

Public Document Pack

Cabinet

Tuesday, 20th December, 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 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
Sustainable Living
Councillor Warwick Payne, Cabinet Member for Housing
and Adult Care
Councillor Christopher Hammond, Cabinet Member for
Transformation Projects
Councillor Paul Lewzey, Cabinet Member for Children's
Social Care
Councillor Dr Darren Paffey, Cabinet Member for
Education and Skills

(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)

2016	2017
21 June	17 January
19 July	14 February (Budget)
16 August	21 February
20 September	21 March
18 October	18 April
15 November	
20 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 15 November 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 **ALTERNATIVE SERVICE DELIVERY MODEL FOR SOME COUNCIL SERVICES** (Pages 5 - 20)

Report of the Leader of the Council proposing commencement of a procurement process to support the establishment of a Local Authority trading Company for the provision of some Council services, attached.

9 **COMMUNITY ASSET TRANSFER STRATEGY: PROGRESS AND REVIEW** (Pages 21 - 30)

Report of the Cabinet Member for Communities, Culture and Leisure outlining progress on implementing the Community Asset Transfer Strategy, attached.

10 BASSETT GREEN ESTATE (ETHELBURT AVENUE) CONSERVATION AREA APPRAISAL AND MANAGEMENT PLAN

(Pages 31 - 42)

Report of the Cabinet Member for Environment and Transport seeking approval of the final amendments to the Conservation Area Appraisal and Management Plan, post public consultation, attached.

11 CONSORTIA COMMISSIONING OF INDEPENDENT FOSTER CARE

(Pages 43 - 50)

Report of the Service Director, Children and Families and Director, Quality and Integration seeking approval to appoint selected providers to the South Central framework for Independent Foster Care following the completion of a procurement process, attached.

ITEMS FOR DECISION BY CABINET MEMBER

12 CHANGES TO THE OPENING HOURS AT THE HOUSEHOLD WASTE RECYCLING CENTRE (HWRC)

(Pages 51 - 54)

Report of the Cabinet Member for Environment and Transport seeking to delay reducing the opening hours at the Household Waste Recycling Centre (HWRC), which is due to come into effect 1 January 2017, for a period of nine months, attached.

Monday, 12 December 2016

Service Director, Legal and Governance

SOUTHAMPTON CITY COUNCIL
EXECUTIVE DECISION MAKING

RECORD OF THE DECISION MAKING HELD ON 15 NOVEMBER 2016

Present:

Councillor Letts	-	Leader of the Council
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 Sustainable Living
Councillor Payne	-	Cabinet Member for Housing and Adult Care
Councillor Hammond	-	Cabinet Member for Transformation Projects
Councillor Lewzey	-	Cabinet Member for Children's Social Care
Councillor Dr Paffey	-	Cabinet Member for Education and Skills

28. CORPORATE REVENUE FINANCIAL MONITORING FOR THE PERIOD TO THE END OF 30TH SEPTEMBER 2016

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

General Fund

- i) Note the current General Fund revenue position for 2016/17 as at Quarter 2, which is a forecast over spend at year end of £3.48M against the working budget, as outlined in paragraph 4 and Appendix 1.
- ii) Note that the forecast over spend for portfolios is £6.88M as outlined in paragraph 5.
- iii) Note the actions and assumptions being put in place to address the overspend position as described in paragraph 7.
- iv) Note the performance to date with regard to the delivery of the agreed savings proposals approved for 2016/17 as detailed in Appendix 3.
- v) Note the performance against the financial health indicators detailed in Appendix 4.
- vi) Note the performance outlined in the Quarterly Treasury Management Report attached as Appendix 5.
- vii) Note the performance outlined in the Quarterly Collection Fund Statement attached as Appendix 7.

Housing Revenue Account

- viii) Note the current HRA budget monitoring position for 2016/17, as at Quarter 2. There is a forecast overspend at year end of £0.73M against the working budget as outlined in paragraphs 18 and 19 and in Appendix 6.

29. THE REVISED MEDIUM TERM FINANCIAL STRATEGY 2017/18 TO 2020/21 INCLUDING THE GENERAL FUND REVENUE BUDGET

DECISION MADE: (CAB 16/17 17562)

On consideration of the report of the Cabinet Member for Finance, and having considered representations from the Trade Unionist and Socialist Coalition, Cabinet agreed the following:

- (i) To note the revised Medium Term Financial Strategy 2017/18 to 2020/21 (attached as Appendix 2 - Summary and Appendix 4 – Full) is based on the best estimate at this time and will need to be kept under review.
- (ii) To note the aims and objectives of the Medium Term Financial Strategy which will be presented to Council for approval in February 2017.
- (iii) To note that the report contains draft proposals for reducing cost and generating income that amount to £21.3M in 2017/18 increasing to £31.6M in 2018/19.
- (iv) To note that formal budget consultation will begin on 16 November 2016 for many proposals but that other proposals may be subject to different timescales when details are finalised. The proposals and methodology of this consultation are detailed in Appendix 6.
- (v) To note that the Executive's initial budget proposals will impact on staffing and that consultation will be undertaken in line with legislation and the Councils agreed processes before proposals are implemented.
- (vi) To note that the Executive's budget proposals for consultation are based on the assumptions detailed within the MTFs and that this includes a Council Tax increase of 3.99 %, 1.99% under general powers to increase Council Tax without a referendum and 2.00% Social Care Precept.
- (vii) To delegate authority to the Service Director – Finance & Commercialisation (S151 Officer), following consultation with the Cabinet Member for Finance, to do anything necessary to give effect to the proposals contained in this report.

30. THE GENERAL FUND CAPITAL PROGRAMME 2016/17 TO 2020/21

DECISION MADE: (CAB 16/17 17564)

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

- (i) Approve the revised General Fund Capital Programme, which totals £151.74M (as detailed in paragraph 4) and the associated use of resources.
- (ii) Notes that £0.37M has been added to the General Fund overall programme, with approval to spend in 2016/17, under delegated powers. These additions are detailed in paragraph 6 and Appendix 2.
- (iii) Approve the addition of a total of £5.98M to the General Fund programme and approval to spend £5.98M as detailed in paragraphs 10 - 18, Appendices 1, 2 and 3. Approval to spend is requested subject to any variations from the spend detailed in the report being reviewed and approved by the Council Capital Board and not exceeding the amounts identified within this programme.

- (iv) Notes that £0.04M has been removed from the overall General Fund programme, as detailed in paragraph 6 and Appendix 2.
- (v) Notes that £0.04M has been re-phased from 2017/18 to 2016/17 within the Transport portfolio, as detailed in paragraph 19 and Appendix 3.
- (vi) Notes that the revised General Fund Capital Programme is based on prudent assumptions of future Government Grants to be received.
- (vii) Notes the changes to the General Fund programme, as summarised in Appendix 2 and described in detail in Appendix 3.
- (viii) Approve the slippage and re-phasing as set out in paragraph 20 and as described in detail in Appendix 3.
- (ix) Notes that the General Fund forecast position at Quarter 2 is £153.39M, resulting in a potential overspend of £1.65M, as detailed in paragraph 22, Appendix 5 and confidential Appendix 6.
- (x) Notes the position on the Housing Revenue Account Capital Programme as detailed in paragraphs 39 to 42 and in appendices 7 and 8.

31. SOUTHAMPTON CLEAN AIR STRATEGY 2016 - 2025 AND CLEAN AIR ZONE

DECISION MADE: (CAB 16/17 18051)

On consideration of the report of the Cabinet Member for Transformation Projects, and having considered representations from Clean Air Southampton, Cabinet agreed to approve the Southampton City Council Clean Air Strategy 2016 -2025 (Appendix 1).

32. COURT LEET PRESENTMENTS 2016

DECISION MADE: (CAB 16/17 17891)

On consideration of the report of the Service Director, Legal and Governance, and having considered representations from Common Sense/Highfield Residents Association and Clean Air Southampton, Cabinet agreed the following:

- (i) that the initial officer responses to the Presentments approved by the Court Leet Jury, as set out in Appendix 1, be noted; and
- (ii) that individual Cabinet Members ensure responses are made to Presenters regarding presentments within their portfolios as appropriate and as soon as practically possible.

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Agenda Item 8

DECISION-MAKER:	CABINET		
SUBJECT:	ALTERNATIVE SERVICE DELIVERY MODEL FOR SOME COUNCIL SERVICES		
DATE OF DECISION:	20 DECEMBER 2016		
REPORT OF:	LEADER OF THE COUNCIL		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Mitch Sanders	Tel: 023 8083 3613
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STATEMENT OF CONFIDENTIALITY			
None			
BRIEF SUMMARY			
<p>The purpose of this report is to seek approval to commence a transformation project and procurement process leading to:</p> <ol style="list-style-type: none">1. The setting-up of a Local Authority Trading Company (LATCo) for the management, delivery and commercialisation of the following Council services:<ul style="list-style-type: none">• Street Cleansing and Waste Management & Collection;• Housing Operations & Management and Parks & Open Spaces;• Car Park Operations, Facilities Management and Itchen Bridge Operations;• Transport.2. Negotiation for the appointment of one or more public and/or private sector partners to support the LATCo in the discharge of its duties as a wholly owned company of Southampton City Council (SCC). <p>The outcome of any negotiations arising from the procurement process will be presented back to Cabinet and or Council (as determined by the Constitution) for final decision.</p> <p>The recommendations are put forward following consultation with the market,</p>			

subsequent options appraisal and an evaluation of the existing transformation activity of the in-scope services.

RECOMMENDATIONS:

(i)	To delegate authority to the Chief Operations Officer, following consultation with the Leader, Service Director: Legal & Governance and the Service Director: Finance and Commercialisation, to establish a Local Authority Trading Company (LATCo) for the management, delivery and commercialisation of the in-scope services.
(ii)	<p>To agree that in scope services to be included within the LATCo / procurement will (subject to further decision at the conclusion of the procurement process) include:</p> <ul style="list-style-type: none"> • Street Cleansing and Waste Management & Collection (including Fleet); • Housing Operations & Management and Parks & Open Spaces (including Fleet); • Car Park Operations, Facilities Management and Bridge Operations; • Transport.
(iii)	To delegate authority to the Chief Operations Officer, following consultation with the Transformation Implementation Board (TIB), Service Director: Legal and Governance and the Service Director: Finance and Commercialisation, to determine the LATCo company structure, the terms of any contract between the Council and the LATCo for the delivery of in scope services and to finalise the governance arrangements in relation to the Council / LATCo and any public / private partner organisations procured to support the LATCo.
(iv)	To delegate authority to the Chief Operations Officer, following consultation with the Transformation Improvement Board (TIB), Service Director: Legal and Governance and the Service Director: Finance and Commercialisation, to undertake all actions necessary to appraise and consult on the options available to the Council in relation to a finalised staffing structure (operational based within the LATCo and commissioning client retained by the Council) in order to recommend a staffing structure and the delivery route for the same at the conclusion of the procurement process.
(v)	To delegate authority to the Chief Operations Officer, following consultation with the Transformation Implementation Board (TIB), Service Director: Legal and Governance and the Service Director: Finance and Commercialisation, to commence a procurement process to select one or more public and/or private sector partners to support the LATCo in the discharge of its duties.
(vi)	To note that the final decision on the services to be delivered through the LATCo, the staffing provisions, governance arrangements, financial implications and the appointment of one or more public and/or private

	partners to support service delivery will be referred to Cabinet / Council prior to the conclusion of the procurement process (currently expected in late 2017).
REASONS FOR REPORT RECOMMENDATIONS	
1.	To enable the on-going transformation of a range of in-scope council services, particularly the need for a new operating model that supports cost efficiency in the delivery of services back to the Council together with further commercialisation and potential trading opportunities.
2.	To maximise the effective, efficient and economic management and operation of the in-scope services.
3.	To develop a commercial capacity that can, where appropriate and in the public interest, profitably trade the services with other councils, public sector organisations, businesses and, where relevant, residents of the City and the broader commercial market.
4.	To support the Council in achieving its aim of continuing to grow the local economy, bringing investment into the city and increasing employment opportunities for local people.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
5.	<p>The options appraisal considered a number of other options which were rejected:</p> <ul style="list-style-type: none"> • Retain and operate the services ‘in-house’; • Outsource; • Joint Venture; and • Disposal. <p>These options did not support the aims and aspirations of the Council to the same extent as the recommended approach and the further detailed rationale for rejecting the above proposals are outlined in the report.</p>
DETAIL (Including consultation carried out)	
	<u>BACKGROUND</u>
6.	<p>In June 2016, a paper was presented to Transformation Improvement Board (TIB) outlining a proposed alternative delivery model for some council services. The objective was to consider the next stage of organisational development for these services with a view to:</p> <ol style="list-style-type: none"> 1. Maximising the effective, efficient and economic management and operation of the services; and 2. Developing a commercial capacity that can profitably trade the services with other councils, public sector organisations, businesses and, where relevant, residents of the City and the broader

commercial market where appropriate.

The paper proposed 4 options for Alternative Service Delivery Models for Street Cleansing; Waste Management and Collection; Housing Operations and Management; Parks and Open Spaces; Car Park Operations; Facilities Management; Itchen Bridge Operations; Fleet Management (incorporated within service area bundles); and Transport (including Adults & Children). The options included outsourcing; joint venture; disposals; and the establishment of a LATCo. The provision of services through the current in-house operation was also considered.

Outsourcing was considered but rejected as an option because although it could help the Council with the objective of improving the efficiency and effectiveness of services, it was not considered by TIB to align with the Council's strategy and ambition of developing a commercial and trading capability that can be used to generate income as a means of mitigating the current and forecasted funding pressures from central government.

Since then, and following a market consultation day and further discussion at TIB, two other options were rejected:

1. Joint Venture (JV): The potential to utilise a Joint Venture model was considered and identified as a viable option that could support both the delivery of operational efficiencies, as well as the development of new trading opportunities. However, it was not considered a preferred option as this model would require the Council to at best share governance and control of the vehicle and its operations with a partner and, more likely, relinquish such control to the partner. A JV arrangement would not benefit from exemptions to the need to procure JV partners requiring the conduct of an extensive and complicated procurement process for the supply of services to the Council and complicated financial and governance structures. The use of a JV as the overall delivery vehicle for all services was therefore rejected, although it was recognised that a JV arrangement may be considered suitable to develop particular services or elements of them and / or remained an option for the delivery of services to the proposed LATCo itself in due course.
2. Disposal: The possibility of disposing of some assets / services such as car park operations was considered but rejected following market feedback and best value considerations.

The preferred alternative service delivery option for the transformation of the in-scope services was the creation of a LATCo as it was considered that it would deliver a number of additional managerial, operational and commercial advantages over the baseline option of retaining an in-house operation. The LATCo option has the potential to:

	<ol style="list-style-type: none"> 1. Provide management with greater flexibility to shape service provision; 2. Build on existing service quality and improve the service experience to customers (citizens, businesses and visitors) through the development and improvement of service offerings; 3. Support quicker decision making and more organisational agility in responding to, and proactively addressing, changes in the market; 4. Enable the Council to pursue income generation activity (rather than just cost recovery) across all service sectors and price / charge for its services accordingly subject to restrictions on the percentage of services provided to non-company members; 5. Enable the Council to attract commercial acumen by partnering with organisations that can evidence this expertise, and transfer or share the risk (and reward) of pursuing new trading ventures while retaining overall governance and control of the operations; and 6. Establish the foundation for future partnering or cross council / public authority working, potentially supporting SCC and neighbouring Councils in implementing elements of the current devolution agenda. <p>For detail of the background and process followed to arrive at this option (including consultation with Unions) please refer to the Alternative Service Delivery Model Background Paper.</p> <p>An explanation of the evaluation of the LATCo option against continuing to deliver services in-house is provided below.</p>
In-House vs LATCo Service Provision	
7.	<p>Although comprising the ‘baseline’ option, choosing to retain and operate the services ‘in-house’ was not considered a ‘no change’ option. Indeed, the services in scope have been subject to various changes over recent years and a number of them are also currently subject to various transformation initiatives, most notably through the digital and procurement transformation projects.</p> <p>The changes to the services in scope will deliver significant cost efficiencies and also place the Council in a better position to respond to service requests quicker, freeing up officer time to pursue additional income generating opportunities.</p> <p>A comparison of the relative merits and challenges of the in-house and LATCo service delivery options must therefore be underpinned by a consideration of both the current endeavors, and future objectives, that are</p>

required of the services in question.

As outlined above, the key drivers in this respect are:

1. The need for continuous operational service improvement and cost savings; and
2. An opportunity for a significant step change in trading the services with third parties, with a view to developing new markets and income streams to counteract reductions in General Revenue and other Funding streams. This will safeguard not only the quality and level of service currently provided to customers, also in some cases, their existence.

As such, an evaluation of the in-house and LATCo delivery models should consider both the qualitative strengths and weaknesses of both options, as well as their relative quantitative (financial) merits. The comparison that follows below is currently limited to a subjective assessment of the financial merits of both options. This is because the financial success of a more commercially oriented in-house service could only ever be measured and evidenced with the passage of time, while the monetary value of the cost, savings, guarantees and/or income generation capability of the LATCo can only be established once the market has been engaged in discussions through a procurement process.

As such, if Cabinet were to support the recommendation of this paper, it should be noted that the outcome of negotiations arising from a procurement process in relation to a LATCo would need to be presented back to Cabinet / Council for a final consideration of the financial merits of this model over the in-house option.

Benefits and Disadvantages of In-House Service Provision

8. The benefits and disadvantages of an in-house Council operation against each of the two aforementioned key objectives of a new operating model include the following:

Objective 1: In-House Operational Effectiveness, Efficiency and Economy

Benefits

- Services would continue to operate within agreed budget envelopes without any structural business disruption and no TUPE or change to the employment arrangements for staff.

Disadvantages

- In-house services are restrained by the Council's existing pay grade structure, inhibiting the ability to flex pay and remuneration to attract different types of employees

	<ul style="list-style-type: none"> • Funding arrangements and service delivery would continue to be subject to the Council's standards and policies. • Legal set up costs (for a separate vehicle) are avoided, although investment in employing commercial talent and continuous service improvement would still be required. • Further efficiencies could be made, but these will need to be limited to those arising from a reduction in central overheads rather than front line delivery, if service quality is to be maintained and not allowed to deteriorate further. 	<p>and reward good performance in a commercial environment.</p> <ul style="list-style-type: none"> • The service's ability to drive further efficiencies is limited to the size of the current operation which cannot take advantage of greater economies of scale from sharing assets or services with other partners.
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Objective 2: Trading and Commercialisation

Benefits

- The Council has a trusted local reputation and brand which is customer focused and delivered with a public service ethos.
- (Taking advantage of the 'Teckal' ruling and freedoms afforded by the Local Authorities (Goods and Services) Act 1970). An In-house operation can sell its services to other public authorities without the need for open market competition (see Alternative Service Delivery Model Background Paper for more information).
- The current level of trading within Commercial Waste and Grounds Maintenance services demonstrates that these services are performing above average compared to other authorities, (30% compared to 22%¹).

Disadvantages

- Although the Council's reputation and brand resonates with factors such as reliability and trustworthiness, the market's perception of quality varies between services and the Council does not engage in proactive marketing (as opposed to communication) of its services.
- The complex governance arrangements within the Council slow down decision making and management processes, making it difficult to respond swiftly to market opportunities. Although the council can charge for services, retaining services in-house inhibits the ability to trade services for

		profit save in certain limited areas (see section 4 Legal and Financial Considerations).
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Benefits and Disadvantages of a LATCo model

9. A LATCo is a company established by a local authority to offer services on a more commercial basis (i.e. to trade and make a surplus). The objective of the Councils LATCo, with support from public or private sector partners, would be to deliver a reduction in service delivery costs, maintain required performance / service levels within the operating budgets set by the council, while simultaneously seeking new commercial opportunities with other third party organisations. Any profit made by the LATCo from external trading would either be reinvested or returned to the Council as the owner of the LATCo. Partners engaged by the LATCo could also be incentivised through the use of a gain share mechanism in a similar way to how the Council currently incentivises Capita. For further information on a typical governance structure for a LATCo please refer to the Alternative Service Delivery Model Background Paper.

The key benefits and disadvantages of a LATCo over in-house service provision are summarised in the tables below:

Objective 1: LATCo Operational Effectiveness, Efficiency and Economy

Benefits

- Spare capacity brought about through workforce improvements with the support of a partner could potentially be utilised by that partner for other business opportunities they hold, and/or new business that they can help generate. In either case, additional capacity can be seconded on other work rather than be made redundant.
- The Council could choose whether the LATCo would have alternative terms and conditions for staff as services would not be restrained by the existing pay grade structure of the Council, enabling the LATCo to flex pay and remuneration to attract

Disadvantages

- The establishment of a LATCo will incur additional expenditure in the form of one-off costs to set up the company and ongoing liability for company taxation (corporation tax, capital gains tax, VAT etc). This may be able to be mitigated by the way the LATCo is set up.
- The LATCo will have less favourable partial exemption recovery rules than the Council which may impact on VAT recovery for the company depending on which services are being delivered.
- The LATCo is expected to incur higher employee pension

¹ APSE Performance Review 2014/15 indicates that a council with a market share of 22% on the average market share for waste services is 22% with the best performers achieving c45%

	<p>different types of employees as well as leveraging talent and commercial acumen from partner organisations. This, however, would remain a policy decision that is taken by Council and instructed to the LATCo and employment law, including 'equal pay' considerations must be more fully explored.</p> <ul style="list-style-type: none"> • By leveraging the assistance of partner organisations, savings can be stretched further, corporate management overhead can be shared, and the partners' sales capacity utilised for the LATCo, ensuring the development of a more commercially focused work ethos. • Pooling the Council's and partner's buying power through a LATCo would also offer greater potential to leverage supply chain efficiencies, either by utilising the Council's existing partner supply network, or switching to the partners' own supply infrastructure. • Less complex governance and more flexible management arrangements may be an enabler for quicker decision making and changes to day to day operational deliverability. 	<p>contributions, the cost of which would need to be established as part of a more detailed business case and actuarial considerations.</p> <ul style="list-style-type: none"> • There would be project management and legal costs associated with the procurement. • A decision will need to be taken over asset purchase and ownership, as if the company is operating in a competitive environment the ability and cost of borrowing will need to be at a market rate.
Objective 2: LATCo Trading and Commercialisation		
Benefits		Disadvantages
<ul style="list-style-type: none"> • A LATCo is likely to draw the same public confidence, credibility and sense of service trustworthiness as an in-house 	<ul style="list-style-type: none"> • The appointment of a partner to support the LATCo in both the delivery of services and the development of new 	

	<p>Council operation, but unlike an in-house operation, it has greater flexibility to market its services more independently and/or differently to different market segments.</p> <ul style="list-style-type: none"> • A LATCo has the same opportunity to react and take advantage of the same incremental trading opportunities that an in-house operation would have. However, the knowledge and investment in proactive business development activity that can be brought to bear through a partner, will better position the LATCo to actively pursue 'market making' opportunities. • A LATCo can also take advantage of 'Teckal' (see Alternative Service Delivery Model Background Paper for more details) in order to sell its services to other public sector organisations. However, if the LATCo is commercially successful and generates more than 20% of its income from external trading with non-company members, it is likely that the Teckal exemption would be breached. While this is a risk to the company and the Council as the company owner, it arises only in the event of successful growth and in any case ensures that the Council is always getting the best value for money for the services it provides to its customers. • A LATCo supported by one or more external partners provides an opportunity for the transfer or 	<p>market opportunities will require an element of payment / gain share that dilutes the Council's income returns.</p> <ul style="list-style-type: none"> • A client function will need to be retained in house (albeit the scale and nature of such could be relatively light touch depending on the nature of services in scope) in order to ensure the LATCo could continue to use other Council services to support it if required and to address issues around non delegable functions of the Council. A decision will need to be taken as to size and resourcing of a retained client structure (to exercise the necessary element of 'control' required under Teckal and to deliver decision making functions reserved to the Council) and services the LATCo may be 'locked in' to receiving from the Council in order to achieve an overall financial benefit to the Council (as opposed to the in scope services)
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	<p>sharing of service cost and commercial risk. This transfer of risk also creates a greater drive for change and cost improvement, enabling services to become more commercially competitive.</p> <ul style="list-style-type: none"> • In agreement with the Council as sole owner, the LATCo could employ its own financial management tools, policies and cost management practices to support a more conducive approach to commercial activity and management. • It is potentially easier to attract other public authorities to share their services with SCC if these are integrated in an arm's length vehicle, rather than seen to be delivered (and 'controlled') by SCC or the partnering authority. A key advantage of the LATCo is therefore the potential of establishing a 'foundation' for new combined service delivery across the Solent area. 	
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Legal and Financial Considerations

10.	<p>The establishment of a LATCo is not something new or untested in local government. An increasing number of local authorities have set up LATCos (for example, NORSE, Barnet and Cormac, and others.) to varying degrees of success based primarily on having a grounded and proven market for trading activities or economies of scale. Norse is probably one of the more successful examples of a LATCo, established by Norwich County Council and now generating over £300m of turnover in services delivered to the County and other Councils.</p>
11.	<p>Local authorities may use powers to trade found in the Local Government Act 2003 and under the general power of competence in the Localism Act 2011. However, they <i>must</i> establish a company if they wish to carry on trading activities for profit. Any profits made by a wholly- or partly-owned company can, if returned to the Council by dividend from the LATCo, be</p>

	reinvested in other council services.
12.	Section 4 of the 2011 Act permits authorities, via the general power of competence, to provide a service on a commercial basis through a company.
13.	European Union public sector procurement rules require a competitive tendering process for any contract above certain thresholds. Contracts let by public bodies may be exempt from this requirement if the contract is let to a subsidiary body which only exists to provide services to the local authority/authorities that control it. This is known as the 'Teckal exemption'. Further details are provided in the Alternative Service Delivery Model Background Paper.
14.	Advice on the legal and financial considerations of establishing a subsidiary company was taken by the council towards the end of 2015 when Council was presented with options regarding the termination and internalisation of the current Capita arrangement. While much of this advice will be relevant to this situation, it will need to be refreshed and reconsidered against the current proposals and any commercial and financial position arising from a negotiation with the market as part of the proposed procurement process. In addition, the nature of the services included within scope for the LATCo proposed are substantially different in nature from those considered as part of the Capita arrangement and substantial work remains on determining the extent of any non-delegable duties covered by the proposals and how these can be structured to remain within the legal framework for the Council (e.g. through retained client structures to undertake the decision making functions that cannot be delegated to a contractor or company). Substantial further work is also required in relation to the proposed company structure (how to take advantage of 'mutual trading' designations and consequential tax liabilities and opportunities), opportunities for employee engagement and empowerment through beneficial trust involvement in the ownership of any company and / or performance related benefit opportunities, secondment and / or TUPE arrangements. The wider governance issues around the ownership and control functions of the Council required to maintain Teckal exemptions will also need to be considered along with Senior staffing structures and conflicts of interest under Companies Law. The impact of the proposals on the overall Council financial position vis a vis retained services and overhead costs that will remain with the Council and how these services can continue to have a relationship (both as customer and supplier) with the LATCo will be a consideration. Further details on risks, as currently assessed, are contained in the Alternative Service Delivery Model Background Paper.
15.	In setting up the LATCo, the Council has to consider whether to operate pension arrangements for Local Government Pension Scheme (LGPS) on an 'open' or 'closed' scheme basis. In an 'open' scheme, all transferring

	<p>employees, regardless of current pension entitlement, would be entitled to join the LGPS, as would any new future employees. Under the arrangements of a 'closed' scheme, it would only be necessary to ensure that those transferring individuals currently in the LGPS would be entitled to continue with these same pension arrangements.</p> <p>Based on an initial actuarial valuation provided by AON Hewitt (Actuaries to the Hampshire Pension Fund) in December 2015 when the Council was considering setting up a wholly-owned subsidiary, there is likely to be an increased employee pension contribution.</p>
16.	<p>The procurement process will be implemented as part of the broader procurement arrangements with Capita, although Council project management resource and specialist technical advice, including legal and financial support for the preparation of service specifications will be required. The levels of support required in resourcing a procurement of this scope should not be underestimated and additional resource will be required to support the proposals in this report. As elements of this project overlap with the Alternate Weekly waste Collection (AWC) initiative, it is proposed that such advice and project support be integrated to ensure a joined up approach.</p>
Conclusions and Next Steps	
17.	<p>If Cabinet approves the recommendations in this report, it is anticipated that the establishment of the LATCo, the procurement process for the setup of a LATCo and selection of one or more public/private sector partners would take approximately 12 months, however this time frame is subject to market response and the complexity of any of the packaged options. As such, it is possible that the transition of the in-scope services to the LATCo may happen in a gradual and phased approach over a period of time following the end of the procurement process.</p> <p>The outcome of any negotiations arising from the procurement process, LATCo arrangements, staffing implication and a final assessment of the legal, financial and risk implications will be presented back to Cabinet /Council for final decision on whether and how to proceed.</p>
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
18.	<p>Additional resource will be required to support this project including but not limited to Project Management, Legal and Financial.</p>
19.	<p>The cost of additional resource requirements, allowing for the use of already identified AWC resources, is still to be determined but it is anticipated that this can be met from within the current Transformation budget provision.</p>

20.	Any associated Capital Costs of the project will be determined and reported to Capital Board for discussion and recommendation as relevant.
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Property/Other

21	There are no immediate impacts, however implications for the Council's accommodation and property holdings, asset transfer and other associated matters will be assessed in the final report to Cabinet / Council in due course.
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LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

22.	S95 Local Government Act 2003, S111 Local Government Act 1972 and S1 Localism Act 2011, together with ancillary Regulations and guidance.
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Other Legal Implications:

23.	Any procurement will be required to comply with the Council's Contract Procedure Rules and UK procurement legislation. Detailed EIA and PIA requirements will be commenced and refreshed throughout the conduct of the procurement exercise and decision making processes and the range of service in scope for procurement assessed in terms of client structures / non delegable duties and retained responsibilities, employment law matters, state aid, tax liability, risk and financial viability in accordance with the Council's Best Value duties prior to determining final arrangements and governance structures.
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POLICY FRAMEWORK IMPLICATIONS

24.	<p>The recommendations in this paper support the delivery of the following outcomes within the Southampton City Council Strategy:</p> <ul style="list-style-type: none"> • Southampton has strong and sustainable economic growth; • Children and young people get a good start in life; • Southampton is an attractive modern city, where people are proud to live and work.
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KEY DECISION?	Yes
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WARDS/COMMUNITIES AFFECTED:	All
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SUPPORTING DOCUMENTATION

Appendices

1.	None
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Documents In Members' Rooms

1.	None
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Equality Impact Assessment

Do the implications/subject of the report require an Equality 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.	YES
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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)
1.	Alternative Service Delivery Model Background Paper

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Agenda Item 9

DECISION-MAKER:	CABINET		
SUBJECT:	COMMUNITY ASSET TRANSFER STRATEGY : PROGRESS AND REVIEW		
DATE OF DECISION:	20 DECEMBER 2016		
REPORT OF:	CABINET MEMBER FOR COMMUNITIES, CULTURE AND LEISURE		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Vanessa Shahani	Tel: 023 80832599
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STATEMENT OF CONFIDENTIALITY

None

BRIEF SUMMARY

This report recommends approval for:

i) the disposal of Kingsland Community Centre at Less than Best Consideration to West Itchen Community Trust (WICT) working in partnership with Kingsland Residents and Community Association (KRCA)

It also provides an update on progress of transferring community centres and community buildings since Cabinet's approval of the Community Asset Transfer Strategy on 18 June 2013.

RECOMMENDATIONS:

- (i) To approve the disposal of Kingsland Community Centre to WICT on a freehold basis at Less than Best Consideration for a sum in the region of £10,800
- (ii) To delegate authority to the Head of Capital Assets to approve the disposal on a freehold basis at Less than Best Consideration on the basis it secures an improvement in the economic, social and environmental well being of the Council's area by securing the delivery and growth of community services.
- (iii) To delegate authority to the Service Director (Growth) 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
- (iv) To note progress on transferring community centres and buildings since implementation of the Community Asset Transfer Strategy.

REASONS FOR REPORT RECOMMENDATIONS

1. To ensure that progress continues to be made with the Council's Community Asset Transfer Strategy by ensuring the continuation and development of valued local provision at Kingsland Community Centre.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2. The alternative options considered were:
 - doing nothing. This option was considered and rejected because this would hamper the momentum of the first phase of the Community Asset Transfer Programme.
 - disposing of the asset on the open market and securing a larger capital receipt. Kingsland Community Centre is in scope for the pilot Community Asset Transfer (CAT) programme. This was agreed by Cabinet at its meeting on 18 June 2013. The objectives of CAT include the retention of local facilities which are used for a variety of social, community and public purposes without the use of council funds in the future. This option was considered and rejected because although a smaller capital receipt will be secured, a disposal on the open market would not guarantee retention of Kingsland Community Centre as a community resource

DETAIL (Including consultation carried out)

3. Kingsland Community Centre comprises a former church and adjacent two storey 'rectory type' building dating back to the late 1800's. The ground floor of the combined buildings is occupied by the Kingsland Residents Community Association (KRCA) and comprises of two halls, ancillary storage rooms, a meeting room, office, two kitchens and toilet facilities. There is also a first floor 2/ 3 bedroom flat with a roof garden. The flat is occupied by the caretaker for the building on an Assured Short Hold Tenancy agreed between the Kingsland Residents Community Association (KRCA) and the caretaker.
4. The market value of the property is £120,000 and the value for community asset transfer (CAT) purposes, at Less than Best Consideration is £10,800 for the freehold.
5. The CAT Appraisal Panel assessed the application against agreed criteria recognising that in transferring an asset at less than market value the statutory test for such disposals must be considered. It was determined that the community and social benefits would need to compensate for the financial loss to the council to secure an improvement in the economic, social or environmental wellbeing of the area. The Panel felt that the partnership between WICT and KRCA met all the requirements for transfer for the following reasons:
 - Professional expertise and track record in property management, community development and securing external funding;
 - WICT currently manage a property portfolio valued in the region of £2.6M and manage community organisers. They have a track record of working with local people to identify local needs and develop local projects;
 - Viable business plan;

- Sound governance arrangements including Memorandum of Understanding underpinning partnership arrangement; and
 - Understanding of local community needs with commitment to develop programme of activities to meet those needs for example activities for single people; single parents; students and advice and support for unemployed people.
6. The economic, social and community benefits WICT and KRCA would deliver to the council are:
- Continued provision of a local community centre;
 - Value for money as through its contracts e.g. for utilities, WICT is able to deliver economies of scale across its property portfolio;
 - The ability to absorb expenditure and occasional losses at the centre from WICT's commercial property portfolio;
 - Responsibility for all repairs, maintenance and insurance liabilities including development of a "sinking fund" for ongoing investment in the building;
 - The potential to lever in other sources of funding not available to the council, borne out by their track record. For example, in 2014 WICT raised over £85,000 of inward investment grants and have recently secured £350,000 over 3 years to be invested in the St.Mary's area of Southampton;
 - Strengthening the existing work of KRCA by developing their activities to increase centre usage (linked to local needs) and therefore increase income. Examples of proposed activities include sports and fitness activities, activities for older people and skills and learning activities;
 - Refurbishment of the building and increased value to the community with an improved community facility;
 - Support in kind through their existing staff – particularly the WICT Property Manager, Marketing and Administration Manager, 8 community organisers and 8 volunteers, 3 of which have qualified as Foundation Level 3 Community Organisers. They provide the approximate equivalent of 3 part-time Community Development Workers (approximately £46,000 per annum) and 5 part-time volunteers (approx. £600 per week worked);
 - Commitment to protect and support the development of existing early years' use;
 - Training and development opportunities for local people including support for social enterprise/business start-up;
 - Capacity building and resource sharing for local groups; and
 - Long term community engagement and activism

PROGRESS ON OTHER TRANSFERS

7. Significant progress has been made on transferring the community buildings in the initial scope. Through the speculative enquiry process, this scope was increased to include a local community swimming pool. The table below summarises this progress.

8.

Status	Building	Progress
Transferred	<p>St. Albans Resource Centre</p> <p>Townhill Park Community Centre</p> <p>Woolston Community Centre</p>	<p>Under lease of 860 years signed in July 2016. Partnership between West Itchen Community Trust and Black Heritage Community Association</p> <p>Lease signed with City Life Church; came into effect on 1 October 2016. Partnership between City Life Church and Townhill Park Community Association</p> <p>The council already has a long lease in place with Woolston Community Association, that meets CAT requirements, so the building has effectively transferred</p>
Negotiating terms	<p>Freemantle Community Centre</p> <p>Harefield Community Centre</p> <p>Merryoak Community Centre</p> <p>Moorlands Community Centre</p>	<p>Negotiating freehold transfer to Freemantle and Shirley Community Association</p> <p>Negotiating freehold transfer to West Itchen Community Trust.</p> <p>Negotiating freehold transfer to West Itchen Community Trust in partnership with Merryoak Community Association</p> <p>Negotiating freehold transfer to West Itchen Community Trust in partnership with Moorlands Community Association</p>

	Northam Community Centre	Negotiating freehold transfer to West Itchen Community Trust in partnership with Northam Community Association
	Sholing Community Centre	Negotiating freehold transfer to West Itchen Community Trust in partnership with Sholing Community Association
	Red Lodge Community Pool	Negotiating freehold transfer to existing tenants. Estimated completion date 30 November 2016.
Drafting documents prior to negotiating terms	St. Denys Community Centre	Transfer to St. Denys Area Community Association on a freehold basis approved under delegated powers. Valuers currently drafting sales contract to start negotiations.

9. This table illustrates that some existing tenants have chosen to progress community asset transfers on their own; others have chosen to partner with another organisation. Several community associations have chosen to partner with West Itchen Community Trust.
10. Lordswood, Swaythling and Coxford Community Associations are not currently progressing with CAT but all three are in negotiation with the council to secure new leases. Lordswood and Swaythling 24 years and Coxford 10 years. All three leases will require the tenants to undertake all repairs maintenance and compliance, thus relieving the Council of any financial involvement with these buildings.

RESOURCE IMPLICATIONS

Capital/Revenue

11. The transfer of Kingsland Community Centre will generate a 100% capital receipt to the General Fund in the region of £10,800. In addition there will be a £2,000 saving per annum to the Council on repairs and maintenance. This ongoing reduction in costs is already covered by a previously approved saving, as approved by Council on 12th February 2014 (ref COMM2, reduce community centres budget).

12. The costs associated with these disposals such as the internal Council and other professional costs will be met from existing budgets. Any additional costs incurred beyond the pilot phase of the programme will be borne by the relevant service area as set out in the 21 April 2015 report to Cabinet.

Property/Other

13. The disposal of Kingsland Community Centre is at Less than Best Consideration. This is a disposal at less than best consideration as the disposal terms are less than at full open market value. As use will be restricted for community benefit the valuation has been adjusted accordingly. Therefore in accordance with the RICS document "Local Authority Asset Management Best Practice" it is advisable to state the best consideration that would otherwise be receivable. This is £120,000. The difference in values is £109,200 but it is the professional judgement of the CAT appraisal panel that the economic, social and community benefits (see paragraph 6) achieved by the transfer will generate at least this value in kind.
14. Kingsland Residents and Community Association currently occupies the building under a tenancy at will which would need to be surrendered as part of the process to transfer the freehold. The Association has been involved in discussions with West Itchen Community Trust (WICT) and is aware that if approved they will be purchasing the freehold which means their current arrangements with the council will cease.
15. The Council can transfer its own property interests (either freehold or long leasehold) to a third party. This transfer to a third party could either be a freehold or a long leasehold.
16. Disposal will be at less than best consideration where the disposal terms are less than at full open market value.
17. As Kingsland Community Centre is one of seven assets being transferred in partnership with WICT the CAT appraisal panel discussed the potential risks associated with such a multiple transfer, particularly whether WICT has both the capacity and ability to meet the demands and liabilities associated with managing this number of properties and supporting the voluntary management committees.
18. WICT has a track record in the City in managing and developing social property. It has already secured a loan in principle from its bank of £50,000 and has a commercial property portfolio valued in the region of £3M. Revenue from this portfolio will be used to subsidise liabilities in the social properties being transferred until they can operate on a full cost recovery basis. WICT's staff team includes paid and volunteer community organisers, as well as a Property Manager, who will be supporting the voluntary committees. Having considered all these factors the CAT appraisal panel consider that WICT has in place appropriate measures to manage and control the risks associated with a multiple community asset transfer. However, they felt it was important to highlight the potential risks as part of this decision-making report.

19. To ensure that assets continue to be used for the purposes of benefiting local communities, an asset lock will be incorporated into legal agreements. For nominal value freehold sales, it will be necessary to reserve pre-emption or “buy back” rights whereby the Council will be entitled to buy back the sites for the same value that they were sold in the event that there is no longer a community use for the asset.
20. Building Contract Services (BCS) provides a repairs and maintenance service to a number of Council-owned community centres and community buildings. Transferring the assets would mean the community, voluntary or faith organisation would be able to choose whether to continue to purchase services from BCS or enter into agreements with other contractors. Depending on the number of transfers that are achieved, there may be a negative impact on BCS income.
21. The current repairs and maintenance budget that supports community centres together with 1 FTE post (ref COMM2, paragraph 11 above) will cease from the 1st April 2017.
22. Therefore from the 1st April 2017 the responsibility for administering any ongoing or new CAT transfers will be transferred to the Service Director for Growth and rest within the Capital Assets Team.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

23. Under Section 1 of the Localism Act 2011, the Council has a general power of competence to do anything that individuals generally may do; however that general power is subject to other statutory limitations. Section 123 of the Local Government Act 1972 provides that the Council must dispose of land for best consideration, save for cases where the consent of the Secretary of State has been obtained for any disposal at less than best consideration. Under the General Disposal Consent (England) 2003, such specific consent is not required for any disposal where the difference between the unrestricted value of the interest and the consideration accepted, is £2M or less, provided that:
 - the purpose for which the land is to be transferred is likely to contribute to the “promotion or improvement” of the economic, social or environmental well-being of the area.In order to dispose of property at an under value, pursuant to the General Disposal Consent (England) 2003, the properties concerned must be held under the Local Government Acts. There are a number in the HRA which means they will need appropriation from Housing Acts to Local Government Acts. This is an internal administrative process.
24. In determining whether or not to dispose of land for less than best consideration the Council should have regard to a number of factors including its accountability and fiduciary duty to local people, its community strategy, all normal and prudent commercial practices, clear and realistic valuation advice on the asset in question and EU State Aid rules.

Other Legal Implications:

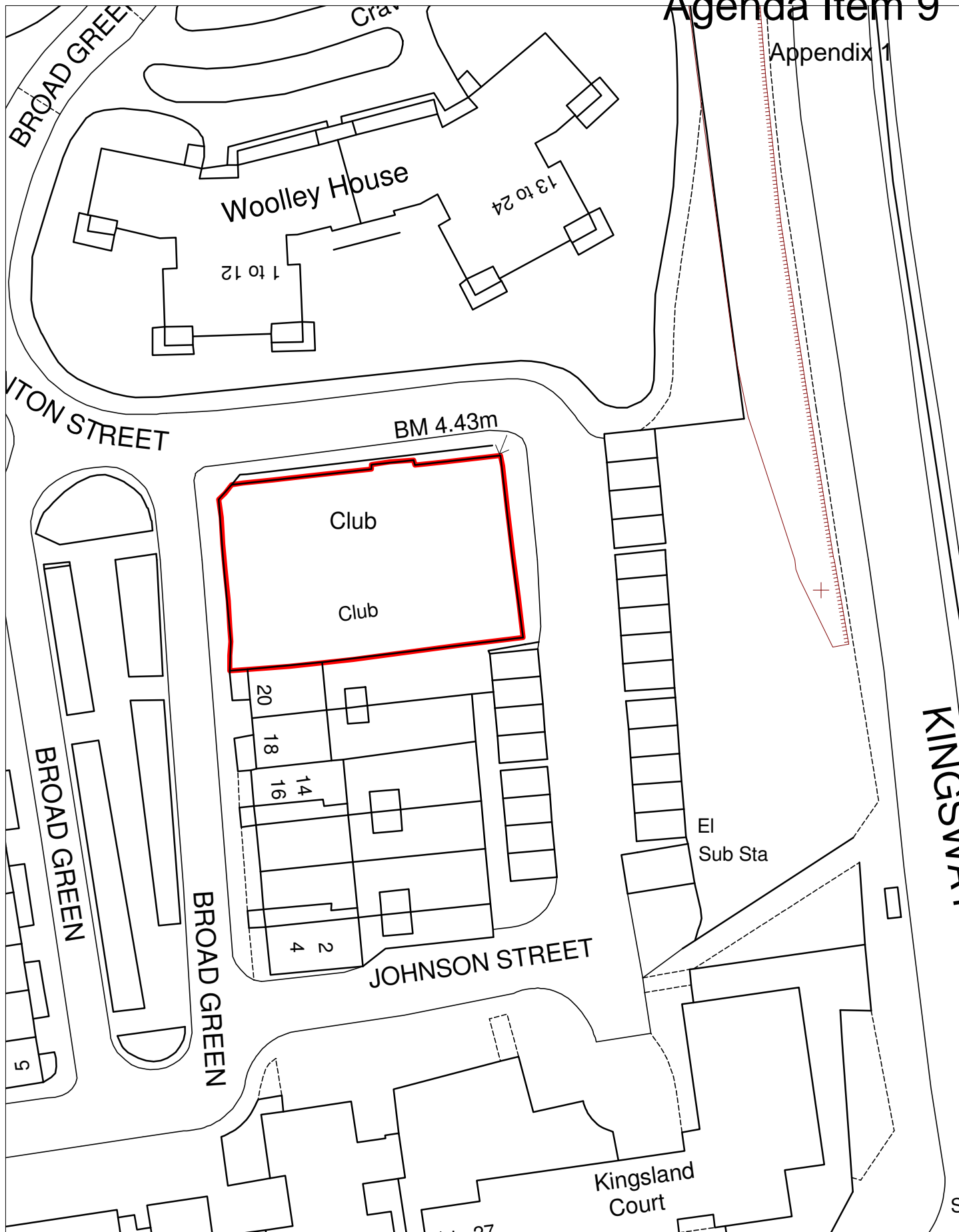
25. Any pre-emption, asset lock or buy back right would need to be protected by a restriction entered onto the title of the relevant asset.

26. The recommendation to transfer Kingsland Community Centre to WICT working in partnership with KRCA will fall outside State aid rules because the activities provided will be run by registered charities, are exclusively small scale, localised and for charitable, social or educational purposes. In addition, the nature of the transfer will protect the future use of the asset for community purposes, so the support in kind being provided by the council will effectively be ring-fenced.



POLICY FRAMEWORK IMPLICATIONS

27. Assets transferred on a leasehold basis will be carried out on the basis that the entire responsibilities for managing and repairing the building, including all health and safety responsibilities, will be transferred from the Council to the receiving organisation.
28. Recommendations for community asset transfer relate to the relevant Policy Framework plans. The services provided by the organisations to which a transfer is approved will assist the Council in meeting the overall aims of its policy framework including the Southampton City Council Strategy 2014 - 17.

KEY DECISION?	Yes	
WARDS/COMMUNITIES AFFECTED:	Bevois, Bargate, Bassett, Bitterne Park, Coxford, Freemantle, Harefield, Millbrook, Peartree, Portswood, Shirley, Sholing, Swaythling, Woolston	
<u>SUPPORTING DOCUMENTATION</u>		
Appendices		
1.	Kingsland Community Centre site plan	
Documents In Members' Rooms		
1.	None	
Equality 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.		Yes
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.	None	



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 <p>SOUTHAMPTON CITY COUNCIL</p>	<p>PROPERTY SERVICES SOUTHAMPTON CITY COUNCIL OVERLINE HOUSE, BLECHYNDEN TERRACE, SOUTHAMPTON, SO15 1GW.</p>		<p>SCALE (1:) 500</p>	<p>DATE 18.08.2010</p>
	<p>PLAN NO V2904</p>	<p>Page 29</p>	<p>TITLE Kingsland Community Centre</p>	

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DECISION-MAKER:	CABINET		
SUBJECT:	ETHELBURT AVENUE (BASSETT GREEN ESTATE) CONSERVATION AREA APPRAISAL AND MANAGEMENT PLAN		
DATE OF DECISION:	20 DECEMBER 2016		
REPORT OF:	LEADER OF THE COUNCIL		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Kevin White	Tel: 023 8083 3192
	E-mail:	kevin.white@southampton.gov.uk	
Director	Name:	Mike Harris	Tel: 023 8083 2882
	E-mail:	mike.d.harris@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY	
N/A	
BRIEF SUMMARY	
<p>The Ethelburt Avenue (Bassett Green Estate) Article 4 Direction was made by the Council, and went out to public consultation on 23rd January 2014, coming into force on 1st May 2014. The Article 4 Direction was included within the review of the Ethelburt Avenue (Bassett Green Estate) Conservation Area Appraisal and Management Plan, which was part of the same report. The order must be confirmed within two years from 23rd January 2014. This reports asks Cabinet to confirm the Order. Under the Constitution Cabinet are required to confirm such Orders, regardless of whether Cabinet has previously agreed to the Article 4 Direction.</p>	
RECOMMENDATIONS:	
	(i) To confirm Article 4 Direction for the Ethelburt Avenue (Bassett Green Estate) Conservation Area, removing permitted development rights for the properties set out in Appendix 1.
REASONS FOR REPORT RECOMMENDATIONS	
1.	To enable the Council to manage changes to the Conservation Area within a clear framework.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
2.	Not to approve revised CAAMP. Not to confirm the Order, in which case the previous (and outdated) Article 4 Direction will remain in force, and will not comply with the current version of the General Permitted Development Order.
DETAIL (Including consultation carried out)	
3.	At their meeting on 20 October 2015 Cabinet agreed to make an Article 4 Direction for the Ethelburt Avenue (Bassett Green Estate) Conservation Area, which was included within the revised Conservation Area Appraisal and Management Plan.
4.	This Order has to be confirmed within two years of the serving of the Order (20 October 2017), otherwise it will lapse, and the area will be subject to the existing (and outdated) Article 4 Direction.

5.	<p>On 28 October 2016 formal consultation on a proposed revised Article 4 Direction commenced, with letters sent out to all household within the conservation area (see Appendix 2). This consultation ended on 21 November 2016. In total 35 responses were received, 34 of which were objecting to the revised Article 4 Direction, and 1 in support.</p>
6.	<p>Generally all respondents were supportive of the need to restrict Permitted Development (PD) Rights within the conservation area, however three paragraphs (paragraphs d f) and g)) caused particular concern. These proposed the removal of PD rights from within the curtilage of properties. This was an error, and these paragraphs have been amended to remove PD rights from the front and sides of properties only. These amendments appear to have reassured objectors who have responded to this proposals that the Council are only seeking powers sufficient to control harmful development.</p>
7.	<p>Additionally concern was expressed that paragraph e) if approved would require planning permission for the erection of a garden shed in rear gardens. This paragraph essentially replicates paragraph (d) from the existing Article 4 Direction (see appendix 3). While Planning Permission is required for a structure where:</p> <ul style="list-style-type: none"> • It is 2.5m high (or above) and within 2m of any boundary, or • It is more than 2m from a boundary and 4m high (or above) with a dual pitched roof, or 3m high (or above) in any other case • the eaves exceed 2.5m in height • it covers more than 50% of the curtilage; <p>Permission is not, and has never been required for the erection of a garden shed.</p> <p>It is not proposed that this paragraph is amended.</p>
8.	<p>Proposals for development within conservation areas are tested against both the primary legislation (the Planning (Listed Buildings and Conservation Areas) Act 1990, and the policies set out in the national Planning Policy Framework (NPPF). Section 72 (1) of the 1990 Act requires that local authorities pay special attention to <i>the desirability of preserving or enhancing the special character of that area</i>'. The NPPF couches this duty in terms of <i>harm to the significance of a designated heritage asset</i> (in this case the designated heritage asset is the whole of the conservation area). Any proposals for development that are (or have been) covered by part (d) of the existing article 4 Direction, or part e) of the proposed revised Article 4 Direction have to be assessed against these criteria before a balanced judgement can be reached. Only proposals that would (or could) harm the special significance of the conservation area would require a planning application. Clearly, a garden shed in a garden (unless of a size or in a location to require planning permission, see 5, above) could not be considered harmful, and no planning application would be required. It is not therefore proposed to amend part e) to exclude the rear of properties.</p>
	<p>The effect of the revised Article 4 Direction is to clarify the somewhat ambiguous wording of the existing direction. For example part (a) of the existing Article 4 Direction removes PD rights for <i>the enlargement, improvement or other alteration of a dwelling house on its front or side elevation</i>. This generalised statement has often caused confusion as to exactly what is covered. While this is repeated in the revised Direction, it is</p>

	clarified by parts d); f); g); i); j) and k).
9.	The proposed amendments are beneficial, in that they allow residents in the conservation greater freedoms than the originally drafted version. It is therefore not felt that they are material, and that there is no requirement to re-consult on the proposed revised Article 4 Direction.
	Legal Procedure
10.	Once Cabinet give approval for confirming the Order the Council must then Seal the Order, serve notice locally and notify the Secretary Of State.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
11.	There are no capital implications arising from this report. There are revenue implications, which are that there will be a confirmation process in which the Council will have to advertise the Confirmation of the Order locally, and send letters to residents. A copy of the Order will also need to be sent to the Secretary of State for Communities and Local Government. The revenue costs will be met from existing planning service budgets.
<u>Property/Other</u>	
12.	There are no property implications for the Council arising from the recommendations contained within this report.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
13.	The Town and Country Planning (General Permitted Development) (England) Order 2015.
<u>Other Legal Implications:</u>	
14.	Before confirming the Order the Council must consider any objections or representations made during the consultation period.
15.	In some circumstances and subject to a time limit the Council may be liable to pay compensation when a planning application is refused or granted subject to conditions resulting from an Article 4 Direction. The claim must relate to abortive expenditure or other loss or damage directly attributable to the withdrawal of the permitted development rights. A claim must be made within 12 months of the date on which the application is determined; for certain rights a claim can only be made within 12 months of the direction being made. Historic England guidance advises that compensation claims have been extremely rare.
16.	The Council must be satisfied that any Article 4 Direction conforms to the requirements of the Human Rights Act 1998, in particular Article 1 of the First Protocol in relation to the Protection of Property. Any interference with property rights (including restricting development opportunities, etc.) must be necessary and proportionate in order to control the use of property in accordance with the general public interest.
POLICY FRAMEWORK IMPLICATIONS	
17.	The recommendations set out in the Ethelburt Avenue (Bassett Green Estate) Conservation Area Appraisal and Management Plan are based on and complement the existing policies set out in the Core Strategy and the saved policies of the City of Southampton Local Plan Review.

KEY DECISION?	No
WARDS/COMMUNITIES AFFECTED:	Swaythling
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Revised Article 4 Direction
2.	Letter to Householders (properties in Field Close, Stoneham Lane, Leaside Way, Bassett Green Road, Ethelburt Avenue)
3.	Existing Article 4 Direction
Documents In Members' Rooms	
1.	None
Equality 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 Assessment (PIA) to be carried out.	No
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.	



**TOWN AND COUNTRY PLANNING (GENERAL PERMITTED DEVELOPMENT)
ORDER 2015 (AS AMENDED)**

DIRECTION MADE UNDER ARTICLE 4(1) TO WHICH ARTICLE 5 APPLIES

ETHELBERT AVENUE (CONSERVATION AREA)

WHEREAS Southampton City Council, being the appropriate local planning authority within the meaning of article 4 of the Town and Country Planning (General Permitted Development) Order 2015 (“the Order”), is satisfied that it is expedient that development of the descriptions set out in the First Schedule below should not be carried out on the land set out in the Second Schedule below and shown within the land edged black and shaded on the attached plan, unless planning permission is granted on an application made under Part III of the Town and Country Planning Act 1990 as amended,

NOW THEREFORE the said Council in pursuance of the power conferred on them by article 4(1) of the Town and Country Planning (General Permitted Development) Order 2015 hereby direct that the permission granted by article 3 of the said Order shall not apply to development on the said land of the descriptions set out in the Schedules below:

FIRST SCHEDULE

DEVELOPMENT FOR WHICH PLANNING PERMISSION WILL NOW BE REQUIRED

- a) The enlargement, improvement or other alteration of a dwellinghouse where any part of the enlargement, improvement or other alteration is on the front or side elevation, being development comprised within Class A of Part 1 of Schedule 2 to the Order and not being development comprised within any other class;
- b) The enlargement of a dwellinghouse consisting of an addition or alteration to its roof where any part of the enlargement is on the front or side elevation, being development comprised within Class B of Part 1 of Schedule 2 to the Order and not being development comprised within any other class;
- c) Any other alteration to the roof of a dwellinghouse where any part of the alteration is on the front or side elevation, being development comprised within Class C of Part 1 of Schedule 2 to the Order and not being development comprised within any other class;
- d) The erection or construction of a porch on the front or side elevation of any external door of a dwellinghouse, being development comprised within Class D of Part 1 of Schedule 2 to the Order and not being development comprised within any other class;
- e) The provision, within the curtilage of a dwellinghouse of a building, enclosure, swimming or other pool required for a purpose incidental to the enjoyment of the dwelling house as such or improvement or other alteration of such a building or enclosure being development comprised within Class E of Part 1 of Schedule 2 to the Order and not being development comprised within any other class;
- f) The provision within the curtilage of a dwellinghouse (on the front or side elevation) of a hard surface for any purpose incidental to the enjoyment of the dwellinghouse as such; or the replacement in whole or in part of such a surface, being development comprised within Class F of Part 1 of Schedule 2 to the Order and not being development comprised within any other class;
- g) The installation, alteration or replacement of a chimney, flue or soil and vent pipe on the front or side elevation of a dwellinghouse, being development comprised within Class G of Part 1 of Schedule 2 to the Order and not being development comprised within any other class;
- h) The installation, alteration or replacement of a microwave antenna on a dwellinghouse or within the curtilage of a dwellinghouse where the microwave antenna is on the front or side elevation, being development comprised within Class H of Part 1 of Schedule 2 to the Order and not being development comprised within any other class;

- i) The erection, construction, maintenance, improvement or alteration of a gate, fence, wall or other means of enclosure where the gate, fence, wall or other means of enclosure erected or constructed adjacent to a highway used by vehicular traffic, waterway or public open space, being development comprised within Class A of Part 2 of Schedule 2 to the Order and not being development comprised within any other class;
- j) The painting of the exterior of any building or work where the exterior is on the front or side elevation, being development comprised within Class C of Part 2 of Schedule 2 to the Order and not being development comprised within any other class;
- k) Any building operation consisting of the demolition of the whole or any part of any gate, fence, wall or other means of enclosure where the gate, fence, wall or other means of enclosure is on the front or side elevation, being development comprised within Class C of Part 11 of Schedule 2 to the Order and not being development comprised within any other class;
- l) The installation, alteration or replacement of solar PV or solar thermal equipment on a building where the solar PV or solar thermal equipment is on the front or side elevation, being development comprised within Class A of Part 14 of Schedule 2 to the Order and not being development comprised within any other class.

SECOND SCHEDULE

LAND TO WHICH THIS DIRECTION RELATES

- i. All those properties in Ethelburt Avenue
- ii. Numbers 9-33 and 43 Stoneham Lane
- iii. Numbers 42-88 (evens) and 51-79 (odds) Bassett Green Road
- iv. Numbers 1-4 and 9-12 Field Close
- v. Numbers 1-43 (odds) and 2-32 (evens) Leaside Way

THE COMMON SEAL of
SOUTHAMPTON CITY COUNCIL
was hereunto affixed this 26th day of
October 2016

In the presence of:

Authorised Signatory

SERVICE DIRECTOR: LEGAL & GOVERNANCE
RICHARD IVORY, Solicitor
Southampton City Council
Civic Centre
Southampton SO14 7LY

FAREHAM
BOROUGH COUNCIL



Southampton and Fareham Legal Services Partnership

The Occupier
Address
Bassett Green
Southampton
SO16 3DY

Direct dial: 023 8083 3553
Please ask for: Aicha Laroussi
Our Ref: AL/EP05-03-0009-000289
Your ref:

Date: 27th October, 2016

IMPORTANT: THIS COMMUNICATION AFFECTS YOUR PROPERTY

Dear Sir/Madam,

ARTICLE 4 DIRECTION – ETHELBERT (ARTICLE 4 DIRECTION) TOWN AND COUNTRY (GENERAL PERMITTED DEVELOPMENT) ORDER 2015 (As amended)

On 26th October 2016, Southampton City Council made an Article 4 Direction for the Ethelbert Avenue area, to manage the use of permitted development rights. It is proposed to come into force on **9th January 2017**.

The character appraisal of the Ethelbert Avenue (Bassett Green Estate) Conservation Area, has been amended and a revised Conservation Area Appraisal and Management Plan was adopted by Southampton City Council in October 2015. A draft revised Article 4 Direction was included in this document, and the current consultation seeks final views from residents before the revised Article 4 Direction can be confirmed.

What are Permitted Development Rights?

Permitted development rights allow some types of alteration or demolition to be undertaken without having to make a planning application. In a Conservation Area these rights can be problematic as insensitive alteration and demolition carried out without the impact on the character of the conservation area being properly considered can lead to harmful changes to its character and appearance.

What is an Article 4 Direction?

An Article 4 Direction makes a planning application necessary for work that was previously permitted development. It allows the Council to properly consider the impact of changes on the character and appearance of the conservation area and to decide whether any particular alteration should go ahead. This does not necessarily prevent changes occurring but it does allow proposals to be properly considered, discussed and maybe amended, and for neighbour consultation to take place. There would be no fee for the planning application.

When does the Article 4 Direction come into force?

Following public consultation, and consideration of any responses, the Council will decide whether to confirm the Article 4 Direction. If confirmed, it will come into force on **9th January 2017**.

Can I make Representation to the Council?

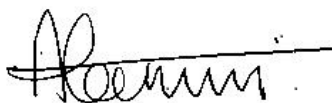
Representations can be made for a period of 21 days beginning on 28th October 2016 until 21st November 2016. Any representations received will be considered by the Council in deciding whether to confirm the Direction. If you wish to make representations you may do so by email to aicha.laroussi@southampton.gov.uk or by post to Service Director: Legal and Governance, Southampton City Council, Civic Centre, Southampton SO14 7LY. For further information concerning the Article 4 Direction, please contact Kevin White, Historic Environment Group Leader, Southampton City Council, Civic Centre, Southampton SO14 7LY or by email at kevin.white@southampton.gov.uk

How does the Article 4 Direction affect my property?

A copy of the Article 4 Direction is attached to this letter, which includes a map showing the land affected. I also enclose a copy of the notice that has been published in the Hampshire Independent on 28th October 2016.

If you have any further queries relating to how the Article 4 Direction affects your property, please contact Kevin White, the Historic Environment Group Leader, at the e-mail address above.

Yours faithfully,



Aicha Laroussi
for Service Director: Legal & Governance

**If you would like this letter sent to you in another format or language,
please contact the number at the top of this letter.**

PUBLIC NOTICE

**SOUTHAMPTON CITY COUNCIL
TOWN AND COUNTRY PLANNING GENERAL DEVELOPMENT
ORDER 1988 (AS AMENDED)**

ETHELBURT AVENUE AND UPLANDS ESTATE CONSERVATION AREAS

Notice is hereby given that Southampton City Council has made a Direction under Article 4 of the Town and Country Planning General Development Order 1988 (as amended) and that the Secretary of State for the Environment did on 1st July, 1992, approve the Direction with modifications.

The Direction as modified applies to the whole of the Uplands Estate Conservation Area with the exception of the properties known as:

Nos. 75-77 (odds) and 91-113 (odds) Brookvale Road, 2-5 (inclusive), 8-11 (inclusive), 14-17 (inclusive) Highfield Close, Nos. 68-78 (evens) Highfield Lane, 24-27 (inclusive) Glebe Court and 18 Uplands Way,

the whole of the Ethelburt Avenue Conservation Area with the exception of the properties known as:

Nos. 5-8 (inclusive) field Close, 35-41 (odds) Stoneham Lane.

The effect of the Direction as modified is to remove the following permitted development rights contained in Part 1 of Schedule 2 to the Order in respect of the following development within the curtilage of a dwellinghouse:

- (a) the enlargement, improvement or other alteration of a dwellinghouse on its front or side elevations;
- (b) any alterations to the roof of a dwellinghouse on its front or side elevations;
- (c) the erection or construction of a porch outside any external door of a dwellinghouse on its front or side elevations;
- (d) the provision within the curtilage of a dwellinghouse of any building or enclosure, swimming or other pool required for a purpose incidental to the enjoyment of the dwellinghouse, or the maintenance, improvement or other alteration of such a building or enclosure;
- (e) the installation, alteration or replacement of a satellite antenna on a dwellinghouse or within the curtilage of a dwellinghouse.

From the date of this notice before development of any of the types specified above commences on land affected by the Direction, planning permission must be obtained from Southampton City Council.

A copy of the Direction as modified is available for inspection at Directorate of Strategy and Development, Civic Centre, Southampton.

Jeffrey A. Pattison
Head of Legal Services
Dated 29th July, 1992

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DECISION-MAKER:		CABINET	
SUBJECT:		CONSORTIA COMMISSIONING OF INDEPENDENT FOSTER CARE	
DATE OF DECISION:		20 DECEMBER 2016	
REPORT OF:		CABINET MEMBER FOR CHILDREN'S SOCIAL CARE	
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Lin Clark	Tel: 023 8083 2085
	E-mail:	lin.clark@southampton.gov.uk	
Directors	Name:	Stephanie Ramsey	Tel: 023 8029 6923
	E-mail:	Stephanie.ramsey@southampton.gov.uk	
STATEMENT OF CONFIDENTIALITY			
None			
BRIEF SUMMARY			
This report seeks authorisation to award providers to the South Central Framework agreement for Independent Fostering Agency placements following the completion of a procurement process led by Southampton City Council on behalf of a sub-regional consortia comprising fourteen local authorities.			
RECOMMENDATIONS:			
	(i)	To authorise officers to appoint the organisations set out in Appendix 1 to the Framework Agreement.	
	(ii)	To delegate to the Service Director Quality and Integration following consultation with the Interim Service Director Children and Families and the Service Director Finance and Commercialisation and the Service Director Legal and Governance authority to enter into contractual arrangements with these organisations and to do all such ancillary activities as may be necessary to give effect to the recommendations of this report.	
REASONS FOR REPORT RECOMMENDATIONS			
1.	The Framework Agreement has been procured via a fair, open and transparent process.		
2.	Effective and appropriate use of the Framework Agreement will give Southampton City Council and participating Authorities assurance of quality in the provision of independently provided foster care and price stability in what will otherwise be a market characterised by variable and escalating costs over the next 4 years.		
3.	A saving of £68K will be made by transferring existing placements to the new Contract. The new Contract also gives Southampton City Council access to significantly more providers and a wider range of options as detailed below for cost effectively meeting need and ensuring good outcomes for the city's looked after children going forward		
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED			

4.	<ul style="list-style-type: none"> • Option 1 – Spot purchase. This option was rejected because of the increased risks in terms of cost and quality where each placement required would be subject to market forces on a case by case basis. • Option 2 – Set up a Framework for Southampton as a stand-alone exercise. This option was rejected, as experience and analysis suggested that greater economies of scale, improved outcomes (e.g.; placement stability) and best value for money could be obtained through a collaborative procurement process with other authorities.
DETAIL (Including consultation carried out)	
Background	
5.	Independently provided foster care is a key means by which the council complies with its duties under the Children and Young Persons Act to ensure sufficient access to placements for looked after children.
6.	In January 2016, CMT authorised officers to initiate re-procurement of the framework through which the majority of these placements are purchased, a contract which expires on 31st March 2017.
7.	The Council established a regional consortium of local authorities to enable a collaborative approach to managing the Independent Fostering Agency (IFA) market. The consortia comprised of 14 local authorities - Bracknell Forest, Bournemouth, Dorset, Isle of Wight, Oxfordshire, Poole, Portsmouth, Reading, Royal Borough of Windsor and Maidenhead, Slough, Southampton, Surrey, West Berkshire, and Wokingham. Hampshire was initially part of the consortia but subsequently withdrew following a decision to instead procure their foster care services on an independent basis.
Objectives	
8.	<p>The key objectives of the procurement were:</p> <ul style="list-style-type: none"> - To achieve best value and quality assurance in the purchase of independently provide foster care - Improved outcomes for children placed in independently provided foster care - To ensure access to an extensive pool of providers - To standardise individual contracts for each placement made under an overarching contract - To ensure LA's have the opportunity to include multiple child specific outcomes - To improve provision for a range of children including 14-18 year olds - To achieve fixed prices for placements based on specific ages/client need - To achieve fixed prices and a breakdown of placements for more complex needs (to meet an increase in demand) e.g. teenagers with high risk behaviours, unaccompanied asylum seekers, crisis placements for under 16's - To provide alternatives to residential care options for children who would otherwise go into institutional care settings - To enable permanency to be delivered as a care outcome for children at the earliest reasonably practicable point - To investigate the possibility of including foster carers who can

	<p>support adoption and family breakdown</p> <ul style="list-style-type: none"> - To consult with other LA's in relation to their current purchasing tools and seek to increase the number of LA's within the South Central region, thus increasing greater bargaining power - To reduce individual placement negotiations for emerging specialist placements - To share contract performance and management responsibility across the consortia - Adherence with legislation and standards - Capacity assurance for various need groups and geographical areas
	Procurement Process
9.	<p><u>Qualification Stage</u></p> <p>Bidders were required to respond to a number of standard questions with applicable pass/fail criteria laid down in the initial stage of this process. Such questions were to test financial capacity, grounds for mandatory exclusion, pre-determined insurance levels and compliance to specific legislation(s).</p> <p>In addition to the standard questions, bidders were required to respond regarding the Ofsted rating for offices to be submitted under the framework contract. Only offices with an Ofsted grading of 'Requires Improvement' or above progressed to the Technical stage. Providers that have a grading of 'Requires Improvement' are considered by Ofsted to provide an acceptable level of care for children, and commissioners are encouraged to make placements which match a child's needs with a provider if they have this grading or above.*</p> <p>*Report of Sir Martin Narey's independent review of children's residential care, p50</p>
10.	<p><u>Technical Stage</u></p> <p>Fostering providers are regulated and regularly inspected by Ofsted to ensure that they deliver good quality care. To avoid duplication therefore, for Lots 1-3, no further method statement questions/second stage evaluation was required. Price criteria formed 100% of the overall evaluation (the lowest overall price was given 100%, the other scores calculating as a percentage of the lowest overall price)</p>
11.	<p>Under each Lot, Providers with an Ofsted rating of Outstanding or Good were allocated a place on Tier 1 or Tier 2 and subsequently ranked in price order (lowest to highest). This ensures that offers of placements from higher quality providers are considered first, and where there is more than one suitable placement, the placement offered at the most advantageous price will be selected. Providers with an Ofsted rating of Requires Improvement were allocated a place on Tier 3 and ranked in the same way.</p>
12.	<p>For Lot 4 (Alternative to Residential) as this was a new and innovative service model, it was agreed that ranking the provider solely on price at the second stage, would not be sufficient, therefore cost formed 40% of the overall evaluation and quality formed 60%.</p>
13.	<p>Providers had to score 55% or above on the quality section and have an Ofsted rating of Requires Improvement or above to be awarded a place on</p>

	the Framework.																				
14.	Price was then evaluated on a total Weekly Cost during the 'Stabilisation Stage' of a Lot 4 placement (18 months in term). The provider with the lowest overall price was given 100% of the 40% weighting, and all other provider scores were then calculated as a percentage of the lowest overall price. Providers were then ranked in according to their combined quality/cost score.																				
	Results																				
15.	All providers that submitted a tender for Lots 1-3 were successful in being awarded a place on the new framework. Three providers were rejected during the tender process for Lot 4 based on not meeting the quality criteria.																				
16.	There has been a significant increase in the number of providers on the Framework providing fixed and transparent pricing: <table border="1" data-bbox="427 730 1307 1077"> <thead> <tr> <th>Number of Providers</th> <th>Old</th> <th>New</th> <th>% increase</th> </tr> </thead> <tbody> <tr> <td>Lot 1 General</td> <td>41</td> <td>49</td> <td>22</td> </tr> <tr> <td>Lot 2 Parent and Child</td> <td>34</td> <td>49</td> <td>44</td> </tr> <tr> <td>Lot 3 Children with Disabilities</td> <td>17</td> <td>43</td> <td>152</td> </tr> <tr> <td>Lot 4 Alternative to Residential</td> <td>N/A</td> <td>9</td> <td>100</td> </tr> </tbody> </table>	Number of Providers	Old	New	% increase	Lot 1 General	41	49	22	Lot 2 Parent and Child	34	49	44	Lot 3 Children with Disabilities	17	43	152	Lot 4 Alternative to Residential	N/A	9	100
Number of Providers	Old	New	% increase																		
Lot 1 General	41	49	22																		
Lot 2 Parent and Child	34	49	44																		
Lot 3 Children with Disabilities	17	43	152																		
Lot 4 Alternative to Residential	N/A	9	100																		
17.	Prices for Disabled Children and Parent and Child placements have fallen (down 0.5% and 2.5% respectively).																				
18.	There are 11 new providers offering standard (Lot 1) placements with a lower average weekly price when compared to the previous contract (previous average was £771.02 per week).																				
19.	Analysis across all placement types indicates that prices have therefore been held almost static (+0.85%) despite the fact that the providers have not had a price increase in the past five years.																				
20.	Where new prices are lower, placements will be transferred to the new Contract. A review of existing placements indicates that savings of £68K per annum can be made by transferring placements across to the new contract. It is to be noted that children can remain with the same foster carers and will not be affected.																				
21.	The new 4 year framework has been designed to re-open on an annual basis to create a route to market for new entrants, continuous stimulation of competition, and assurance that all IFA's being used by the council have passed the quality evaluation criteria required to be awarded to the framework.																				
22.	The current framework classifies placements as either short or long term and extracts a discounted rate for long term placements. This arrangement has been carried forward into the new framework, however, the long term rate will now take effect at month nine instead of month twelve in line with changes to national guidance in relation to permanency. This will help to reduce the financial consequence of short term placement making when such placements are required and is expected to save the Council £150,000 over the next four years.																				
23.	Alongside standard placements, a new 'Alternative to Residential' Lot has																				

	been included that is intended to accommodate placements for children that have either experienced multiple placement breakdowns or who are already in residential accommodation. Placements of this type potentially offer better outcomes for children combined with better value. The average cost of a placement under this Lot is £2,029 compared to an average cost of £3,558 per week for a residential placement. This would represent an annual saving of £79,508 for a single placement. Work will be carried out to identify existing residential placements where a child might benefit from a move to a placement of this type.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
24.	A review of existing placements indicates that savings of £68K per annum can be made by transferring placements across to the new contract.
25.	The contractual change to reduce the period during which placements are charged at the higher 'short term' cost means that over the four year duration of the contract a cost avoidance of £150,000 can be achieved.
26.	The new 'Alternative to Residential' Lot offers the potential for savings where it is appropriate for a child currently in a residential placement to move to a placement under this new Lot. The average annual saving for each child successfully moved would be £79,508. Work will be carried out to identify existing residential placements where a child might benefit from a move to a placement of this type.
<u>Property/Other</u>	
27.	None.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
28.	Southampton City Council has a statutory requirement to meet the Sufficiency Duty placed on local authorities under 22 (G) of the Children Act 1989.
29.	The legal powers to pursue the procurement as outlined in this report are contained in the Local Government Acts 1972, 1999 and 2000. The procurement process itself is governed by the EU public procurement Directive (as embodied in UK law by the Public Contracts Regulations 2015).
<u>Other Legal Implications:</u>	
30.	None.
POLICY FRAMEWORK IMPLICATIONS	
31.	The proposals contained in this report are made in accordance with the following strategic commitments within the Policy Framework (Article 4.1 of the Council's Constitution): <ol style="list-style-type: none"> 1. Sustainable Community Strategy (Southampton City Strategy 2015-2025); The strategy prioritises 'Healthier and Safer Communities' and includes a focus on giving babies, children and young people a better start in life. 2. Health and Well Being Strategy 2013-2016; theme two of the strategy focuses on 'Best start in life'. The Health and Wellbeing Strategy will

	be updated in early 2017 and will retain a focus on outcomes for children and young people.
32.	The proposals have also been developed in line with the outcomes agreed in the Southampton City Council Strategy 2016-2020 which focus on giving children and young people a good start in life, protecting vulnerable children and young people and reducing the number of looked after children and children in need.
KEY DECISION?	Yes
WARDS/COMMUNITIES AFFECTED:	All
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	None

Documents In Members' Rooms

1.	None	
Equality 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.	YES	
Other Background Documents Other Background documents available for inspection at: Equality Impact Assessment and Other Background documents available for inspection at: Integrated Commissioning Unit, 1 st Floor, Municipal Block, Civic Centre, Southampton.		
Title of Background Paper(s)		
1.	Tender Evaluation Report 2016	Part exempt by virtue of paragraph 3 - Information regarding providers invited to sign up to the Framework Agreement will not be in the public domain at the time of the report.
2.	IPC Report on Collaborative Commissioning	Open
3	Report of Sir Martin Narey's independent review of children's residential care	Open

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DECISION-MAKER:	CABINET MEMBER FOR ENVIRONMENT AND TRANSPORT		
SUBJECT:	CHANGES TO THE OPENING HOURS AT THE HOUSEHOLD WASTE RECYCLING CENTRE (HWRC)		
DATE OF DECISION:	20 DECEMBER 2016		
REPORT OF:	SERVICE DIRECTOR - TRANSACTIONS & UNIVERSAL SERVICES		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Gale Williams	Tel: 023 8083 2536
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STATEMENT OF CONFIDENTIALITY
None

BRIEF SUMMARY

To re-programme reducing the opening hours at the Household Waste Recycling Centre (HWRC) at City Depot & Recycling Park, until 1 October 2017. The reduction in opening hours was due to come into effect 1 January 2017.

Changes to opening hours at the HWRC were agreed at Cabinet on 16 August 2016. This delay will enable greater opportunity to monitor the impacts of recent charges for non-household and trade wastes.

Hampshire County Council and Portsmouth City Council will also not reduce opening hours at HWRCs across Hampshire for this same period of time.

RECOMMENDATIONS:

- (i) To re-programme the introduction of reduced opening hours at the HWRC to 1 October 2017. The reduction in opening hours won't come into effect until 1 October 2017 and are: two hours per day in the winter (11am – 4pm) and Monday – Friday in the summer (11am – 6pm). By one hour per day on Saturday and Sunday in the summer (10am – 6pm) and to close the HWRC, one day per week on a Thursday each week.
- (ii) That authority be delegated to the Service Director – Transactions and Universal Service, following consultation with the Executive Member for Environment and Transport, to implement all of the necessary operational and contractual changes and other actions for the recommendations to take effect.
- (iii) To note that any future changes need to be consistent as far as possible across Southampton City Council, Hampshire County Council (HCC) and Portsmouth City Council (PCC) as different opening times may result in increased numbers of visitors from outside the City and a resultant increase in disposal costs.

REASONS FOR REPORT RECOMMENDATIONS

1. To note the opportunity for monitoring the impacts of the recent introduction of charges for non-household and trade wastes.
2. To ensure there is consistency as far as is reasonably possible with regard to future service changes with Hampshire County Council and Portsmouth City Council.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3. None

DETAIL (Including consultation carried out)

4. On 16th August 2016 the Cabinet Member for Environment and Transport approved the decision set out in the HWRC Service Efficiencies paper to reduce the daily opening hours by 2 hours per day in the winter (11am – 4pm) and Monday – Friday in the summer (11am – 6pm). By one hour per day on Saturday and Sunday in the summer (10am – 6pm) and to close the HWRC, one day per week on a Thursday each week from 1 January 2017.
5. This decision was recommended in the context of the need to achieve operational savings and feedback from residents through the public consultation held from 16 March 2016 to 25 May 2016.
6. On 1st October 2016, Southampton City Council introduced charges for non-household wastes and from 1st November 2016, for trade wastes.
7. The full impact of these charging schemes on customer and waste flows through the HWRC network will not be known for some time, as historically inputs to the HWRCs decline during the winter months. It is now considered that a further operating window would be helpful to fully understand the consequences of these measures, including the annual peak period of Easter and the May Bank Holidays.
8. A further consideration is the view made as part of consultation is that further restrictions to the HWRC service would lead to an increase in fly tipping.
9. Southampton City Council is working with partners to develop a strategy to reduce fly tipping.

RESOURCE IMPLICATIONS

Capital/Revenue

10. There are no capital/revenue costs incurred by the Council by re-programming reducing the opening hours at the HWRC until 1 October 2017. There are no set up costs in delivering the proposal. The reduction in contract payments for nine months will be met.

Property/Other

12. No property implications are identified.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

13. There are no legal implications to current proposals. If charging for the use of Southampton HWRC is introduced in the future, legislation changes may need to be passed by central government.

Other Legal Implications:

14. None.

POLICY FRAMEWORK IMPLICATIONS

15. The proposals support the Council's policy framework.

KEY DECISION?	Yes
WARDS/COMMUNITIES AFFECTED:	All wards
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	None
Documents In Members' Rooms	
1.	None
Equality 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 Assessment (PIA) to be carried out.	No
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.	None

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