the scheme.
2. No net loss of family homes on sites capable of accommodating a mix of residential units unless there are overriding policy considerations justifying this loss.
3. Control of Houses in Multiple Occupation (HMOs) where planning permission is required, particularly those properties which provide accommodation for students.
4. Improvement of, and an increase in, the provision of homes for senior citizens and disabled people of all ages.
5. Variation in the levels of housing density (see Policy CS 5).

Family homes are dwellings of three or more bedrooms with direct access to useable private amenity space or garden for the sole use of the household. The private amenity space or garden should be fit for purpose and with the following minimum sizes:

- Flats and maisonettes – 20sq m
- Terraced homes – 50sq m
- Semi-detached homes – 70sq m
- Detached homes – 90sq m

The requirements in points 1-3 above do not apply to specialist housing schemes entirely comprised of accommodation specifically for senior citizens, supported accommodation for people with disabilities and purpose built student accommodation.

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Agenda Item 9

DECISION-MAKER:	CABINET		
SUBJECT:	ACCEPTANCE OF EU GRANT FUNDING FOR CITY DEAL DELIVERY		
DATE OF DECISION:	19 APRIL 2016		
REPORT OF:	LEADER OF THE COUNCIL		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Kathryn Rankin	Tel: 023 8083 3099
	E-mail:	kathryn.rankin@southampton.gov.uk	
Director	Name:	Mike Harris	Tel: 023 8083 2882
	E-mail:	Mike.harris@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY

Not applicable

BRIEF SUMMARY

A grant application of £2m has been submitted to the European Social Fund (ESF) to provide an employment support programme for 1,200 long term unemployed people across the Solent area. This programme will support unemployed adults with health conditions into employment as match funding for the City Deal agreement with Government. This report seeks approval from Cabinet to accept the grant and lead on the management of the programme across the defined area.

RECOMMENDATIONS:

	(i)	To accept a grant of £2m from the European Social Fund via the Department for Work and Pensions (DWP) for the Solent Jobs Programme, and approve, in accordance with Financial Procedure Rules, revenue expenditure for the delivery of the programme over a period of three years;
	(ii)	To act as Lead Accountable Body for the administration of the grant funding for the Solent Jobs Programme, which totals £4m across the Solent Local Enterprise Partnership (LEP) area; and
	(iii)	To delegate authority to the Chief Operating Officer, following consultation with the Leader, to undertake such actions necessary to enable the successful delivery of the City Deal employment programmes, including procurement of services.

REASONS FOR REPORT RECOMMENDATIONS

1.	To enable Southampton City Council to receive funds to manage the delivery and implementation of the Solent jobs programme across the Solent area.
2.	Southampton City Council has a role in ensuring the provision and integration

	<p>of services to improve the economic and social well-being of its residents, and the surrounding area.</p> <p>The projects will contribute to the Council's key priorities regarding:</p> <ul style="list-style-type: none"> • Jobs for local people • Prevention and early intervention • Protecting vulnerable people
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
3.	Not to receive funding from ESF programme. If funding is not received, delivery, support and co-ordination of services will not be possible within Council resources.
4.	Not to lead on the delivery and management of the Solent Jobs Programme. If these recommendations were not agreed it would result in loss of resourcing and provision of employment support services in Southampton for those who are long term unemployed with health conditions.
DETAIL (Including consultation carried out)	
5.	In November 2013, Southampton and Portsmouth City Councils, in partnership with Hampshire County Council and the Solent LEP, successfully negotiated a City Deal with Government. The Deal includes a range of measures to support local economic growth, skills and jobs through funding from a number of sources to the local authorities and wider agencies.
6.	The City Deal included specific funding to deliver programmes to support unemployed adults and young people in Southampton, Portsmouth and the wider Solent area under the lead accountability of Southampton City Council. Match funding was required from the European Social Fund, the allocation of which has been held up, due to the delay in agreeing the UK ESF Operational Programme with the European Commission. This was finally agreed at the end of 2015 and after that date a specification was released to fund the Solent Jobs Programme for a total of £2m over 3 years. Southampton City Council has led a partnership comprising Portsmouth City Council, Isle of Wight Council, Hampshire County Council and Gosport and Havant Borough Councils, to apply competitively for the funding and has been successful through to the second stage. A full application is currently being appraised by DWP and if this is approved delivery of the programme will start by June 2016. Funds will be spent on the delivery of pre-employment support to 1200 long term unemployed people with health conditions, the costs of paid work placements and on-going in-work support once the individuals move into sustained employment.
7.	It was agreed as part of the City Deal arrangements that Southampton City Council would be the Lead Accountable Body for this element of the City Deal. This involves receiving the funds, developing and overseeing the delivery of the programme to meet the specified outcomes and quality requirements, and financial administration. The grant is intended to test local approaches to integrating services and provide evidence of the benefits of integrated approaches to dealing with complex social problems.
8.	Delegation of authority to the Chief Operating Officer is required to ensure

	that the programme is effectively developed and managed to meet agreed outcomes, whilst remaining responsive to changing economic, social and policy contexts over a three year period.
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RESOURCE IMPLICATIONS

Capital/Revenue

- | | |
|-----|---|
| 9. | There are no capital implications. |
| 10. | All staffing, resource and delivery costs will be funded from the ESF grant and the City Deal agreement, which have a combined total of £4m. There will be no additional costs to the Local Authority. The City Deal funding has already been received. The ESF grant funding will be used to finance additional posts to manage, deliver and administer the programme. This funding will be received 6 monthly in arrears based on the actual costs of delivery. The total expenditure and grant income will be recorded in the Leader's Portfolio. The indicative phasing of the expenditure is £0.91m in 2016/17, £1.68m in 2017/18 and £1.41m in 2018/19. |

Property/Other

- | | |
|-----|---|
| 11. | There is limited property requirement, as most of the delivery will be on partners' premises. Accommodation will be required for additional staff, but this is available through current flexible working arrangements. |
|-----|---|

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

- | | |
|-----|--|
| 12. | Section 1 of the Localism Act 2011 permits a Council to do anything that an individual may do whether or not normally undertaken by a local authority (the General Power of Competence). The power is subject to any pre or post commencement restrictions on the use of power (none of which apply in this case). |
|-----|--|

Other Legal Implications:

- | | |
|-----|--|
| 13. | Legal advice will be sought regarding the contract between the Department for Work and Pensions and Southampton City Council, and contracts/service level agreements with sub-contractors and partners to minimise risk. |
|-----|--|

POLICY FRAMEWORK IMPLICATIONS

- | | |
|-----|--|
| 14. | The project is in line with the Policy Framework and will assist the Council in meeting the overall aims of the Policy Framework, including the objectives set out in the Southampton City Strategy 2014-17. |
|-----|--|

KEY DECISION?	Yes
WARDS/COMMUNITIES AFFECTED:	All

<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Equality and Safety Impact Assessment
Documents In Members' Rooms	
1.	None.
Equality and Safety Impact Assessment	
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	Yes
Privacy Impact Assessment	
Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.	No
Other Background Documents	
Equality and Safety Impact Assessment and Other Background documents available for inspection at: Economic Development and Skills folders, Civic Centre Southampton	



Equality and Safety Impact Assessment

Appendix 1

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

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

Name or Brief Description of Proposal	<u>Solent Jobs Programme</u>
Brief Service Profile (including number of customers)	<u>1200 customers across the Solent area</u> <u>Provision of employment and training support to long term unemployed people with a health condition</u>
Summary of Impact and Issues	<u>Positive impact on people with long term health conditions, who are economically inactive, as the introduction of this service will improve support and provision for this group of customers</u>
Potential Positive Impacts	<u>Supporting people into employment, enabling greater independence, increased income, improved opportunities for socialisation, improving employment rates in the city, particularly for people with long term health conditions and disabilities</u>
Responsible Service Manager	<u>Kathryn Rankin</u>
Date	<u>23rd February 2016</u>

Approved by Senior Manager	<u>Denise Edghill</u>
Signature	
Date	24 th February 2016

Potential Impact

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
Age	The service will provide support for long term unemployed people with health conditions in their 50s and above who are disadvantaged in the labour market	
Disability	Improved access to employment support for disabled people who wish to work	
Gender Reassignment		
Marriage and Civil Partnership		
Pregnancy and Maternity		
Race		
Religion or Belief		
Sex		
Sexual Orientation		
Community Safety		
Poverty	The programme will support the transition from benefits to paid employment and support people	

	in work for the first 6 months	
Other Significant Impacts		

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DECISION-MAKER:	CABINET		
SUBJECT:	PROPERTY INVESTMENT FUND		
DATE OF DECISION:	19 APRIL 2016		
REPORT OF:	LEADER OF THE COUNCIL		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Mark Bradbury	Tel: 023 8083 2261
	E-mail:	Mark.Bradbury@southampton.gov.uk	
Director	Name:	Mark Heath	Tel: 023 8083 2371
	E-mail:	Mark.Heath@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY	
None	
BRIEF SUMMARY	
<p>This report sets out proposals to increase investment in property in response to the financial pressures to increase revenue. An initial allocation of £65 million in the Capital Programme has been approved by Council and the report details the criteria for investment, the typical options available, the governance, the resources and the draft business plan.</p>	
RECOMMENDATIONS:	
(i)	To approve the <i>draft</i> Business Plan, Investment Criteria; Governance Arrangements and Delivery Options.
(ii)	To delegate authority to the Head of Capital Assets following consultation with the Leader of the Council and the Council's Capital Board to agree the detailed business plan and any future variations to Investment Criteria and Delivery Options.
(iii)	To delegate authority to the Head of Capital Assets, following consultation with the Leader of the Council and the Service Director; Strategic Finance and Commercialisation to approve the acquisition or sale of property or other investments in accordance with the Business Plan, Investment Criteria and Delivery Options and to do anything necessary to give effect to the recommendations contained in this report.
(iv)	To delegate authority to the head of Capital Assets, following consultation with the Leader of the Council and Council's Capital Board, to take all further decisions in respect of real property acquisitions and disposals irrespective of value.
(v)	To recommend to Council as part of the review of the Constitution at the Council's AGM to amend Financial Procedure Rules to exempt real property transactions from the value thresholds determining level of decision make and to amend Article 12 of the

	Constitution to exclude property transactions from the definition of 'significant budgetary impact' that determines whether or not a matter be treated as a Key Decision.
REASONS FOR REPORT RECOMMENDATIONS	
1.	To allow the Council to increase income through strategic property investment, in response to the current financial pressure, reducing the reliance on Government grant by building asset and investment portfolios that provide a commercial return.
2.	This will build on the current investment portfolio which the Council manages. This has a current value of £99.7M (31 st March 2015) and generates a gross annual return of approximately 7%.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
3.	Not to further invest in property would forego the opportunity to increase the potential for additional revenue.
DETAIL (Including consultation carried out)	
4.	There are options for increasing the council's portfolio of property investments because of the potential for higher returns and the likelihood of interest rates remaining low, giving the potential to fund acquisitions from borrowing.
5.	The Investment Property Databank (IPD) UK, All Property Annualised Total Return (which is the income return added to the capital growth) for the 3, 5 and 10 years to December 2014 was 10.5%, 10.9% and 6.2% respectively (source: IPD UK Annual Property Index) demonstrating that even through the recession the property sector as a whole has generated returns for investors
6.	<p><u>Investment Strategy</u></p> <p>The <i>prime purpose</i> of the initiative is to generate income i.e. contributing to a financial 'future-proofing' effect, underpinning financial security for the Council by providing further income independent of Government funding or Council Tax revenues to fund activities. Hence, the investment focus will be on the most appropriate method of delivering income, rather than on location within the city boundary.</p> <p>In some cases investment assets also offer the potential to unlock future development opportunities, assist the economic well-being of the city and provide extended services. This, however, would be a <i>secondary objective</i> of this particular initiative as other property initiatives will focus more on development and economic well-being.</p>
7.	<p>There are a range of types of investment and vehicles for investment that may form part of a balanced investment portfolio. Capital Board proposed that examples which should be considered include:-</p> <ul style="list-style-type: none"> • Direct Investment - Acquisition of Income Producing Property • Indirect Investment - Investment in Property Investment Vehicles such as Investment Funds or R.E.I.T.s (Real Estate Investment Trusts)

	<ul style="list-style-type: none"> Corporate Investment – Investment in or Acquisition of Property Management, Trading or Investment Companies
8.	The opportunities and risks presented by these and other investment options will inform a draft Investment Business Plan which will also set out proposals for decision-making, reporting and governance
9.	<p>An Options Appraisal and Draft Business Plan are attached as Appendix A and B respectively.</p> <p>These conclude: -</p> <p>Given the Property Investment Fund (PIF) objectives the recommendations are as follows: -</p> <ol style="list-style-type: none"> 1. The PIF be flexible enough to allow all seven potential delivery methods as described in this report. 2. To generate immediate income, initial investment is proposed into the most liquid categories of delivery methods, namely 3 and 4 (property funds and shares). In this way, capital can be deployed quickly and flexibly. In the event further allocations do not become available for future projects, these investments can be readily realised and redeployed. 3. As suitable opportunities arise investments should then be focussed on delivery methods 1 and 2 (direct property investment and joint ventures). 4. Higher value adding/risk activities (delivery methods 5 to 7) are focussed initially within the City. The Council's knowledge of the city creates a competitive advantage and allows it to better manage risk and deliver wider Council objectives.
10.	It is further noted that if property investments are purchased within the city boundary with prudential borrowing, the Authority will be required to make a prudent Minimum Revenue Provision (MRP) to cover the whole debt (with payments over the projected life of the asset). This MRP payment will impact on the return available. Such cases will thus need to be assessed on individual merit as there may be a more suitable vehicle for purchasing/developing these options within the City, it is noted that value would need to be added to any proposal on this basis with associated risk attached (hence this is covered by delivery method 5-7).
11.	When assessing options for direct investment, due diligence will be given to each option under consideration. This will include the type of asset, location, ownership, tenure/lease terms, occupier/quality of covenant, yield and prospects for future growth and improvements to the return, risks including voids, repairs, etc.
12.	<p><u>Monitoring and Review</u></p> <p>Detailed proposals for decision-making and governance form part of the Investment Business Plan. It is proposed that authority is delegated to the Head of Capital Assets following consultation with the Leader of the Council and the Council's Capital Board to agree and update the Business Plan. It is proposed that given the need to act swiftly when appropriate opportunities arise, authority to agree the detailed terms of any acquisition or sale will be delegated to the Head of Capital Assets, following consultation with the Leader of the Council and the Service Director Strategic Finance and</p>

	Commercialisation. A Portfolio Performance Report will also be published at least bi-annually for review at the Council's Capital Board and this will inform future iterations of the Investment Business Plan.
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RESOURCE IMPLICATIONS

Capital/Revenue

13. The 2016/17 Revenue Budget, approved by Council in February 2016, included a saving proposal to generate a net £1M additional revenue investment income from the creation of a Property Investment Fund. In order to generate this level of net revenue return a capital investment in the region of £65M is required. The following table details the breakdown of this requirement.

Investment Breakdown

	£M
Initial Investment	60.0
Investment Costs (based 8% of investment total)	5.0
Total Capital Investment Cost	65.0
Assumed Rate of Return 6%	3.6
Less Borrowing Costs 4%	(2.4)
Assumed Revenue Income	1.2
Allowance for Voids, Management and R&M Costs	(0.2)
Net Revenue Income	1.0

14. Council approved the addition of a new scheme to the Leaders Portfolio Capital Programme in February 2016 for £65M, in 2016/17 to be funded from Council Resources. Further approval to spend has been given subject to the review of a detailed Investment Business Plan by the Council's Capital Board and the seeking of relevant governance and delegations as sought in this report.

Property/Other

15. This is covered in text above. Additionally, there will be a resource required within Legal Services to undertake the conveyancing work involved. This has yet to be identified or quantified bearing in mind that the volume of acquisitions is unknown. It is possible that external solicitors may need to be instructed at additional cost depending on the timeframes, priorities and available resource at any particular time. Naturally it is envisaged that the in house team will be able to facilitate any instructions where possible.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

16.	Further investment in property is permitted under the General Power of Competence (GPC) introduced by the Localism Act 2011 which gives councils the power to do anything an individual can do provided it is not prohibited by other legislation.
<u>Other Legal Implications:</u>	
17.	none
POLICY FRAMEWORK IMPLICATIONS	
18.	The proposal set out in this report is not contrary to any policy implications. The disposal of a Council property for a capital receipt (as and when the option is exercised), supports the Council's capital programme.

KEY DECISION?	Yes	
WARDS/COMMUNITIES AFFECTED:	N/A	
<u>SUPPORTING DOCUMENTATION</u>		
Appendices		
1.	Options Appraisal	
2.	Draft Business Plan	
Documents In Members' Rooms		
1.	None	
Equality Impact Assessment		
Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out?		No
Privacy Impact Assessment		
Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.		No
Other Background Documents		
Equality Impact Assessment and Other Background documents available for inspection at:		
Title of Background Paper(s)		Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	None	

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Southampton City Council – Property Investment Fund

Options Appraisal

The Options Appraisal considers the relative benefits and limitations of seven investment options as follows:-



These are assessed against eight criteria

- Financial Objective
- Revenue Delivery
- Risk
- Control
- Liquidity
- Management Oversight
- Performance
- Diversification

Existing Assets – Direct Investment

What is it?
<ul style="list-style-type: none"> ■ The Council acquires and manages freehold or leasehold properties.
How does it work?
<ul style="list-style-type: none"> ■ The Council uses property professionals to identify market opportunities. ■ After deciding on price and clearing appropriate internal approvals, bid for assets. ■ Using appropriate advisors (legal, surveying, valuation) undertake due diligence and complete legal acquisition documentation. ■ Establish on going management arrangements (internal or outsourced). ■ Regular asset reviews to determine business plan and exit strategy. ■ Process required on an asset by asset basis.

Benefits

Financial Objective	Depending on property type, is capable of delivering 6% annual return
Revenue Delivery	Generates revenue from the time of the property acquisitions
Risk	Low risk option
Control	High level of control
Liquidity	Reasonable liquidity, subject to usual property market timings
Management Oversight	Relatively light requirement – high involvement at key decision points (buying and selling)
Limitations	
Performance	Low return option and no competitive market position
Diversification	Desired diversification unlikely to be achieved given current potential capital allocation

Existing Assets – Joint Ventures

What is it?
<ul style="list-style-type: none"> ■ The Council acquires and manages freehold or leasehold properties together with a partner.
How does it work?
<ul style="list-style-type: none"> ■ The options are to approach this on a case by case basis or create a strategic relationship with a trusted partner. ■ The Council will wish to select a partner or partners on the basis of their demonstrated expertise and ability to co-invest with the Council (assume 50/50). The Partner will carry out much of the management role. ■ The Partner will identify market opportunities. ■ The JV will include governance allowing Council input on key decisions, including acquisitions and sales. ■ The Partner is responsible for on going management arrangements. ■ Council rights to review business plan and exit strategy.

Benefits

Financial Objective	Depending on property type, is capable of delivering 6% annual return
Revenue Delivery	Generates revenue from the time of the property acquisitions
Risk	Lower risk option – JV partner risk added
Control	Medium level of control
Liquidity	Reasonable liquidity, subject to usual property market timings and governance of JV
Management Oversight	Light requirement – JV partner undertakes most of the direct acquisition, management and sales work
Limitations	
Performance	Low return option. Partner selected to bring track record and potentially competitive market position
Diversification	Diversification improved given additional Partner capital contribution but still unlikely to be at desired level

Existing Assets – Investment Funds

<p>What is it?</p> <ul style="list-style-type: none"> The Council invests in an unlisted property fund which owns a range of diversified property investments.
<p>How does it work?</p> <ul style="list-style-type: none"> The Council will undertake a process of reviewing available fund options and the track record of the fund managers. Once capital is invested the entire responsibility for acquiring and managing the investments is delegated to and the responsibility of the fund manager. The fund manager will report and pay distributions to the Council on a regular basis, usually quarterly. The fund documentation will set out the rights of the Council to redeem its investment and/or to sell it on the secondary market. The nature of these rights will vary depending on the type of fund.

Benefits

Financial Objective	Depending on fund type, is capable of delivering 6% annual return
Revenue Delivery	Generates revenue from the time of the fund investment – generally a shorter time than investing in direct property
Risk	Risk is determined by the nature of the fund. Additional risks relate to the fund structure, principally the performance of the fund manager
Performance	Returns are related to the specific investment strategy of the fund and manager performance.
Diversification	Fund investment can spread risk over a large number of underlying assets.
Control	High level of control of fund interest
Management Oversight	Very light requirement

Limitations

Liquidity	Unlisted investment funds generally have a low level of liquidity, particularly in market downturns.
------------------	--

Existing Assets – Listed Property Shares

<p>What is it?</p> <ul style="list-style-type: none"> The Council invests in listed property shares in a fund or a separate account mandate managed by a specialist fund manager.
<p>How does it work?</p> <ul style="list-style-type: none"> The Council will undertake a process of reviewing managers and available fund options and selecting an appropriate investment strategy. Once capital is invested the entire responsibility for acquiring and managing the investments is delegated to and the responsibility of the fund manager. The fund manager will report and pay distributions to the Council on a regular basis, usually quarterly. The mandate with the fund manager can be structured to allow an immediate liquidation of the investment portfolio if required.

Benefits

Revenue Delivery	Generates revenue from the day the property shares are acquired – share transactions can be effected in a short time period
Liquidity	The highest level of liquidity
Risk	The risk and return level is flexible and can be altered over time by reference to the agreed investment strategy
Diversification	Risk can be spread over a large number of underlying property companies/assets.
Control	High level of control
Management Oversight	Very light requirement

Limitations

Performance	Higher volatility than direct property. Longer term performance correlates to property but short term can correlate to general equity markets
Financial Objective	Dividend yields generally lower than direct property yields – to be investigated further.

Risk Share Development – Forward Purchase Funding

What is it?
<ul style="list-style-type: none"> The Council enters into an agreement with a developer to fund part of the development cost and/or acquire a development on completion.
How does it work?
<ul style="list-style-type: none"> The Developer will identify a market opportunity (although it may come from the Council) and carry out the development functions. The Council will be able to determine the risk profile it wishes to take on in entering the arrangement with the developer (e.g. after planning permission has been secured and construction packages have been tendered). During the construction stage the Council will likely require monitoring rights. Post development completion (as per direct investment): <ul style="list-style-type: none"> Establish on going management arrangements (internal or outsourced). Regular asset reviews to determine business plan and exit strategy.

Benefits

Financial Objective	Should deliver a premium to pure investment activity, so at least a 6% income return dependent on property type
Performance	A higher level of performance than investment activity
Risk	The risk of development is highly mitigated by the forward purchase/funding arrangements
Control	High level of control
Management Oversight	Moderate level once the transaction is agreed

Limitations

Revenue Generation	Revenue can accrue to the investment when funded, but this will only occur during or at the end of the development period
Diversification	Desired diversification unlikely to be achieved given currently contemplated level of investment
Liquidity	Low liquidity during the development period, thereafter as per the general property market

Risk Share Development – Joint Venture

What is it?
<ul style="list-style-type: none"> The Council enters into a JV agreement with a developer to carry out a specific development.
How does it work?
<ul style="list-style-type: none"> The Developer will identify a market opportunity (although it may come from the Council) and carry out the development functions. The risk of the development will be shared 50/50 between the Council and the Developer. The Council will be involved in key decisions during the development period. Post development completion (as per direct investment): <ul style="list-style-type: none"> Establish on going management arrangements (internal or outsourced). Regular asset reviews to determine business plan and exit strategy.

Benefits

Financial Objective	Should deliver a premium to pure investment and forward purchase/funding, so at least a 6% income return dependent on property type
Performance	A higher level of performance than investment and forward purchase/fund development activity
Risk	The risk of development is mitigated by careful partner selection and development stage oversight
Control	Strong level of control through JV documentation
Management Oversight	Meaningful level of oversight required

Limitations

Revenue Generation	Revenue will only accrue once the development is completed and leased (or sold).
Diversification	Diversification improved given Developer 50% capital contribution, but still unlikely to be at desired level
Liquidity	Low liquidity during the development period, thereafter as per the general property market

Self Development

What is it?

- The Council undertakes a development itself, appointing a development manager.

How does it work?

- The Development Manager will identify a market opportunity (although it may come from the Council) and carry out the development functions.
- The risk of the development will be taken 100% by the Council.
- The Council will be involved in key decisions during the development period.
- Post development completion (as per direct investment):
 - Establish on going management arrangements (internal or outsourced).
 - Regular asset reviews to determine business plan and exit strategy.

Benefits

Financial Objective	Should deliver a premium to pure investment and forward purchase/funding, so at least a 6% income return dependent on property type
Performance	The highest level of performance – the Council retains all development profit
Risk	The risk of development is mitigated by appointment of expert development manager and adoption of thorough risk management strategy
Control	Complete control with the Council

Limitations

Management Oversight	High level of oversight required
Revenue Generation	Revenue will only accrue once the development is completed and leased (or sold).
Diversification	Desired diversification unlikely to be achieved given the currently contemplated level of investment
Liquidity	Low liquidity during the development period, thereafter as per the general property market

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Southampton City Council – Property Investment Fund

Draft Business Plan 2016 - 2020

Introduction

The financial objective of the Property Investment Fund is to achieve a 6% income return. Different types of investment will provide different levels of return, income and capital.

Historic data shows that a 6% income return from property is achievable over the longer term and through a full economic cycle.

Various factors will affect the level of income return a property investment strategy will deliver over time including;

the **general economic environment** (driving rent growth or reductions)

interest rates (low rates drive prices up and property yields down)

investment demand (high liquidity drives prices up and property yields down)

The Investment Property Database (IPD) 2015 analysis of global property performance, reflecting different methods of investing in property (direct, unlisted funds and listed property company shares) and analyses the returns and risks associated with each over various time periods. In addition comparable return and risk analysis is provided for other types of investments – bonds and general equities.

This shows:

a) investing in direct property has the second lowest risk (after bonds) as measured by volatility (standard deviation)

b) for property investment options:

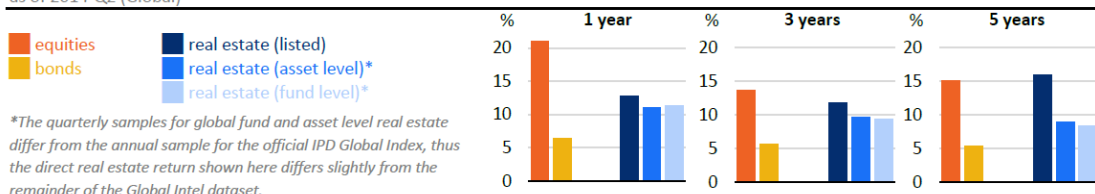
higher returns can be earned from investing in listed property shares and property funds

over a five year period listed real estate gave materially the highest absolute and risk adjusted returns

over a 10 year period listed real estate gave the highest absolute return (just) but as a result of high volatility direct property gave materially the highest risk adjusted returns

ASSET CLASS COMPARISONS

as of 2014-Q2 (Global)



Investment Objectives

PIF requirement	Reason for requirement	Potential approach taken to inform PIF and impact on performance
Low risk initially moving to higher risk over time	Recognising that benefits will need to be evidenced to demonstrate value to stakeholders and the wider community	Identify potential lower risk sources of revenue initially, moving to a more balanced risked portfolio over time Levels of return initially may be low
Focus on revenue (rather than capital)	To meet revenue funding gap	Consideration for investing in existing property funds Acquire to hold, rather than to dispose Re-invest any capital receipts
Short term revenue generation	To meet short term funding requirements	Seek to invest initially in current revenue generating assets or property funds in the short term In the medium term, identify opportunities for greater return on investment (ROI) by taking a longer term approach e.g. acquisition of vacant properties or development to realise a revenue stream
Ability to make quick decisions	The Council's current governance structure does not allow the Council to react quickly to investment opportunities	Consideration of amendments to the levels of delegated decision making
Stakeholder buy-in	Recognising that the PIF needs long term stability and cross political support to be successful	Consultation and engagement throughout the development of the PIF Communications Strategy Regular reports and reviews of PIF performance
Transparency	Meets the Council's audit and scrutiny requirements	Business cases required to support all investment decisions

	Demonstrates basis of investment decisions and value for money	Independent appraisal and evaluation Regular reporting and review of PIF performance
Commercial and political sensitivity	Recognising that the set up and operation of the PIF may create conflicts of interest As a public body, there are reputational risks that may impact upon the nature and type of investments	Review governance structure for the PIF to mitigate any obvious conflicts of interest Consider the reputational risks for the Council within any investment opportunities

Investment Criteria

The objectives of the Property Investment Fund will be met in accordance with the following Investment Criteria: -

- The Council will invest in a balanced portfolio of property assets with a focus on traditional, lower risk sectors including offices, retail, industrial and residential with a focus on Freehold (or Long Leasehold) property in lot sizes of between £2 and £10 million.
- The portfolio will be developed through a range of means including acquisition of existing investments, development and investment in property funds and shares.
- Development opportunities that exploit existing Council assets and the Council's knowledge of the City to maximise competitive advantage will be prioritised.
- Investments will achieve an overall target yield of 6% although a balance of lower and higher yielding investments will be considered on their merits to ensure an appropriate balance between risk and return.

Achieving Greater Return

SCC is planning for a growing shortfall in Central Government funding which may result in a desire to achieve greater than a 6% income return on its initial PIF investment over time. This can potentially be achieved in two ways.

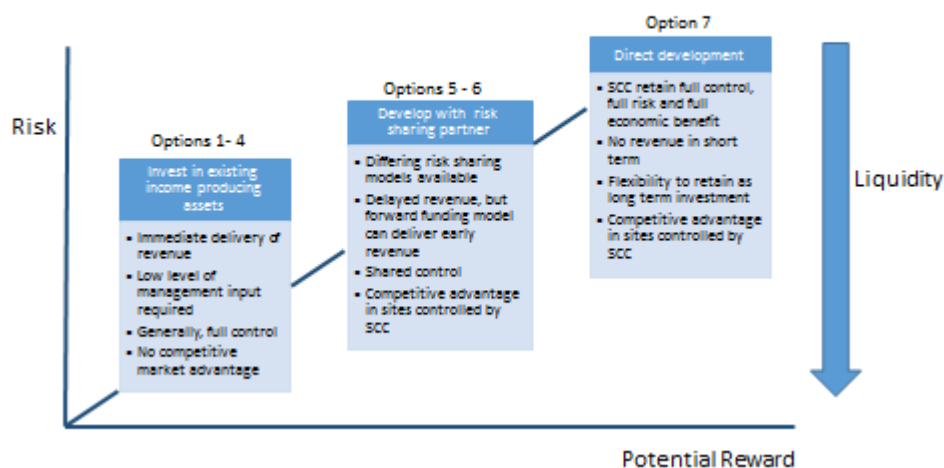
Firstly by increasing the amount of PIF investment while still achieving a target 6% income return, and

Secondly by taking greater risk in the investment strategy.

A potential model for taking progressively, and measured, increased risk over time is shown below. The intention is that a blend of risk profiles are employed and that the proceeds of higher risk (and shorter term) activities are partly redeployed back into the lower risk, long term sustainable "core" investment strategy.

It also envisages that additional funds can be made available after the first three year investment period.

There are a range of investment strategies with different financial, risk and timing profiles



Leveraging the Investment Pot

Whilst there are a number of potential constraints imposed upon the Council, which will result in the PIF operating in a slightly different way to a commercial property company, there are areas of competitive advantage over the private sector, which should be leveraged to enhance the performance of the PIF, or create/ identify opportunities that are not open to others.

- 1. Use of Prudential Borrowing** – The Council can access funding at significant lower rates than the private sector. Comparatively, this results in better return on investment or improved development margin.
- 2. Tax Efficiencies** – there may be opportunities where investment can be made directly through the Council which is potentially more tax efficient than private sector delivery vehicles.
- 3. Access to Public Sector Grants** – whilst recognising potential State Aid issues, there is potential to use sources of public sector grant to support and benefit investment made through the PIF.
- 4. Use of existing assets** – there will be opportunities to optimise the value of existing assets through acquisition of neighbouring sites using the PIF. The ‘marriage value’ of existing and acquired sites is likely to be greater than individual sites.
- 5. Strategic acquisitions** – whilst mindful of potential conflicts of interest with the role of Local Planning Authority, the Council is in a unique position to make investments with the benefit of foresight of future development.

Resources

It is proposed that the Head of Capital Assets will manage the Investment Business Plan and programme delivery. This will be using resources and expertise primarily from within that team and the SSP, however, where specialist external advice is needed, this work will be commissioned on an ‘as required’ basis, funded from the income from the Leaders portfolio Property Management budget (PA120 and

PA130). This approach will be reviewed regularly as part of the Investment Business Plan.

The detailed market searches and acquisition process will be undertaken either by the Valuation and Estates Service in Capita, as this work is covered by the Strategic Services Partnership, or by use of external agents. After acquisition the new property will form part of the Council's Investment Property Portfolio, which is currently managed on a day-to-day basis by Capita.

Governance Arrangements

In considering the optimal governance arrangements for the Property Investment Fund the Council will need to decide what decisions are most appropriately made by Committee (through existing procedures) and under delegated authority. The following decision structure is proposed: -

Committee Decisions

Purpose – defining the purpose and criteria of the PIF

Capital structure – how much finance to put into the PIF and on what terms?

Distribution policy – is all income or development profit to be returned to the General Fund or is any retained for future investment and/or running capital?

Business plan – agreeing the general investment targets for the period and an associated budget.

Delegated Decisions

Specific investment transactions – acquisitions, sales, borrowing (if applicable) and other key transactions

Appointment of service providers – lawyers, valuers, due diligence advisors, property managers, etc.

Delegated decisions sit with the Council's Capital Board and Head of Capital Assets in consultation with the Service Director – Finance and Commercialisation and the Leader (as Portfolio Holder).

Monitoring and Review

The day-to-day responsibility for implementing and managing the performance of the portfolio will reside with the Head of Capital Assets. This will be reviewed by the Service Director -Strategic Finance & Commercialisation and will periodically be scrutinised by the Council's Management Team.

A Portfolio Performance Report will also be published at least bi-annually for Member scrutiny and will inform future iterations of the Investment Business Plan.

Communications

A communications strategy will be developed to ensure that Portfolio Holders, ward Councillors and wider stakeholders are informed of decisions, acquisitions and disposals at appropriate times without compromising commercial confidentiality.

Delivery Options

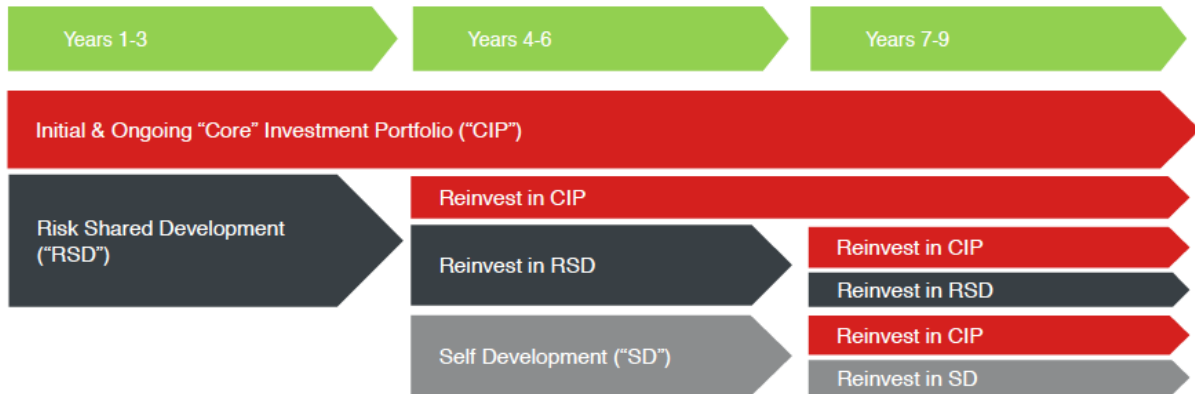
Given the PIF objectives the recommendations are as follows:

1. The PIF be flexible enough to allow all seven potential delivery methods as described in this report.
2. To generate immediate income, initial investment is proposed into the most liquid categories of delivery methods, namely 3 and 4 (property funds and shares). In this way, capital can be deployed quickly and flexibly. In the event

further allocations do not become available for future projects, these investments can be readily realised and redeployed.

3. As suitable opportunities arise investments will then be focussed on delivery methods 1 and 2 (direct property investment and joint ventures).

4. Higher value adding/risk activities (delivery methods 5 to 7) are focussed initially within the City. SCC’s knowledge of the District creates a competitive advantage and allows it to better manage risk and deliver wider SDC objectives. A pipeline of opportunities is already under consideration.



Risks

This is a medium to long-term strategy for the Council.

Investment in property and the carrying out of development activities carries risks at both macro and micro levels. Property rentals, values and occupancy rates typically fluctuate broadly in line with the regional, national and increasingly, the global economy.

The timing of acquisitions and sales can thus have a significant impact on the rate of return as can complementary investment in lower risk or countercyclical investments such as Private Rental Residential property.

Historically, however, property rentals and capital returns have delivered growth and as it is the Council’s intention to be a long term investor it is considered that these risks can be mitigated through a balanced portfolio approach.

Individual Investments will be the subject of pre-acquisition due diligence and risk assessments and regular updates to the Council’s Capital Board.

DECISION-MAKER:	CABINET		
SUBJECT:	SOUTHAMPTON OUTDOOR SPORTS CENTRE		
DATE OF DECISION:	19 APRIL 2016		
REPORT OF:	CABINET MEMBER FOR COMMUNITIES, LEISURE & CULTURE		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Mike Harris	Tel: 023 8083 2882
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Director	Name:	Mike Harris	Tel: 023 8083 2882
	E-mail:	Mike.Harris@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY	
None.	
BRIEF SUMMARY	
Following a comprehensive consultation exercise, officers have developed some outline proposals in order to develop the Outdoor Sports centre into a facility capable of meeting the needs of the community into the future. Detailed plans can now be developed alongside funding applications	
RECOMMENDATIONS:	
(i)	To note the outcomes of the consultation regarding the future of the Outdoor Sports Centre
(ii)	To support the development of detailed plans on the basis of the outcome of the consultation and discussions with national governing bodies.
(iii)	To delegate authority to the Service Director Growth to allocate resources to feasibility and design works where necessary in order to submit funding applications.
REASONS FOR REPORT RECOMMENDATIONS	
1.	To facilitate the implementation of improvements following consultation with the public and potential funding agencies
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
2	To develop a plan that does not reflect the consultation feedback - rejected on the probable waste of resources
3	Not to implement any improvements – rejected given the potential for the improvements to contribute towards key council objectives
DETAIL (Including consultation carried out)	
4	The outdoor sports centre was opened in 1938 and has served the people of Southampton well. Over the decades the facility has seen many improvements, including the development of the athletics facilities, all weather pitches and various play facilities. However, the last major investment was in 2000, when significant improvements to the athletics track and all weather

	pitches were implemented, prior to the Millennium Youth Games grand finals.
5	Since 2010, the facility has been managed by Active Nation, along with other sports facilities in the city, on behalf of the City Council. Some significant, but more minor improvements have been made in that time; re-laying of the surface of the all-weather pitches, creation of a bike jumps course, new floodlights and lighting for the tennis / netball courts and some improvements to the athletics performance spaces.
6	The facility has a great potential to provide a significant sport and recreation offer, and indeed is home to some of the largest and most successful sports clubs in the city and local area. However, to secure the sustainability of the clubs and to help them grow and attract more users and members to become physically active, it is recognised some investment is required to make the sports centre fit for the 21 st century.
7	<p>A comprehensive consultation process has been carried out, summarised below in paragraphs 8, 9, and 10 detailed in appendix 1. From the consultation there is a clear mandate for;</p> <ul style="list-style-type: none"> • A change to the sport centre to secure improvement • The development of indoor facilities, especially changing accommodation, but including sports playing facilities • The facility to serve users beyond the bounds of the city; a regional role as a minimum. <p>This mandate for substantial change has been delivered by a broad demographic of regular and occasional users, and of sporting and recreational users.</p>
8	Over 1200 stakeholders have engaged with the consultation process and have given their views on the future vision for Southampton Outdoor Sports Centre. There was a good range of engagement with the consultation both demographically and geographically. A total of 93% of respondents agree the existing Southampton Outdoor Sport Centre facilities would benefit from significant improvement. 89% of respondents agree with the suggested priority areas, which were listed as: Development of Hub(s), Sports facilities, Creation of physical activity opportunities, Infrastructure improvement. The overwhelming majority of consultation respondents that feel the facility should be at least a regional centre (85%). A large majority of respondents who currently use the Sports Centre once a month or less state that they would use the facility more if improvements were made.
9	Out of the three options for developing the pavilion shared within the consultation, Option 2 - providing changing for hard courts, beach volleyball and bowls, community space and indoor sports hall (to accommodate a wide variety of activities, including, for example 4 Badminton courts, 1 Netball, 1 indoor 5-a-side football, 1 Volleyball) was the most popular, with 48% of respondents selecting it as their preference.
10	The top pre-defined options selected for improvement are broadly similar to the priorities shown in the free text question. This further underlines the importance of key proposals such as facilities, indoor sports and parking. It also affirms that the selected priorities are in line with stakeholders expectations. Overall, this consultation allows Southampton City Council's Cabinet to understand the views of residents and stakeholders on the future vision for the Southampton Outdoor Sports Centre.

11	<p>Given the challenge in the financial environment, a key challenge is to ensure that investment in facilities delivers on key objectives. In particular is it recommended that changes are required to :</p> <ul style="list-style-type: none"> • Deliver increases in participation in sport and physical activity • Be deliverable and fundable in the short to medium term • Reduce the net cost of managing the facilities
12	<p>Whilst the physical capacity of the sports centre would allow for a number of different buildings of facilities to be developed, there is a clear need for the future developments to have a multi-sport approach, as opposed to one which proposes a number of different sport specific developments, which would not be affordable, on either a capital or revenue basis, and which would potentially take up additional green space.</p>
13	<p>Officers, alongside representatives of Sport England, have met with the Governing Bodies of Cycling, Football, Athletics, Netball, Hockey and Tennis to review the consultation feedback, balance it against their assessment of facility requirements and explore potential funding streams. Governing bodies of sport have detailed participant 'Insight data' that identifies potential areas for development, key features for clubs and facilities to be successful and an excellent understanding of what improvements would drive up participation. This data and understanding drives their investment decisions about what funding packages might be supported. It is critical that any proposals are developed with this knowledge in mind, in order that improvements do have the desired impact on participation, as well as placing the project in the best position to secure funding from these sources.</p> <p>Feedback from the NGB's includes:</p> <ul style="list-style-type: none"> • This development project sits perfectly with the wider work we have been developing in relation to the parks in the City. I now see one large tennis project to develop the parks and Sports Centre in the next few years. (British Tennis) • We are keen to support Southampton HC and their future at the outdoor sports centre. The club are very happy with the pitches and they want to remain on the site for the long term future, the opportunity to develop high quality ancillary facilities on site including an area for kitchen would be most beneficial to the club. Hockey is a family sport, where socialising and the community off the pitch is of equal importance to the performance on the pitch. (England Hockey) • This local desire to contribute toward an improved facility is encouraging and we would support the club's desire to provide an improved base for them and the other track users. We are also pleased and excited to know of the City Council's drive to engage with the local community and National Governing Bodies to determine the local need and devise a plan which explores options to provide a realistic and affordable solution. (England Athletics) • The lack of suitable multi-discipline cycling facilities throughout Britain is the single biggest barrier to a number of groups in society, including young people, women and girls, disabled people and new participants. It is a common model to see cycling facilities located on a multisport site, so purpose built cycling facilities at Southampton Outdoor Sports Centre, would appear to be a logical consideration in

	light of the results of the recent consultation.(British Cycling)
14	<p>The result of these discussions identifies some key issues:</p> <ul style="list-style-type: none"> • The need for a central hub that provides for quality changing facilities, social area with catering, meeting rooms for clubs, facilities for coach education etc. These are common themes for continued sports club sustainability and growth, and to attract the current non participating parts of the community. All governing bodies were comfortable with a multi-sport approach • The scale of the playing facilities was generally considered to be appropriate for the standard of the sport to be played there, with some (relatively) minor improvements recommended. • Indoor playing facilities were only identified as preferable by the Governing Body for Tennis. This is based on models in similar locations where a mix of indoor and outdoor facilities have made substantial impacts on participation. – there is a need to assess the value of the additional investment in terms of revenue benefit and participation increases.
15	<p>As a result of the consultation, it is proposed that a detailed plan is developed that includes and considers the following elements and issues:</p> <ol style="list-style-type: none"> 1. Development of a single central hub, providing sufficient accommodation for the needs of the sports on site. The hub should include an option for the provision of a fitness offer in order to supplement outdoor activity and to contribute towards revenue costs. 2. Continued provision of outdoor Tennis / Netball Courts – resurfacing required. Floodlighting has recently been upgraded and is of a good standard. The provision of 1 above would significantly enhance the Netball offer. The plan will need to establish what scale of benefit , if any, could be secured by adding indoor tennis facilities (both in terms of participation and income) when balanced against the additional investment required 3. Continued provision of two sand dressed Artificial Turf Pitches (ATP's). This would allow Hockey to meet its playing needs, whilst the Hub, would provide more opportunities for the clubs to grow and attract new participants and events 4. Provision of a minimum of one 3G ATP (suitable for football). This may allow mini and youth football matches to be played on an artificial surface, which is an increasing demand in the area, whereby a number of matches are regularly called off due to poor drainage and condition of grass pitches. The associated business plan will determine whether these facilities 5. Potential provision of a Closed Road cycling circuit. The route needs to be carefully considered, taking into account some of the feedback from the consultation. This is potentially a significant facility; 1 km long, 6 m wide with run off either side, but has the potential to be used for a wide variety of activities, aside from competitive cycling. 6. Informal recreational and non sporting opportunities; for example marked running routes and improved habitat for amphibians, in an appropriate location

	7. Provision of greater number of parking spaces (potentially some just for events to manage the impact on the local area). This can best be determined once the elements above have been considered
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
16	A detailed implementation plan is required, and so capital costs are not currently available. Some specialist work will be commissioned to progress this, given the lack of capacity to deliver this within the council.
17	Resources from the Section 106 Playing Fields fund will be used to support the next stage of project development
<u>Property/Other</u>	
18	none
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
19	Section 19 of the Local Government (Miscellaneous Provisions) Act 1976 gives the power to a local authority to provide, inside or outside its area, such recreational facilities as it thinks fit.
<u>Other Legal Implications:</u>	
20	None.
POLICY FRAMEWORK IMPLICATIONS	
21	The work is in line with the Council's Policy Framework.

KEY DECISION?	No
WARDS/COMMUNITIES AFFECTED:	Potentially all
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Consultation Results
2.	Sports Centre schematic
Documents In Members' Rooms	
1.	
2.	
Equality and Safety Impact Assessment	
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	No
Privacy Impact Assessment	
Do the implications/subject of the report require a Privacy Impact	No

Assessment (PIA) to be carried out.		
Other Background Documents		
Other Background documents available for inspection at:		
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)	
1.		
2.		

Southampton Outdoor Sports Centre Improvement – Consultation report Appendix 1

Introduction

1. Southampton City Council undertook consultation with residents and stakeholders regarding a proposed vision and improvement plan for Southampton Outdoor Sports Centre between 18 September and 18 December 2015.
2. Southampton Sports Centre opened in 1938, and since then a number of changes, improvements and modifications have been made. However, despite these changes and investment, Southampton City Council recognises that there is considerable interest in establishing a future vision for the Sports Centre and identifying some key areas for improvement in terms of how it could grow and develop to replace, refurbish and enhance its offer for both competitive sports and leisure users.
3. The council is currently facing significant budget pressures, as the main grant from central government has decreased by 30% since 2012/13, and will continue to be cut over the next five years; at the same time, demand for our services, particularly adults and children's social care, continues to rise. Therefore, the council is unfortunately not in a position to fund large scale improvements to the Outdoor Sports Centre, and needs to attract funding from other agencies and partners. In order to do that, a clear vision for the facility needs to be established, with support from residents, users and national governing bodies of sport.
4. The draft improvement plan has been developed following a lengthy period of engagement with; residents who live close to the Sports Centre, sports clubs and organisations that use the facility and the Friends of Southampton Sports Centre (FOSSC), as well as sport national governing bodies. This consultation was intended to present the conclusions of that process to a wider audience in order to conclude the process of engagement and consultation. It was not seeking views on a direct set of proposals but looking to engage the views of a wide range of stakeholders on various ideas and potential changes to the sports centre so that external funding could be sought.
5. The proposal was agreed and that led to a period of formal consultation with key stakeholders and the public in order to establish support for the vision for the future of the Outdoor Sports Centre.

Consultation principles

6. The council takes its duty to consult with residents and stakeholders on changes to services very seriously. The council's consultation principles ensure that all consultation is:
 - Inclusive: so that everyone in the city has the opportunity to express their views.
 - Informative: so that people have adequate information about the proposals, what different options mean, and a balanced and fair explanation of the potential impact, particularly the equality and safety impact.
 - Understandable: by ensuring that the language used to communicate is simple and clear and that efforts are made to reach all stakeholders, for example people who are non-English speakers or disabled people.
 - Appropriate: by targeting people who are more likely to be affected and using a more tailored approach to get their feedback, complemented by a general approach to all residents, staff, businesses and partners.
 - Meaningful: by ensuring decision makers have the full consultation feedback information so that they can make informed decisions.
 - Reported: by letting consultees know what was done with their feedback.
7. The council also aims to ensure that consultations are conducted in a timely fashion, so that there is time for proposals to be influenced by the outcome of the consultation, and time for decision makers to see the full results and understand the views of consultees before taking any final decisions.
8. The city of Southampton also has a compact (or agreement) with the voluntary sector in which there is a commitment to undertake public consultations for a minimum of 12 weeks wherever possible. This aims to ensure that there is enough time for individuals and voluntary organisations to hear about, consider and respond to consultations. It is also in line with national government guidance.

Early listening and engagement

9. A series of ten drop-in sessions were held in November 2013 at a range of community venues within the SO16 postcode area. Sports Clubs who book facilities were also invited to an additional session. The aim of these sessions was to engage local people and sports clubs to identify what they liked and disliked about the Outdoor Sport Centre and to generate ideas for improvements.
10. 155 people attended the sessions at six venues, and 169 ideas were generated as a result. The majority of attendees were adults, and visited the sessions held at the Sporting View with the remaining attendees split fairly evenly at other venues.
11. This engagement provided valuable feedback from the local community and sports users. A series of key themes and ideas emerged, highlighting capital developments, programming and operational improvements. The high priority improvements identified through the engagement process were as follows:
 - Development of Club Hub and Sports facilities to include: changing and toilet provision, meeting rooms, Café/refreshment provision, indoor sports provision (Capital improvement)
 - Creation of Physical Activity Opportunities to include: Marked running/jogging route, cycling circuit, outdoor gym (Capital/ Programming improvement)
 - Infrastructure Improvements: increase and improve car park provision, improve lighting on access routes or footpaths within the site (Capital/Operational improvement)
 - Open Space: develop the existing woodland walks, consider options for dog walking areas and other recreational activities e.g. ropes and zip wires, wheeled sports park, retain the open space (Capital/Operational/Programming improvement).
12. The feedback from this process was used to develop the draft Sports Centre Improvement Plan which includes plans and suggestions from the community feedback. Further consultation then took place on the draft plan with a range of national sports bodies and local stakeholders and partners. This period of consultation reaffirmed the priorities from the initial phase, but also refined the overall priorities to:
 - Development of Hub(s) to include: changing and toilet provision, meeting rooms, Café/refreshment provision, which is fit for purpose and meets the needs of different sports and recreational users of the site (Capital improvement)
 - Sports facilities to potentially include: indoor sports provision, 3G pitch, Multi Use Games Area, Beach Volleyball, Pitch drainage improvements (Capital improvement)
 - Creation of Physical Activity Opportunities to include: marked running/jogging route, cycling road circuit, Skate Park/Wheeled Sports facility, Outdoor gym (Capital/ Programming improvement)
 - Infrastructure Improvements: increase and improve car park provision, improve lighting on access route within the site (Capital/Operational improvement).

Approach and methodology

13. The consultation on the vision for improvements to Southampton Outdoor Sports Centre sought views on a range of development ideas from users of the facility, local residents and visitors to the city. The consultation ran from 18 September to 18 December 2015, a total of 12 weeks.
14. The agreed approach for this consultation was to use an online questionnaire, with paper versions available on request. This approach enabled an appropriate amount of explanatory and supporting information to be included in a structured questionnaire, helping to ensure that residents were aware of the background and context. It also meant that the consultation questionnaire could sit on the same webpages as all the reports, diagrams and the Sports Centre Improvement Plan, which showed the various ideas in more detail. These additional documents also contain details of previous engagement that has led up to, and informed, the proposals. This therefore represented the most suitable methodology for consulting on the future vision for Southampton Outdoor Sports Centre.

Promotion and communication

15. Throughout the consultation, every effort was made to ensure that as many people as possible were aware of the proposed changes and had an opportunity to have their say. Particular effort was made to communicate the proposals in a clear and easy to understand way.
16. The consultation was promoted in the following ways:
- E-alerts, sent to subscribers of the council's email marketing service. These featured hyperlinks to further information about the consultation and the questionnaire itself.
 - Information and media support were provided to the regional media to help them cover the consultation. This resulted in the following coverage:
 - o BBC Radio Solent – news feature and interview with Cllr Kaur (1 October 2015)
 - o BBC Hampshire (web) www.bbc.co.uk/news/uk-england-hampshire-34391671
 - o (29 September 2015)
 - o Daily Echo – 'Southampton Sports Centre could be set for a £27.4m revamp' - double page feature article and web (2 October 2015)
www.dailyecho.co.uk/news/13798465.southampton_sports_centre_set_for_multi_million_pound_revamp_including_skate_park_3g_pitch_and_cycle_track/
 - o Southampton Athletic Club (web) www.southamptonathleticclub.org.uk/wordpress/the-new-sports-centre-have-your-say/
 - A link to the Southampton Outdoor Sports Centre Improvement consultation web pages was included on the council website 'have your say' page for the duration of the consultation.
 - Emails were sent to a range of support organisations, sports clubs, schools and stakeholders.
 - Active Nation, the delivery partner for the Sport Centre, promoted it with their users.
 - The council's Facebook and Twitter accounts were used to signpost people to the consultation information and questionnaire.

Consultation respondents

17. In total, 1277 people responded to Southampton Outdoor Sports Centre consultation. Responses were received both in the form of online and paper questionnaires. All the questionnaire submissions that had at least one question completed were included in the analysis. It was important to include all responses even if only a single question was answered as this is still valid feedback. However, this does mean that the demographic information outlined may not cover all respondents, as some may not have completed this section.
18. In total:
- o 56% of respondents were local residents who wanted to have their say on the planned changes to Southampton Outdoor Sports Centre.
 - o 27% were members of Southampton sports clubs or community groups.
 - o 2% were respondents from schools/colleges or Universities
 - o 15% of respondents didn't identify with any of these groups and were classed as Other
 - o Within the respondents that did not identify with the given groups, the most common responses were:
 - Residents or sports clubs of areas outside of the Local area (such as Fareham, Portsmouth, Winchester & Andover)
 - Parent or guardian of Southampton Outdoor Sports Centre users.
19. This section shows the demographic makeup of respondents to the main questionnaire, enabling an understanding of which groups were represented in terms of age, gender, ethnicity and also the type of person filling in the survey (taken from the groups above). As consultations are open for anyone to answer, they will not necessarily be representative of the whole population of Southampton. It is however important that as wide a range as possible are engaged and are given the opportunity to share their views.
20. Figure 1 shows the age breakdown of the consultation respondents. The least represented group was the under 10s, with less than 1% of the total respondents falling into this category, which is to be expected as the

questionnaire was aimed primarily at adults. The group which was most represented was the 40-49 year olds, with 27% of respondents coming from this category. The following age groups had an engagement of over 15%: 30-39 and 50-59, with 24% and 16% respectively of the total respondents. This consultation has a more even spread of respondent ages than is typically seen, as the 40-70+ age group tend to participate in greater numbers. As an example, in Southampton City Council's budget consultation for 2014/15, 48% of respondents were between 50-69 years old and 7% for were between the ages of 17 and 29.

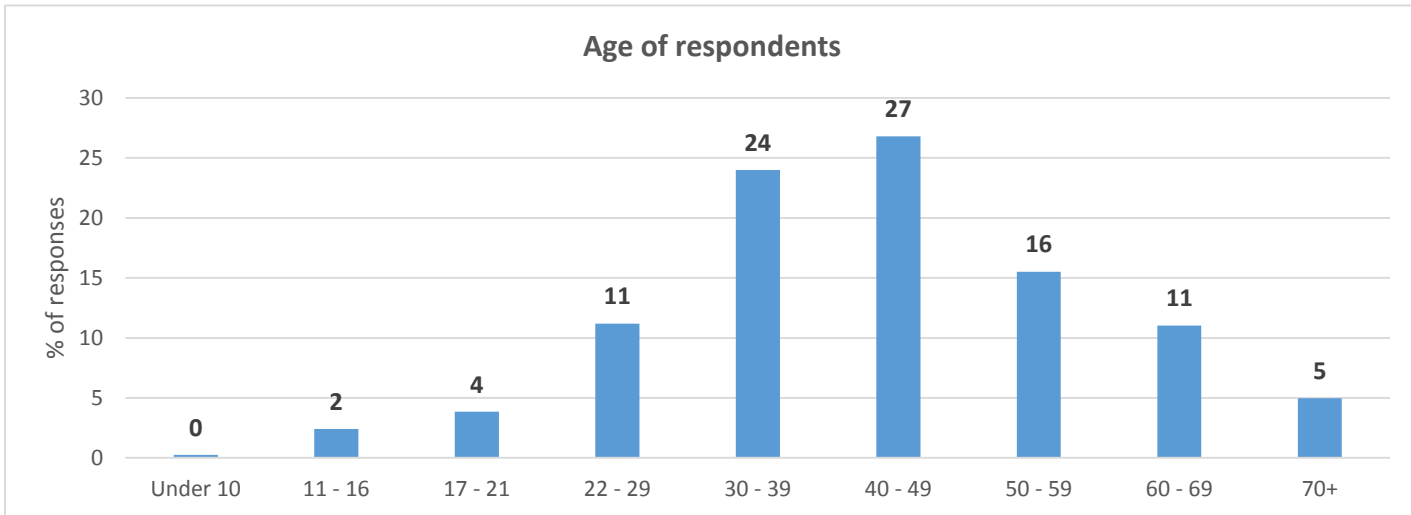


Figure 1

21. Mapping has been undertaken to look at the geographic distribution of respondents to the consultation. As seen in Figure 2, there is a fairly wide interest from across the region.

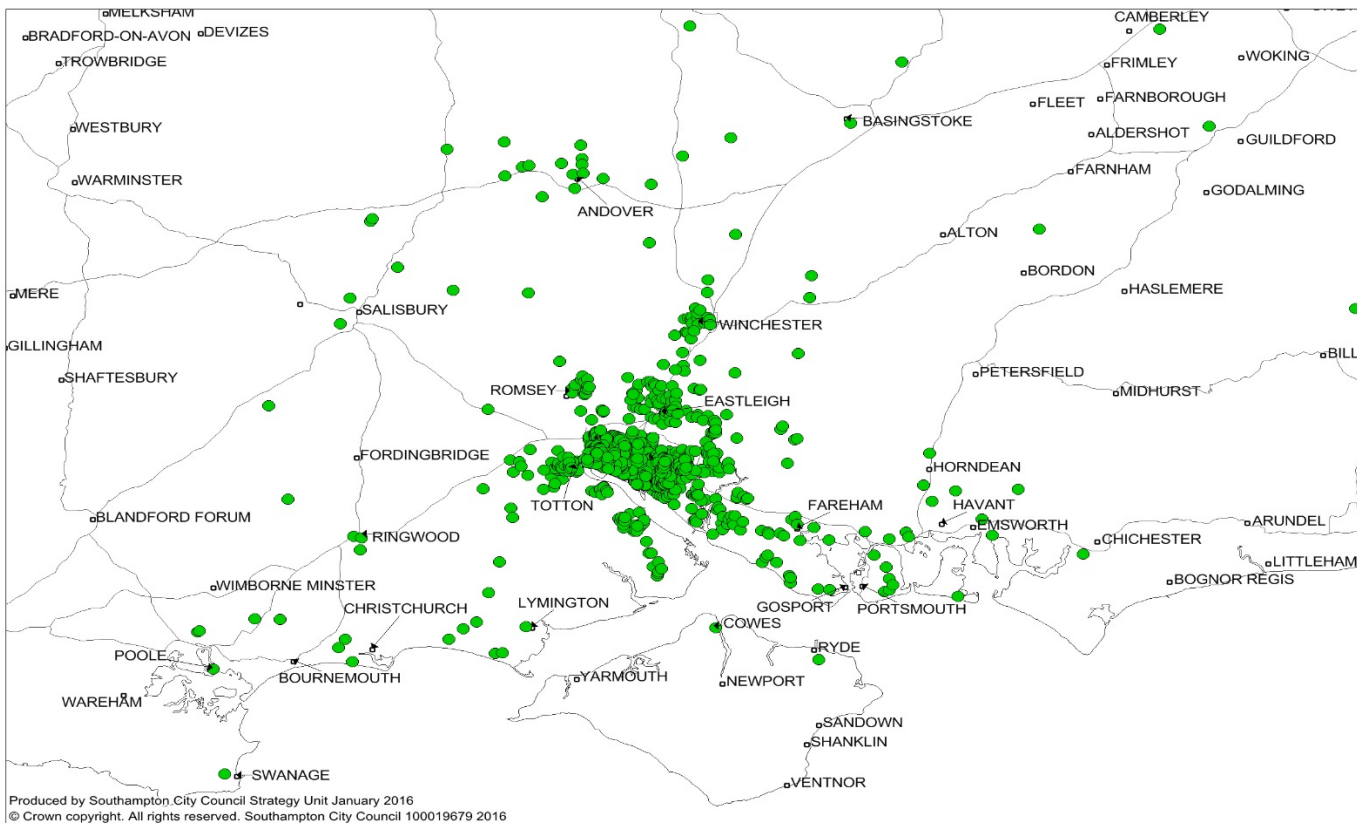


Figure 2

22. The gender breakdown of consultation respondents was 51% male and 49% female. This consultation has a more even representation of gender responses than typically seen, when compared to other consultations. For example, the Libraries Transformation 2014 consultation had a much higher female response (63%) than male (37%), which is more in keeping with what is generally expected, as more females tend to participate than males in consultations.

Current usage

23. As a part of the consultation various questions were asked about respondent’s current use of the Sports Centre and other sports facilities, the results to these questions are outlined in this section.

24. Consultation respondents were asked how regularly they used Southampton Outdoor Sports Centre. See Figure 3 for the complete response data.

- a. The most common answers given were 2-6 times a week (24%), once a week (22%) and occasionally (31%)
- b. The least common answers given were every day (3%), once a fortnight (4%) and never (6%)
- c. In total 49% of respondents to the consultation used the sports centre at least once a week

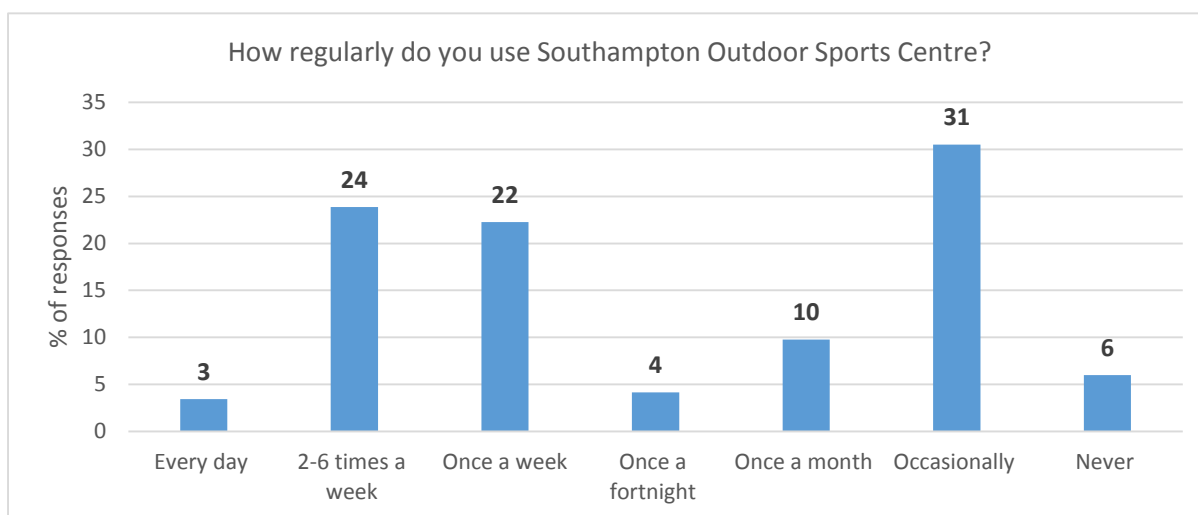


Figure 3

25. Respondents were then asked what activities they regularly took part in. A list was given of common activities and the option of other was also presented. Below is a breakdown of the major activities that were chosen. Figure 4 displays the percentages of each activity. Finally the Other section was broken down further to show the main responses within this section. (Note that the percentages do not add up to 100 percent as multiple choices were available).

- a. For respondents that gave the answer Other, the most common activities were;
 - i. Swimming
 - ii. Walking/rambling
 - iii. Pétanque
 - iv. Children’s play area/pleasure park
 - v. Sailing/kayaking
 - vi. Golf

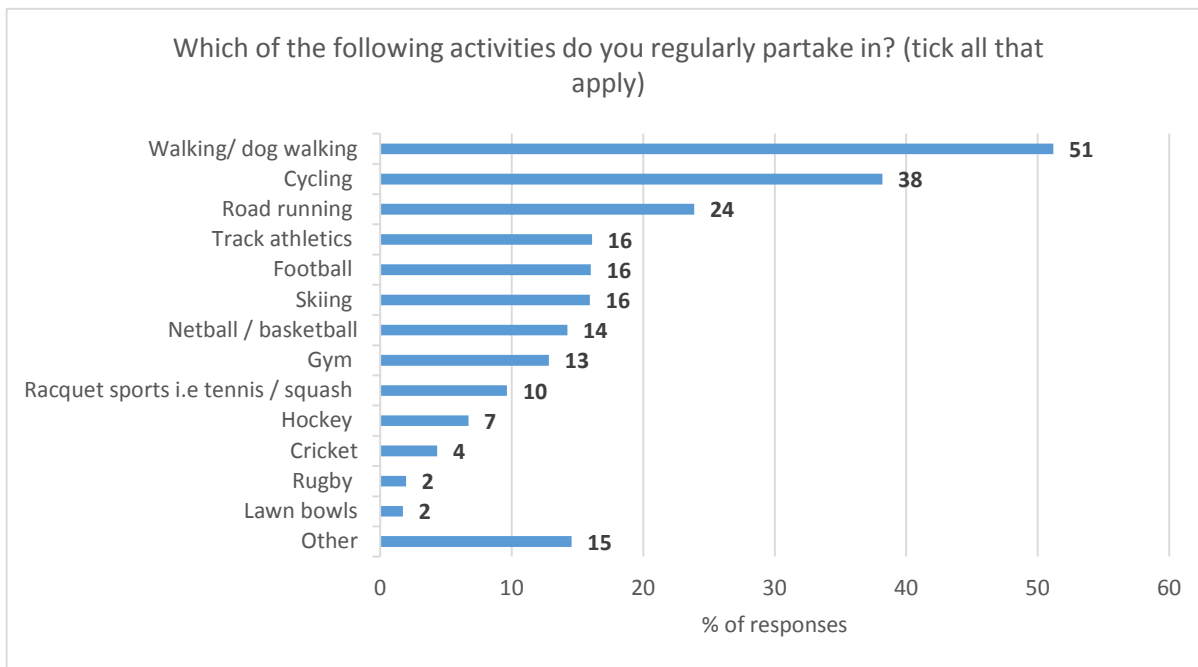


Figure 4

26. Alongside asking respondents what they regularly took part in at Southampton Outdoor Sports Centre, they were also asked to provide other facilities/activities that they used outside of the sports centre. Below is a breakdown of the major activities that were chosen. Figure 5 displays the percentages of each activity. Finally the Other section was broken down further to show the main responses within this section. (Note that the percentages do not add up to 100 percent as multiple choices were available).

- a. For respondents that gave the answer Other, the most common activities were;
 - i. Swimming pool
 - ii. Road running/running track
 - iii. Local parks/commons or New Forest for walking/dog walking
 - iv. Off road/road cycling

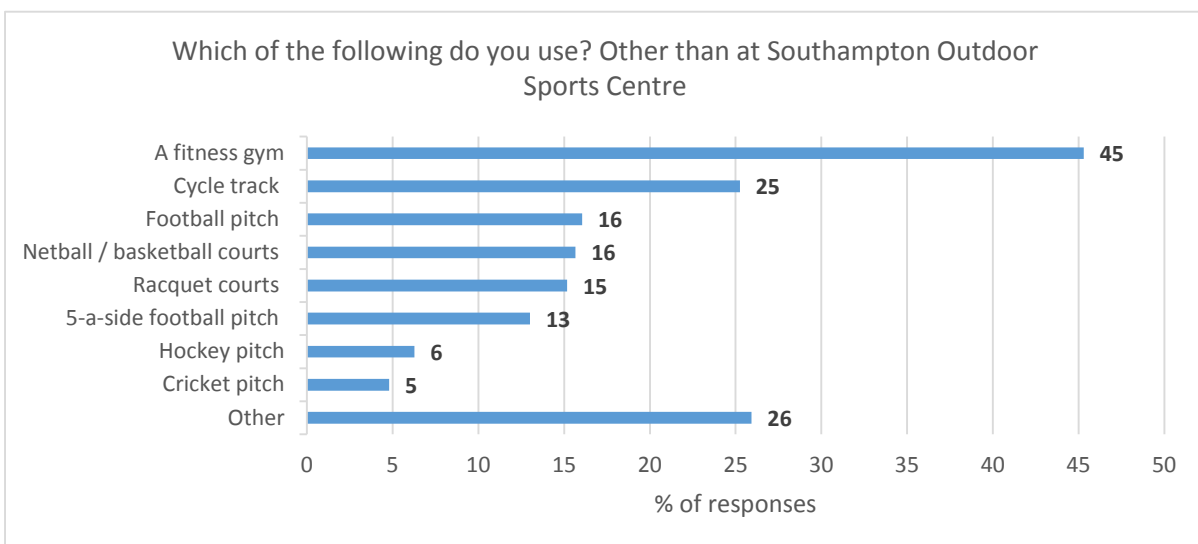


Figure 5

Consultation results

27. Respondents were asked about their agreement with certain statements within the survey. Three key statements were given and, for each of these, consultees could state whether they agreed (strongly or otherwise), disagreed (strongly or otherwise) or were neutral. Below the key statements and the percentages of agreement/disagreement are listed (some of the percentages may not add up to 100 due to rounding):

- i. Q1 - Whether the existing Southampton Outdoor Sport Centre facilities would benefit from significant improvement (93% agree, 6% neutral and 2% disagree)
- ii. Q2 - The priority areas, which were listed as: Development of Hub(s), Sports facilities, Creation of physical activity opportunities, Infrastructure improvement. (89% agree, 7% neutral and 3% disagree)
- iii. Q3 - Whether the improvements would mean increased use (86% agree, 11% neutral and 3% disagree)

The data (including strongly agree and disagree) are shown in Figure 6.

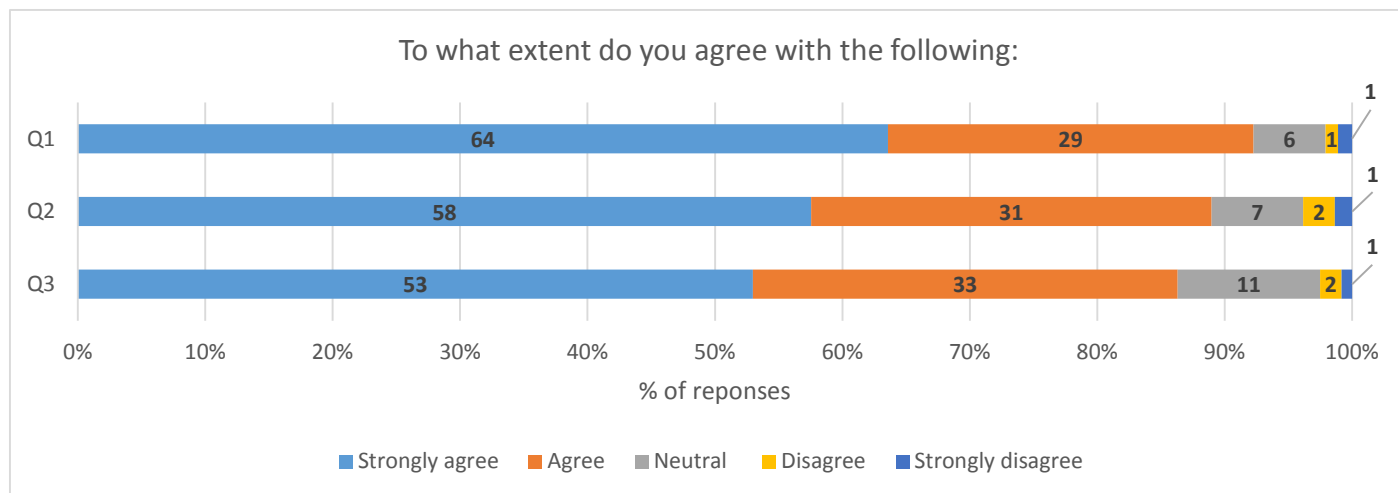


Figure 6

28. Once it had been established whether respondents agreed with the key statements, they were asked who the sports centre should be aimed at. A key finding of the consultation is that the overwhelming majority of respondents feel the facility should be at least a regional centre (85%). The results are given below:

- a. City and regional sports facility – 43%
- b. City, regional and national sports facility – 42%
- c. City sports facility – 15%

29. Figure 7 shows the geographic distribution of agreement around the type of facility which respondents would like the sports centre to be.

- a. The respondents who live in Southampton:
 - i. City and regional sports facility – 40%
 - ii. City, regional and national sports facility – 40%
 - iii. City sports facility – 19%
- b. The respondents who live outside of the city:
 - i. City and regional sports facility – 49%
 - ii. City, regional and national sports facility – 44%
 - iii. City sports facility – 9%

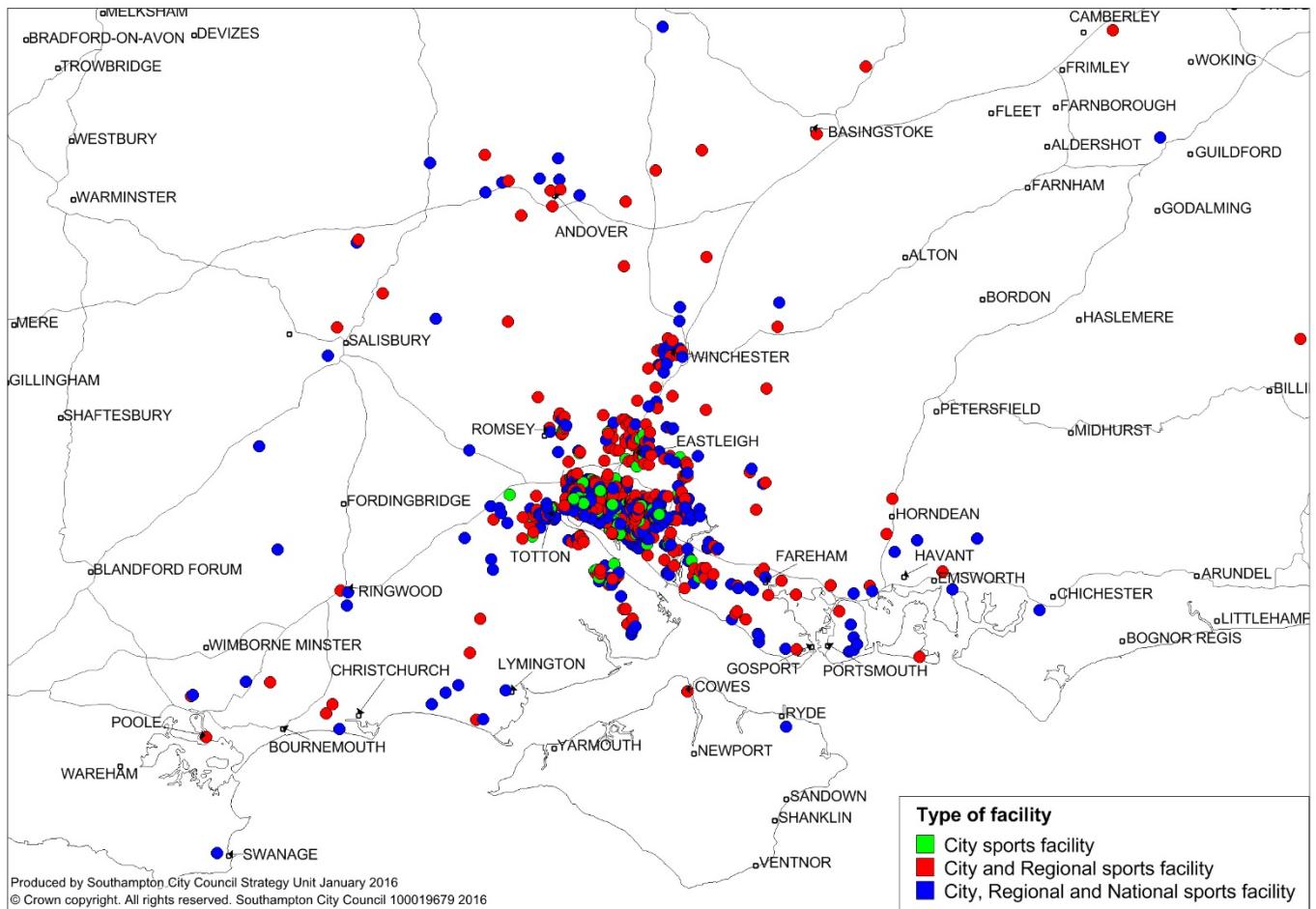


Figure 7

30. Proposals were then described for different areas of Southampton Outside Sports Centre and consultees were asked to assess which of the proposals they agreed with. The first area to be considered was the pavilion. The options and results are given below:

- a. Option 1 – Changing rooms for hard courts, beach volleyball and bowls, community space (12%)
- b. Option 2 – Changing rooms for hard courts, beach volleyball and bowls, community space and indoor sports hall (over marked for example to accommodate 4 Badminton courts, 1 Netball, 1 indoor 5-a-side football, 1 Volleyball) (48%)
- c. Option 3 – Changing for hard courts, and bowls, community space and indoor sports hall (over marked for example to accommodate 2 Futsal courts, 4 Netball, 21 Badminton courts) (40%)

31. Alongside providing options and proposals, consultees were given the opportunity to provide further comments or suggestions on Southampton Outdoor Sports Centre. 688 separate comments were noted on the electronic survey and emails and letters were also accepted as part of the consultation. These are (where applicable) within the results given below. Note that the percentages may not add 100% as some comments fell into several categories. The key points highlighted by respondents as areas for development or improvement were as follows:

- a. Increased/Improved cycling facilities – 25% of responses
- b. Improvement of facilities (such as the current buildings, toilets, changing facilities etc.) – 16%
- c. Parking (both positive comments, such as needing an increase in parking spaces, and negative comments, such as increased tarmacked areas could impact the greenery on the site) or access to the site (by a range of different transport methods such as bike, walking or cars) – 16%
- d. Improvement to other sports facilities (sports not directly mentioned, such as football, basketball or pétanque) – 12%
- e. Indoor facilities (such as swimming pools, running tracks, netball courts etc.) – 11%
- f. Inclusive activities (outside of athletics or sporting) – 10%

- g. Improvements to the athletics equipment – 9%
- h. Improvements to the netball courts – 8%
- i. Comments mentioning the boating lake or sports involving aquatics (sailing, boating, kayaking, water park, paddling pool etc.) – 7%
- j. Keeping The View in its current form – 6%
- k. Improvements to Ski slope – 4%
- l. Greater security or safety considerations in the area (such as CCTV or improved lighting) – 3%
- m. Outdoor/indoor gymnasium – 3%
- n. Provision for disability access and sports – 3%
- o. Improvements to hockey pitches – 2%
- p. Other (comments that could not be placed in any of the above groups) – 16%
- q. Common overarching themes (that were not included as separate groups) are given below
 - i. Preserving the historical significance of the site
 - ii. Preserving the ecological importance of the site (with particular emphasis placed on amphibious species, however bird, plant and invertebrate species are also mentioned) and maintaining the green areas
 - iii. Making sure that the sports facility is in keeping with its name (being an outdoor sports centre), however this is in direct opposition with 11% of responses which stated indoor facilities should be considered a priority.

32. Table 1 contains five examples of each category that represented at least 5% of responses.

TABLE 1

Comment group	Comment
Cycling	A competitive road racing circuit would be great, it would get a lot of use and a lot of riders would appreciate a safe, fast and well equipped circuit.
	A closed road circuit is vital for youth and junior cycling development in the South as many facilities have been shut down due to poor maintenance. British Cycling has spent vast sums in the North of England, but this has not been matched for the South of England. A National cyclocross event was held on Sunday 11th and the numbers of people participating and using the facility was incredible. We are from the Portsmouth area and would certainly to the Sports Centre for training, coaching and racing.
	Absolutely believe Southampton would benefit from a closed road cycling circuit - there is nothing of this standard in the area and would be a tremendous benefit to the all ages. We have some great youth cycling talent in the Southampton area and currently they have to travel to train for any road facilities up to almost an hour away. This would be a great addition to the community promoting this important leisure and sporting activity.
	any cycling facilities would be great - really miss using the cycle track!
	Having a Closed Road Circuit would improve facilities. There is a large number of cyclist in Hampshire and may are trying road races. Having a track would allow to enter competition in the local area.
Facilities	A completely new stand by the Athletics track and completely new changing facilities & toilets should be top priority
	As a minimum the facilities for the athletics track need to be upgraded to at least offer on-site (track) changing room / toilet facilities (inc hot and cold running water - current facilities are dreadful.
	I think the sports centre would benefit greatly from some of the more minor improvements such as to the toilet facilities. It just seems very run down and unloved....even the floodlights haven't had bulbs replaced.

	<p>Make toilet and changing facilities fit and comfortable for use - currently they are a disgrace; and make them accessible from the athletics track. Improve the athletics stand and make it a venue for good standard meets - sell advertising around the perimeter to generate revenue. I believe Basingstoke track does this??</p>
	<p>The sports centre can bring further credit to Southampton as a regional sports centre of excellence and I believe this should be the focus, therefore improved parking, indoor hall with catering facilities, appropriate changing facilities should be priorities, modelled on catering for agreed regional event numbers with the current users.</p>
Parking/access	<p>It is important to maintain access and paths for local residents who walk through or around the area for gentle exercise, as well as for the more energetic.</p>
	<p>I am concerned that the Closed Cycle Road Circuit might impinge on freedom of access to the walking footpaths around the northern boundary of the SSC. It may be necessary for safety purposes to fence the circuit - especially if close to footpaths/walkways - but it's important that this doesn't restrict access to footpaths. Also from the map it appears that the footpath is immediately adjacent to the full length of the cycle circuit; it would be better if there was some separation between the two.</p>
	<p>As a local resident my top priority is that sufficient car parking is provided to cope with the planned number of people visiting the site. Parking for local residents is often a nightmare when there is any kind of event happening. Also the main way I use this space is not for playing any particular sport, but as a recreational open space for walking and family outings. I like the little playground which should be retained.</p>
	<p>I think it is a great idea to improve the sport centre. It is a great asset for the city. I think we should aspire to be a regional centre as well - build on the current success of southampton football club to put the city on the map. However, the issue of additional car parking would need to be addressed in order to host large scale events.</p>
	<p>I live on the edge of the sports centre and have been using the centre since I was very young. Improvements are very welcome but please do consider local residents if developing the car park at the end of Thornhill road.</p>
Other Sports	<p>Maintain the petanque pitch which I use once a week - it should not become a car park.</p>
	<p>improved cricket pitches with sight-screens and better facilities for scorers</p>
	<p>Suggestion, an archery enclosure</p>
	<p>I run a rugby league team in Southampton called the Spitfires - we would love to be based out of the Sports Centre but the current facilities are not suitable to do this.</p>
	<p>would be nice to have: Circuit Training (workout) Stations in conjunction and along side the Jogging track. Frisbee golf course (its very popular in USA) Sand /clay pitches for Boules (Bocce, pétanque,)</p>
	<p>Please keep the Outdoor Sports Centre as it's value to the local and wider community is massive. The development plan look great especially the building of an Indoor area for sports like Volleyball and Badminton.</p>
	<p></p>
Indoor facilities	<p>Indoor gym, training, warm up facilities in the hub</p>
	<p>Indoor facilities would be paramount to make the Sports Centre accessible all year and not be dependent on weather. This could include a teaching room. A gym would be extremely useful to enhance performance for athletes</p>
	<p>As a regional athletics competitor aiming for National level, I would suggest the provision of an indoor facility and an additional hammer cage and high jump bed would significantly improve the level of competition that we can host and therefore compete in. This in turn pushes us to improve.</p>

	<p>The south coast needs an indoor athletics track, as the closest alternative is Lee Valley, North London. It would attract users from Brighton to Weymouth, and provide a venue for regional and national competition</p> <p>There should be some provision for indoor athletics which could be accommodated under the proposed new stand or in the pavilion. A four lane 60m track with provision for long and high jump could easily be included and would be the only indoor facility within 50 miles.</p>
Inclusive activities	<p>More options / activities for children to get involved in sport, children sports facilities / clubs and nature activity trail for children. Rugby facilities To do something with the old boating lake.</p>
	<p>Facilities with maximum flexibility eg Pavillion which can be used for non-sports activites eg weddings, social events. This will also provide income when not otherwise being used and increase the utilisation by head count.</p>
	<p>Play parks to be improved, kids water park something a bit more exciting and worth visiting. We spend all day there at weekends and holidays and would be great if more for familys to enjoy. You encourage out door play for kids so lets help make it a bit more exciting.</p>
	<p>The current state of the sports centre is looking its age, although it is still functional. Consideration for all users needs to be taken into account and not just the users who generate an income for the sports centre.</p>
	<p>special area for children and adults with special needs to engage in physical activites with their support workers; with suitable adapted facilities for changing , toileting and socialising in a stimulating environment recognising their dignity and diversity. Actively consult with ethnic minorities to encourage inclusivity within communities using sport and activities as a channel to promote good community relations</p>
Athletics	<p>A New/additional high jump bed and hammer net</p>
	<p>I would love to see the athletics facilities match the standard of the athletes that represent the city. GB paralympic athlete and Southampton AC club member and war hero Dave Henson who has lived in Southampton all his life has to train at Portsmouth, enough said.</p>
	<p>Please refurbish the track it's quite off putting seeing rats run from underneath the stand to the portacabin</p>
	<p>Specific development of the athletics area. To allow for higher national competition there needs to be a second discus throwing cage, facility for second high jump bed, second shot put area, indoor training facilities for all athletic disciplines track and field, better facilities for officials and athletic referees. An out of track throwing area.</p>
	<p>The track area should be developed more with provisions for a high jump bed and an extra hammer cage, Southamptons facilities are an embarrassment when other clubs and school teams visit. We need to raise the standards for all the people that use the sports centre.</p>
Netball	<p>All new netball courts</p>
	<p>As a regular netball user we cannot offer facilities to draw in top level games across the UK. With the correct facilities we could attract major tournaments</p>
	<p>Improvement to the netball courts would be great. the lighting in the middle courts is poor, and the courts become slippery when damp. Covered courts, if not indoor would be an improvement as there would be less issue with iced/frosted courts in the winter</p>
	<p>Netball has been played for over 20 years at the sports centre and I would like to see better court facilities and covered courts to all games to be played even in wet weather. The courts need a makeover too, they are extremely slippery in damp conditions. Improve sport for women not just football!</p>

	The netball courts are not fit for purpose. Last winter season hundreds of games were cancelled and the season cut short due to frost on the pitch. A simple court cover would have mitigated this.
Aquatics/boating lake	A splash water park similar to Eling on the old boating lake. Better at parks. Revamp the old cafe near boating lake to a local business.
	I think the boating lake should be allowed to be refilled with water and bring back the boats. That would bring back more enjoyment as everyone has good memories from this as a child. This sports centre went downhill when they ruined the boating lake
	Please refill the boating lake. So many people use the sports centre everyday to walk their dogs. It will give dog walkers a place to go instead of dogs running in sports pitches! My dog loves he walker and the boating lake was the highlight of our walk
	I understand removal of the boating lake is intended and that water features present H&S issues, but any paddling pool/ water feature is such a useful/welcome resource for young families for the summer. Please keep the overall ambiance as a beautiful natural green environment as much as possible. Please consider parking at the old nursery site (Vermont close) to avoid too much traffic on Winchester rd.
	It's a pity the old boating lake was allowed to be run down. I think it's a feature that could be reinstated and would attract a lot of visitors to the sports centre. Perhaps as well as the old paddle boats kayaks or canoes could be used.
The View	Please don't close The View!
	save the restaurant it great and the staff and owner have made a great job of the place will be getting a petition up
	the most important thing is to keep the view bar it is need people love it there we will fight to save it
	we love the pub at the top of the hill great place need to stay as pub . pubs closing all the time we need to save this pub great community pub does a lot for charities given there function room for free save the view
	we do mind any changes in the sport centre but the pub must stay where it sit it does not only serve sport centre but the community it is are heritage

33. Respondents were given the opportunity to select their top five improvements for the sports centre. The majority of results are given below, with all options shown in Figure 8. (Note that these percentages do not add up to 100% as respondents were asked to select multiple improvements). The five most popular improvements were:

- a. Hub to provide Changing for AGP, Athletics Track, and grass football and cricket pitches. To include meeting rooms, bar/café area, exterior balcony, linked to spectator stand – 74% of respondents selected this as one of their top five improvements
- b. Running/walking/activity Trails – 61% of respondents selected this as one of their top five improvements
- c. Pavilion development (whichever is preferred from last question) – 61% of respondents selected this as one of their top five improvements
- d. Car Parking - Options to improve and expand existing and/or creation of new car parking – 58% of respondents selected this as one of their top five improvements
- e. Wheeled Sports/Skate Park – 36% of respondents selected this as one of their top five improvements

34. It is worth noting that the top pre-defined options selected for improvement are broadly similar to the priorities shown in the free text question. This further underlines the importance of key proposals such as facilities, indoor sports and parking. It also reaffirms that the current proposals are very much in line with the views of users and local residents.

35. In addition to asking respondents how often they currently used Southampton Outdoor Sports Centre, the consultees were also asked whether they would use the sports centre more if improvements were made (see point 22). In the original question respondents were asked to give their level of agreement on the statement. It was found that 86% of those who responded agreed, 11% were neutral and 3% disagreed. Another area that can be investigated based on this is which users would use the sports centre more often, by comparing current level of use against possible increased use. See Figure 9 for all of the results.

- a. All of the groups stated that they would use the centre more often. The highest categories being those who currently use the centre once a month, once a week and occasionally, with 92%, 89% and 88% respectively.
- b. The groups that stated that they would use the centre more often the least were those who use the sports centre every day (62%) and those who never use it (71%). Although these were the smallest based on comparison, the majority of respondents within these groups still said they would use the sports centre more often.

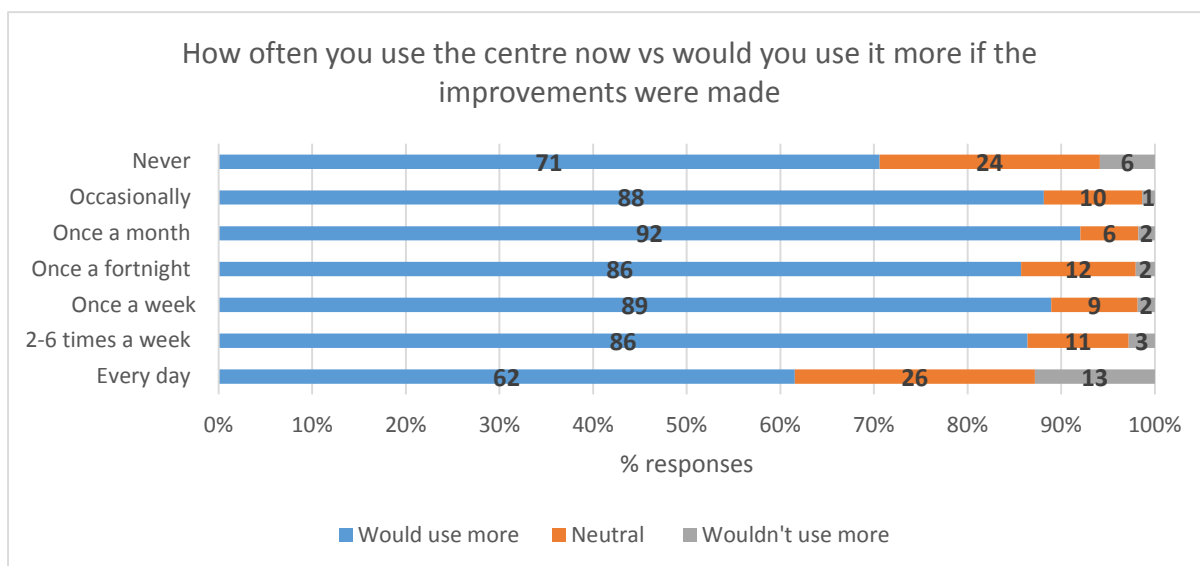


Figure 9

36. Priorities were given, which were listed as: Development of Hub(s), Sports facilities, Creation of physical activity opportunities, Infrastructure improvement. Consultees could state whether they agreed (strongly or otherwise), disagreed (strongly or otherwise) or were neutral. These statements were analysed against the type of respondent, the use of Southampton Outdoor Sports Centre and whether respondents would use the centre more if proposed changes occurred (some of the percentages may not add up to 100 due to rounding).

- a. Respondent type;
 - i. Resident of Southampton – 85% agree, 10% neutral and 5% disagree
 - ii. School/College/University* – 94% agree, 7% neutral and 0% disagree
 - iii. Member of Southampton Sports Club/Community group – 92% agree, 4% neutral and 5% disagree
 - iv. Other – 95% agree, 4% neutral and 2% disagree
- b. Use of the centre;
 - i. Every day* – 62% agree, 17% neutral and 22% disagree
 - ii. 2-6 times a week – 86% agree, 11% neutral and 4% disagree
 - iii. Once a week – 91% agree, 5% neutral and 3% disagree
 - iv. Once a fortnight* – 84% agree, 12% neutral and 4% disagree
 - v. Once a month – 93% agree, 2% neutral and 4% disagree
 - vi. Occasionally – 93% agree, 5% neutral and 2% disagree
 - vii. Never* – 86% agree, 9% neutral and 4% disagree
- c. Agreement that if improvements were made they would use the facility more
 - i. Would use it more (taken from strongly agree and agree) – 95% agreed with the priorities, 3% were neutral and 2% disagreed
 - ii. Neutral – 61% agreed with the priorities, 31% were neutral and 8% disagreed
 - iii. Wouldn't use it more (taken from strongly disagree and disagree) – 17% agreed with the priorities, 30% were neutral and 53% disagreed

37. This analysis shows in particular that individuals who are a part of a sports club or a school/college/university are most likely to agree with the priorities of: Development of Hub(s), Sports facilities, Creation of physical activity opportunities, Infrastructure improvement. Also people who use the Sports Centre once a month or occasionally are more likely to agree, there is also significantly higher agreement from those who feel they would use the Sports Centre more if improvements were made.

38. The results for which proposed option for the changes to Southampton Outdoor Sports Centre is preferable are below. The options presented are: Option 1 – Changing rooms for hard courts, beach volleyball and bowls, community space, Option 2 – Changing rooms for hard courts, beach volleyball and bowls, community space and indoor sports hall (over marked for example to accommodate 4 Badminton courts, 1 Netball, 1 indoor 5-a-side football, 1 Volleyball) and Option 3 – Changing for hard courts, and bowls, community space and indoor sports hall (over marked for example to accommodate 2 Futsal courts, 4 Netball, 21 Badminton courts). These statements were analysed against the type of respondent, the use of Southampton Outdoor Sports Centre and whether respondents would use the centre more if proposed changes occur (some of the percentages may not add up to 100 due to rounding).

- a. Respondent type;
 - i. Resident of Southampton – 14% - Option 1, 52% - Option 2, 34% - Option 3
 - ii. School/College/University* – 19% - Option 1, 37% - Option 2, 44% - Option 3
 - iii. Member of Southampton Sports Club/Community group – 10% - Option 1, 37% - Option 2, 53% - Option 3
 - iv. Other – 11% - Option 1, 50% - Option 2, 39% - Option 3
- b. Use of the centre;
 - i. Every day* – 21% - Option 1, 61% - Option 2, 18% - Option 3
 - ii. 2-6 times a week – 13% - Option 1, 37% - Option 2, 51% - Option 3
 - iii. Once a week – 11% - Option 1, 38% - Option 2, 51% - Option 3
 - iv. Once a fortnight* – 20% - Option 1, 46% - Option 2, 34% - Option 3
 - v. Once a month – 18% - Option 1, 55% - Option 2, 27% - Option 3

- vi. Occasionally – 10% - Option 1, 57% - Option 2, 33% - Option 3
- vii. Never* – 11% - Option 1, 60% - Option 2, 29% - Option 3
- c. Agreement that if improvements were made they would use the facility more
 - i. Would use it more (taken from strongly agree and agree) – 10% agreed with option 1, 48% agreed with option 2 and 42% agreed with option 3
 - ii. Neutral – 26% agreed with option 1, 43% agreed with option 2 and 31% agreed with option 3
 - iii. Wouldn't use it more (taken from strongly disagree and disagree) – 42% agreed with option 1, 38% agreed with option 2 and 21% agreed with option 3

39. The analysis shows that most of the groups of consultees preferred Option 2 except, School/College/University, sports club users and those who use the Sports Centre between one and six times a week who prefer Option 3.

Feedback on the consultation process

- 40. The council is committed to making the whole consultation process as transparent as possible. As a part of this, any feedback on the consultation process itself is summarised here.
- 41. Overall, out of the 1,277 people who took part in the consultation, nine commented on the consultation process itself, representing less than 1% of total consultation responses.
- 42. The comments made regarding the consultation process focus on the fact that the questionnaire provided a select list of potential improvements rather than the whole range discussed during the earlier stages of the consultation. Some consultees would have liked the opportunity to select a bottom five priorities as well as the top five. Other comments were about the fact that some respondents felt they did not want consultation as they were happy with the Sports Centre as it is. Finally, some felt the consultation was pushing the adoption of indoor facilities which was at odds with the original vision for the Outdoor Sports Centre.
- 43. Comments were also given about the need for equality, and provision for inclusive sports, rather than a male-centric view.
- 44. The comments made regarding equality process are shown in Table 2.

Table 2

More provision should be made for girls, women and older people. There is too much focus on boys and young men.

Please make excellent provision for women sports. Men dominate the facilities and have much better opportunities. This is unfair and needs to change.

Sort out the terrible netball facilities. In a city this size, with a netball league the size it is, it's disgusting that the facilities are so poor. The courts are, quite frankly, dangerous the minute they get damp. Even cities like Plymouth can provide adequate indoor netball facilities. Why can't Southampton? When I first moved here I was shocked at the poor facilities and attitude towards a sport that is incredibly popular with the city's female population. There are copious amounts of facilities for male dominated sports. Why are you ignoring the women?

Conclusion

- 45. Over 1200 stakeholders have engaged with the consultation process and have given their views on the future vision for Southampton Outdoor Sports Centre. As Figures 1 and 2 of this report have outlined, there was a good range of engagement with the consultation both demographically and geographically.
- 46. 93% of respondents agree the existing Southampton Outdoor Sport Centre facilities would benefit from significant improvement.

47. 89% of respondents agree with the suggested priority areas, which were listed as: Development of Hub(s), Sports facilities, Creation of physical activity opportunities, Infrastructure improvement.
48. The overwhelming majority of consultation respondents that feel the facility should be at least a regional centre (85%).
49. A large majority of respondents who currently use the Sports Centre once a month or less state that they would use the facility more if improvements were made.
50. Out of the three options for developing the pavilion, Option 2 - providing changing for hard courts, beach volleyball and bowls, community space and indoor sports hall (to accommodate a wide variety of activities, including, for example 4 Badminton courts, 1 Netball, 1 indoor 5-a-side football, 1 Volleyball) was the most popular, with 48% of respondents selecting it as their preference.
51. The top pre-defined options selected for improvement are broadly similar to the priorities shown in the free text question. This further underlines the importance of key proposals such as facilities, indoor sports and parking.
52. In conclusion, this consultation allows Southampton City Council's Cabinet to understand the views of residents and stakeholders on the future vision for the Southampton Outdoor Sports Centre. Therefore it provides a sound base on which to adopt a vision for the facility and seek funding to deliver that vision.

** denotes small sample size*

Sports Centre schematic

Athletics;
Regional role
requires improved
support facilities .
Spectator facilities
not essential

**Informal
recreation;**
marked running /
walking routes

Cycling;
Regional / national
standard, closed
road circuit

Tennis;
4 outdoor, 4 indoor
courts is preferred
model to expand
participation

Single Multi Sport hub;
Changing, catering,
education rooms, venue
offices, possibly fitness,
sports science support...

Hockey; regional role
requires two sand
dressed ATP's. and
improved support
facilities

Netball;
Maintain 9 courts for
regional/national
schools role. Playing
surface improvements
required

Football;
Provision of at
least one 3G ATP

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