

# Public Document Pack

## Cabinet

Tuesday, 18th September, 2018  
at 4.30 pm

### PLEASE NOTE TIME OF MEETING

Council Chamber - Civic Centre

This meeting is open to the public

#### Members

Leader and Clean Growth & Development –  
Councillor Hammond  
Adult Care - Councillor Fielker  
Aspiration, Schools & Lifelong Learning –  
Councillor Paffey  
Children & Families - Councillor Jordan  
Community Wellbeing – Councillor Shields  
Finance & Customer Experience - Councillor Chaloner  
Homes & Culture - Councillor Kaur  
Transport & Public Realm - Councillor Rayment

(QUORUM – 3)

#### Contacts

Cabinet Administrator  
Claire Heather  
Tel. 023 8083 2412  
Email: [claire.heather@southampton.gov.uk](mailto:claire.heather@southampton.gov.uk)

Director of Legal and Governance  
Richard Ivory  
Tel: 023 8083 2794  
Email: [richard.ivory@southampton.gov.uk](mailto:richard.ivory@southampton.gov.uk)

## **BACKGROUND AND RELEVANT INFORMATION**

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

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

### **The Forward Plan**

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

### **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.

The Southampton City Council Strategy (2016-2020) is a key document and sets out the four key outcomes that make up our vision.

- Southampton has strong and sustainable economic growth
- Children and young people get a good start in life

### **Executive Functions**

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

### **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)**

<b>2018</b>	<b>2019</b>
19 June	15 January
17 July	12 February <b>(Budget)</b>
21 August	19 February
18 September	19 March
16 October	16 April
20 November	
18 December	

- People in Southampton live safe, healthy, independent lives
- Southampton is an attractive modern City, where people are proud to live and work

## **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 17th July, 2018, 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.

## MONITORING REPORTS

### 8 CORPORATE REVENUE FINANCIAL MONITORING FOR THE PERIOD TO THE END OF JUNE 2018 (Pages 5 - 30)

Report of the Cabinet Member for Finance and Customer Experience summarising the General Fund and Housing Revenue Account (HRA) revenue financial position for the Authority for the three months to the end of June 2018, and highlighting any key issues by Portfolio which need to be brought to the attention of Cabinet.

**9 CAPITAL FINANCIAL MONITORING FOR THE PERIOD TO THE END OF JUNE 2018** (Pages 31 - 42)

Report of the Cabinet Member for Finance and Customer Experience informing Cabinet of any major changes in the overall General Fund and Housing Revenue Account (HRA) capital programme for the period 2018/19 to 2022/23, highlighting the changes in the programme since the last reported outturn position to Council Cabinet in July 2018. The report also notes the major forecast variances against the approved estimates.

**ITEMS FOR DECISION BY CABINET**

**10 CHANGES TO EXISTING REVENUE AND CAPITAL BUDGETS** (Pages 43 - 46)

To consider the report of the Service Director Finance and Commercialisation and Cabinet Member for Finance and Customer Experience (where relevant) detailing proposed changes to existing Revenue and Capital Budgets to incorporate changes to this and future years' budget.

**11 ACCEPTANCE OF GLASS PROCESSING INTO WASTE DISPOSAL SERVICE CONTRACT FOR SOUTHAMPTON CITY COUNCIL, WHICH INCLUDES ALL AUTHORITIES IN HAMPSHIRE** (Pages 47 - 50)

Report of the Cabinet Member for Transport and Public Realm regarding the tendering of the Hampshire wide glass processing and disposal contract, which was completed in June 2018 (which, Southampton City Council (SCC) and Portsmouth City Council (PCC) are part of), it was not possible to award the contract as it would have resulted in a significant reduction in income. It is now intended to accept glass processing and disposal contract into the Waste Disposal Service Contract (WDSC) until December 2030.

**12 COMMISSIONING SUBSTANCE MISUSE SERVICES FOR ADULTS AND YOUNG PEOPLE IN SOUTHAMPTON** (Pages 51 - 64)

To consider the report of the Cabinet Member for Community Wellbeing to accept the outcome of the procurement process for Substance Misuse services for Adults and Young People in Southampton following a period of review, engagement and consultation.

**13 HOME TO SCHOOL TRANSPORT & POST-16 TRAVEL ARRANGEMENTS** (Pages 65 - 120)

To consider the report of the Cabinet Member for Aspiration, Schools and Lifelong Learning seeking approval to formally consult on the proposals for Home to School Transport & Post-16 Travel Arrangements.

**14 LAND QUALITY STRATEGY 2018 - 2023** (Pages 121 - 134)

To consider the report of the Cabinet Member for Transport and Public Realm, detailing the Southampton Land Quality Strategy 2018-2023 update.

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

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

Confidential report contains information deemed to be exempt from general publication based on Category 3, 5 and 7A of paragraph 10.4 of the Council's Access to Information Procedure Rules. In applying the public interest test if the content of this report were to be treated as a public document it would reveal information that is both commercially sensitive and detrimental to the business affairs of the Council.

**16 UPDATE ON STRATEGIC SERVICES PARTNERSHIP (Pages 135 - 140)**

Confidential report of the Leader detailing an update on the Strategic Services Partnerships.

Monday, 10 September 2018

Director of Legal and Governance

This page is intentionally left blank



SOUTHAMPTON CITY COUNCIL  
EXECUTIVE DECISION MAKING

RECORD OF THE DECISION MAKING HELD ON 17 JULY 2018

Present:

Councillor Hammond	-	Cabinet Member for Sustainable Living
Councillor Rayment	-	Cabinet Member for Environment and Transport
Councillor Chaloner	-	Cabinet Member for Finance
Councillor Jordan	-	Cabinet Member for Children's Social Care
Councillor Kaur	-	Cabinet Member for Communities, Culture and Leisure
Councillor Shields	-	Cabinet Member for Health and Community Safety
Councillor Payne	-	Cabinet Member for Housing and Adult Care
Councillor Dr Paffey	-	Cabinet Member for Education and Skills

3. RESPONSE TO THE SCRUTINY INQUIRY ON DRUG-RELATED LITTER

DECISION MADE: (CAB 18/19 20942)

On consideration of the report of the Cabinet Member for Health and Community Safety  
Cabinet agreed the following:-

- (i) To receive and approve the proposed responses to the recommendations of the Scrutiny Inquiry Panel, to follow as a completed version of Appendix 1.

4. JOINT AIR QUALITY UNIT (JAQU), CLEAN AIR ZONE EARLY MEASURES FUND

DECISION MADE: (CAB 18/19 20833)

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

- (i) To accept funding totalling £1,731,677 awarded by the DfT for 2018/2019;
- (ii) To administer and monitor the use of Clean Air Zone Early Measures Funding approved by Council for the delivery of cycle infrastructure and promotional activities to support the Council's commitment to reduce emissions and improve air quality within the Southampton area;

5. EDUCATION CAPITAL PROGRAMME (SECONDARY SCHOOLS EXPANSION)

DECISION MADE: (CAB 18/19 20113)

On consideration of the report of the Cabinet Member for Education and Skills, the report was modified to amend recommendation (iii) and insert a new recommendation (iv), Cabinet agreed the following:-

- (i) Approve the commencement of consultation on the proposals and options detailed in the report and appendix 1.
- (ii) To delegate authority to the Service Director for Children and Families to enter into (or continue) and conclude discussions with:
  - the Winchester and Portsmouth Diocese and St. Marks Primary School in relation to proposals for a new school on the St. Marks Primary School Site;
  - approach the Portsmouth Diocesan Trust, Governors and the Head Teacher of St. George Catholic College to consider expansion by 300 places; and
  - the Portsmouth Diocesan Trust, Academy Trust, Governors and Head Teacher of St. Anne's Catholic College to consider expansion of the school by 300 places.
- (iii) To delegate authority to the Service Director for Children and Families to engage with the Regional School Commissioner and the Department for Education to consider alternatives and options for the operation and funding of the construction of the new secondary school.
- (iv) The outcomes of any proposals following consultation with the Council's Capital Board be submitted to a future Cabinet meeting for approval.
- (v) To note that the Service Director – Finance & Commercialisation has delegated authority to vary the Secondary School Expansion scheme within the Education Capital Programme in response to any change in requirements around the specification of the projects following consultation within the approved overall funding of the scheme.

6. CONSORTIA COMMISSIONING OF CHILDREN'S RESIDENTIAL CARE

DECISION MADE: (CAB 18/19 20853)

On consideration of the report of the Cabinet Member for Children's Social Care, Cabinet agreed the following:-

- (i) To agree and accept the outcome of the procurement of a Framework Agreement for children's residential care commissioned by a regional consortium led by Southampton City Council.
- (ii) To delegate authority to the Director of Quality and Integration to do what is necessary to implement recommendation (i) above.

7. CONNECTED SOUTHAMPTON - 20 YEAR LOCAL TRANSPORT PLAN

DECISION MADE: (CAB 18/19 20967)

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

- (i) To approve the launch of a 12 week consultation on the draft of Connected Southampton 2040.
- (ii) To authorise the Service Lead: Infrastructure, Planning and Development to make minor presentational changes to the draft consultation document before its launch.

8. ADDITIONAL LICENSING SCHEME FOR HOUSES IN MULTIPLE OCCUPATION (HMOS) - CONSULTATION RESULTS AND FINAL APPROVAL

DECISION MADE: (CAB 18/1920805)

On consideration of the report of the Cabinet Member for Sustainable Living, Cabinet agreed the following:-

- (i) To note the outcome of a full consultation, which has taken place in accordance with the Housing Act 2004 and to consider and take into account the consultation responses in making a decision on this matter.
- (ii) Subject to (i) above, to approve the designation of Bevois, Bargate, Portswood and Swaythling wards as being subject to additional licensing, requiring all houses in multiple occupation (HMOs) to be licensed, apart from section 257 HMOs and buildings exempted by schedule 14 of the Housing Act 2004, to take effect from 1st October 2018 for five years.
- (iii) To delegate authority to the Director of Transactions & Universal Services to approve any changes to the Councils HMO licensing Policy and procedures as amended and / or extended as set out above required in connection with the said designation.

9. PROVISION FOR A REGIONAL ADOPTION AGENCY ( ADOPT SOUTH)

DECISION MADE: (CAB 18/19 21092)

On consideration of the report of the Cabinet Member for Social Care, Cabinet agreed the following:-

Having complied with paragraph 15 of the Council's Access to Information Procedure Rules. These recommendations will :-

- (i) Approve the proposed model for delivery of adoption services as a Regional Adoption Agency.

- (ii) Approve the financial contribution to the Regional Adoption Agency of £1.387 M to be fixed for two years (2019/20 and 2020/21) and reviewed for 2021/22.
- (iii) Delegate authority to enter into the final interagency agreement to the Director of Children's Services in consultation with the Directors of Finance and Commercialisation and Legal & Governance and following consultation with the Cabinet Member for Children's Services.

10. COMMUNITY CHEST GRANTS 2018/19

DECISION MADE: (CAB 18/19 20821)

On consideration of the report of the Director of Quality and Integration, Cabinet Member for Communities, Culture and Leisure agreed the following:-

- (i) To agree the recommendations made by the cross-party Community Chest Grant Advisory Panel

# Agenda Item 8

<b>DECISION-MAKER:</b>	CABINET		
<b>SUBJECT:</b>	CORPORATE REVENUE FINANCIAL MONITORING FOR THE PERIOD TO THE END OF JUNE 2018		
<b>DATE OF DECISION:</b>	18 <sup>TH</sup> SEPTEMBER 2018		
<b>REPORT OF:</b>	CABINET MEMBER FOR FINANCE & CUSTOMER EXPERIENCE		
<b><u>CONTACT DETAILS</u></b>			
<b>AUTHOR:</b>	<b>Name:</b>	Sue Cuerden	<b>Tel:</b> 023 8083 4153 023 8083 2585
		Jo Knight	
	<b>E-mail:</b>	<a href="mailto:Sue.Cuerden@southampton.gov.uk">Sue.Cuerden@southampton.gov.uk</a>	
<b>Director:</b>	<b>Name:</b>	Mel Creighton	<b>Tel:</b> 023 8083 4897
		Service Director Finance and Commercialisation	
	<b>E-mail:</b>	<a href="mailto:Mel.Creighton@southampton.gov.uk">Mel.Creighton@southampton.gov.uk</a>	

<b>STATEMENT OF CONFIDENTIALITY</b>
N/A

## **BRIEF SUMMARY**

This report summarises the General Revenue Fund and Housing Revenue Account (HRA) financial position for the Authority as at the end of June 2018, and highlights any key issues by portfolio which need to be brought to the attention of Cabinet.

## **RECOMMENDATIONS:**

### **General Revenue Fund**

It is recommended that Cabinet:

- i) Note the forecast outturn position is an overspend of £6.32M, as outlined in paragraph 3.
- ii) Note that the forecast overspend for portfolios is £8.62M as outlined in paragraph 5 to 13.
- iii) Note the delivery to date of the agreed savings proposals approved for 2018/19 as detailed in paragraphs 14 to 17.
- iv) Note the Key Financial Risk Register as detailed in paragraph 24 and appendix 1.
- v) Note the performance against the financial health indicators detailed in paragraphs 28 and 29 and appendix 2.
- vi) Note the performance of treasury management, and financial outlook in paragraphs 30 to 37 and appendix 3.
- vii) Note the performance outlined in the Quarterly Collection Fund Statement attached at appendix 4 and detailed in paragraphs 41 to 43.

## **Housing Revenue Account**

It is recommended that Cabinet:

- viii) Note the forecast outturn position is an overspend of £0.89M as outlined in paragraphs 38 to 40.

### **REASONS FOR REPORT RECOMMENDATIONS**

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

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

2. Not Applicable.

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

#### **FINANCIAL POSITION**

3. Table 1 sets out the financial position of the General Revenue Fund. This financial summary details the budget against forecast expenditure and the subsequent variance. The current net revenue expenditure budget is £184.10M, this is an increase from the February report to Council when it stood at £180.8M. The current forecast net expenditure against this budget is £190.4M giving a forecast overspend of £6.32M. An explanation of these variances is found in paragraphs 5 to 13.

**Table 1 – General Revenue Fund Forecast Outturn Position for 2018/19**

	<b>Budget £M</b>	<b>Forecast £M</b>	<b>Variance £M</b>
Adults	66.28	67.63	1.34 A
Aspiration, Schools & Lifelong Learning	3.72	5.31	1.59 A
Childrens & Families	35.43	38.42	2.99 A
Community Wellbeing	(4.28)	(4.25)	0.03 A
Finance & Customer Experience	19.44	19.37	0.06 F
Homes & Culture	6.89	6.93	0.04 A
Leader and Clean Growth & Development	13.54	13.56	0.02 A
Transformation	0.00	1.68	1.68 A
Transport & Public Realm	23.84	24.84	1.00 A
<b>Total Portfolios</b>	<b>164.86</b>	<b>173.48</b>	<b>8.62 A</b>
Levies & Contributions	0.63	0.63	0.00
Capital Asset Management	10.36	10.36	0.00
Other Expenditure & Income	8.25	5.95	2.30 F
<b>Net Revenue Expenditure</b>	<b>184.10</b>	<b>190.42</b>	<b>6.32 A</b>
Council Tax	(95.94)	(95.94)	0.00
Business Rates	(99.21)	(99.21)	0.00
(Top Up)/Tariff	28.29	28.29	0.00
Non-Specific Government Grants	(17.26)	(17.26)	0.00
<b>Total Financing</b>	<b>(184.10)</b>	<b>(184.10)</b>	<b>0.00</b>
<b>(SURPLUS)/DEFICIT</b>	<b>0.00</b>	<b>6.32</b>	<b>6.32 A</b>

## **Explanation of Variances**

4. There is a forecast overspend on portfolios of £8.62M. The significant issues regarding each portfolio are detailed the following paragraphs.

5. **Adults £1.34M Adverse Variance**

Long Term (£1.13M adverse variance)

The adverse variance is due to £1.13M of currently unachieved savings.

These savings are mainly based on reducing the numbers of client care packages within the Older Persons and Physical Disabilities areas.

Evidence is yet to be seen of the success of the actions put in place to reduce the cost and number of packages, and a number of actions have still to be implemented.

The adverse position is split over the following:

- £0.27M on Learning Disability packages, and
- £0.86M on Older Persons & Physical Disability packages.

This overspend is net of £0.80M Integrated Better Care Funding.

Safeguarding Adult Mental Health & Out of Hours – (£0.35M adverse variance)

There has been an increased number of high cost residential Adult Mental Health clients transferring from Health to Adult Social Care since the budget was set increasing costs by £0.35M. Whilst the net number of clients has been held steady and not increased, the average cost per client has increased due to clients with more complex needs. This has also led to the underachievement of the £0.13M savings target in this area.

Provider Services (£0.49M adverse variance)

There has been a significant increase in the use of temporary staffing at the Glen Lee and Holcroft residential care homes. This is due to Care Quality Commission recommendations being implemented following the recent inspection of Glen Lee and long term sickness and vacancies at Holcroft care home.

Reablement & Hospital Discharge (£0.46M favourable variance)

There is a £0.22M underspend relating to staffing, due to staffing vacancies which are in the process of being filled following the Phase 3 staffing restructure. There is an additional £0.20m income forecast to be received from the NHS Southampton City Clinical Commissioning Group for spend on respite and hospital discharge costs. The remaining £0.04M is for minor expenditure variances.

Adult Services Management (£0.17M favourable variance)

There is currently an underspend of £0.13M in this area for Care Act implementation provision and an additional £0.04M forecast underspend on minor expenditure variances.

6. **Aspiration, Schools & Lifelong Learning £1.59M Adverse Variance**

High Needs £0.35M adverse variance

The Jigsaw service is forecasting an overspend of £0.35M. This consists of:

- An overspend of £0.26M due to an increase in the number of children with High Needs being placed in residential placements, and
- £0.09M for an increase in payments to new Direct Payment clients.

There is a review being carried out to ensure the provision is appropriate to meet

need.

#### Education Early Years & Asset Management £1.24M adverse variance

Legislative change in the Home to School Transport (HTST) provision requiring local authorities to extend this service to early years and post 16 pupils has caused a pressure in this area. This has been added to by an increase in the number of children with high needs requiring transport to school. The HTST pressure is forecast to be £1.3M. Extensive reviews of the provision to find efficiencies have been undertaken which have included parent consultations and reviewing the provision provided by neighbouring Authorities have failed to find savings. Savings will need to be found from within the wider portfolio.

### 7. **Children & Families £2.99M Adverse Variance**

#### Looked After Children £2.86M adverse variance

The forecast for residential, Independent Foster Agency, in house fostering, adoption allowances and special guardianship orders reflect the current numbers of children in care adjusted for any children that are forecast to leave care or move into the pathways team at staying put rates of care costs. This reflects an initial forecast adverse variance of £1.91M.

The numbers of expected inter agency placements has now been clarified this year and the new estimate of 23 cases has increased the forecast by £0.50M adverse.

For quarter 1, there have been a number of further adjustments within residential placements increasing the adverse variance by £0.20M. There were 2 new placements, 1 case transferred from an IFA placement, 1 placement with increased costs, 1 case returning from custody to residential all partially offset by 2 expected reduction in placements later this year.

The budgets for LAC have been amended to reflect the savings required in these areas. Additional LAC budget reductions have been put through of £0.22M to fund the new step down team.

The edge of care team, step down team and the new placements team will be reviewed to assess their effectiveness and be amended if necessary to maximise the savings to be made this year.

### 8. **Community Wellbeing £0.03M Adverse Variance**

#### Public Health £0.03M adverse variance

Long Acting Reversible Contraception (LARC) is forecast to be overspent by £0.03M due to anticipated demand based. Alternative savings are being sought to offset this overspend.

### 9. **Finance & Customer Experience £0.06M Favourable Variance**

#### Business Operations & Digital £0.06M favourable variance

Due to significant staff turnover there is forecast to be a favourable variance in this area.

### 10. **Homes & Culture £0.04M Adverse Variance**

#### Culture £0.04M adverse variance



This is predominantly due to works required to the fire safety system in Tudor House and roofing measures in SeaCity Museum which are creating an adverse forecast variance of £0.04M.

11. **Leader and Clean Growth & Development £0.02M Adverse Variance**

HR Services £0.08M adverse variance

This is due to the balance of the termination fee of £0.08M being payable to the previous provider of external recruitment for the period April - July 2018. Permanent recruitment has been brought back in house and a new permanent recruitment team is now in place. This will be offset in future by a budget virement from contingencies as it is one off in nature.

Intelligence, Insight and Communications £0.05M favourable variance

There is a forecast underspend on staffing due to vacancies.

12. **Transformation £1.68M Adverse Variance**

Reflection has been given on the ability of the procurement team to be able to impact on the overall redesign of Adult Social Care and by default the associated addressable spend linked to the Procurement Guarantee. It is expected that a reduction in the Procurement Guarantee (£1.83M) will be considered to remove Adult Social Care Spend in 2018/19.

Additionally, when setting the 2018/19 budget in February 2017, an assumption was made that additional digital savings of £1.40M could be achieved. These savings are now not expected.

£1.55M of reserves has been released to help meet this pressure.

13. **Transport & public Realm £1.00M Adverse Variance**

City Services – Waste Management £0.36M adverse variance

Post February Budget report saw a significant change in market values for dry & mixed recyclables, particularly for cardboard and mixed paper commodity. Indications are that market prices are set to continue to decrease due to the uncertainty pertaining to export markets for recyclables, particularly within the fibre markets. The expected adverse impact on the budget is £0.04M.

A minor variance of £0.02M arises as a result of increasing energy costs across the service, driven by increases in oil prices since May. This will be followed up with the Procurement Team to identify whether there are any potential mitigating actions.

The availability of the incinerator was an issue reported throughout 2017/18, with significant periods of unavailability during 2017/18. The incinerator was offline for 1 day in April, and for a period of weeks in May. The increase in commercial waste disposal costs of outage to date is forecast to be £0.3M adverse variance.

City Services – Open Spaces £0.15M adverse variance

During 2017/18, the Tree Surgery team experienced vacancies and long term sickness over the year. One of the requirements of undertaking tree works, is that a team leader is required on site to manage health & safety and supervise working at height. In addition, the Council has been working through a significant backlog of essential tree works since the previous contract was brought back in house in April. Both of these factors mean that there has been less ability to focus on income

generating work, creating an adverse variance of £0.10M. The outturn report for 2017/18 anticipated that the backlog will continue to be addressed throughout 2018/19, which has proved to be the case and an adverse variance of £0.10M is anticipated.

Other adverse variances have arisen from cleaning costs across all public conveniences (£0.03M), and increasing energy costs across the service (£0.02M), driven by increases in oil prices since May. This will be followed up with the Procurement team to identify whether there are any potential mitigating actions.

Regulatory Services £0.48M adverse variance

Regulatory Services has a forecast reduction in income since the new crematorium in Romsey opened.

During 2017/18, the adverse impact of the new privately operated Crematorium in Romsey in August 2017 on income was reported. The continuing impact on income within Cemeteries in 2018/19 is estimated to be £0.40M. A marketing plan is being developed and a fee increase was implemented in 2018/19 to mitigate this impact.

Registration Services £0.08M adverse variance

A variance on Registration services arises from the introduction by Government of an online service for Nationality Checks. The introduction of this service means that applicants are no longer obliged to take this service from the registration office, resulting in a reduction in income forecast to be £0.08M.

**Implementation of Savings Proposals**

14. Savings proposals of £24.31M were approved by Council in February 2018. Table 2 is a summary of the progress on achieving these savings.

**Table 2 Analysis of Achievement of Savings**

	%
Actual reduction in expenditure (GREEN)	51
Forecast reduction in expenditure (AMBER)	34
No forecast reduction in expenditure but plans being put in place to achieve (RED)	6
Saving will not be achieved (PURPLE)	3

15. 34% of savings are amber and forecast to be achieved, whilst 9% (red and purple) are not forecast to be achieved. These represent a risk to the financial position of the council until all management actions required to deliver the savings are complete and the reduction in spend can be evidenced.
16. The chart below shows the achievement of total savings required by portfolio.



17. The overall financial shortfall in the delivery of the savings proposals is currently forecast as £2.24M or 9% of the total to be delivered.

### **Other Income & Expenditure**

18. Following a review of central inflation requirements, £2.0M has been released to help meet the forecast shortfall in both procurement and digital savings.
19. Additionally, £0.3M of contingencies have been released to meet additional incinerator outage costs. This will be vired to the service budget to offset the pressure in the next quarters monitoring report.

### **Reserves & Balances**

20. At the 31<sup>st</sup> March 2018, earmarked reserves totalled £82.03M, plus Schools Balances totalling £4.01M.
21. The estimated forecast position as at the 31<sup>st</sup> March 2018 is £70.90M with Schools Balances totalling £4.01M subject to the overall Dedicated School Grant deficit.
22. During the period to 30<sup>th</sup> June 2018 there has been a release of £1.55M from reserves to offset the pressure detailed in the transformation section of the report.
23. The General Fund Balance is currently £11.3M and there are no planned draws on this balance in 2018/19. However if the forecast position remains the same the council will need to either allocate monies from earmarked reserves or utilise the General Fund Balance.

### **Key Financial Risks**

24. The council maintains a financial risk register which details the key financial risks that face the council at a given point in time. It is from this register that the level of balances and reserves is determined when the budget is set at the February Council. The register has been reviewed and is attached as Appendix 1.

### **Schools**

25. At 31<sup>st</sup> March 2018 there were 10 schools reporting a deficit balance as shown in the table below.

**Table 3 Schools in Deficit**

	Deficit £M	No. of Schools
Primary	1.05	6

Secondary	1.65	4
Total	2.70	10

These schools are working with Children's & Families to agree Deficit Recovery Plans (DRP).

26. It should also be noted that the previously reported significant pressure within the high needs budget will further impact in 2018/19. There is a forecast DSG pressure of £1.3M, this is after allowing for additional funding received from central reserves.

This pressure is being driven by the increased demand from a higher number of children receiving an Education Health and Care Plan (EHCP) many of these are becoming increasingly complex requiring a greater number of hours to be funded.

The service is working with the Schools Forum and with the Special Schools to develop an action plan to address the ongoing pressure.

27. **Education PFI Contract**

There is a forecast increase in the total cost of the PFI contract equating to £0.27M per year from 2017/18 to the end of the contract 2031/32 to be met from the Dedicated Schools Grant.

This increase has taken into consideration the increased contributions from the three PFI schools for their Facilities Management Services. There is a potential pressure due to one of the three PFI schools having not yet signed the deed of variation to the revenue agreement that was agreed in principle in 2014.

Further discussions are taking place to agree how pressure can be mitigated. These include the adjustment of contract provisions including life cycle elements of renewal and maintenance. Handback condition of buildings at the end of the contract are being reviewed with contractor Interserve as well as refinancing alternatives.

**Financial Health Indicators**

28. In order to make an overall assessment of the financial performance of the authority it is necessary to look beyond pure financial monitoring and take account of the progress against defined indicators of financial health. Appendix 2 outlines the performance to date, and in some cases the forecast, against a range of financial indicators which will help to highlight any potential areas of concern where further action may be required.
29. At present all indicators are green with the exception of the payment of undisputed invoices within 30 days with a target of 98% and an actual of 91.52%.

**Treasury Management**

30. The Council approved a number of indicators at its meeting in February 2018. Appendix 3 includes current performance against these indicators along with an update on the financial outlook. The council has operated within the agreed prudential indicators for the first quarter and is forecast to do so for the remainder of the year.
31. Table 4 shows the years opening balance of borrowing and investments, current levels and those predicted for year-end.

32. <b>Table 4 Borrowings and Investments</b>	<b>01.04.2018 Balance £M</b>	<b>30.06.2018 Balance £M</b>	<b>Average Yield/Rate %</b>	<b>31.03.2019 Estimated Balance</b>
---	--------------------------------------	--------------------------------------	-------------------------------------	---

				£M
<b>External Borrowing</b>				
Public Works Loan Board (PWLB)	208.81	206.07	3.34	197.34
Market Loans	9.00	9.00	4.86	9.00
<b>Total Long Term Borrowing</b>	<b>217.81</b>	<b>215.07</b>	<b>3.44</b>	<b>206.34</b>
Temporary Borrowing	33.35	32.35	0.58	85.00
<b>Total External Borrowing</b>	<b>251.16</b>	<b>247.42</b>	<b>3.32</b>	<b>291.34</b>
<b>Investments</b>				
Cash (Instant access)	(23.48)	(32.70)	(0.52)	(10.00)
Cash (Notice Account)	(3.00)	(3.00)	(0.70)	(3.00)
Fixed Term Deposits	(10.00)			
Short Term Bonds	(3.14)	(1.60)	(1.21)	(1.60)
Long Term Bonds	(6.80)	(6.11)	(3.61)	(6.11)
Property Fund	(27.00)	(27.00)	(4.32)	(27.00)
<b>Total Investments</b>	<b>(73.42)</b>	<b>(70.41)</b>	<b>(4.10)</b>	<b>(47.71)</b>
<b>Net Borrowing</b>	<b>177.74</b>	<b>177.01</b>		<b>243.63</b>

33. After taking into account maturing and new debt requirements in year, there is an estimated increase in net borrowing of £65.9M. This is mainly as a result of approved new capital borrowing during 2018/19 of £57.2 M and an expected reduction in cash flow to support previous capital spend for which borrowing has not been externalised.
34. The interest cost of financing the council's long term and short term loan debt is charged to the general fund revenue account and is detailed below together with a summary of performance to date.

#### Borrowing

35. The forecast cost of financing the council's loan debt is £14.4M of which £5.5M relates to the HRA however this will be subject to movement as the need for further borrowing becomes more certain. As short term interest rates have remained low and are likely to do so for the remainder of the year, we do not anticipate taking any long term debt and will finance the 2018/19 capital programme via short term debt. This is the most cost effective way of managing treasury and also reduces risk as investments also fall. We currently have £32M in short term debt and this is expected to increase to £85M to replace maturing long term debt and to fund the current capital programme.

#### Investment

36. Balances initially increased at the beginning of the year rising from £73M to £99M in mid- April, but have since fallen back to £70M and are expected to fall further throughout the year, to an estimated £48M by the end of the year.

#### External Managed investments

37. The council has invested £27M in property funds as an alternative to buying property directly. As previously reported these funds offer the potential for enhanced returns over the longer term, but may be more volatile in the shorter term and are managed

by professional fund managers which allows the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. As at the 30<sup>th</sup> June 2018 the sell price of our total investments were valued at £27.17M a notional “gain” of £0.17M against an initial investments of £27M. The estimated yield for the year is £1.14M if yields remain around current levels.

## Housing Revenue Account

38. The expenditure budget for the HRA was set at £72.58M and the income budget at £72.58M, with no draw on balances envisaged. This is detailed in the table below.

**Table 5 – HRA Summary**

	2018/19 Budget	Quarter 1 Forecast	Variance
	£M	£M	£M
Net rent income	(69.63)	(69.79)	0.16 F
Service charges & other income	(2.82)	(2.82)	0.00
Misc. Adjustments	0.00	0.00	0.00
RTB admin	(0.13)	(0.13)	0.00
<b>Total income</b>	<b>(72.58)</b>	<b>(72.74)</b>	<b>0.16 F</b>
Management	21.57	22.14	0.57 A
Depreciation	19.53	19.53	0.00
Responsive & Cyclical repairs	14.79	15.73	0.94 A
Other revenue spend	0.10	0.10	0.00
HRA cost of rent rebates	0.00	0.00	0.00
<b>Total service expenses</b>	<b>55.98</b>	<b>57.49</b>	<b>1.51 A</b>
Capital charges	6.17	5.71	0.46 F
Repayment of loans	5.96	5.96	0.00
Revenue contribution to capital	4.47	4.47	0.00
<b>Total expenditure</b>	<b>72.58</b>	<b>73.63</b>	<b>1.05 A</b>
<b>(Surplus) / Deficit for the year</b>	<b>0.00</b>	<b>0.89</b>	<b>0.89 A</b>

39. The forecast position for the year end on income and expenditure items shows an adverse forecast variance of £0.89M compared to this budget. The service are currently reviewing how this adverse position can be mitigated.

40. Responsive repairs £0.94M adverse variance

The trend for repairs expenditure is continuing at the same rate as was experienced in 2017/18, leading to an increased risk of overspend in this area. There is therefore a forecast overspend to reflect this, with ongoing discussions taking place as to any available actions to help mitigate this risk.

Supervision & Management £0.57M adverse variance

Following the further roll out of universal credit there has been an increase in rent arrears it has been necessary to increase the provision for doubtful debts, resulting in an adverse variance of £0.89M.

Various smaller discretionary budgets forecast to underspend to mitigate the debt provision increase creating a favourable variance of £0.26M.

There is also increased income from the Better Care Fund to fund Family Mosaic TUPE staffing costs which has led to a favourable variance of £0.06M.

Interest & Principal re-payments £0.46M favourable variance

Principal repayments, as calculated in the HRA Business Plan, have been amended

to reflect the current treasury management assumptions. The updated timing of repayments has given rise to a forecast favourable variance of ££0.46M.

Dwelling rents (£0.16M favourable)

Right-to-buy sales have been less than forecast since the Business Plan assumptions were set in the previous financial year. This has led to a higher rental income figure due to the higher number of properties in the Housing Revenue Account.

**Collection Fund**

41. Appendix 4 shows the forecast outturn position for the Collection Fund, with the position being a surplus on both council tax and business rates. Table 6 shows the forecast change in position for the Collection Fund.

**Table 6 – Collection Fund Forecast 2018/19**

	<b>Council Tax £M</b>	<b>NDR £M</b>	<b>Total £M</b>
Change in 2018/19 (Deficit) Surplus	0.77	0.94	1.71
(Reduction)/Increase in year-end Surplus brought forward from 2017/18	2.39	2.11	4.50
<b>Overall 2018/19 Surplus</b>	<b>3.16</b>	<b>3.05</b>	<b>6.21</b>
<b>SCC Share of Surplus</b>	<b>2.72</b>	<b>1.25</b>	<b>3.97</b>

42. The Council’s share of the surplus for council tax is £2.72M and its share of the business rates surplus is £1.25M, giving a net surplus of £3.97M. These will be taken into account in setting the 2019/20 Council Tax and General Revenue Fund Budget.

**RESOURCE IMPLICATIONS**

**Capital/Revenue**

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

**Property/Other**

44. None.

**LEGAL IMPLICATIONS**

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

45. Financial reporting is consistent with the Section 151 officers duty to ensure good financial administration within the Council.

**Other Legal Implications:**

46. None.

**RISK MANAGEMENT IMPLICATIONS**

47. See comments within report.

**POLICY FRAMEWORK IMPLICATIONS**

48. None.



**KEY DECISION?** No

<b>WARDS/COMMUNITIES AFFECTED:</b>	All
------------------------------------	-----

**SUPPORTING DOCUMENTATION**

**Appendices**

1.	Key Financial Risk Register
2.	Health Indicators.
3.	Treasury Management Quarterly Benchmarking, Prudential Indicators and Financial Outlook Qtr. 1
4.	Collection Fund Qtr. 1

**Documents In Members' Rooms**

1.	None
2.	

**Equality Impact Assessment**

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

**Privacy Impact Assessment**

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

**Other Background Documents**

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

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

1.	General Fund Revenue Budget Report 2018/19 to 2021/22 (Approved by Council February 2018)	

This page is intentionally left blank

## KEY FINANCIAL RISKS

The following table identifies the key financial risks to the council's financial position over the short to medium term together with a summary of the mitigating actions in place and planned. These financial risks are reflected in the assessment of the adequacy of estimates and reserves. The assessment of risk is based on the following risk scoring criteria:

LIKELIHOOD (Probability)	
A - Almost Certain > 95%	Highly likely to occur
B - Likely	Will probably occur
C - Possible 50%	Might occur
D - Unlikely	Could occur but unlikely
E - Very Unlikely < 5%	May only occur in exceptional circumstances

IMPACT (Consequence)	
1 - Extreme	Loss or loss of income > £20m
2 - Major	Loss or loss of income £10m < £20m
3 - Significant	Loss or loss of income £5m < £10m
4 - Moderate	Loss or loss of income £500k < £5m
5 - Minor	Loss or loss of income £10k < £500k

- Robustness of estimates

Key Financial Risk	INHERENT RISK		Comments/Mitigating Actions in place	RESIDUAL RISK	
	Likelihood	Impact		Likelihood	Impact
FE1. <b>Pay Inflation</b> - underestimated in the original estimates.	Possible	Moderate	<ul style="list-style-type: none"> <li>The MTFS model approved in February 2018 is based on a pay award of 2% over the medium term.</li> <li>It should be noted that the offer is 2% per annum for 2018/19 and 2019/20.</li> </ul>	Unlikely	Minor
FE2. <b>Interest rates</b> are underestimated.	Possible	Moderate	<ul style="list-style-type: none"> <li>Reliance placed on market intelligence provided by Treasury Management advisors.</li> <li>Treasury Management Strategy is aligned with CIPFA Code and the CLG Guidance re investing funds prudently and having regard to the security and liquidity of its investments before seeking the highest rate of return.</li> </ul>	Unlikely	Minor
FE3. <b>Existing fees and charges:</b> Projected levels of income within the period are not achieved and/or maintained.	Possible	Moderate	<ul style="list-style-type: none"> <li>As part of the estimate setting process we are reviewing all fees and charges on an basis, to reset these if necessary. If there are 'in year' shortfalls these form part of the budget monitoring processes.</li> <li>Lower risk as existing income streams are known and are therefore more predictable</li> </ul>	Possible	Moderate
FE4. <b>New income streams:</b> Projected levels of income within the period are not achieved.	Possible	Moderate	<ul style="list-style-type: none"> <li>Income generating activity has been identified as part of current approved savings proposals. There is a risk that in light of the economic backdrop and Brexit that these levels of income will not be achieved.</li> <li>Higher risk as it is based on new sources of income.</li> </ul>	Possible	Moderate
FE5. <b>Volatility of Business Rates funding</b> given the uncertainty around impact of successful appeals .	Likely	Significant	<ul style="list-style-type: none"> <li>The Valuations Office has undertaken a reset of rateable values from 2017/18. The provision has been reviewed in light of the revaluation and known current appeals and will be reviewed on a regular basis, at present this is deemed to be adequate.</li> <li>Appeals can be backdated and as a consequence of this the Council has set aside a provision to deal with this element of the financial impact.</li> <li>In December 2014 the Government announced it was closing the appeals window and that appeals received on or after 1 April 2015 will only be backdated until this date.</li> </ul>	Unlikely	Minor

- **Robustness of estimates**

Key Financial Risk		INHERENT RISK		Comments/Mitigating Actions in place	RESIDUAL RISK	
		Likelihood	Impact		Likelihood	Impact
FE6.	<b>Increase in demand led spending pressures</b> (including impact of Welfare Reform, social care, safeguarding) over and above the current budget provision.	Possible	Significant	<ul style="list-style-type: none"> <li>• Annual budget setting process developed in consultation with service managers</li> <li>• Monitoring of capital (quarterly) and revenue (monthly) budgets, reported to CMT and Cabinet (Quarterly).</li> <li>• Action plans to address any significant in year budget variances are agreed with CMT with the status of the agreed actions reported to CMT on a monthly basis</li> <li>• Action plans in place that are intended to manage/reduce the number of Looked After Children</li> </ul>	Possible	Moderate
FE7a.	Third party provider costs will increase as a result of the introduction of the <b>National Living Wage</b>	Almost certain	Moderate	<ul style="list-style-type: none"> <li>• As each contract is procured any impact of this will need to be assessed and addressed to ensure services are procured within budget.</li> </ul>	Possible	Moderate
FE7b.	<b>Third party provider costs increase</b> as result of SCC having to 'step in' in the event of potential provide failure (social care providers)	Possible	Moderate	<ul style="list-style-type: none"> <li>• ICU contract monitoring arrangements and general market oversight and intelligence</li> </ul>	Unlikely	Minor
FE8.	<b>Legal challenge to savings proposals</b> that could result in the proposal being either discontinued or revised.	Possible	Moderate	<ul style="list-style-type: none"> <li>• Robust budget consultation process in place.</li> </ul>	Unlikely	Minor
FE9.	<b>Pressure on returns from investment properties</b> in both the short and longer term.	Possible	Significant	<ul style="list-style-type: none"> <li>• There is a full and robust process around the financial and legal analysis of the individual investments.</li> <li>• Investments are not confined to the Southampton area.</li> <li>• No further property investment fund activity is planned.</li> </ul>	Possible	Moderate
FE10.	<b>Voluntary sector</b> is either unwilling or unable to support the delivery of certain services or activities	Possible	Significant	<ul style="list-style-type: none"> <li>• Review the overall expectation and co-ordination of the services required of the voluntary sector.</li> <li>• Consideration is given to this risk in deciding whether to design services around the voluntary sector</li> </ul>	Possible	Moderate
FE11.	The council's <b>service delivery partners</b> seek to exit an agreement or are no longer able to deliver the required service or the council seeks to reach an exit agreement.	Likely	Significant	<ul style="list-style-type: none"> <li>• Central Contracts Team monitors and work closely with the council significant service delivery partners.</li> <li>• Contractual obligations on both parties that set out the respective roles and responsibilities.</li> </ul>	Possible	Moderate

- Adequacy of proposed financial reserves

Key Financial Risk		INHERENT RISK		Comments/Mitigating Actions	RESIDUAL RISK	
		Impact	Likelihood		Impact	Likelihood
FR1.	<b>Business Rate Retention &amp; Council Tax Growth</b> - the council fails to collect, retain and grow business rate income	Possible	Significant	<ul style="list-style-type: none"> <li>• The assumption built into the MTFS is based on an annualised CPI Rate reflecting the uplift set by government.</li> <li>• The current MTFS includes assumptions on growth which have been developed in conjunction with the Growth service area and recognise pipeline developments and their assumed operation dates. These will be monitored on a monthly basis as part of the standard monitoring.</li> </ul>	Possible	Moderate
FR2.	<b>Delivery of all of the agreed savings</b> is not achieved.	Possible	Major	<ul style="list-style-type: none"> <li>• Progress and delivery of the overall Programme and individual projects is monitored at Service Director level, by CMT, with any non achievement forming part of the normal budget monitoring action plan process.</li> <li>• CMT review the validity and achievability of projects and provide approval (or not) to projects</li> </ul>	Unlikely	Significant
FR3.	The Government could impose a lower <b>Council Tax referendum</b> threshold (currently 2.99%) and/or reduce or remove the <b>Adult Social Care Levy</b> (3%)	Possible	Moderate	<ul style="list-style-type: none"> <li>• Assumption is that Council Tax rises were set at just below the 3% referendum limit in 2018/19 at 2.99% and future years at 1.99% (excluding the Adult Social Care Levy).</li> <li>• The Adult Social Care Levy was only introduced as part of the Autumn 2015 Spending Review and allows local authorities with social care responsibilities to increase Council Tax by a further 3% (17-18 &amp; 18-19). No further assumptions have been made beyond 2019-20 for any increase in this income over and above the 6%.</li> <li>• The MTFS assumes this levy will be taken in all years as the calculated increase in funding for adult social care far outweighs the income gained from this levy.</li> </ul>	Unlikely	Moderate
FR4.	<b>Slippage in capital receipts</b> (not accompanied by a slippage in spend).	Possible	Moderate	<ul style="list-style-type: none"> <li>• Non-receipt of any planned income will require a permanent draw from balances, additional borrowing or for savings to be found in the capital programme.</li> <li>• Impact reflects the cost of borrowing in short term (the interest payments).</li> </ul>	Possible	Minor
FR5.	If <b>building inflation</b> was to exceed general inflation over a prolonged period, this would have a significant adverse impact on <b>HRA balances</b> and, in turn, the business model in respect of the redevelopment and refurbishment of the SCC Housing stock.	Possible	Significant	<ul style="list-style-type: none"> <li>• Surpluses are liable to change annually, either favourably or not, and this will be reflected the annual review of stock investment needs and estimated unit rates.</li> <li>• Monitoring and assessment of potential impact with business model sufficiently flexible to allow for reassessment of priority outcomes against available budget</li> </ul>	Possible	Moderate
FR6.	Further reduction in the Education Services Grant (ESG) through central government funding reviews as well as reductions resulting from Academy Transfers.	Almost certain	Moderate	<ul style="list-style-type: none"> <li>• Costs need to be reduced in line with reductions in funding.</li> <li>• Development of a strategy in terms of whether / what services SCC may choose to still offer to Academy Schools</li> </ul>	Possible	Minor
FR7.	The level of funds within the <b>internal insurance provisions</b> is inadequate to meet current or future demand	Possible	Moderate	<ul style="list-style-type: none"> <li>• The adequacy of the provision is informed by the output from periodical (at least triennial) external actuarial reviews of the funds.</li> <li>• The level of funding is required is reviewed as part of annual budget setting process and the position, in respect of potential liabilities is reviewed on a monthly basis.</li> </ul>	Unlikely	Moderate

• Adequacy of proposed financial reserves

Key Financial Risk		INHERENT RISK		Comments/Mitigating Actions	RESIDUAL RISK	
		Impact	Likelihood		Impact	Likelihood
FR8.	<b>Ad hoc or unforeseen events / emergencies.</b>	Possible	Significant	<ul style="list-style-type: none"> <li>The Council's Reserves may be utilised in respect of the financial impact of such an event.</li> <li>Subject to the nature of the event alternative sources of funding might be available e.g. Bellwin Scheme.</li> </ul>	Possible	Significant
FR9.	The cost of implementing the <b>Care Act 2014</b> is greater than anticipated.	Unlikely	Moderate	<ul style="list-style-type: none"> <li>Current assumption is for the cost of this new burden to be met by the funding allocation provided within the Better Care Fund and the new Carers and Care Act Implementation grant</li> <li>This funding has now been included within the Revenue Support Grant and the main implications of the Care Act have been deferred until 2019-20.</li> </ul>	Unlikely	Moderate
FR10.	<b>CCG</b> could seek to reduce its level of contribution to the 'pooled budgeting' arrangement with SCC	Possible	Significant	<ul style="list-style-type: none"> <li>Ongoing relationship and dialogue with CCG re shared objectives and outcomes.</li> </ul>	Unlikely	Moderate
FR11.	The council is unable to quantify the financial impact on both vulnerable individuals and key council services arising from implementation of <b>welfare reforms</b>	Possible	Moderate	The impact of Welfare Reform on all service areas will be difficult to monitor or to mitigate against.	Possible	Moderate
FR12.	<b>Inflation increases</b> at a higher rate than anticipated	Possible	Moderate	<ul style="list-style-type: none"> <li>Assumptions have been made in the forecast about the likely level of general inflation that will apply in 2018/19. Current indications are that an increase is likely. CPI is likely to increase to 2.4% in 2018/19 reducing to 2.0% over the medium term. This has been assumed in the MTFS model.</li> <li>Market intelligence provided by Arlingclose - independent treasury advisors</li> <li>An amount is included in the MTFS to cover key elements of inflation, for example in relation to fuel and energy costs, which can be volatile.</li> <li>Beyond this provision, it would be managed as an 'in year' issue and services would be expected to absorb the difference.</li> </ul>	Unlikely	Minor
FR13.	Brexit - Uncertainty and economic forces, at least in the short term, within both the local business and wider business sector may have an adverse impact on investment decisions and local employment which, in turn, would impact on business rate income.	Likely	Moderate	<ul style="list-style-type: none"> <li>National and local modelling in respect of the future approach to business rate retention will need to reflect changes in the financial environment.</li> <li>There may be either pressure or incentives for non UK owned business to move operations back to within an EU country.</li> <li>Treasury Management advisors are regularly updating the Council on the economic impact of Brexit, the strength of the pound, inflation and interest rates.</li> </ul>	Likely	Moderate
FR14.	There are unplanned and unforeseen consequences (and costs) arising from the implementation of new, or changed, systems and processes across service areas within the organisation	Possible	Moderate	<ul style="list-style-type: none"> <li>A Programme Management Office has been established. A full programme management process is in place including planning and risk assessment, with significant support to major projects.</li> </ul>	Unlikely	Moderate
FR15.	New accounting rules for financial investments may result in adverse valuation movements being charged to the General Fund in year that they occur.	Possible	Moderate	<ul style="list-style-type: none"> <li>New accounting rules require gains/losses from valuation movements for certain types of financial investments to be recognised in the year they occur, rather than when the investments are sold. The Risk Reserve will be used to manage the volatility that the timing difference may cause.</li> </ul>	Possible	Moderate



This page is intentionally left blank



### FINANCIAL HEALTH INDICATORS – QTR 1

#### Prudential Indicators Relating to Treasury

	<u>Maximum</u>	<u>Forecast</u>	<u>Status</u>
Maximum Level of External Debt £M	£860M	£365M	Green
As % of Authorised Limit	100%	42.44%	Green
	<u>Maximum</u>	<u>Highest YTD</u>	<u>Status</u>
Authorised Limit for external debt £M	£860M	£324M	Green
Operational Limit for external debt £M	£780M	£324M	Green
Maximum external borrowing year to date		£251M	Green
Limit of fixed interest debt %	100%	82%	Green
Limit of variable interest debt %	50%	18%	Green
Limit for Non-specified investments £M	£55M	£35M	Green
	<u>Target</u>	<u>Actual YTD</u>	<u>Status</u>
<b>Other Treasury Performance Indicators</b>			
Average % Rate Long Term New Borrowing	0.00%	0.00%	Green
Average % Rate Existing Long Term Borrowing	3.50%	3.32%	Green
Average Short Term Investment Rate - Cash	0.40%	0.52%	Green
Average Short Term Investment Rate - Bonds	0.50%	1.76%	Green
Average Long Term Investment Rate - Bonds	2.00%	3.61%	Green
Average Return on Property Fund	4.00%	4.32%	Green

#### Minimum Level of General Fund Balances

		<u>Status</u>
Minimum General Fund Balance	£11.3M	
Forecast Year End General Fund balance	£11.3M	Green

#### Income Collection

	<u>2018/19 Target</u>	<u>Qtr1 YTD</u>	<u>Status</u>
Outstanding Debt:			
More Than 12 Months Old (Agresso only)	<20%	14.12%	Green

#### Creditor Payments

		<u>Status</u>
Target Payment Days	20	
Actual Current Average Payment Days	19	Green
Target % of undisputed invoices paid within 30 days	98.0%	
Actual % of undisputed invoices paid within 30 days	91.52%	Amber

**Tax Collection rate**

	<b><u>2017/18 Actual Rate</u></b>	<b><u>Target Collection Rate</u></b>	<b><u>QTR 1 Collection Rate</u></b>		<b><u>Status</u></b>
			<b><u>Last Year</u></b>	<b><u>This Year</u></b>	
Council Tax	95.7%	94.9%	28.0%	27.9%	Green
National Non Domestic Rates	99.1%	98.7%	34.0%	35.7%	Green

### **Financial Review and Outlook for 2018/19**

The UK economy still faces a challenging outlook as the government continues to negotiate the country's exit from the European Union. The current soft UK economic environment prompted the MPC not to tighten policy in May. The economic data since then has been mixed, but suggests that GDP growth will recover somewhat in Q2 2018 after the weak expansion in Q1.

Central bank actions and geopolitical risks, such as prospective trade wars, have and will continue to produce significant volatility in financial markets, including bond markets.

The above interest forecast are set against the following background:

- The MPC has maintained expectations of a rise in interest rates this year.
- Our central case is for Bank Rate is to rise once in 2018 and twice more in 2019. The risks are weighted to the downside (0.25% increase reported in August 2018).
- Gilt yields have been volatile, but remain historically low. We expect some upward movement from current levels based on our interest rate projections and the strength of the US economy, but volatility arising from both economic and political events will continue to offer borrowing opportunities.

### **Credit background:**

UK bank credit default swaps rose marginally over the quarter, but the overall level was still low against historic averages.

There were a few credit rating changes during the quarter. Moody's downgraded Barclays Bank Plc's long-term rating to A2 from A1 after the banking group completed its restructure to be compliant with UK bank ring-fencing requirements which come into effect in 2019. The agency also downgraded Royal Bank of Scotland plc's (RBS plc) long-term ratings to Baa2 from A3 on its view that the credit metrics of RBS plc, which will become the non-ring-fenced NatWest Markets plc, will become weaker and less diversified and the main functions of the bank would be in higher risk activities. Moody's and Fitch upgraded the long-term ratings of NatWest Bank and Ulster Bank on the view that their credit profiles are expected to improve following ring-fencing.

### **Investment Performance**

The council's advisors undertake quarterly investment benchmarking across its client base. As reported previously our portfolio was more diversified and at higher interest rates than the average as a result of moving into the bond programme earlier than most clients, but there is now more competition for bonds from both government bodies and other local authorities, so opportunities to replace maturing bonds are limited and we will see a fall in suitable instruments. With this in mind, and following discussions with our advisors, it was decided to move more into property funds, which are a longer term investment, and to restrict temporary borrowing and therefore run our short term investments down.

During the last quarter our investments in bonds has reduced to £13.7M due to maturities and we have maintained the property funds at £27M, with all other cash being placed in either Money Market Funds (MMF), instant access bank accounts and a rolling £3M in a 180 notice account. As a result we had 43% (£31M) of our overall investment in Money Market which is in line with other Unitary Authorities for this time of year but this is expected to fall during the year.

Due to earlier investment decisions our income return on investments managed internally is 0.93% which is higher than the average of 0.60% whilst still maintaining a higher than unitary average credit rating of AA-. Total income return at 2.35% is also higher than the average for both unitary (1.23%) and LA's (1.13%). Our total investment return at 3.34% is again higher than both the both unitary (1.61%) and LA's (1.27%) across Arlingclose's client base and is mainly due to the investments made in property funds but as previously reported the value of the funds are more volatile and can go down as well as up but are less risky than buying individual properties and do not constitute capital spend and it is the income return at 4.63% that is the driver to invest.

**COLLECTION FUND REVENUE ACCOUNT  
FOR YEAR ENDED 31ST MARCH 2019**

	Current Budget 2018/19 £M	Forecast 2018/19 £M	Variance Adverse / (Favourable) 2018/19 £M
<b>Council Tax</b>			
<b>Income</b>			
Income from Council Tax Payers	(114.13)	(113.95)	0.18
Transfers (to)/from the General Fund:			
Hardship Relief	(0.20)	(0.20)	0.00
Local Council Tax Discount	0.00	0.00	0.00
	<b>(114.33)</b>	<b>(114.15)</b>	<b>0.18</b>
<b>Contributions towards Previous Years C.Tax (Surplus )/Deficit:</b>			
Southampton City Council	0.00	0.00	0.00
Hampshire Police	0.00	0.00	0.00
Hampshire Fire & Rescue	0.00	0.00	0.00
	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Council Tax Income</b>	<b>(114.33)</b>	<b>(114.15)</b>	<b>0.18</b>
<b>Expenditure</b>			
<b>Precepts:</b>			
Southampton City Council	95.93	95.93	0.00
Hampshire Police	11.42	11.42	0.00
Hampshire Fire & Rescue	4.23	4.23	0.00
	<b>111.58</b>	<b>111.58</b>	<b>0.00</b>
<b>Bad and Doubtful Debts:</b>			
Write-offs	2.75	1.01	(1.74)
Provisions	0.00	0.79	0.79
	<b>2.75</b>	<b>1.80</b>	<b>(0.95)</b>
<b>Total Council Tax Expenditure</b>	<b>114.33</b>	<b>113.38</b>	<b>(0.95)</b>
<b>Council Tax Deficit/(Surplus) for the Year</b>	<b>0.00</b>	<b>(0.77)</b>	<b>(0.77)</b>
Council Tax Deficit/(Surplus) Brought Forward	0.00	(2.39)	(2.39)
<b>Council Tax Deficit/(Surplus) Carried Forward</b>	<b>0.00</b>	<b>(3.16)</b>	<b>(3.16)</b>
<b>Business Rates</b>			
<b>Income</b>			
Income from Collectable Business Rates	(115.45)	(113.40)	2.04
<b>Contributions towards Previous Years NDR (Surplus )/Deficit:</b>			
Southampton City Council	0.70	0.70	0.00
DCLG	0.72	0.72	0.00
Hampshire Fire & Rescue	0.01	0.01	0.00
	<b>1.44</b>	<b>1.44</b>	<b>0.00</b>
<b>Total Business Rates Income</b>	<b>(114.01)</b>	<b>(111.97)</b>	<b>2.04</b>
<b>Expenditure</b>			
Payment to MHCLG - Transitional Arrangements	2.02	2.00	(0.03)
Payment to MHCLG - Business Rates Retention	0.00	0.00	0.00
SCC Business Rates Retention	104.32	104.32	0.00
Hampshire Fire & Rescue Precept	1.05	1.05	0.00
Interest on Overpayments	0.00	0.00	0.00
Cost of Collection	0.31	0.31	0.00
	<b>107.71</b>	<b>107.68</b>	<b>(0.03)</b>
<b>Bad and Doubtful Debts:</b>			
Write Offs	2.31	0.76	(1.55)
Provisions	0.00	1.78	1.78
Appeals Provisions	5.43	2.24	(3.18)
	<b>7.74</b>	<b>4.78</b>	<b>(2.96)</b>
<b>Total Business Rates Expenditure</b>	<b>115.45</b>	<b>112.46</b>	<b>(2.99)</b>
<b>Business Rates Deficit/(Surplus) for the Year</b>	<b>1.44</b>	<b>0.49</b>	<b>(0.95)</b>
Business Rates Deficit/(Surplus) Brought Forward	(1.44)	(3.54)	(2.11)
<b>Business Rates Deficit/(Surplus) Carried Forward</b>	<b>0.00</b>	<b>(3.05)</b>	<b>(3.05)</b>
<b>Total Collection Fund (Surplus)/Deficit</b>	<b>0.00</b>	<b>(6.21)</b>	<b>(6.21)</b>
<b>Council Tax (Surplus)/Deficit</b>			
Contribution (to)/ from SCC		(2.72)	
Contribution (to)/ from HPA		(0.32)	
Contribution (to)/ from F&RS		(0.12)	
Council Tax Collection Fund Balance c/f		<u>(3.16)</u>	
<b>NDR (Surplus)/Deficit</b>			
Contribution (to)/ from SCC		(1.25)	
Contribution (to)/ from DCLG		(1.77)	
Contribution (to)/ from HF&R		(0.03)	
NDR Collection Fund Balance c/f		<u>(3.05)</u>	
<b>Additional SCC Surplus</b>		<u>(3.97)</u>	

This page is intentionally left blank

# Agenda Item 9

<b>DECISION-MAKER:</b>	CABINET		
<b>SUBJECT:</b>	CAPITAL FINANCIAL MONITORING FOR THE PERIOD TO THE END OF JUNE 2018.		
<b>DATE OF DECISION:</b>	18 SEPTEMBER 2018		
<b>REPORT OF:</b>	CABINET MEMBER FOR FINANCE & CUSTOMER EXPERIENCE		
<b><u>CONTACT DETAILS</u></b>			
<b>AUTHOR:</b>	<b>Name:</b>	Sue Cuerden	Tel: 023 8083 4153
	<b>E-mail:</b>	<a href="mailto:sue.cuerden@southampton.gov.uk">sue.cuerden@southampton.gov.uk</a>	
<b>Director</b>	<b>Name:</b>	Mel Creighton Service Director Finance and Commercialisation	Tel: 023 8083 4897
	<b>E-mail:</b>	<a href="mailto:mel.creighton@southampton.gov.uk">mel.creighton@southampton.gov.uk</a>	

## STATEMENT OF CONFIDENTIALITY

NOT APPLICABLE

## BRIEF SUMMARY

The purpose of this report is to inform Cabinet of any major changes in the overall General Fund and Housing Revenue Account (HRA) capital programme for the period 2018/19 to 2022/23, highlighting the changes in the programme since the last reported outturn position to Council in July 2018. The report also notes the major forecast variances against the approved estimates.

## RECOMMENDATIONS:

### It is recommended that Cabinet:

	(i)	Notes the revised General Fund Capital Programme, which totals £166.75M (as detailed in paragraph 31) and the associated use of resources.
	(ii)	Notes the revised HRA Capital Programme, which totals £184.90M (as detailed in paragraph 31) and the associated use of resources.
	(iii)	Notes that the overall forecast position at Quarter 1 is £143.54M, resulting in a potential underspend of £10.91M, as detailed in paragraph 10, table 3, and appendix 1.
	(iv)	Notes that the capital programme remains fully funded up to 2022/23 based on the latest forecast of available resources although the forecast can be subject to change; most notably with regard to the value and timing of anticipated capital receipts and the use of prudent assumptions of future government grants to be received.
	(v)	Notes the addition of £0.41M to the programme since the last reported position in July 2018, approved at March 2018 Cabinet, as detailed in paragraph 5 and table 2.

	(vi)	Notes the virements of £1.28M within the programme since the last reported position in July 2018, under delegated powers, as detailed in paragraph 7.
	(vii)	Notes that this report assumes that approval has been given for the addition and spend of £0.30M in 2018/19 to the Transport and Public Realm Portfolio Capital Programme; to be funded from Community Infrastructure Levy contributions, as detailed in paragraph 8 and table 2.

### REASONS FOR REPORT RECOMMENDATIONS

1.	The capital programme is reviewed on a quarterly basis in accordance with the Council's Capital Strategy. The forecast position is reported to the Council Capital Board with any required programme update reported to Cabinet and Council for approval. This is required to enable schemes in the programme to proceed and to approve additions and changes to the programme.
----	---

### ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2.	The update of the capital programme is undertaken within the resource constraints imposed on it. No new schemes can be added unless specific additional resources are identified. Alternative options for new capital spending are considered as part of the budget setting process in the light of the funding available and the overall financial position.
----	---

### DETAIL (Including consultation carried out)

	<b>CONSULTATION</b>
3.	Service Directors, Service Leads and Project Managers have been consulted in preparing the reasons for variations contained in this report. The General Fund and HRA capital programme monitoring report summarises additions to the capital programme and slippage and rephasing since the last approved programme reported in July 2018. Each addition has been subject to the relevant consultation process which reflects the role played by Council Capital Board. The content of this report has been subject to consultation with Finance Officers for each service.

### THE 5 YEAR CAPITAL PROGRAMME

4.	Table 1 shows a comparison of the latest capital expenditure for the period 2018/19 to 2022/23 compared to the previously reported programme, and shows an increase of £0.71M
----	---

#### Table 1 – Programme Comparison

	2018/19 £M	2019/20 £M	2020/21 £M	2021/22 £M	2022/23 £M	Total £M
Latest Programme	141.91	77.02	67.75	64.93	0.04	351.65
Previous Programme	153.75	66.20	67.49	63.50	0.00	350.94
<b>Variance</b>	<b>(11.84)</b>	<b>10.82</b>	<b>0.26</b>	<b>1.43</b>	<b>0.04</b>	<b>0.71</b>

### CHANGES TO THE OVERALL PROGRAMME

	Table 2 below details the changes to the individual portfolio programmes.
--	---



<u>Table 2 – Changes in Portfolio Programmes</u>				
	<b>Latest Programme</b>	<b>Previous Programme</b>	<b>Total Change</b>	
	<b>£M</b>	<b>£M</b>	<b>£M</b>	
	Aspiration, Schools and Lifelong Learning	92.79	92.38	0.41
	Clean Growth & Development	12.10	12.10	0.00
	Community Wellbeing	5.60	5.60	0.00
	Finance and Customer Experience	7.42	7.42	0.00
	Homes and Culture	2.42	2.42	0.00
	Transport and Public Realm	46.42	46.12	0.30
	<b>Total GF Capital Programme</b>	<b>166.75</b>	<b>166.04</b>	<b>0.71</b>
	<b>Total HRA Capital Programme</b>	<b>184.90</b>	<b>184.90</b>	<b>0.00</b>
	<b>Total Capital Programme</b>	<b>351.65</b>	<b>350.94</b>	<b>0.71</b>
5.	The increase of £0.41M within the Aspiration, Schools and Lifelong Learning programme relates to an addition to the Bitterne Park Autism Resource Base (ARB) project funded by government grant approved at 20 <sup>th</sup> March 2018 Cabinet.			
6.	A Delegated Decision Notice on virements of £1.28M in 2018/19 between schemes within the Decent Homes programme of the HRA has been approved since the previous programme.			
	<u>Transport and Public Realm</u>			
7.	<u>Anti-Terrorist Measures (Addition of £0.30M in 2018/19)</u> To ensure safety within the city centre a range of anti-terrorist measures, including concrete blockades, are being considered. Approval has been sought, as a separate report on this meeting agenda, for the addition of £0.30M in 2018/19 to the Transport and Public Realm Portfolio Capital Programme and approval to spend this sum funded by Strategic Community Infrastructure Levy contributions.			
	<b>SLIPPAGE AND REPHASING</b>			
8.	The proposed programme assumes £12.55M of net slippage and rephasing from 2018/19 into future years. £4.14M relates to the General Fund and £8.41M to the HRA.			
	<b>2018/19 MONITORING POSITION</b>			
9.	The forecast performance of individual capital programmes in 2018/19 is summarised in table 3 below.			

Table 3 – Summary of the General Fund & HRA Capital Forecast 2018/19

Portfolio	Latest Programme	Forecast	Variance	
	£M	£M	£M	%
Aspiration, Schools and Lifelong Learning	26.74	23.50	(3.24)	(12.12)
Clean Growth & Development	12.10	12.96	0.86	7.11
Community Wellbeing	3.48	3.48	0.00	0.00
Finance and Customer Experience	6.85	6.85	0.00	0.00
Homes and Culture	2.42	1.92	(0.50)	(20.66)
Transport and Public Realm	36.81	37.18	0.37	(1.01)
<b>General Fund Programme</b>	<b>88.40</b>	<b>85.89</b>	<b>(2.51)</b>	<b>(2.84)</b>
<b>HRA Programme</b>	<b>66.05</b>	<b>57.65</b>	<b>(8.40)</b>	<b>(12.72)</b>
<b>Total Programme</b>	<b>154.45</b>	<b>143.54</b>	<b>(10.91)</b>	<b>(7.06)</b>
Funded by:				
*CR - GF Borrowing	(37.93)	(35.61)	2.32	6.12
*CR - HRA Borrowing	(23.21)	(17.63)	5.58	24.04
Capital Receipts	(21.05)	(18.47)	2.58	12.26
Contributions	(8.81)	(8.55)	0.26	2.95
Capital Grants	(28.91)	(29.24)	(0.33)	(1.14)
Revenue Financing	(14.78)	(14.28)	0.50	3.38
HRA – MRA	(19.76)	(19.76)	0.00	0.00
<b>Total Funding</b>	<b>(154.45)</b>	<b>(143.54)</b>	<b>10.91</b>	<b>7.06</b>
*CR – Council Resources				

10. The programme is currently forecast to be underspent by £10.91M in 2018/19. The reasons for the major forecast variances are detailed below and summarised in Appendix 1.

**Aspiration, Schools and Lifelong Learning**

11. Regent Park College Expansion (Slippage of £3.20M from 2018/19 to 2019/20)  
Confirmation of the preferred option by the school governors was only provided to Southampton City Council (SCC) at the end of 2017/18. Further work throughout 2018/19 is required to complete many elements of the design stage and the project is due to start in April 2019. This delay will have a minimal service impact in terms of number of school places.
12. Springhill Primary Academy School - one modular building (Slippage of £0.04M from 2018/19 to 2022/23)  
Stages 1, 2 and 3 of the project have been completed and there is a service need to keep the building for another 3 years. Stage 4 - decommissioning and removal of the modular building to another site - is planned for 2022/23.

	<b><u>Clean Growth &amp; Development</u></b>
13.	<p><u>West Quay Phase 3 WWQ (Slippage of £0.33M from 2018/19 to 2019/20)</u></p> <p>The costs expected to be incurred this year are in respect of dealing with the final account and progression of phase 2. The development is having to be re-considered to take into account the changing retail market environment. A total amount of £0.33M will be slipped into 2019/20 as part of the current programme update for phase 2.</p>
14.	<p><u>Town Depot (Slippage of £0.13M from 2018/19 to 2019/20)</u></p> <p>The development is progressing well and the first phase legal agreements have now been completed and two blocks of it have been occupied. The next phase is due to start in the late summer and will continue into 2019/20.</p>
15.	<p><u>Royal Pier (Slippage of £0.31M from 2018/19 to 2019/20)</u></p> <p>The development proposals for this site are complex, involving 4 parties as well as requiring the relocation of the Red Funnel ferry terminal and the infrastructure for the docking of the ships. This is taking longer to resolve than originally anticipated requiring part of the budget to slip from 2018/19 to 2019/20.</p>
16.	<p><u>Southampton New Arts Centre (Studio 144) (£1.63M forecast over spend)</u></p> <p>The tenants formally took occupation of both the North and South buildings in 2017/18.</p> <p>The overspend to the scheme has been driven by the award by the Contract Administrator in regard to Extension of Time claims submitted by the fit-out Contractor. The award for the South Building is primarily referencing the substantial flooding and the consequences of the building contractor being on site at the same time as the fit-out contractor. The award for the North Building is primarily referencing the issues with the design of the Primary Containment and the subsequent impacts to the fit-out contractor. Further claims have been raised regarding the installation of lifts during the project and the Council are awaiting the particulars to be issued to the Contract Administrator for assessment.</p> <p>The final account and all claims were received by the Council in May 2018. These are currently being assessed by the Contract Administrator and the Council's Quantity Surveyor. Once this process is complete the amount of additional funding required to complete the scheme will be known. In June 2018 the Council received a grant payment from Arts Council England for the project which will be used to part fund remaining expenditure in 2018/19.</p>
	<b><u>Homes and Culture</u></b>
18.	<p><u>Art Gallery Improvements (Slippage of £0.50M from 2018/19 to 2019/20)</u></p> <p>The budget is part of the match funding for a bid to the Heritage Lottery Fund (HLF) for a scheme to redevelop the North Block of the Civic Centre into a central cultural hub. The bid to the HLF was put back because the proposal in its current state need to be improved. Initial plans have been developed but the bid to the HLF has been put on hold whilst plans are refined to maximise the potential of being successfully awarded funding from the HLF.</p>

	<b><u>Transport and Public Realm</u></b>
19.	<p><u>Integrated Transport (Re-phasing of £0.37M from 2019/20 to 2018/19)</u></p> <p>The rephasing is to ensure the integrated transport budget matches the funding profile of National Productivity Investment Fund grant from the Department of Transport for the Bursledon Road project. The rephasing increases the budget for 2018/19 by £0.37M and decreases 2019/20 a corresponding amount, in line with the actual funding that will be received each year.</p>
	<b><u>HRA</u></b>
20.	<p><u>ECO-Thornhill Heating (£5.57M Slippage to 2019/20)</u></p> <p>Following the Grenfell disaster, significant staff resources have been redirected to Fire Safety and Sprinkler schemes. As a result, there has been a reprioritisation of the programme to improve sprinklers in our tower blocks. This has impacted on other projects within the HRA Capital Programme including the ECO – Thornhill Heating Project.</p> <p>Additionally, British Gas have withdrawn from the project, as previously reported, which has required a re-evaluation of options.</p>
21.	<p><u>Future Decent Neighbourhood Schemes (Slippage of £2.83M: £1.14M to 2019/20, £0.26M to 2020/21 &amp; £1.43M to 2021/22)</u></p> <p>The Future Decent Neighbourhoods Scheme has an anticipated spend of £0.25M in 2018/19, which is below the budgeted £3.08M. This is due to 14 projects in the scheme which have required substantial design work and due to resourcing issues with internal Landscape Architects resulting in a delay to the start of the project. The work has now been outsourced for the design aspect of the project. This has resulted in a slippage of £2.83M over all years of the project.</p>
22.	<p>The capital programme is being monitored on a monthly basis. Identified under and overspends are reported to the Council Capital Board. Programme changes for these will not be made until the outturn position is known and will be reported as part of the outturn report in June 2019, with approval to update the programme for these being sought at that time.</p>
23.	<p>Any over spends on individual schemes are financed from identified additional funding or from savings elsewhere in the programme. Portfolios are required to balance their capital programmes within the resources available to them and this may result in reduced outputs where an over spend results in reductions being made elsewhere in the programme.</p>
	<b><u>CAPITAL RESOURCES</u></b>
24.	<p>The resources which can be used to fund the capital programme are as follows:</p> <ul style="list-style-type: none"> <li>• Central Government Grants and from other bodies</li> <li>• Contributions from third parties</li> <li>• Council Resources - Capital Receipts from the sale of HRA assets</li> <li>• Council Resources - Capital Receipts from the sale of General Fund assets</li> </ul>

	<ul style="list-style-type: none"> <li>• Revenue Financing</li> <li>• Council Resources - Borrowing</li> </ul>																																
25.	Capital Receipts from the sale of Right to Buy (RTB) properties are passed to the General Fund capital programme to support the Private Sector Housing schemes within the Sustainability Portfolio.																																
26.	It should be noted that the revised General Fund Capital Programme is based on prudent assumptions of future Government Grants to be received. The majority of these grants relate to funding for schools and transport and are unringfenced. However in 2018/19 these grants have been passported to these areas.																																
27.	<p>Table 4 shows the current level of available resources.</p> <p><u>Table 4 – Available Capital Funding</u></p> <table border="1"> <thead> <tr> <th>Resource</th> <th>Balance B/Fwd £M</th> <th>Received to Date 2018/19 £M</th> <th>Allocated To Current Programme £M</th> <th>Available Funding £M</th> <th>Anticipated Receipts 2018/19 £M</th> </tr> </thead> <tbody> <tr> <td>Capital Receipts</td> <td>(11.28)</td> <td>0.00</td> <td>10.14</td> <td>(1.14)</td> <td>(6.61)</td> </tr> <tr> <td>CIL</td> <td>(9.43)</td> <td>(0.85)</td> <td>2.07</td> <td>(8.21)</td> <td>(1.50)</td> </tr> <tr> <td>S106</td> <td>(10.63)</td> <td>(0.32)</td> <td>5.02</td> <td>(5.93)</td> <td>(0.79)</td> </tr> <tr> <td></td> <td>(31.34)</td> <td>(1.17)</td> <td>17.23</td> <td>(15.28)</td> <td>(8.90)</td> </tr> </tbody> </table>	Resource	Balance B/Fwd £M	Received to Date 2018/19 £M	Allocated To Current Programme £M	Available Funding £M	Anticipated Receipts 2018/19 £M	Capital Receipts	(11.28)	0.00	10.14	(1.14)	(6.61)	CIL	(9.43)	(0.85)	2.07	(8.21)	(1.50)	S106	(10.63)	(0.32)	5.02	(5.93)	(0.79)		(31.34)	(1.17)	17.23	(15.28)	(8.90)		
Resource	Balance B/Fwd £M	Received to Date 2018/19 £M	Allocated To Current Programme £M	Available Funding £M	Anticipated Receipts 2018/19 £M																												
Capital Receipts	(11.28)	0.00	10.14	(1.14)	(6.61)																												
CIL	(9.43)	(0.85)	2.07	(8.21)	(1.50)																												
S106	(10.63)	(0.32)	5.02	(5.93)	(0.79)																												
	(31.34)	(1.17)	17.23	(15.28)	(8.90)																												
28.	The table shows that the largest resource currently available is Community Infrastructure Levy (CIL) funding. A review has been undertaken of all S106 and CIL monies to ensure that programmes of work are matched to the appropriate funding and to identify areas where business cases are required for new projects. This work will be ongoing as part of the monitoring process.																																
29.	Funding for the capital programme has previously been heavily reliant on capital receipts from the sale of Council properties. These receipts have always had a degree of uncertainty regarding their amount and timing, but the economic climate has increased the Council's risk in this area.																																
30.	Table 5 below shows the previous and current capital receipt assumptions, together with the actual receipts received in year for the General Fund. The movement since the last reported position of £0.75M is due to higher sales values and two additional properties now on market. It should be noted that both the previous and latest forecast positions have been adjusted to remove receipts for properties not yet on the market.																																
	<p><u>Table 5 – General Fund Capital Receipts Estimates</u></p> <table border="1"> <thead> <tr> <th></th> <th>B/Fwd £M</th> <th>2018/19 £M</th> <th>2019/20 £M</th> <th>2020/21 £M</th> <th>2021/22 £M</th> <th>2022/23 £M</th> <th>Total £M</th> </tr> </thead> <tbody> <tr> <td>Latest Forecast</td> <td>11.28</td> <td>5.94</td> <td>0.67</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>17.89</td> </tr> <tr> <td>Previous Forecast</td> <td>11.28</td> <td>5.86</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>17.14</td> </tr> <tr> <td><b>Variance</b></td> <td><b>0.00</b></td> <td><b>0.08</b></td> <td><b>0.67</b></td> <td><b>0.00</b></td> <td><b>0.00</b></td> <td><b>0.00</b></td> <td><b>0.75</b></td> </tr> </tbody> </table>		B/Fwd £M	2018/19 £M	2019/20 £M	2020/21 £M	2021/22 £M	2022/23 £M	Total £M	Latest Forecast	11.28	5.94	0.67	0.00	0.00	0.00	17.89	Previous Forecast	11.28	5.86	0.00	0.00	0.00	0.00	17.14	<b>Variance</b>	<b>0.00</b>	<b>0.08</b>	<b>0.67</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.75</b>
	B/Fwd £M	2018/19 £M	2019/20 £M	2020/21 £M	2021/22 £M	2022/23 £M	Total £M																										
Latest Forecast	11.28	5.94	0.67	0.00	0.00	0.00	17.89																										
Previous Forecast	11.28	5.86	0.00	0.00	0.00	0.00	17.14																										
<b>Variance</b>	<b>0.00</b>	<b>0.08</b>	<b>0.67</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.75</b>																										

<b>OVERALL CAPITAL PROGRAMME</b>																																																																																																																																											
31.	<p>Table 6 and 7 show capital expenditure by portfolio and the use of resources to finance the General Fund Capital Programme up to and including 2022/23, including amendments that will be requested as part of the budget update.</p> <p><u>Table 6 – Capital Expenditure by Programme</u></p> <table border="1"> <thead> <tr> <th></th> <th>2018/19 £M</th> <th>2019/20 £M</th> <th>2020/21 £M</th> <th>2021/22 £M</th> <th>2022/23 £M</th> <th>Total £M</th> </tr> </thead> <tbody> <tr> <td>Aspiration, Schools and Lifelong Learning</td> <td>23.50</td> <td>19.03</td> <td>20.74</td> <td>29.48</td> <td>0.04</td> <td>92.79</td> </tr> <tr> <td>Clean Growth &amp; Development</td> <td>11.33</td> <td>0.77</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>12.10</td> </tr> <tr> <td>Community Wellbeing</td> <td>3.48</td> <td>1.57</td> <td>0.55</td> <td>0.00</td> <td>0.00</td> <td>5.60</td> </tr> <tr> <td>Finance and Customer Experience</td> <td>6.85</td> <td>0.27</td> <td>0.30</td> <td>0.00</td> <td>0.00</td> <td>7.42</td> </tr> <tr> <td>Homes and Culture</td> <td>1.92</td> <td>0.50</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>2.42</td> </tr> <tr> <td>Transport and Public Realm</td> <td>37.18</td> <td>7.03</td> <td>2.21</td> <td>0.00</td> <td>0.00</td> <td>46.42</td> </tr> <tr> <td><b>General Fund Programme</b></td> <td><b>84.26</b></td> <td><b>29.17</b></td> <td><b>23.80</b></td> <td><b>29.48</b></td> <td><b>0.04</b></td> <td><b>166.75</b></td> </tr> <tr> <td><b>HRA Programme</b></td> <td><b>57.65</b></td> <td><b>47.85</b></td> <td><b>43.95</b></td> <td><b>35.45</b></td> <td><b>0.00</b></td> <td><b>184.90</b></td> </tr> <tr> <td><b>Total Capital Programme</b></td> <td><b>141.91</b></td> <td><b>77.02</b></td> <td><b>67.75</b></td> <td><b>64.93</b></td> <td><b>0.04</b></td> <td><b>351.65</b></td> </tr> </tbody> </table> <p><u>Table 7 – Use of Resources</u></p> <table border="1"> <thead> <tr> <th></th> <th>2018/19 £M</th> <th>2019/20 £M</th> <th>2020/21 £M</th> <th>2021/22 £M</th> <th>2022/23 £M</th> <th>Total £M</th> </tr> </thead> <tbody> <tr> <td>*CR - GF Borrowing</td> <td>(33.98)</td> <td>(8.39)</td> <td>(17.83)</td> <td>(29.48)</td> <td>0.00</td> <td>(89.68)</td> </tr> <tr> <td>*CR - HRA Borrowing</td> <td>(17.63)</td> <td>(21.79)</td> <td>(10.09)</td> <td>0.00</td> <td>0.00</td> <td>(49.51)</td> </tr> <tr> <td>Capital Receipts</td> <td>(18.47)</td> <td>(1.14)</td> <td>(1.22)</td> <td>(2.84)</td> <td>0.00</td> <td>(23.67)</td> </tr> <tr> <td>Contributions</td> <td>(8.55)</td> <td>0.00</td> <td>0.00</td> <td>(0.26)</td> <td>0.00</td> <td>(8.81)</td> </tr> <tr> <td>Capital Grants</td> <td>(29.24)</td> <td>(20.00)</td> <td>(5.70)</td> <td>0.00</td> <td>(0.04)</td> <td>(54.98)</td> </tr> <tr> <td>Revenue Financing</td> <td>(14.28)</td> <td>(2.22)</td> <td>(10.44)</td> <td>(11.25)</td> <td>0.00</td> <td>(38.19)</td> </tr> <tr> <td>HRA - MRA</td> <td>(19.76)</td> <td>(23.48)</td> <td>(22.47)</td> <td>(21.10)</td> <td>0.00</td> <td>(86.81)</td> </tr> <tr> <td><b>Total Financing</b></td> <td><b>(141.91)</b></td> <td><b>(77.02)</b></td> <td><b>(67.75)</b></td> <td><b>(64.93)</b></td> <td><b>(0.04)</b></td> <td><b>(351.65)</b></td> </tr> </tbody> </table> <p><i>*CR – Council Resources</i></p>							2018/19 £M	2019/20 £M	2020/21 £M	2021/22 £M	2022/23 £M	Total £M	Aspiration, Schools and Lifelong Learning	23.50	19.03	20.74	29.48	0.04	92.79	Clean Growth & Development	11.33	0.77	0.00	0.00	0.00	12.10	Community Wellbeing	3.48	1.57	0.55	0.00	0.00	5.60	Finance and Customer Experience	6.85	0.27	0.30	0.00	0.00	7.42	Homes and Culture	1.92	0.50	0.00	0.00	0.00	2.42	Transport and Public Realm	37.18	7.03	2.21	0.00	0.00	46.42	<b>General Fund Programme</b>	<b>84.26</b>	<b>29.17</b>	<b>23.80</b>	<b>29.48</b>	<b>0.04</b>	<b>166.75</b>	<b>HRA Programme</b>	<b>57.65</b>	<b>47.85</b>	<b>43.95</b>	<b>35.45</b>	<b>0.00</b>	<b>184.90</b>	<b>Total Capital Programme</b>	<b>141.91</b>	<b>77.02</b>	<b>67.75</b>	<b>64.93</b>	<b>0.04</b>	<b>351.65</b>		2018/19 £M	2019/20 £M	2020/21 £M	2021/22 £M	2022/23 £M	Total £M	*CR - GF Borrowing	(33.98)	(8.39)	(17.83)	(29.48)	0.00	(89.68)	*CR - HRA Borrowing	(17.63)	(21.79)	(10.09)	0.00	0.00	(49.51)	Capital Receipts	(18.47)	(1.14)	(1.22)	(2.84)	0.00	(23.67)	Contributions	(8.55)	0.00	0.00	(0.26)	0.00	(8.81)	Capital Grants	(29.24)	(20.00)	(5.70)	0.00	(0.04)	(54.98)	Revenue Financing	(14.28)	(2.22)	(10.44)	(11.25)	0.00	(38.19)	HRA - MRA	(19.76)	(23.48)	(22.47)	(21.10)	0.00	(86.81)	<b>Total Financing</b>	<b>(141.91)</b>	<b>(77.02)</b>	<b>(67.75)</b>	<b>(64.93)</b>	<b>(0.04)</b>	<b>(351.65)</b>
	2018/19 £M	2019/20 £M	2020/21 £M	2021/22 £M	2022/23 £M	Total £M																																																																																																																																					
Aspiration, Schools and Lifelong Learning	23.50	19.03	20.74	29.48	0.04	92.79																																																																																																																																					
Clean Growth & Development	11.33	0.77	0.00	0.00	0.00	12.10																																																																																																																																					
Community Wellbeing	3.48	1.57	0.55	0.00	0.00	5.60																																																																																																																																					
Finance and Customer Experience	6.85	0.27	0.30	0.00	0.00	7.42																																																																																																																																					
Homes and Culture	1.92	0.50	0.00	0.00	0.00	2.42																																																																																																																																					
Transport and Public Realm	37.18	7.03	2.21	0.00	0.00	46.42																																																																																																																																					
<b>General Fund Programme</b>	<b>84.26</b>	<b>29.17</b>	<b>23.80</b>	<b>29.48</b>	<b>0.04</b>	<b>166.75</b>																																																																																																																																					
<b>HRA Programme</b>	<b>57.65</b>	<b>47.85</b>	<b>43.95</b>	<b>35.45</b>	<b>0.00</b>	<b>184.90</b>																																																																																																																																					
<b>Total Capital Programme</b>	<b>141.91</b>	<b>77.02</b>	<b>67.75</b>	<b>64.93</b>	<b>0.04</b>	<b>351.65</b>																																																																																																																																					
	2018/19 £M	2019/20 £M	2020/21 £M	2021/22 £M	2022/23 £M	Total £M																																																																																																																																					
*CR - GF Borrowing	(33.98)	(8.39)	(17.83)	(29.48)	0.00	(89.68)																																																																																																																																					
*CR - HRA Borrowing	(17.63)	(21.79)	(10.09)	0.00	0.00	(49.51)																																																																																																																																					
Capital Receipts	(18.47)	(1.14)	(1.22)	(2.84)	0.00	(23.67)																																																																																																																																					
Contributions	(8.55)	0.00	0.00	(0.26)	0.00	(8.81)																																																																																																																																					
Capital Grants	(29.24)	(20.00)	(5.70)	0.00	(0.04)	(54.98)																																																																																																																																					
Revenue Financing	(14.28)	(2.22)	(10.44)	(11.25)	0.00	(38.19)																																																																																																																																					
HRA - MRA	(19.76)	(23.48)	(22.47)	(21.10)	0.00	(86.81)																																																																																																																																					
<b>Total Financing</b>	<b>(141.91)</b>	<b>(77.02)</b>	<b>(67.75)</b>	<b>(64.93)</b>	<b>(0.04)</b>	<b>(351.65)</b>																																																																																																																																					
32.	<p>Table 7 demonstrates that the most significant amount for funding for the General fund programme is provided by Council Resources, which at present, will be mainly through borrowing. Borrowing costs are in the main met within a central provision. The HRA programme is primarily funded by Major Repairs Allowance (direct revenue contribution).</p>																																																																																																																																										

<b>RESOURCE IMPLICATIONS</b>	
<b><u>Capital/Revenue</u></b>	
33.	This report principally deals with capital and the implications are set out in the main body of the report. However, the revenue implications arising from borrowing to support the capital programme are considered as part of the General Fund revenue budget. In addition any revenue consequences arising from new capital schemes are considered as part of the approval process for each individual scheme.
<b><u>Property/Other</u></b>	
34.	There are no specific property implications arising from this report other than the schemes already referred to within the main body of the report.
<b>LEGAL IMPLICATIONS</b>	
<b><u>Statutory power to undertake proposals in the report:</u></b>	
35.	Financial reporting is consistent with the Chief Financial Officer's duty to ensure good financial administration within the Council. The Capital Programme update is prepared in accordance with the Local Government Acts 1972 – 2003.
<b><u>Other Legal Implications:</u></b>	
36.	None directly, but in preparing this report, the Council has had regard to the Human Rights Act 1998, the Equality Act 2010, the duty to achieve best value and statutory guidance issued associated with that, and other associated legislation.
<b>RISK MANAGEMENT IMPLICATIONS</b>	
37.	None.

<b>POLICY FRAMEWORK IMPLICATIONS</b>	
1.	The update of the Capital Programme forms part of the overall Budget Strategy of the Council.
<b>KEY DECISION?</b>	Yes/No
<b>WARDS/COMMUNITIES AFFECTED:</b>	NONE
<b><u>SUPPORTING DOCUMENTATION</u></b>	
<b>Appendices</b>	
1.	GF & HRA Forecast Variances as at June 2018.
<b>Documents In Members' Rooms</b>	
1.	
2.	
<b>Equality Impact Assessment</b>	
Do the implications/subject of the report require an Equality and Safety Impact Assessments (ESIA) to be carried out.	Yes/No

<b>Privacy Impact Assessment</b>		
Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.		Yes/No
<b>Other Background Documents</b> <b>Equality Impact Assessment and Other Background documents available for inspection at:</b>		
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.		



# Agenda Item 9

## Appendix 1

### 2018/19 FORECAST VARIANCES as at JUNE 2018

Portfolio	Scheme	Forecast (Under)/ Overspend £M	Report Paragraph Ref.
Aspiration, Schools and Lifelong Learning	Regent Park Expansion	(3.20)	12
	Springhill Primary Academy School - modular building	(0.04)	13
	<b>Aspiration, Schools and Lifelong Learning Total</b>	<b><u>(3.24)</u></b>	
Clean Growth & Development	West Quay Phase 3 WWQ	(0.33)	14
	Town Depot	(0.13)	15
	Royal Pier	(0.31)	16
	Cultural Quarter	1.63	17
<b>Clean Growth &amp; Development' Total</b>	<b><u>0.86</u></b>		
Homes and Culture	Arts Gallery Improvements	(0.50)	18
	<b>Homes and Culture Total</b>	<b><u>(0.50)</u></b>	
Transport and Public Realm	Integrated Transport	0.37	19
	<b>Transport and Public Realm Total</b>	<b><u>0.37</u></b>	
HRA	ECO - Thornhill Heating	(5.57)	20
	Dn:Future Decent Neighbourhood Schemes	(2.83)	21
	<b>HRA Total</b>	<b><u>(8.40)</u></b>	
	<b>Total</b>	<b><u>(10.91)</u></b>	

This page is intentionally left blank

<b>DECISION-MAKER:</b>	<b>CABINET</b>		
<b>SUBJECT:</b>	<b>CHANGES TO EXISTING REVENUE AND CAPITAL BUDGETS</b>		
<b>DATE OF DECISION:</b>	<b>18 SEPTEMBER 2018</b>		
<b>REPORT OF:</b>	<b>CABINET MEMBER FOR FINANCE &amp; CUSTOMER EXPERIENCE</b>		
<b><u>CONTACT DETAILS</u></b>			
<b>AUTHOR:</b>	<b>Name:</b>	Sue Cuerden	Tel: 023 8083 4153
	<b>E-mail:</b>	<a href="mailto:sue.cuerden@southampton.gov.uk">sue.cuerden@southampton.gov.uk</a>	
<b>Director</b>	<b>Name:</b>	Mel Creighton Service Director Finance and Commercialisation	Tel: 023 8083 4897
	<b>E-mail:</b>	<a href="mailto:mel.creighton@southampton.gov.uk">mel.creighton@southampton.gov.uk</a>	

<b>STATEMENT OF CONFIDENTIALITY</b>	
None	
<b>BRIEF SUMMARY</b>	
The purpose of this report is seek authority for changes to existing revenue and capital budgets to incorporate changes in to this years and future years budgets.	
This report is specifically to inform Cabinet of progress to date on the implementation of Hostile Vehicle Mitigation (HVM) measures and to seek approval to vary the capital scheme budget to incorporate proposed changes and additions to the scheme.	
<b>RECOMMENDATIONS:</b>	
	(i) To approve the addition and spend of £0.3M to the Hostile Vehicle Mitigation Scheme (Anti-Terrorism Measures) within the Transport and Public Realm Portfolio Capital Programme, in 2018/19 to be funded from Community Infrastructure Levy (CIL).
<b>REASONS FOR REPORT RECOMMENDATIONS</b>	
1.	The additional spend is required to meet the recommendations of the South East Counter Terrorism Unit (SECTU) to reduce the impact of potential Hostile Vehicle attacks in crowded areas within the city centre.
2.	The additional spend will allow for the most appropriate measures to be installed: <ul style="list-style-type: none"> <li>• Implement bollards in the Central Precinct and Guildhall Square before the Christmas festive season; and</li> <li>• Measures to be installed in West Marlands Road.</li> </ul>
<b>ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</b>	
3.	Various options have been considered: <ul style="list-style-type: none"> <li>• Ceasing the installation at the current time;</li> <li>• Continuing on as a full anti-terror scheme, incorporating the increase in costs (recommended);</li> </ul>

	<ul style="list-style-type: none"> <li>• Modifying the scheme to remove the bollards alongside Above Bar (which would also aid future events set-ups); and</li> <li>• Altering the scheme to become a much cheaper access control form of design (e.g. raising / lowering barrier) as opposed to being anti-terror specification.</li> </ul>
<b>DETAIL (Including consultation carried out)</b>	
4.	In November 2017 Cabinet approved the addition of £0.50M to the capital programme to meet the costs of anti-terrorism measures in the city. This combined with existing funding within the programme of £0.25M gave total funding £0.75M to meet these costs.
5.	Further work has been undertaken, to finalise the design of the schemes to ensure that the most 'practical' solution is installed and to take account of issues detailed below, the cost of the scheme is now expected to be £1.05M.
6.	<p>The specific issues have been as follows:</p> <ul style="list-style-type: none"> <li>• The complexity of scheme design;</li> <li>• The originally intended use of 'Rise &amp; Lower' bollards was not possible due to the presence of underground services;</li> <li>• The alternative 'Matador' sliding bollards are more expensive; and</li> <li>• The need to incorporate existing access controls (such as the current Guildhall Square barrier which gives access to the Civic Courtyard) into the scheme.</li> </ul>
7.	<p>This has led to additional costs in relation to the following:</p> <ul style="list-style-type: none"> <li>• Additional bollards;</li> <li>• Ducting;</li> <li>• Inspections chambers;</li> <li>• Revised sub-contractor costs;</li> <li>• Temporary Traffic Regulation Order (TTRO) costs;</li> <li>• Associated increased traffic management and contract preliminaries; and</li> <li>• Detailed design time.</li> </ul>
8.	The additional spend of £0.3M will allow the scheme to be fully implemented and ensure that the most appropriate measures have been installed meeting the SECTU recommendations wherever possible.
<b>RESOURCE IMPLICATIONS</b>	
<b><u>Capital/Revenue</u></b>	
9.	There is currently a budget of £0.75M within the Transport and Public Realm Portfolio Capital Programme for Hostile Vehicle Mitigations (HVM).
10.	This budget is to meet the costs of installing appropriate measures in West Marlands Road and the Central Precinct.
11.	Approval is now sought for a further £0.3M to be added to the scheme, with approval to spend, to enable the scheme to be fully completed. This additional £0.3M will be funded from CIL in 2018/19.
12.	The new scheme total will be £1.05M.
13.	Ongoing revenue costs for maintenance will be met from within existing approved revenue budgets.

<b><u>Property/Other</u></b>	
14.	None.
<b>LEGAL IMPLICATIONS</b>	
<b><u>Statutory power to undertake proposals in the report:</u></b>	
15.	None.
<b><u>Other Legal Implications:</u></b>	
16.	None.
<b>RISK MANAGEMENT IMPLICATIONS</b>	
17.	The measures that would be implemented under this scheme will substantially reduce the impact of a hostile vehicle incident within the city centre.
<b>POLICY FRAMEWORK IMPLICATIONS</b>	
18.	None.

<b>KEY DECISION?</b>	<b>Yes/No</b>
<b>WARDS/COMMUNITIES AFFECTED:</b>	All
<b><u>SUPPORTING DOCUMENTATION</u></b>	
<b>Appendices</b>	
1.	None
2.	

**Documents In Members' Rooms**

1.	None
2.	

**Equality Impact Assessment**

<b>Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.</b>	<b>Yes/No</b>
---	---------------

**Data Protection Impact Assessment**

<b>Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.</b>	<b>Yes/No</b>
--	---------------

**Other Background Documents**

**Other Background documents available for inspection at:**

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

1.	None	
----	------	--

This page is intentionally left blank

<b>DECISION-MAKER:</b>	CABINET		
<b>SUBJECT:</b>	ACCEPTANCE OF GLASS PROCESSING INTO WASTE DISPOSAL SERVICE CONTRACT FOR SOUTHAMPTON CITY COUNCIL (SCC), WHICH INCLUDES ALL AUTHORITIES IN HAMPSHIRE		
<b>DATE OF DECISION:</b>	18 SEPTEMBER 2018		
<b>REPORT OF:</b>	CABINET MEMBER FOR TRANSPORT AND PUBLIC REALM		
<b><u>CONTACT DETAILS</u></b>			
<b>AUTHOR:</b>	<b>Name:</b>	Gale Williams	Tel: 023 8083 2536
	<b>E-mail:</b>	gale.williams@southampton.gov.uk	
<b>Director</b>	<b>Name:</b>	Mitch Sanders	Tel: 023 8083 3613
	<b>E-mail:</b>	mitch.sanders@southampton.gov.uk	

<b>STATEMENT OF CONFIDENTIALITY</b>	
None	
<b>BRIEF SUMMARY</b>	
Following approval by Cabinet in April 2018 a procurement exercise took place led by Hampshire County Council (HCC) to retender the Hampshire wide glass processing and disposal contract.	
It is now proposed to incorporate the glass processing and disposal contract into the wider Waste Disposal Service Contract (WDSC) with Veolia until December 2030.	
The budget for 2018/19 is £32,000 for income from sale of glass. 2017/18 income received from sale of glass was £65,250. If tonnages remain constant, income is expected to remain at approximately £65,000, exceeding the budgeted income target.	
	(i) To agree to accept glass processing and disposal into the Waste Disposal Service Contract, which is managed by Hampshire County Council on behalf of SCC and Portsmouth City Council (PCC) as the managing authority, in order to dispose of glass effectively.
	(ii) To delegate authority to the Service Director: Transactions and Universal Services to do what is necessary to implement recommendation (i) above.
<b>REASONS FOR REPORT RECOMMENDATIONS</b>	
1.	To continue with a Hampshire-wide glass processing and disposal contract in order to provide a consistent approach to glass disposal and a stable income source.
<b>ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</b>	
2.	None, as the approved procurement exercise has been completed and it would not be cost effective for SCC to procure a new contract separately from partners.

<b>DETAIL (Including consultation carried out)</b>	
3.	The current contract is between the local authority partnership Project Integra (PI) and Veolia for the processing of glass collected from bring sites, kerbside and household waste recycling centres. HCC manage the contract on behalf of partners for a nominal fee.
4.	The glass processing contract expired in July 2018. The PI Executive led a procurement exercise supported by HCC legal and procurement teams utilising the OJEU open procurement procedure. Two tenders were received, but only one was evaluated as compliant by the panel.  HCC has reviewed the outline financial position that would result if the contract were awarded; and established that compared with the current level of income derived it would result in a 50% reduction for all PI partners and recommends rather than awarding the tender it should be included in the WDSC. The rate of income per tonne for glass is set by the market, not through the contract.
5.	The procurement only attracted 2 tenderers, one of which was non-compliant illustrating that there was limited market interest in the contract. This also indicates that there is very limited procurement risk with bringing glass into the WDSC. A partnering agreement between all councils underpins the relationship between HCC as contract manager and the partners as users of the service. This partnering agreement will continue with the new contract.
6.	Including glass in the WDSC, which is in place until 2030, harmonises disposal arrangements by having them in one contract. The proposal submitted to include glass into the WDSC is very similar to the existing contract with Veolia proposing to market the glass on the most economically advantageous basis with the Authority retaining a share of the price.
7.	All other details would remain the same as they currently are, with HCC managing the relationship with Veolia and distributing the income to the WCAs based on the tonnage delivered. The County Council would continue to deduct the bulk fee costs (costs associated with handling of glass) from the income as per the current arrangements.
8.	Glass income per tonne currently received is generally above the UK average and our glass is of good quality. The example below sets out how the rate of income will be calculated: By putting glass into the WDSC, there will be no additional management fee.  If the rate of income in any given quarter is £16 per tonne, the bulk bay fee is £1.50 per tonne. The example below indicates how income is calculated:  For “Authority X” which delivers 600 tonnes of glass to a Bulk Bay at the transfer station in the quarter, the quarterly income would be calculated as follows: <ul style="list-style-type: none"> <li>• Gross Income = 600 tonnes x £16 per tonne = £9,600</li> <li>• MINUS bulk bay fee = 600 tonnes x £1.50 per tonne = £900</li> <li>• Net income = £9600 - £900 = £8,700</li> </ul> In 2017/18, SCC generated approximately 4,500 tonnes of glass, which based on the above calculation generated £65,250. With the disposal



	contract in place until December 2030, this would generate, based on £16 per tonne and similar tonnages, approximately £815,624.
9.	<p>The glass collection and disposal process will be:</p> <ul style="list-style-type: none"> <li>• SCC collects glass from householders from the kerbside, via bring banks and from the Household Waste Recycling Centre for recycling.</li> <li>• Glass collected is delivered to the contractor and the contractor collects the glass, processes it to improve the quality and sells it.</li> <li>• The contractor passes an agreed amount per tonnage from the sale of glass to the managing authority under the terms of the contract and SCC and each authority receives an apportioned share of the income.</li> </ul> <p>SCC and other Hampshire authorities already work together through the PI partnership and have agreed to join together for the purposes of obtaining the best value from the sale of glass collected.</p>
<b>RESOURCE IMPLICATIONS</b>	
<b><u>Capital/Revenue</u></b>	
10.	SCC needs to dispose of the glass generated by residents. There are no capital implications as the infrastructure is already in place to dispose of the glass. Disposal of glass generates an income to the Council. The rate of income per tonne for glass is set by the market, not through the contract. Putting glass into the WDSC therefore does not impact on the gross income received.
<b><u>Property/Other</u></b>	
11.	No property implications are identified.
<b>LEGAL IMPLICATIONS</b>	
<b><u>Statutory power to undertake proposals in the report:</u></b>	
12.	The Environmental Protection Act 1990 sets out the Council's powers and duties to make arrangements for the collection and disposal (and sorting of recyclable materials) for household waste within its administrative area. The proposals for glass recycling and disposal under the proposed contract are wholly in accordance with the Council's powers and duties as a waste disposal authority under the EPA 1990.
<b><u>Other Legal Implications:</u></b>	
13.	The procurement must be carried out having regard to and in compliance with UK Procurement legislation and the Council's duty to secure Best Value under the Local Government Acts.
<b>RISK MANAGEMENT IMPLICATIONS</b>	
14.	The glass market is mature and there is still a high demand for new glass products in UK and Europe along with a strong circular economy. It is not impacted by restrictions in China as it uses European based recycling infrastructure. By accepting glass into the WDSC, there is low risk of damage to Council reputation or service delivery. The WDSC is well managed and income should remain steady.
<b>POLICY FRAMEWORK IMPLICATIONS</b>	
15.	No policy framework implications are identified.

<b>KEY DECISION?</b>	<b>Yes</b>	
<b>WARDS/COMMUNITIES AFFECTED:</b>	All wards	
<u>SUPPORTING DOCUMENTATION</u>		
<b>Appendices</b>		
1.	None	
<b>Documents In Members' Rooms</b>		
1.	None	
<b>Equality Impact Assessment</b>		
<b>Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.</b>		<b>No</b>
<b>Data Protection Impact Assessment</b>		
<b>Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.</b>		<b>No</b>
<b>Other Background Documents</b>		
<b>Other Background documents available for inspection at:</b>		
<b>Title of Background Paper(s)</b>	<b>Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)</b>	
1.	None	

<b>DECISION-MAKER:</b>	CABINET		
	COUNCIL		
<b>SUBJECT:</b>	<b>COMMISSIONING SUBSTANCE MISUSE SERVICES FOR ADULTS AND YOUNG PEOPLE IN SOUTHAMPTON</b>		
<b>DATE OF DECISION:</b>	18 SEPTEMBER 2018		
	19 SEPTEMBER 2018		
<b>REPORT OF:</b>	<b>CABINET MEMBER FOR COMMUNITY AND WELLBEING</b>		
<b><u>CONTACT DETAILS</u></b>			
<b>AUTHOR:</b>	<b>Name:</b>	Sandra Jerrim	Tel: 023 80296039
	<b>E-mail:</b>	S.Jerrim@nhs.net	
<b>Director</b>	<b>Name:</b>	Stephanie Ramsey	Tel: 023 80296941
	<b>E-mail:</b>	Stephanie.Ramsey1@nhs.net	

<b>STATEMENT OF CONFIDENTIALITY</b>
None

<b>BRIEF SUMMARY</b>
<p>A range of services are commissioned through the Integrated Commissioning Unit (ICU) and Public Health to provide specialist services for people concerned by their own or someone else's use of drugs and/ or alcohol. The current contract arrangements end on 30 June 2019. The ICU is seeking approval, following a review of current services, national guidance and relevant stakeholder's view, to procure new services to commence from 1 July 2019.</p>
<p>The review has considered whether there needs to be a redesign of the current service provision, and while there will be some changes, they will remain reasonably comparable to the current arrangements as follows</p> <ul style="list-style-type: none"> <li>• Two existing adult contracts (for those aged 25 and above) will be combined into one contract.</li> <li>• The young person (YP) contract will remain the same.</li> <li>• Primary Care services will continue to be commissioned separately.</li> <li>• A separate contract will be set up for a small independent advocacy service, previously incorporated within one of the adults' contracts.</li> </ul>
<p>The review considered a wide range of information including national guidance, scope and performance of current services and feedback from service users, carers and stakeholders. The review was carried out between Dec 2017 and March 2018, followed by a number of Challenge and Confirm sessions, enabling the findings from the review and emerging service model to be considered and discussed. The age split (up to 18 or 24 years of age in young people services) and associated resources featured in a number of the discussions, with equal support for both options. Feedback and views were taken into account and informed the service model and allocation of resources.</p>
<p>Services should have harm reduction as the principle aim and 'recovery' as a desirable and achievable outcome. In Southampton, recovery is defined as '<i>Voluntarily - sustained control over problematic substance use which maximises health and wellbeing and</i></p>

*participation in the rights, roles and responsibilities of society*'. In addition, commissioned services, combined with the work of key partners across the city, led by the Drug Strategy Implementation group will, as its primary focus seek to check the rise and reverse the numbers of Drug related deaths in Southampton. This will build on both learning from non-fatal overdoses and ensuring our pathways in these instances are effective.

This report seeks approval from Cabinet for the award of a contract to provide Substance Misuse advice and assistance support following a tender process. Tenders have been evaluated according to the most economically advantageous criteria, taking into consideration the criteria of quality and price.

**RECOMMENDATIONS:**

**CABINET**

	(i)	To consider the findings from the review of substance misuse services and to note, as a result of the review, there is no proposal for a substantial redesign of services.
	(ii)	To authorise the procurement of a substance misuse service for adults and young people in Southampton.
	(iii)	To delegate authority to the Director of Quality & Integration to carry out a procurement process for the provision of services as set out in this report to provide substance misuse services to adults and young people in Southampton and with the Director of Legal & Governance to enter into contracts in accordance with the Contract Procedure Rules.
	(iv)	To delegate authority to the Director of Quality & Integration following consultation with the Cabinet Member for Community Wellbeing to decide on the final model of commissioned services to support the provision of a substance misuse service and all decision making in relation to this recommissioning.
	(v)	To authorise the Director of Quality and Integration to take all necessary actions to implement the proposals contained in this report.

**COUNCIL**

	(i)	To approve a financial envelope of up to £20,862,737 for a maximum period of 7 years (5 + 2 years extension when applied to contracts) and maintaining the current level of annual investment.
--	-----	--

**REASONS FOR REPORT RECOMMENDATIONS**

1.	There is a requirement to recommission Substance Misuse services for adults and young people in Southampton to comply with procurement rules. Current contracts come to an end in June 2019. This report and the recommendations provide an informed proposal and seek approval to carry out a procurement to secure new services from July 2019.
----	---

**ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

2	Other options were considered prior to the development of the current model, for example, continuing to contract with the current provider. However, these were rejected as they did not comply with the procurement rules. Other options included a single service (contract) to cover all service areas, which was
---	--

	rejected as it restricts the market to a smaller number of providers and potentially excludes small local voluntary agencies from applying. Consideration was also given to separating out all elements of the contracts (e.g. adults, young people and carers) or combining primary care services within the main contract. The advantages and disadvantages of each option was fully considered by Substance Misuse Review and Redesign project group and the proposed service model decided upon.
3	Joint commissioning with other Local Authorities: The possibility of tendering jointly for substance misuse services with other local authority and CCG areas (Hampshire, Portsmouth and IOW) was considered but the timeliness of commissioning cycles alongside different priorities meant this was not a viable option.
<b>DETAIL (Including consultation carried out)</b>	
<b>Context</b>	
4	The impacts of problematic use of drugs and alcohol to individuals, their friends, families and communities are well known. Problematic use of drugs can negatively impact physical and mental health and drive people to engage in criminality, become homeless, and disrupt personal relationships and negatively impact child development. Problematic use of drugs is also present in a high number of safeguarding cases and Looked After Children (LAC). As well as the human cost of substance misuse, people's use and misuse of drugs have financial implications to the public purse, whilst difficult to estimate due to the range of impacts our government has presented a number of estimates in recent years
5	Southampton has higher need (larger prevalence rates) and similar or higher unmet need (people not accessing support or treatment) than the national average. Furthermore, the needs of an aging population will, in future, require specific work to consider how best to meet their needs, particularly the cohort of older people with complex and entrenched use of alcohol.
6	Addressing Drug Related Deaths is a priority of Southampton's Drug Strategy while reducing alcohol-related harm is a priority of Southampton's Alcohol Strategy. Furthermore, continuing to develop strong, joint working relationships, with Mental Health Services remains key to addressing the needs of people with co-occurring conditions. There is also recognition of the resources available, which are constantly under pressure, can impact a services ability to meet the significant treatment and support needs of Southampton. At the same time services need to consider specific interventions to encourage more women to access treatment and support.
7	Recommendations from the recent Scrutiny Enquiry into Drug Related Litter (DRL) will inform elements of the future service model, including help with the displacement of drug litter, sharing information on how to report DRL and exploring opportunities to extend the opening hours of Needle Exchange services, subject to need and resources. This will target the estimated 636 injecting drug users in Southampton, in particular the 45% who are not accessing the existing services (on average 350 (55%) access the service each quarter).
<b>Current services</b>	

8	<p>The Southampton Drug and Alcohol Recovery Partnership (SDARP) was re-designed in 2017 and services commenced on 1st July 2017. There have been four main contracts:</p> <ol style="list-style-type: none"> <li>1. <b>Drug and Alcohol Support and Health (DASH)</b> – A children and young people’s service commissioned to deal with young people between the ages of 11 – 24 years. This service provides care co-ordination and structured interventions for young people experiencing problems with drugs and alcohol use.</li> <li>2. <b>Assessment, Review and Monitoring Service (ARM)</b> – Adult care co-ordination and recovery planning service. The service also provides clinical interventions such as prescribing, health assessments, harm reduction services and assessment and treatment for blood borne viruses. Southampton Alcohol Brief Interventions and Counselling service – A service which was commissioned to provide high volume, low intensity brief interventions and short term structured counselling for adults aged 18+ years experiencing a problem with alcohol use.</li> <li>3. <b>Southampton Alcohol Brief Interventions and Counselling service</b> – A service which was commissioned to provide high volume, low intensity brief interventions and short term structured counselling for adults aged 18+ years experiencing a problem with alcohol use.</li> <li>4. <b>Psychosocial Intervention Service</b> – A service which provides individual key-work to service users and a wide selection of groups addressing substance misuse issues, abstinence and recovery. The service also provides a variety of structured activities aimed at enabling service users to adapt to a structured lifestyle, gain certificates and qualifications and build non substance using networks. The service has been particularly successful in this regard and more service users are attending groups than at any time previously.</li> </ol>
9	<p>There is a range of other services commissioned or sourced by the Council and noted here for ease and reference. These have been considered in the review and will not be included in the proposed new service model contracts.</p> <ul style="list-style-type: none"> <li>• <b>Purchased services</b> (includes detoxification, residential rehabilitation, personalisation, personal health budgets – administered by the ARM service). This is a sum of money provided for the purposes specified above and will continue for the foreseeable future.</li> <li>• <b>Supervised consumption</b> (Pharmacies). Community pharmacists provide a service to dispense, support and monitor the consumption of methadone and other medicine used for the management of opiate dependence.</li> <li>• <b>Pharmacy Needle Exchange</b> (Pharmacies). This service provides access to sterile needles and syringes, and a sharps container for the return of used equipment to promote safe injecting practice and reduce transmission of infections. It acts as a gateway to other services. The service is open to over 18 year olds only.</li> <li>• <b>Shared Care provision</b> (GP practices). Shared Care provision enable GP’s to pick up the prescribing and monitoring of medicines/treatments in primary care, in agreement with the initiating specialist, for people who are stable and no longer require more intensive treatment. Care is provided by a Shared Care GP and the Shared Care liaison worker based in specialist substance misuse services.</li> <li>• <b>Alcohol Care Team</b> (specialist nurse service provided by UHS). The Alcohol Care Team (ACT) is a specialist nurse service established to provide a range</li> </ul>

of alcohol interventions of patients who have been admitted to the local general hospital (planned or unplanned) and whose health is affected by alcohol. Patients are referred to community services in order to complete any treatment commenced while in hospital. The CCG has recently enhanced the project funding to establish community in-reach into the hospital, which has led to a significant increase in the number of patients, identified and taking up longer term treatment in the community services. This has further been enhanced for a year to include extra care coordination in the community for the enhanced referrals. The outcome of these pilots will establish the on-going need and possible extension to include weekends.

**Current performance**

10 Southampton is currently underperforming on successful completions and representation outcomes (NDTMS DOMES Q4 2016/17). It is much harder to evidence the positive impact our services have in reducing harm. The most recent data, that we are able to publish publically, [DOMES Q42016/17 – NDTMS] indicates that Southampton’s Drug and Alcohol Recovery partnership performs well in terms of waiting times for individuals to engage with ‘first interventions’ with no incidence of people waiting longer than the target of 3 weeks wait for first interventions

11 Young Person’s NDTMS reports can split data for people aged 24 and under and people aged under 18. The table below shows treatment exits for those aged 24 and under and under 18)

	Under 18		24 and under	
	Southampton	National	Southampton	National
Planned	68%	82%	51%	79%
Treatment Completed – drug free	14%	33%	13%	31%
Treatment Completed – occasional user	55%	49%	39%	48%

Young People’s Activity Report Q4 2016/17 (NDTMS)

Our commissioned young people’s service consistently meets (100%) its 3 week target for first intervention following assessment compared to a national average of 98% (Young People’s Activity Report Q4 2016/17 (NDTMS))

12 Analysis of the data shows that fewer people leave our services in a planned way, drug free than the national average. Our current services are working hard to reduce the harm and facilitate recovery. More recent locally generated data indicates that following the reconfiguration of services there have been some significant improvements to most measures. More detailed information about the local areas performance is contained in the final report attached as appendix A.

**Ethnicity**

13 The census data from 2011 indicates that 77.7% of people (whole Southampton population/ all ages) identify themselves as White British.

- 70% of people, aged under 18, accessing structured treatment, identify themselves as White British.
- 83.4% of people aged 18 and over accessing structured treatment, identify themselves as White British

**Needs analysis**

14	The following outlines some of the key information about Southampton's need for services. More detailed information is contained in the Substance misuse review & redesign report (see appendix A).
15	<p>People who use <b>opiates and/ or crack</b></p> <ul style="list-style-type: none"> <li>• An estimated 1273 people in Southampton use opiates.</li> <li>• We have more need (prevalence estimates) but similar percentage of unmet need, for Opiate and or Crack Users, to the national average, i.e. a local unmet need of 49.0 % (Lower Confidence Interval (LCI) 31.6% - Upper Confidence Interval (UCI) 59.6%) compared to 50.1% (LCI 49.6% - UCI 51.8%) for England.</li> <li>• The largest cohort of people who use opiates and or crack fall within the age group 35-64yrs with an estimated 821 people in this cohort.</li> </ul> <p>People who use <b>other drugs</b></p> <ul style="list-style-type: none"> <li>• There are 161 901 residents of Southampton aged between 16 and 59. An estimated: <ul style="list-style-type: none"> <li>• 56,665 people have taken an illicit drug in their lifetime</li> <li>• 13,600 people took an illicit drug last year</li> <li>• 10,524 people took cannabis</li> <li>• 3,562 people took powder cocaine</li> <li>• 2,429 people took ecstasy</li> </ul> </li> </ul> <p>The prevalence of <b>drug use in young people</b></p> <ul style="list-style-type: none"> <li>• There are 47,666 residents of Southampton aged between 16 and 24</li> <li>• An estimated: <ul style="list-style-type: none"> <li>• 8,580 young people took an illicit drug last year</li> <li>• 7,531 young people took cannabis</li> <li>• 2,145 young people took ecstasy</li> <li>• 2,097 young people took powder cocaine</li> </ul> </li> </ul>
16	Southampton has experienced, in recent years, the impact of <b>synthetic cannabinoid</b> use. Anecdotally, it is a limited cohort that use this drug, predominantly people who use opiates and who are experiencing homelessness, however, the impact on their mental and physical health and the associated anti-social behaviour of the use of this drug are significant.
17	PHE 'Estimates of <b>opiate and crack</b> cocaine use prevalence: 2014 to 2015', published in 2017, estimates 636 (LCI 491 – UCI 778) people in Southampton inject drugs. On average, 350 people access the needle exchange hub each quarter, i.e. c55% of those injecting.
18	PHE's Local <b>Alcohol Profiles</b> for England, estimates Southampton had 3459 (LCI 2732 UCI 4643) people drinking dependently in 2014/15. NDTMS 'Adult Activity Report' (Q4 2016/17) indicates 587 people accessing structured treatment with an alcohol or alcohol and other drug concern. This indicates that we are engaging with 17.0% of our estimated dependent drinking population – leaving an 'unmet treatment need' of 83% (LCI 78.5% UCI 87.4%)
19	PHE's Local Alcohol Profile for England, when considering evidence from 2016/17, evidenced that Southampton experienced significantly 'worse' <b>incidence of alcohol related admissions</b> for people, men and women aged under 18 when compared to the South East Region and when compared to England as a whole.
20	Whilst it is acknowledged that the data for <b>parental substance misuse</b> may include some inconsistencies, by identifying the number of episodes with drugs



	or alcohol identified as a factor in assessment information within a recent consideration of Single Assessments Completed on Southampton's Children's Social Service records (PARIS), during the period 01/04/2017 and 31/03/2018, indicates an average burden when compared with statistical and regional neighbours.
21	In 2016/17, there were 531 alcohol and 623 drug misuse episodes identified as a risk factor in <b>children in need</b> assessments, out of a total of 2356 records in Southampton.
22	<p>There is limited data available on the prevalence of substance misuse within adult social care support services. It is known of the 2,590 adult social care clients, 2,150 of these are in long term care (duration more than 12 months). Of these</p> <ul style="list-style-type: none"> <li>• 67 (3%) are in long term care with substance misuse as an identified care reason. <ul style="list-style-type: none"> <li>○ 46 (69%) of this 67 receive domiciliary care in their own accommodation</li> <li>○ 10 (15%) of this 67 have substance misuse as a Primary Support Reason</li> </ul> </li> <li>• 3 (30%) of this 10 are in permanent residential or nursing care <ul style="list-style-type: none"> <li>○ 7 (70%) of this 10 receive domiciliary care in their own accommodation</li> </ul> </li> </ul>
	<b>Co-occurring conditions</b>
23	<p>A proportion of people with substance misuse needs have depression, anxiety or other more common mental health conditions too. SCC Drugs needs assessment (2017) reports that:</p> <p><i>“27% (n= 103) of people accessing adult drug treatment services in Southampton had received care from a mental health service for reasons other than substance misuse (compared with 20% nationally). The proportion of people with a comorbid mental health problem was highest in those clients using non-opiates and alcohol (40%, n= 30).”</i></p>
	<b>Gender</b>
24	<p>Public Health England (PHE) 'Estimates of opiate and crack cocaine use prevalence: 2014 to 2015', published in 2017, estimates that 343 (LCI 219-UCI 471) women in Southampton use illicit opiates. The same report estimates that 930 (LCI 735-UCI 1257) men in Southampton use illicit opiates.</p> <p>NDTMS reports that of the 738 people who use opiates, who engaged in structured treatment in 2016/17, 209 were women. 529 men engaged in structured treatment in the same period</p>
	<b>Drug related deaths</b>
25	<p>43 people died in the 3 years from January 2014 to December 2016. This compares to 36 in 2013 to December 2015. The significant majority of deaths are related to Alcohol, Benzodiazepines and Heroin in some combination. Rates are calculated to take account that the size of our population is growing and to allow us to compare ourselves to other areas. The rates of drug related deaths in Southampton have increased slightly over the last 10 years, although the increase is not statistically significant. The rate of drug-related deaths in Southampton is similar to the rate in like authorities but became higher (worse) than the England average in 2014-16. While recognising that each death is a tragedy, in statistical terms because these are a relatively small numbers we</p>

	would expect some fluctuation year on year. Commissioned services are central to the Council's drug-related death action plan.
<b>Consultation</b>	
26	<p>During the review period engagement with a wide range of stakeholders was carried out. The methods of communication and engagement for this project have been:</p> <ul style="list-style-type: none"> <li>• A working group involving a wide range of stakeholders including providers, partner agencies and commissioners Partner agencies have included the police, probation and carer support services.</li> <li>• A representative group from the drug and alcohol treatment services and associated agencies has been formed and used to inform areas of discussion. This included young people and adult services, primary care, police, probation and the local carer support agency.</li> <li>• Attendance at providers team meetings;</li> <li>• Face to face meetings with service users and/or relatives and friends;</li> <li>• Survey's completed either online or face to face with stakeholders, including primary care, GPs, carers, service users and stakeholders</li> </ul>
27	<p>Information from the engagement and surveys were as follows</p> <ul style="list-style-type: none"> <li>• The project team also sought the views of those using the <b>Needle exchange</b> (NEx) service, All responses were positive about the NEx</li> <li>• There were 72 responses from <b>adults</b> who use services, with a significant proportion of the responses being very positive about the services they receive. Concerns were raised about staff time and waiting times, particularly 'restarts' being too lengthy.</li> <li>• There were 20 responses from <b>young people</b> using services, again with a significant proportion very positive about the services they receive, with mixed views about the use of the adult service setting to access services.</li> <li>• Those <b>working in the services</b> provided a wide range of views, in particular there was very mixed and divided views about where services for those aged 18 – 24 should be provided (in the adult or young person setting). Other views related to data management being over burdensome, disjointed services and the need for more specialist services (alcohol, Needle Exchange, mental health and criminal justice).</li> <li>• There were 12 responses from a <b>wider stakeholder</b> network, all positive about the service and the strong stakeholder relationships in the City. There was some confusion about multiple provider model and recognition of the need for more joined up working with Mental health Services.</li> <li>• <b>Primary care</b> responses were positive with the main suggestion seeking to improve access, reduce waiting times and provide more support to service users.</li> <li>• 16 responses were received from people engaging with <b>Parent Support Link</b>. Most responses included positive reflections around provision of services to their family member/ friend. There were some concerns about poor family involvement and communication and the open access periods which can be chaotic and intimidating.</li> </ul>
	<b>Challenge and confirm sessions</b>

28	<p>Once the engagement period had ended and the findings collated into a proposed service model, targeted and open Challenge and Confirm sessions were set up and involved</p> <ul style="list-style-type: none"> <li>• One specifically focussed on Alcohol Use Disorders (AUD) in and extraordinary meeting of Southampton’s Alcohol Strategy Implementation Group (ASIG)</li> <li>• A stakeholder event and</li> <li>• sessions with the three main provider staff groups</li> </ul> <p>There was general consensus that the model proposed is correct.</p>
29	<p>Apart from points of clarity the following areas led to amendments or agreements in regards to future service delivery:</p> <p><b>Young people:</b> There were differences in opinion on how best to meet the needs whilst addressing the risks of young adults (18-24) with majority of support for those aged up to 24 years to be supported by the young people services. Particular concerns were also raised around the distribution of resources between adult and young people services and the effect on ability to deliver effective prevention and/ or interventions for complex adults.</p> <p><b>Alcohol and drug access routes:</b> There was discussion about the need for separate access routes for drug and alcohol services, resulting in agreement that providers will be required to describe in their tender submissions</p> <ul style="list-style-type: none"> <li>• how services for people with AUD are presented and delivered to best meet need and mitigate risk and</li> <li>• how services are delivered to older people, particularly those with AUD</li> </ul> <p><b>Mental Health:</b> Mental health concerns were also raised and agreement of partners in attendance to improve pathways and interventions for people with substance use disorders and Mental Ill health (co-occurring conditions).</p> <p><b>Detoxification:</b> The role detoxification has within the overall treatment pathways was discussed, with requests for providers to see detox within the treatment pathway and not a separate isolated entity.</p>
<b>Wider considerations</b>	
30	<p>Members of the project group were asked to consider whether some other service areas could be combined or connected to any future substance misuse service. Areas that were considered included</p> <ul style="list-style-type: none"> <li>• Street Based Vulnerable Adults</li> <li>• Behaviour change services</li> <li>• Access to specialist services (e.g. mental health) and</li> <li>• Hospital and community based substance misuse services.</li> </ul> <p>Following the work by the project group, in discussion with relevant stakeholder groups, it was agreed</p> <ul style="list-style-type: none"> <li>• There was no support to bring elements of the current commissioned behaviour change service within the substance misuse contract.</li> </ul>

	<ul style="list-style-type: none"> <li>• There is a need to review and improve pathways from hospital treatment into community detox, but these services would not benefit from being combined.</li> <li>• The level of integration between service areas coupled with robust and proactively used pathways was decided as the most supporting and appropriate way forward.</li> </ul>
<b>Future service model</b>	
31	Futures services are expected to provide a comparable service offer to our current provision (reconfigured in 2017), albeit with a small variation in the way the service model is configured (from 2 adult contracts to one and independent advocacy service commissioned separately). Services would have harm reduction as the principle aim and 'recovery' as a desirable and achievable outcome. In Southampton, recovery is defined as ' <i>Voluntarily - sustained control over problematic substance use which maximises health and wellbeing and participation in the rights, roles and responsibilities of society</i> '.
32	Services will be tasked with improving successful completions and reducing representations whilst maintaining robust and effective harm reduction interventions to reduce drug related deaths, the incidence of blood borne virus infections and the broader harms to individuals, their friends, families and communities. This will be reflected in robust performance indicators and subject to close monitoring and oversight. Services will work proactively, flexibly and collaboratively with stakeholders to increase engagement and improve outcomes of those impacted by substance use disorders.
33	There is no intention to separate alcohol from drug services. However it is an intention to work with providers to consider how better to 'present' alcohol services to the population with consideration to be given to deliver a distinct route of entry into support and some separation of interventions for people with alcohol use disorder, some of whom have, historically, been reluctant to approach integrated services.
34	All services will work with people with the following problematic substance use: <ul style="list-style-type: none"> <li>• Alcohol</li> <li>• Opiates and crack cocaine and other illegal substances</li> <li>• Prescribed medication that is being used problematically</li> <li>• Prescription medication that is being used illicitly</li> <li>• Performance and Image Enhancing Drugs <ul style="list-style-type: none"> <li>○ Harm reduction</li> <li>○ addressing other drug use</li> </ul> </li> </ul>
35	Commissioned services will be required to work with a wide range of client groups and priority issues, including parental substance misuse, women, older users and those from black, minority and ethnic communities. In addition, the future service will need to keep abreast of future challenges posed by New Psychoactive Substances and Synthetic Opioids. Planned improvements to the drug warning process and Non-Fatal Overdose reporting systems will assist the new providers in this area of work.
36	Commissioned services already work closely with Sexual Health Services, including: <ul style="list-style-type: none"> <li>• Joint outreach to women working in on street prostitution</li> <li>• Outreach provision at TULIP clinics</li> </ul>

	<ul style="list-style-type: none"> <li>• Regular meetings and sharing of good practice</li> </ul> <p>Commissioned services also offer Blood Borne Virus (BBV) interventions</p> <ul style="list-style-type: none"> <li>• Hepatitis C/ HIV testing and referral to treatment</li> <li>• Hepatitis B inoculations</li> </ul> <p>A weekly Hepatitis C clinic (staffed by UHS Hepatology nurses) is hosted at substance misuse services. These services will be expected to continue under the new contracts.</p>
37	<p>It is our intention to procure services in three lots with the possibility of one provider bidding for both Lots 1 and 2.</p> <ul style="list-style-type: none"> <li>• Lot 1: <b>Young person</b> service (24 years of age and under)</li> <li>• Lot 2: <b>Adult service</b> (25 years of age and over), including support for people concerned by their own or someone else's use of drugs and/ or alcohol.</li> <li>• Lot 3: <b>Independent Advocacy</b> service (18 years and over)</li> </ul> <p>It is our intention, subject to approval, for these new services to be procured to commence on the 1st of July 2019 for a maximum period of 7 years (5 years with a possible extension of 2 years) from July 2019 to June 2024, with potential to extend to June 2026.</p>
<b><u>Capital/Revenue</u></b>	
38	<p>A substantial amount of funding for the commissioned services comes from the Public Health grant. This comes to an end in 2020 and while the future funding approach remains uncertain, the Director of Public Health and Service Director – Finance &amp; Commercialisation confirm their support to proceed with procurement based on the current budget, with assurance that any contract has a clause that allows us to renegotiate the value of the contract at relatively short notice should government funding change (potentially in either direction, up or down).</p>
39	<p>Services were reconfigured in 2017 and achieved a significant saving of £400,000 as part of the overall budget savings required. As such there are no plans to pursue savings during this procurement, other than any reduction on the contract values submitted by providers, if at all given the current financial pressures and increasing demands.</p>
40	<p>Southampton City Clinical Commissioning Group have agreed to provide additional funding of £35,000 over the life of the contract towards additional work supporting reductions in hospital admissions.</p>

41	<p>The financial envelope over 7 years is £20,862,737 and equates to £2,980,391 per annum. This incorporates £2,767,590 to commission the Adult, Young People and an Independent Advocacy contract as set out in the table below, as well as a budget of £177,801 to purchase predominantly detoxification services and £35,000 to support a reduction in hospital admissions.</p> <p><b>Adult and young people contract values</b></p> <table border="1" data-bbox="325 483 1453 1240"> <thead> <tr> <th></th> <th>Historical spend £</th> <th>Anticipated Future spend £</th> </tr> </thead> <tbody> <tr> <td>Adult contract value per annum</td> <td>£2,226,022</td> <td>£2,270,000</td> </tr> <tr> <td>Young People contract value per annum</td> <td>£541,568</td> <td>£482,500</td> </tr> <tr> <td>Independent Advocacy contract value per annum</td> <td>£0</td> <td>£15,090</td> </tr> <tr> <td>Purchased Services budget per annum</td> <td>£177,801</td> <td>£177,801</td> </tr> <tr> <td>Support to reduce hospital admissions</td> <td>£0</td> <td>£35,000</td> </tr> <tr> <td><b>Total</b></td> <td><b>£2,945,391</b></td> <td><b>£2,980,391</b></td> </tr> <tr> <td colspan="3"><b>Funded by</b></td> </tr> <tr> <td>Total annual budget GP180 4162</td> <td>£2,945,391</td> <td>£2,945,391</td> </tr> <tr> <td>Additional CCG contribution</td> <td></td> <td>£35,000</td> </tr> <tr> <td></td> <td><b>£2,945,391</b></td> <td><b>£2,980,391</b></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td>Total budget over 7 years</td> <td></td> <td><b>£20,862,737</b></td> </tr> </tbody> </table>		Historical spend £	Anticipated Future spend £	Adult contract value per annum	£2,226,022	£2,270,000	Young People contract value per annum	£541,568	£482,500	Independent Advocacy contract value per annum	£0	£15,090	Purchased Services budget per annum	£177,801	£177,801	Support to reduce hospital admissions	£0	£35,000	<b>Total</b>	<b>£2,945,391</b>	<b>£2,980,391</b>	<b>Funded by</b>			Total annual budget GP180 4162	£2,945,391	£2,945,391	Additional CCG contribution		£35,000		<b>£2,945,391</b>	<b>£2,980,391</b>				Total budget over 7 years		<b>£20,862,737</b>
	Historical spend £	Anticipated Future spend £																																						
Adult contract value per annum	£2,226,022	£2,270,000																																						
Young People contract value per annum	£541,568	£482,500																																						
Independent Advocacy contract value per annum	£0	£15,090																																						
Purchased Services budget per annum	£177,801	£177,801																																						
Support to reduce hospital admissions	£0	£35,000																																						
<b>Total</b>	<b>£2,945,391</b>	<b>£2,980,391</b>																																						
<b>Funded by</b>																																								
Total annual budget GP180 4162	£2,945,391	£2,945,391																																						
Additional CCG contribution		£35,000																																						
	<b>£2,945,391</b>	<b>£2,980,391</b>																																						
Total budget over 7 years		<b>£20,862,737</b>																																						
42	<p>Supervised consumption, Pharmacy Needle Exchange, Shared Care provision and the Alcohol Care Team are all funded through separate identified funding streams, and as a result of the review and careful consideration, will remain separate for the life of the contracts set out above.</p>																																							
<b><u>Property/Other</u></b>																																								
43	<p>Services for people concerned by their use of drugs and alcohol are delivered from a city centre hub that is comprised of three buildings. Commissioned services rent these 3 buildings from private landlords. The three different buildings have three separate tenancies that are due to end in the near future. Current providers have previously raised concerns that the current buildings are limited in their suitability. Historically, providers have found acquiring permission to deliver services from new buildings difficult. A request has been made to the Southampton City One Public Estate Board.</p>																																							
<b>LEGAL IMPLICATIONS</b>																																								
<b><u>Statutory power to undertake proposals in the report:</u></b>																																								
44	<p>The Council has the power to offer substance misuse services in accordance with s.1 Localism Act 2011 (the General Power of Competence) subject to complying with the Council's Contract and Financial Procedure Rules as set out in the Council's Constitution.</p>																																							
<b><u>Other Legal Implications:</u></b>																																								

45	Section 17 of the Crime and Disorder Act 1998, (as amended), requires responsible authorities to consider crime and disorder and the misuse of drugs, alcohol and other substances, in the exercise of all of their duties, activities and decision making. Such authorities must exercise their functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can, to prevent crime and disorder in its area.
46	The services provided will be delivered in accordance with this Section 17 duty, as well as the Council's duties under the Human Rights Act 1998 and the Equality Act 2010
<b>RISK MANAGEMENT IMPLICATIONS</b>	
47	<b>Financial:</b> The cessation of the public Health grant in 2020 presents a significant risk to the financial envelope for the future provision of substance misuse services. Continued engagement with SCC Director of Finance, Director of Public Health and officers reduces the risk of any difficulties not being foreseen and managed. This will be mitigated through appropriate contract clauses, which will allow SCC to renegotiate the value of the contract.
48	<b>Service Delivery:</b> Historically the substance misuse service has experienced difficulties with the delivery of services and associated performance levels being achieved. Wide engagement and consultation on the future model for substance misuses service, both in 2017 during a mid contract reconfiguration and the most recent engagement process reduces the risk of future service delivery risks.  There is the potential for increasing demand for the service as well as pressures arising from increased medications costs, thereby reducing the resources available for service delivery. In the absence of additional resources being available changes to service delivery may be required.
49	<b>Reputation:</b> There is no identified reputational risk arising from the proposal to recommission adult and young people substance misuse services in Southampton. Reputational risks may arise from a lack of submissions (as occurred in other cities) as a result of reduced budgets. As the value has been retained following a substantial saving in substance misuse service in recent years, this is not seen to be a high risk.
<b>POLICY FRAMEWORK IMPLICATIONS</b>	
50	The recommendations in this paper support the delivery of outcomes in the Council Strategy. They also contribute to the City Strategy and the Health and Wellbeing strategy. The proposals particularly support Council Priority Outcomes: <ul style="list-style-type: none"> <li>o All children and young people have a good start in life</li> <li>o People in Southampton live safe, healthy and independent lives</li> </ul>
51	Local policy drivers broadly mirror the national drivers e.g. the 2010 Drug Strategy, personalisation, better outcomes, effective prevention, value for money and increasing demand. Local priorities for health and social care have been identified through a process of service user consultation, review of current service provision, trend analysis (of demographics, social, health, economic and environmental issues) and data analysis of spend and budget.

<b>KEY DECISION?</b>	<b>Yes</b>	
<b>WARDS/COMMUNITIES AFFECTED:</b>	All Wards	
<u>SUPPORTING DOCUMENTATION</u>		
<b>Appendices</b>		
1.	None.	
2.		
<b>Documents In Members' Rooms</b>		
1.	Substance Misuse Services Review and Redesign Final Report	
2.	Equality and Safety Impact Assessment	
3.	Data Protection Impact Assessment	
<b>Equality Impact Assessment</b>		
<b>Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.</b>		<b>Yes</b>
<b>Data Protection Impact Assessment</b>		
<b>Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.</b>		<b>Yes</b>
<b>Other Background Documents</b>		
<b>Other Background documents available for inspection at:</b>		
<b>Title of Background Paper(s)</b>	<b>Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)</b>	
1.		
2.		



<b>DECISION-MAKER:</b>	<b>CABINET</b>		
<b>SUBJECT:</b>	<b>REVISION TO HOME TO SCHOOL TRANSPORT POLICY</b>		
<b>DATE OF DECISION:</b>	<b>18 SEPTEMBER 2018</b>		
<b>REPORT OF:</b>	<b>CABINET MEMBER FOR ASPIRATION, SCHOOLS AND LIFELONG LEARNING</b>		
<b><u>CONTACT DETAILS</u></b>			
<b>AUTHOR:</b>	<b>Name:</b>	<b>Tammy Marks</b>	<b>Tel: 023 8083 2136</b>
	<b>E-mail:</b>	<a href="mailto:Tammy.Marks@southampton.gov.uk">Tammy.Marks@southampton.gov.uk</a>	
<b>Director</b>	<b>Name:</b>	<b>Hilary Brooks, Service Director, Children &amp; Families services</b>	<b>Tel: 023 8083 4899</b>
		<b>Denise Edgehill, Interim Service Director, Growth</b>	<b>Tel: 023 8083 4095</b>
	<b>E-mail:</b>	<a href="mailto:Hilary.brooks@southampton.gov.uk">Hilary.brooks@southampton.gov.uk</a> <a href="mailto:Denise.edgehill@southampton.gov.uk">Denise.edgehill@southampton.gov.uk</a>	

## STATEMENT OF CONFIDENTIALITY

Not applicable.

## BRIEF SUMMARY

Southampton City Council has a legislative duty to make arrangements for home to school travel assistance for eligible children and young people, as set out in the Education Acts and statutory guidance. The travel assistance offer for eligible children and young people is currently set out in the "Southampton City Council Home to School, and Post-16, Transport Policy 2018/19 Academic Year".

Demand for transport assistance under this policy has steadily increased since 2013, creating an increasing pressure on the budget for this service, and the council recognised that demand will continue to increase in future. This prompted a review of the policy, in order to identify opportunities to manage demand and pressures on the service.

Following the policy review, a number of changes to the policy are being proposed for the purposes of public consultation in the draft Home to School Transport and Post 16 Travel Arrangements Policy 2019/20. A number of these changes relate to clarification points in line with legislation. The key policy changes are:

- The proposal to remove the automatic entitlement to children under compulsory school age attending Rosewood Free School Nursery, The Cedar School Nursery and the Early Learning Group in the current policy. However, children

<p>attending Early Years provision may be eligible for help under the 'Exceptional Circumstances Criteria'.</p> <ul style="list-style-type: none"> <li>• The proposal to clarify the Travel Assistance offer for children and young people with SEND.</li> <li>• The proposal to introduce a flat rate contributory charge for young people aged 16-19 using travel assistance to and from further education settings. Transport assistance will still be available to eligible students aged between the ages of 16 and 19, but will be subject to a flat rate contributory charge: <ul style="list-style-type: none"> <li>○ £600 per annum, payable in 3 termly instalments of £200.</li> <li>○ £495 per annum payable in 3 termly instalments of £165 for students whose families meet the low income criteria set out in the policy.</li> <li>○ Southampton City Council may assist with travel expenses up to the total cost for some post-16 students with SEND where there is evidence of exceptional circumstances.</li> </ul> </li> <li>• The proposal to assess all young people from year 9 onwards for independent travel training where it is agreed transport assistance will be provided, to enable them to potentially travel independently post 16.</li> </ul>	
<p>A draft policy is included at Appendix 1. This paper details the proposed policy changes, as well as the impacts of the proposals, which will be published for the purposes of consultation and seeking comment and representations on the proposals prior to a final decision in due course.</p>	
<p>The council is forecast to spend £3.47M in 2018/19 on providing Home to School Transport.</p>	
<p><b>RECOMMENDATIONS:</b></p>	
(i)	<p>To note the findings from the review of home to school transport for children and young people with SEND which includes the case for change, which is based on evidence from audit activity, other local authorities, engagement with the SEND parent/carer forum, special school colleagues and professionals. The review presents areas identified for amendment in a revised Policy.</p>
(ii)	<p>To approve proceeding to formal consultation on the proposed Home to School Transport policy 2019/20 for a period of 12 weeks commencing on 26<sup>th</sup> September, 2018.</p>
(iii)	<p>To note the outcome of the consultation will be reported back to Cabinet to consider alongside recommendations for approval of a revised policy taking into account representations received.</p>
<p><b>REASONS FOR REPORT RECOMMENDATIONS</b></p>	
1.	<p>To launch a consultation, ensuring that service users, wider residents and other stakeholders have the opportunity to review and comment on the draft proposals for the Home to School Transport Policy 2019/20.</p>
2.	<p>To ensure that the policy is clear and easily understood by all eligible groups, in compliance with statutory responsibilities including updated procedures within the local authority.</p>
3.	<p>To ensure that the increasing pressures on home to school transport</p>

	resources is managed to ensure financial sustainability for the future and to support resources to be deployed to achieve maximum benefit in the offer of home to school travel assistance. Not only is the overall cost to the Council increasing, but pressures on providers of vehicles with the numbers being transported by taxi and mini bus is meaning that these providers are struggling to meet demand. By introducing proposals to reduce the offer to more closely match the statutory requirements, but maintaining the discretion to offer assistance above these requirements based on needs assessment, the local authority will be better positioned to manage the impact of this increasing demand and target resources to those who need support to access education the most.
4.	To ensure maximum opportunity for young people to meet their potential in adult life by offering training and support to those who are assessed to have the ability to travel independently.
<b>ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</b>	
5.	Do nothing. This was disregarded on the basis that the current policy is not considered fit for purpose in meeting the revised assessed need in the area and the council cannot sustain the increasing demands on home to school travel assistance resources.
6.	To recommend an update to the policy with a complete withdrawal of home to school transport for children below statutory school age. Whilst the statutory guidance allows for this, it was felt in the task and finish group with parents that this has the potential to prevent attendance for a small proportion of children with highly complex needs, who would not be able to attend without some assistance. This would increase the likelihood of family breakdown.
7.	To recommend an update to the policy with a complete withdrawal of home to school transport assistance for young people aged 16-19. This was discussed in detail with consideration of the impact and it was agreed by all parties that this would not comply with the statutory requirements to match assistance to assessed need and to take into account the impact on individuals required under the Equality Act 2010. It could significantly impact a parent's ability to work, or mean that they are required to work less hours. The impact on other service areas, including housing and social care, would be significant. The council would be failing to enable young people to access the education setting named within their statutory Education, Health and Care Plan.
<b>DETAIL (Including consultation carried out)</b>	
	<b>Background</b>
8.	Southampton City Council has a legislative duty to make arrangements for home to school travel assistance for eligible children and young people, as set out in the Education Acts and statutory guidance. The statutory entitlements for travel assistance differ depending on the age and circumstances of the child or young person, and for some categories the council has discretion with regards the offer.
9.	The home to school transport budget has seen significant pressures since the enactment of the SEND Reforms, which is covered by Section 3 of the Children and Families Act 2014 and the SEND Code of Practice 2015.

	Increase in expenditure in this area has grown from £1.87m in 2013/14 (pre reforms) to a forecast spend of £3.47m in 18/19. This represents a continuing upward trajectory, rising from £2.40m and £2.79m in 2016/17 and 2017/18 respectively.
10.	Whilst the home to school transport policy covers several groups of eligible children, young people with SEND are the primary client group and represent the greatest driver in increasing demand for services in this area.
11.	A detailed review of the current home to school transport policy and delivery of home to school transport assistance for children and young people with SEND was carried out between October 2017 and August 2018. This review identified that the council's current home to school transport policy is unclear and difficult to follow, especially in relation to SEND, and that there are areas of policy where Southampton City Council is currently offering travel assistance in excess of the statutory duties.
	<b>Home to School Transport duties and eligibility</b>
12.	Local authorities have particular duties towards some groups of children and young people who require home to school transport arrangements. The entitlements differ depending on the age and circumstances of the child or young person as set out below:
13.	<b>Children under compulsory school age</b> Children under compulsory school age are not automatically entitled to transport to an early years setting or school. Southampton City Council currently offers travel assistance to children in this group attending specialist provision in relation to their SEND needs.
14.	<b>Eligible children of compulsory school age</b> Local authorities are required to arrange free, suitable, home to school transport for children of compulsory school age attending the nearest suitable school are eligible for free of charge travel assistance where the nearest appropriate school is: <ul style="list-style-type: none"> <li>▪ A distance of more than 2 miles if the child is below the age of 8</li> <li>▪ A distance of more than 3 miles if the child is over the age of 8</li> <li>▪ A distance of more than 2 miles if the child is over the age of 8 and meets the 'extended rights' criteria.</li> </ul> <p>In addition, local authorities are required to arrange free, suitable transport for children who cannot be expected to walk to school or travel independently by reason of SEND, or where their route relies on accompaniment by a parent/carer, but the parent/carer's disability prevents them from doing so.</p>
15.	<b>Young people aged 16-19</b> Where a young person is of 'sixth form age' and attending school or college, the law requires local authorities to have a 'Transport Policy Statement' setting out home to school/college transport arrangements for young people with SEND needs. The legislation gives a local authority the discretion to determine what transport and financial support are necessary to facilitate

	young people's attendance. Southampton City Council currently provides free of charge travel assistance to young people in this category.
16.	<p><b>Young people aged 19-25</b></p> <p>The local authority's duty in respect of 'adult learners' is covered by section 508F of the Education Act ("EA") 1996. 'Adult learners' will be young people over sixth form age – those who are 19 and to 25 (if they started a course of further education before their 19th birthday, they remain of sixth form age until they complete that course). Any transport arrangements provided under this duty must be free of charge.</p>
	<b>Policy Review</b>
17.	<p>The policy review identified that Southampton City Council is providing travel assistance to children and young people in excess of the statutory duty in the following categories:</p> <ul style="list-style-type: none"> <li>• <b>Children under compulsory school age</b> This relates to the automatic entitlement for transport assistance for children under 5 attending Rosewood Free School Nursery, The Cedar School Nursery and the Early Learning Group in the current policy.</li> <li>• <b>Young people aged 16-19</b> This relates to the provision of home to school travel assistance for children and young people with Education, Health and Care Plans aged 16-19 which is currently provided free of charge under the existing policy.</li> </ul>
18.	<p>Extensive research was carried out to review other local authorities' home to school transport policies and offers. It was established that the majority of local authorities had either never provided for, or have withdrawn the provision of free home to school transport for children and young people below statutory school age. The majority of local authorities apply an annual contributory charge to the parents of children and young people in receipt of post-16 home to school transport provision, to support the costs to the local authority for the provision of this transport.</p>
19.	<p>The policy review also identified the following points:</p> <ul style="list-style-type: none"> <li>• Whilst the council has an offer of independent travel training in the current policy, this is proposed as optional and not a necessity for all children and young people who have the potential to develop this skill and all importantly supporting the achievement of positive outcomes for young people in preparation for adult life, in line with section 8 of the SEND Code of Practice 2015.</li> <li>• Whilst the existing policy makes reference to the use of personal budgets, it is not promoted heavily enough by way of maximising choice and control for children and young people with SEND and their families, in line with the underlying principles of the SEND Code of Practice 2015.</li> <li>• The existing policy is difficult to understand and does not have a SEND-specific section, confusing this with access to support for other eligible</li> </ul>

	groups.
20.	Following the review, the Southampton home to school transport policy and Post-16 Statement has been reviewed and a number of policy changes have been proposed to better match resources to assessed need.
	<b>Policy proposals</b>
21.	The structure of the proposed policy 2019/20 has been changed and updated to ensure that the policy is clear, accessible and covers all legislative requirements. Specific changes to the policy are detailed below:
22.	<p><u>Early Years (Cedar and Rosewood Schools and Early Learning Group)</u></p> <p>The current policy provides travel assistance for children attending the nearest appropriate early years setting to their home where their placement is supported by the Early Years and Portage team or the Special Educational Needs team and the distance between their home and the early years setting is more than 2 miles (section 3.1.1).</p> <p>It also specifies that travel assistance will be provided to all children attending Rosewood Free School and The Cedar School from age 2 years (section 3.4.1), and the Early Learning Group if the distance between home and the setting is over 2 miles and placement is agreed by the Early Years and Portage Manager (section 3.4.2).</p> <p>The draft policy 2019/20 no longer specifies automatic entitlement for those children attending Rosewood Free School, The Cedar School and the Early Learning Group. Children of statutory school age attending these schools whose EHCP identifies a travel assistance requirement will qualify for support, and those under statutory school age may be considered under the Exceptional Circumstances Criteria.</p>
23.	<p><u>SEND</u></p> <p>The current policy does not explicitly set out the offer for children and young people with SEND.</p> <p>The draft policy 2019/20 clarifies the policy for this group and supports the separation of assessment from non-SEND eligible children.</p>
24.	<p><u>Young people aged 16-19</u></p> <p>The current policy specifies that travel assistance will be provided to young people with SEND to the nearest further education provider offering an appropriate course (section 3.7).</p> <p>The provision of free transport assistance for post-16 students will no longer be offered under the draft policy 2019/20. Transport assistance will still be available to eligible students aged between the ages of 16 and 19, but will be subject to a flat rate contributory charge:</p> <ul style="list-style-type: none"> <li>• £600 per annum, payable in 3 termly instalments of £200.</li> <li>• £495 per annum payable in 3 termly instalments of £165 for students</li> </ul>

	<p>whose families meet the low income criteria set out in the policy.</p> <ul style="list-style-type: none"> <li>12 monthly 12 monthly instalments are also being looked at where they choose to pay by Direct Debit.</li> </ul> <p>Southampton City Council may assist with travel expenses up to the total cost for some post-16 students with SEND where there is evidence of exceptional circumstances.</p>		
25.	<p><u>Young people aged 19-25</u></p> <p>The draft policy 2019/20 clarifies the offer of free of charge travel assistance for eligible young people aged 19-25.</p>		
26.	<p><u>Independent travel training</u></p> <p>Independent travel training is referred to in the current policy, but it is not highlighted as a preferred option to be considered for all children and young people where appropriate.</p> <p>The proposed policy 2019/20 explicitly references the expectation of engagement with independent travel training from year 9 plus for children and young people who are assessed through EHC Annual Review processes to achieve this skill, leading to positive outcomes. This will require additional resources to be put in place to support independent travel training, but will mean that more young people can travel independently aged 16+.</p>		
27.	<p><u>Distance Criteria</u></p> <p>The proposed policy 2019/20 clarifies the classification of the distance criteria based on age rather than school year in line with legislation.</p>		
28.	<p><u>Appeals</u></p> <p>The appeals section of the proposed policy 2019/20 has been updated in line with current Southampton City Council processes.</p>		
	<p><b>Impacts</b></p>		
29.	<p>The proposals will, if approved in due course, have an impact on a number of children and families. There will be a positive impact for children and families at all ages because the policy will be offering clarity, giving all children with SEND the right to assessment for home to school transport assistance based on individual need. Sections of the policy will also be tidied up and made clearer for other non-SEND eligible children and young people. There will be an additional positive impact for those young people with SEND who are able to access independent travel training. However, there will be a negative impact for some families currently accessing the home to school offer in the early years as a result of withdrawal of transport for a small group of children and for young people aged 16-19 as a result of the implementation of a flat rate contributory charge for this group.</p>		
30.	<p><b>Policy Change</b></p> <p>Early Years - Removal of automatic</p>	<p><b>Numbers</b></p> <p>Estimated that up a maximum of 23 families could be</p>	<p><b>Impact</b></p> <p>Positive impact – all children attending a special school will have their needs assessed for the</p>

	<p>entitlement for Cedar and Rosewood Schools, and Early Learning Group</p>	<p>affected in year 1.</p> <p>It is impossible to predict future numbers beyond year 1 as this will depend on the needs of children and young people.</p>	<p>provision of home to school travel assistance.</p> <p>Negative impact – Removal of this offer could have a negative impact on some parents who will have become accustomed to this offer. All decisions will be based on individual circumstances to reduce risks associated with non-attendance at nursery and impact of caring on parent/carer.</p> <p>Negative impact – for a small number of families this could result in the withdrawal of transport where they are accustomed to this regardless of age, primary need and/or circumstance. High level assessments suggests this will affect up to 5 families currently attending The Cedar Special School.</p>
	<p>Clarification of duties in relation to SEND</p>	<p>All families of children/young people with EHC Plan. Currently approx. 1400.</p>	<p>Positive – Families will find the document easier to follow and have clarity on eligibility and processes relating to home to school travel assistance.</p> <p>Some families may apply and be entitled to home to school transport where they may have previously interpreted that they were not eligible. See financial prediction for possible financial impact below is based on a maximum of 70 additional pupils.</p>
	<p>Young people aged 16-19 – implementation of a contributory charge</p>	<p>110 in year 1.</p>	<p>Negative financial impact for families of children moving into this group.</p> <p>Due to the time of implementation, the majority of parents who have a young person within this age group will not have to pay. However, a number of young people may stay on in 6<sup>th</sup> form</p>



			education for a further year. For these families, the cost would apply.
	Independent travel training	Approx. 35 in year 1	Positive - Travel training has a 70% success rate in helping young people to be able to travel independently. All young people with an EHCP should be working towards as much independence as they are able to prepare them for adult life.

**Engagement and consultation undertaken**

31. The review of the home to school transport policy was carried out jointly with representatives of Southampton Parent Carer Forum (SPCF). The review has been two-fold as parents felt that it was important to address quality issues within the existing offer whilst also addressing recommendations for quality change.

32. SPCF hosted 4 engagement events between May and June 2018 attended by approximately 40 parents and carers. These events were held across 4 different settings, including mainstream and special schools and a community provider. 3 of these events were held in school hours, with one event held in the evening to enable working parents to attend.

33. Themes from these events focussed primarily on qualitative aspects of the service. However, a key theme was the presentation of the existing policy and the entanglement of eligibility for children and young people with SEND and other eligible groups.

34. On the back of these events a task and finish group was formed, comprised of equal number of local authority officers to members of Southampton parent carer forum (5 officers and 5 parent carers).

35. The SEND Service and Transport Co-ordination Unit also met with head teachers from 5 of 6 special schools in Southampton to jointly assess the needs of pupils in receipt of home to school transport and support the collation of information for the qualitative improvement requirements.

**Formal consultation**

36. In order to seek comment and representations on the proposals in order to inform the Council's final decision on its policy offer, formal consultation will be carried out prior to decision comprising an online questionnaire and a series of open and targeted events. Open events will be available for any member of the public to attend. Targeted events will ensure key stakeholders have an opportunity to be involved in the consultation.

**RESOURCE IMPLICATIONS**

**Revenue Implications**

	The current financial position of this service provision is:					
	Table 1	2018/19		2019/20	2020/21	2022/23
		Budget	Forecast	Budget	Budget	Budget
	<b>Revenue</b>	£000	£000	£000	£000	£000
	Expenditure	2,494	3,880	2,083	2,083	2,083
	Income	(314)	(401)	(67)	(67)	(67)
	<b>Net Budget</b>	<b>2,180</b>	<b>3,479</b>	<b>2,016</b>	<b>2,016</b>	<b>2,016</b>
37.	Table 1 above shows the service provision is a net overspend position of £1.3M in 2018/19.					
38.	The policy changes if implemented will create a mix of savings and increased expenditure dependant on the take up following implementation. The impact of these policy changes are shown below and are based on current year data. Future year's impact will vary dependant on the mix of take up in each particular year which is not possible to predict.					
39.	The table below are indicative of the min/max levels of savings or cost for each of the 4 policy changes proposed within this report.					
		2018/19	2019/20	2020/21	2021/22	
		£000	£000	£000	£000	
	<b><u>Costs</u></b>					
	Clarification of SEND home to school transport	0	312	312	312	
	Two Trainers for independent travel training	0	40	40	40	
	<b>Total Cost</b>	<b>0</b>	<b>362</b>	<b>362</b>	<b>362</b>	
	<b><u>Savings</u></b>					
	Remove automatic entitlement to HTST for Cedar & Rosewood schools & Early Learning Group) for pupils aged 2 – 5 based on 15 pupils	0	(20)	(20)	(20)	
	Apply flat rate contribution charging for 16 - 19 year olds	0	(70)	(70)	(70)	
	Independent travel training	0	(210)	(210)	(210)	
	<b>Total Savings</b>	<b>0</b>	<b>(300)</b>	<b>(300)</b>	<b>(300)</b>	
	<b>Net cost</b>	<b>0</b>	<b>62</b>	<b>62</b>	<b>62</b>	
	If following consultation the proposals are implemented there will be a pressure to the council of £62k per annum, unless the removal of the free post 16-19 offer reduces demand.					
<b><u>Capital Implications</u></b>						

4.	There are no capital implications. (NP/MC)
<b><u>Property/Other</u></b>	
41.	There are no property implications.
<b>LEGAL IMPLICATIONS</b>	
<b><u>Statutory power to undertake proposals in the report:</u></b>	
42.	Southampton City Council has a duty to make arrangements for home to school travel assistance for eligible children as covered in Sections 444, 508A, 508B, 508C, 508D, 509AD and Schedule 35B of the Education Act 1996 (the Act), as inserted by Part 6 of the Education and Inspections Act 2006 (the EIA 2006). The council has also duties with regards to post-16 learners under section 509AA(2), (3) and (7)(a) of the Education Act 1996 and with regards to post-19 learners under section 508F of the Education Act 1996.
43.	The proposals are designed to meet the LA's statutory duties as outlined in Sections 444, 508A, 508B, 508C, 508D, 509AD and Schedule 35B of the Education Act 1996 (the Act), as inserted by Part 6 of the Education and Inspections Act 2006 (the EIA 2006).
<b><u>Other Legal Implications</u></b>	
44.	Cabinet must give genuine and conscientious consideration of the consultation feedback and representations and take them into account before making its final decision. In order to ensure this takes place, consultation is being carried out in accordance with national guidelines at this formative stage of the proposals in order to form a material consideration for Cabinet in due course.
45.	The proposals are wholly consistent with and take into account the Equality Act 2010 and the SEND Code of Practice 2015.
46.	The proposals have been fully assessed in accordance with the Council's statutory duties under the Equality Act 2010, including the Public Sector Equality Duty. A detailed Equality Impact Assessment with mitigation and remediation measures is included with this report and will be reviewed and updated throughout the consultation in order to inform the Council's final decision on this matter.
<b>RISK MANAGEMENT IMPLICATIONS</b>	
47.	The recommendation to carry out formal consultation presents no financial risk; however, there is a potential reputational risk that will need to be managed in terms of how the consultation is conducted and how the outcome is progressed.
48.	The proposals anticipate up to £362K costs and up to £300K savings to the current financial envelope. The current budget 2018/19 is £2.18m, with a projected overspend in 2018/19 of £1.3M due to increasing demand. Any costs generated by the policy will therefore create a financial pressure to the council in 2019/20 and beyond.
49.	Whilst savings maybe up to £697K it is unlikely that savings of this level would

	be achieved as this would be dependent on all pupils age 16-19 opting out of transport assistance post introduction of a contributory charge.
50.	The level of cost is also uncertain, estimated at £362K dependent on the number of additional applications received due to the clarification of the SEND offer in the policy. Again, it is not possible to accurately predict the levels of cost, and therefore the overall cost/savings balance.
51.	More detailed financial risks will be presented with the final proposals after consultation has taken place.
<b>POLICY FRAMEWORK IMPLICATIONS</b>	
52.	The recommendations in this paper support the delivery of outcomes in the Council Strategy. They also contribute to the City Strategy and the Health and Wellbeing strategy. The proposals particularly support the Council Strategy Outcome “Children and young people have a good start in life”.

<b>KEY DECISION?</b>	Yes
<b>WARDS/COMMUNITIES AFFECTED:</b>	ALL
<b><u>SUPPORTING DOCUMENTATION</u></b>	
<b>Appendices</b>	
1.	Draft new proposed home to school transport assistance policy
2.	Home to school transport policy review for children with Special Educational Needs and Disabilities
<b>Documents In Members’ Rooms</b>	
1.	Equality and Safety Impact Assessment
2.	Data Privacy Impact Assessment
<b>Equality Impact Assessment</b>	
Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out?	Yes
<b>Privacy Impact Assessment</b>	
Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out?	Yes
<b>Other Background Documents</b>	
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.	

# Southampton City Council

## Home to School Transport & Post-16 Travel Arrangements Policy 2019-20



## Contents

Introduction .....	3
Legislative Context and other Related Documents .....	3
1. Transport Assistance (Early Years – Age 16).....	4
2. Post-16 Statement for Students in Further Education and Continuing Learners.....	7
3. Exceptional Circumstances Criteria.....	10
4. Additional Information .....	13
Appendix 1 .....	19
Appendix 2 .....	21

DRAFT

## Introduction

- I. This policy sets out Southampton City Council's approach to the operation of home to school transport in Southampton. It sets out the council's statutory requirements along with local policy. The legal responsibility for ensuring a child's attendance at school rests with the child's parent or carer. Parents and carers are generally expected to provide travel arrangements for their child to travel to and from school.
- II. The purpose of this policy is to set out the framework within which Southampton City Council will deliver its statutory responsibilities to provide travel assistance for eligible children under the Education Acts 1996 and 2011, and the Equality Act 2010.
- III. This policy replaces Southampton City Council's previous Children's Services and Learning Home to School, and Post-16, Transport Policy for the 2018/19 academic year.
- IV. This policy applies to children and young people whose permanent home address is within the administrative boundaries of Southampton City Council. Children and young people studying in but not resident in Southampton should refer to the relevant transport policies issued by the local authority in their resident area.

## Legislative Context and other Related Documents

- V. This policy takes into account how Southampton City Council will deliver its statutory duties to provide transport as set out in the Education Acts, which outline the categories of children and young people of statutory school age (age 5-16) who are eligible for local authority funded transport assistance.
- VI. It also fulfils the requirements of Section 509 of the Education Act 1996 as amended by the Education Act 2002 and the Apprenticeships, Skills, Children and Learnings Act 2009 in relation to post-16 learners.
- VII. This policy takes in account the requirements of the Equality Act 2010.
- VIII. This policy also reflects the requirements set out in:
  - Department of Education's Home to School Travel and Transport Guidance, July 2014
  - Department of Education's Post 16 Transport to Education and Training October 2017 statutory guidance for local authorities
  - Part 5 of the Transport Act 1985

## **1. Transport Assistance (Early Years – Age 16)**



### Early Years Transport Assistance

- 1.1. Southampton City Council has a duty under the Education Acts 1996 and 2011 to provide free of charge travel assistance for 'eligible children' of compulsory school age. There is no legal entitlement to transport support to and from a school or early year's provision setting for children below statutory school age.
- 1.2. In most cases, transport will not be available under this policy for children travelling to nurseries or other Early Years settings for children who are below statutory school age.
- 1.3. Children attending early years provision may be eligible for help under the 'Exceptional Circumstances Criteria' (see section 3).
- 1.4. Transport assistance for children attending specialist early years provision with an Education Health and Care Plan (EHCP) is not an automatic entitlement. In order to be assessed for assistance with transport, a parent or carer must submit an application which will be considered based on individual circumstances by Southampton City Council
- 1.5. Where travel assistance is provided for children attending Early Years provision under the Exceptional Circumstances Criteria, the parent or carer will be expected (where reasonable and appropriate) to accompany their children whilst they are travelling and make arrangement for their return journeys.

### Statutory School Age (Primary and Secondary)

- 1.6. Children of statutory school age attending the nearest suitable school are eligible for free of charge travel assistance where the nearest appropriate school is:
  - A distance of more than 2 miles if the child is below the age of 8
  - A distance of more than 3 miles if the child is over the age of 8
- 1.7. Children aged under 5 attending school full-time in a Reception class will be considered to be of statutory school age for the purpose of this policy and therefore qualify for transport provision if meeting the eligibility criteria set out in this section.
- 1.8. Children will be eligible for free transport under 'extended rights' where the pupil is entitled to free schools meals, or their parents are in receipt of the maximum level of Working Tax Credit or Universal Credit (with an earned income of no more than £7,400) and;
  - The nearest suitable school is beyond 2 miles (for children over the age of 8 and under 11);
  - The school is between 2 and 6 miles (if aged 11-16 and there are not three or more suitable nearer schools);
  - The school is between 2 and 15 miles and is the nearest school preferred on the grounds of religion or belief (aged 11-16).
- 1.9. Travel assistance will be provided if the nearest appropriate school is measured as being nearer than the eligibility distance but the child cannot be reasonably expected to walk because the nature of the route is deemed unsafe to walk, as agreed by Southampton City Council
- 1.10. Assessment for travel assistance will be determined once a school place has been allocated by Southampton City Council at a suitable school. Where the child is not

attending their designated catchment or nearer school, and do not meet the extended rights criteria, the child will not normally be entitled to transport assistance.

- 1.11. For some students living within the Southampton City boundary, one of the three nearest schools may be situated outside of the Southampton City boundary. Southampton City Council will consider transport to a neighbouring Local Authority school, if it is one of the three nearest to the student's home address. However, if a parent/carer wishes to send their child to a school within the Southampton City Council boundary, only the three nearest schools within Southampton will be considered as the nearest three schools.
- 1.12. Children who are not eligible for transport assistance provision under the eligibility set out in this section may qualify under the 'Exceptional Circumstances Criteria' (see section 3).

#### Parents with a Disability

- 1.13. Where a child lives within walking distance of the nearest qualifying school (or designated school if it is not the nearest) but the route to school relies on parent/carer with a disability accompanying that child for it to be considered safe, and the parent/carer's disability prevents them from doing so, the child will be eligible for transport free of charge. This will be determined on a case by case basis, with medical evidence of the parent's disability being confirmed.

#### Special Educational Needs and Disabilities

- 1.14. Southampton City Council will provide transport assistance for all children of statutory school age who cannot be expected to walk to school or travel independently by reason of their Special Educational Need and/or Disability (SEND), to the nearest most appropriate school based on their needs.
- 1.15. Transport Assistance will be provided to and from the child's nearest most appropriate school. The nearest appropriate school will be set out in the child's Education, Health and Care Plan (EHCP), taking into account the age, ability and aptitude of the child (including any special educational needs). Children with an EHCP will be assessed on an individual basis and travel assistance will be provided where appropriate based on a child's level of need, and will be reviewed in line with the statutory review process.
- 1.16. The appropriate transport provision will be determined by the Special Educational Needs and Disabilities team, taking into account information and advice from relevant professionals, and any information that is recorded in a child's Education, Health and Care Plan, as well as an assessment for independent travel training.

## **2. Post-16 Statement for Students in Further Education and Continuing Learners**

- 2.1. Southampton City Council has a duty to publish an annual post-16 transport policy statement specifying the arrangements for the provision of transport so that students who live in Southampton of sixth form age are able to access the education and training of their choice. Within Southampton, we have assessed the need for young people with SEND, and other potentially eligible groups should apply under the Exceptional Circumstances Criteria.

#### Support provided by local education and training providers

- 2.2. Discounts and concessionary fares may be available to learners through individual education and training providers. Details of schemes available through local providers (within Southampton and neighbouring areas) are available in Appendix 2.

#### Support provided by Southampton City Council

- 2.3. Where a young person is of 'sixth form age' and attending school or further education provider, the legislation gives local authorities the discretion to determine what transport and financial support are necessary to facilitate a young person's attendance.
- 2.4. Travel provision for students with a special educational needs and/or disabilities will be charged a contribution at a rate of £600 per annum, payable in 3 termly instalments of £200.
- 2.5. Parents or carers who meet the criteria for low income will receive a discount in the annual charge, and will instead be charged a contribution at a rate of £495 per annum payable in 3 termly instalments of £165.
- 2.6. Parents or carers who receive any of the following benefits are considered to meet the criteria for low income:
- Maximum level of Working Tax Credit
  - Support under part VI of the Immigration and Asylum Act 1992
  - Universal Credit (with an earned income of no more than £7,400)
- 2.7. In exceptional circumstances Southampton City Council may contribute towards the costs of travel assistance for pupils aged between 16 and 19, up to the total cost of transport provision. Decisions on the provision of transport assistance will be considered on an individual basis and applications should be made under the Exceptional Circumstances Criteria as set out in section 3 of this policy.
- 2.8. Where assessed as appropriate, travel assistance will be provided to the nearest further education provider assessed by Southampton City Council to be the most suitable placement for the student and which offers a course or programme which meets the needs of the applying student. Where a suitable course cannot be provided in Southampton, Southampton City Council will offer travel assistance to the next nearest further education provider offering the appropriate course that meets Southampton City Council's assessed needs or what course meets a student's needs.
- 2.9. All applications from Year 9 onwards will be assessed for independent travel training where it is agreed transport assistance will be provided.

- 2.10. If accepted, a Travel Trainer will work with the student in order to build their confidence and ability to travel independently.
- 2.11. Southampton City Council is committed to sustainable travel, and where provision of transport is agreed, it will be provided via the most cost-effective suitable method as assessed by the Southampton City Council Transport Manager. Further information regarding the method of transport provision is detailed in Section 4 of this policy.
- 2.12. Parents have a right to appeal the decision made by Southampton City Council in regards a student's transport application. The appeals process is outlined within Section 4 of this policy.

#### Post-19 Adult Learners

- 2.13. Students over the age of 19 are considered 'adult learners'. Under section 508F of the Education Act ("EA") 1996 Southampton City Council has a duty to make arrangements for the provision of transport free of charge, as appropriate and in line with the learner's Education, Health and Care Plan.
- 2.14. Learners over the age of 19 and under the age of 25 may qualify for transport assistance under this provision. Travel assistance for Adult Learners eligible under this criteria will be free of charge.
- 2.15. This will only apply to Adult Learners who are receiving further education at a further education provider, and are in receipt of an Education Health and Care Plan (EHCP).
- 2.16. Adult Learners eligibility for travel assistance and the type of provision offered will be assessed by Southampton City Council having regards to the learner's assessed needs as set out in their Education, Health and Care Plan.

### **3. Exceptional Circumstances Criteria**

- 3.1. Children and young people who do not meet the criteria for statutory transport provision may be eligible for help under the Exceptional Circumstances Criteria. Southampton City Council recognises that assistance with transport to and from an educational or training institution can have a positive impact on some vulnerable children and young people, and may provide travel assistance on a case by case basis to individuals who do not meet the qualifying criteria for support set out in this policy.
- 3.2. Applications for travel assistance under the Exceptional Circumstances Criteria will be assessed on a case by case basis, taking into account the individual circumstances and the impact travel assistance will have on the educational outcomes of the child or young person.
- 3.3. The period for which travel assistance is awarded under the Exceptional Circumstances criteria will be dependent on the individual circumstances of the applicant, and may be for a fixed time period, or ongoing with an agreed review frequency.
- 3.4. Southampton City Council will consider any application for travel assistance on the grounds of exceptional circumstances on a case by case basis. The following factors will be taken into account in assessing applications for travel assistance under the Exceptional Circumstances Criteria. This list is not exhaustive, applications are not limited to these factors, and applications relating to these factors will not be automatically awarded assistance.
  - The educational outcomes of the child.
  - The health and wellbeing of the child, parent/carer and other family members.
  - Duties under the Equalities Act 2010.
  - A child's special needs or medical condition that may prevent the child from walking to school or using public transport.
  - A parent/carer's special needs or medical condition that may prevent them from being able to accompany the child, and it is reasonable to expect that the child requires accompaniment.
  - Health and safety risks to the child or others that may apply if they travelled to school without support.
  - Extraordinary circumstances that arise of a parent's work or caring commitments.
  - Evidence of SEND in children below statutory school age.
  - Evidence of significant financial hardship in families of a pupil aged 16-19 who may otherwise be subject to a contributory charge for travel assistance.

#### Child Medical Conditions

- 3.5. Transport for a child may be provided within the minimum walking distances where written evidence from a GP or hospital Consultant is provided stating:
  - What medical or mental health conditions the child has and how this affects their ability to walk to/from school/further education provider

- The child cannot walk the given distance to/from school/further education provider
- How long the situation is likely to last

#### Parent Medical Conditions

3.6. Transport may be provided within the minimum walking distances where written evidence is provided from a GP or hospital Consultant (or other appropriate independent professional) confirming that the child requires accompaniment to school. In addition, the written evidence provided must include:

- What medical or mental health condition the parent/carer has where they are the only adult responsible for taking the child to school and how this affects their ability to accompany the child to/from school/ further education provider
- Confirmation that the sole parent/carer responsible for taking a child to school cannot walk the distance to/from school/ further education provider
- How long the situation is likely to last



## **4. Additional Information**

DRAFT

- 4.1. Parents, carers or students who wish to apply for transport assistance can do so by completing Southampton City Council's Transport Application form, details of which can be found at <https://www.southampton.gov.uk/schools-learning/in-school/school-travel-support/>, or obtained by emailing [travel.coordination@southampton.gov.uk](mailto:travel.coordination@southampton.gov.uk)
- 4.2. When considering what type of transport provision is appropriate for each child/young person, Southampton City Council will consider:
- The age and maturity of the child
  - The ability and aptitude of the child
  - Any special educational needs the child may have
  - The type of vehicle the child is travelling on
  - The length of the journey
  - The nature of the possible routes from home to school, particularly in relation to safety
  - Whether the child is physically able to walk the distance involved
  - Whether the child needs to be accompanied and whether it is possible for the child to be accompanied
- 4.3. When considering whether a child's parent can reasonably be expected to accompany the child on the journey a range of factors will be taken into account, including the age of the child and whether one would ordinarily expect a child of that age to be accompanied. The general expectation is that a child will be accompanied by a parent where necessary, unless there is a good reason why it is not reasonable to expect the parent to do so. Cases where it is not reasonable to expect the parent to accompany the child will be considered under the 'Exceptional Circumstances Criteria'.
- 4.4. Transport will be provided via the most cost-effective suitable method as assessed by the Southampton City Council Transport Manager. Examples of the types of transport considered will include (but are not limited to) the following:
- **Assessment for independent travel training** – Students in Year 9 and above with a Special Educational need and/or disabilities, Children and young people will be assessed for independent travel training, allowing students to have the confidence and ability to travel independently after specialist training.
  - **Walking escort** - An escort may be provided to accompany a child on the walk to school/education setting where walking is an appropriate means of making the journey, and parental consent to the arrangement has been obtained.
  - **Transport escort** - Passenger escorts are provided in individual cases where the local authority feels it is necessary to meet a child's individual needs. The role of the passenger escort will be to provide general supervision and ensure that a child's journey to and from school is safe.
  - **Bus Pass/Rail Pass**
  - **Taxi**

- **Personal Transport Budget** - Children and young people who are assessed as being eligible for free school travel may be offered a Personal Travel Budget for the purpose of travel to and from their education setting.
  - **Other forms of transport as appropriate**
- 4.5. Southampton City Council is committed to identifying sustainable modes of transport for transport assistance where appropriate and suitable for the needs of the individual child or young person.
- 4.6. A spare place on a contract vehicle may be offered to a child who is not entitled to travel assistance. Privilege places can be withdrawn if they are needed for eligible children. A contributory charge of £750.00 per annum, paid in three termly instalments of £250.00 per term will be issued towards the cost of transport assistance. Southampton City Council has the discretion to remove the right of placement at any time. The council will provide 10 days' notice of the withdrawal of the offer, and a refund of a pro-rata basis of fees received will be issued.

Suitable School or Further Education provider

- 4.7. Children of statutory school age attending the nearest suitable school may be eligible for travel assistance as set out in this policy.
- 4.8. A suitable school is taken to mean the nearest qualifying school with places available that provides education appropriate to the age, ability and aptitude of the child, and any SEN that the child may have, or the place, other than a school, where they are receiving education by virtue of arrangements made under section 19(1) of the Education Act 1996.
- 4.9. Qualifying schools are:
- community, foundation or voluntary schools;
  - community or foundation special schools;
  - non-maintained special schools;
  - pupil referral units;
  - maintained nursery schools; or
  - city technology colleges (CTC), city colleges for the technology of the arts (CCTA) or academies, including free schools and University Technical Colleges (UTC)
- 4.10. For children with SEN, an independent school can also be a qualifying school where this is assessed to be the nearest, most appropriate school and it is named on the child's Education, Health and Care Plan. Where attendance at an independent school is based on parental preference and not named on the Education, Health and Care Plan, travel assistance will not be awarded.
- 4.11. Where a child is registered at more than one qualifying school (Dual Registration) the relevant educational establishment is whichever of the schools the child is attending at the relevant time.

- 4.12. Where a child has no fixed abode travel assistance arrangements will apply from wherever the child is residing at the relevant time to the nearest suitable school.
- 4.13. Where a pupil is registered at a school, but is attending a place other than that school as a result of a temporary exclusion, eligibility will apply in relation to the educational setting which they are attending for the duration of that exclusion.
- 4.14. Travel assistance will be provided to the nearest further education provider assessed by Southampton City Council to be the most suitable placement for the student and which offers a course or programme which meets the needs of the applying student. Where a suitable course cannot be provided in Southampton, Southampton City Council will offer travel assistance to the next nearest further education provider offering the appropriate course.

#### Travel times and distances

- 4.15. Travel assistance will only be given for travel to school or education settings at:
- The start and end of the school day or,
  - Where the pupil is on a reduced timetable, at the start and end of their scheduled hours.
  - Where the pupil is attending residential provision, at the start and end of their provision periods as agreed by Southampton City Council.
- 4.16. Transport assistance will not be provided to before and after school events, such as breakfast clubs and sports events.
- 4.17. Schools and education providers are expected to give reasonable notice to Southampton City Council of any changes to provision hours. If additional costs arise associated with a change in provision hours Southampton City Council reserves the right to make arrangements for all or part of those costs to be charged to the school or provider concerned.
- 4.18. Transport will be arranged so as to be non-stressful. In normal circumstances, the maximum journey time will be 45 minutes for children in mainstream primary settings, and 75 minutes for children in mainstream secondary settings.
- 4.19. However, in exceptional circumstances, for children attending specialist provision to meet their SEND needs, journey times may be longer.
- 4.20. Distances in relation to eligibility for transport assistance will be measured by the shortest reasonable walking route, by which a child may walk safely. In cases where extended rights apply and the child is travelling more than 3 miles (up to 6 miles or up to 15 miles to a school preferred on the grounds of religion or belief) walking routes do not apply, and the shortest route will be measured along road/driving routes.

#### Pick-up/drop-off points

- 4.21. Where appropriate and reasonable, parents may be expected to take their child to/from a pick-up/drop off point. Pick-up/drop-off points will be within 1 mile of the child's home address.

4.22. Parents/carers are responsible for the safety of their child until they board and after they exit the vehicle. If the parent/carer is not at the drop off point to meet their child, he/she will be placed into the care of the Duty Social Worker at Children's Social Care. The parent/carer may be responsible for any additional expenditure incurred.

#### Changes of circumstance

4.23. Parents or carers should notify Southampton City Council of any change of address, with as much notice as reasonable possible, but with a minimum of 10 working days' notice. In the case of a change of home address, eligibility will be re-assessed based on the new address.

4.24. The normal eligibility will apply to the children of families where closure or reorganisation of schooling in the city takes place. Exceptional Circumstances Criteria may be taken into account in cases where the provision of transport assistance will minimise significant disruption to the child's education.

#### Unacceptable behaviour

4.25. Southampton City Council reserves the right to review travel assistance where a child's behaviour is deemed unacceptable, in that it may threaten the safety of the pupils, driver and passenger assistants. Where transport is removed, Southampton City Council will engage with parents to provide suitable alternative transport when it is safe to do so.

#### Lost or stolen bus passes

4.26. Where a bus or other transport pass is lost, the bus pass holder (or their parent/carer) is responsible for any administrative charges made by the bus company or other issuer. Southampton City Council will not meet the costs of administrative charges for lost or stolen tickets. Stolen travel passes will normally not incur an administrative charge for replacement if evidence is given in the form of a police crime number.

#### Appeals

4.27. Where a child is not eligible for travel assistance, parents may ask for the decision to be reconsidered to include any exceptional circumstances they wish to put forward. An appeal form can be requested from the Transport Office. The appeal form will set out the process of information that a parent or carer will be asked to provide.

4.28. If a parent or carer disagrees with the decision made, the appeal will be forwarded to the Service Director: Children & Families for consideration at their authority.

4.29. Where travel assistance is found to have been granted in error, notice of one full term will be given to allow families time to make other arrangements.

4.30. Where entitlement has been denied in error, transport will be arranged as soon as possible and consideration will be given to reimbursing parents retrospectively, with a normal time limit of the start of the academic year in question.

#### Policy Review

4.31. There is a statutory requirement for the Home to School Transport and Post-16 Travel Arrangements Policy to be revised and published by the 31<sup>st</sup> May each year. Southampton City Council will do this within this time frame.

[END]

DRAFT

## Appendix 1

### Eligibility Summary

<b>Home to School Transport Eligibility Table - School Aged Children – Reception – Year 11</b>	
<b>Who are we helping?</b>	<b>What are the criteria?</b>
Children living further than the statutory walking distance from their nearest most appropriate school	<p>For children below the age of 8, travel assistance will be awarded where the distance between home and their nearest most appropriate school is more than 2 miles.</p> <p>For children over the age of 8, travel assistance will be awarded where the distance between home and their nearest most appropriate school is more than 3 miles.</p> <p>Children who cannot be reasonably expected to walk to school because the walking route is deemed unsafe will be eligible for travel assistance.</p>
Children with an Education Health or Care Plan (EHCP)	Children attending their designated most appropriate school that can meet their need who are unable to walk to school (accompanied or unaccompanied) by reason of their special educational needs and/or disability will be considered eligible for transport assistance.
Children of parents with a disability	Children who live within the walking distance criteria of the nearest qualifying school (or designated school if it is not the nearest) but the route relies on a disabled parent/carer accompanying the child for it to be considered safe, and the parent/carer's disability prevent them from doing so will be considered eligible for transport assistance.
Children who are entitled to free school meals or whose parents are in receipt of the maximum level of Working Tax credit or Universal Credit (with an earned income of no more than £7,400), or support under part 6 of the Immigration and Asylum Act 1992	<p>Travel assistance will be provided where:</p> <p>The nearest school is beyond 2 miles (for children over the age of 8 and under 11).</p> <p>The nearest school is between 2 and 6 miles (if aged 11-16 and there are not three or more suitable nearer schools).</p> <p>The school is between 2 and 15 miles and is the nearest school preferred on the grounds of religion or belief (aged 11-16).</p>
Post-16 students in Further Education and Continuing Learners	Transport assistance will be provided for students with special educational needs and/or

	<p>disabilities between the age of 16 and 19, subject to a flat rate contributory charge of:</p> <ul style="list-style-type: none"> <li>• £600 per annum, payable in 3 termly instalments of £200</li> <li>• £495 per annum payable in 3 termly instalments of £165 for students whose families meet the low income criteria.</li> </ul> <p>Southampton City Council may assist with travel expenses up to the total cost post-16 where there is evidence of exceptional circumstances.</p>
<p>Post-19 Adult Learners</p>	<p>Adult learners over the age of 19, but under the age of 25 who are receiving further education at a further education provider, and have been assessed by Southampton City Council for transport assistance as set out in their Education, Health and Care Plan (EHCP).</p>

DRAFT



## Appendix 2

### Post 16 Provision

Further Education Provider Name	Bursary Name	Criteria	More information	Contact Details
<b>Southampton City College</b>	City College Bursary	<p>Be aged between 16-18 on 31/8/8</p> <p>Be one of the following:            In Care/Care Leaver            Receiving income support            In receipt of DLA/PIP or ESA/UC</p> <p>You or parent/carer in receipt of one of the following:            Income support            Job seekers allowance            Pension credits            Employment and support allowance            Working tax credit/Child tax credit            Universal credit</p> <p>A household income of less than £25,000 per year            Enrolled on a course where City College is the nearest provider to my home            Or live outside of Southampton</p>	<p>Bursaries of £1,200 a year for the most vulnerable young people</p> <p>Discretionary bursaries based on individual need, such as help with the costs of travel, equipment or meals</p> <p>A £25 Admin fee will be charged for a replacement ferry pass, £5 administration will be charged for a replacement bus pass            Any student found to have misused their ferry or bus pass will not receive further help from the college</p> <p>Attendance will be monitored and must be above 90%.            Support may be stopped if your attendance is too low or you withdraw</p> <p>City College students are able to purchase discounted bus tickets</p>	<p>City College Southampton, St Mary Street, Southampton, SO14 1AR</p> <p>02380 484 848</p> <p>enquiries@southampton-city.ac.uk</p> <p>Bursary@Southampton-City.ac.uk</p> <p>www.southampton-city.ac.uk</p>

			at student rates from First and Bluestar buses. If you are eligible for the City College Bursary scheme your bus travel may be FREE.	
<b>Itchen College</b>	Itchen Maintenance Award (IMA)	<p>If you are receiving one of the following benefits, your son/daughter could be eligible:</p> <p>Income Support Income Based Jobseekers Allowance (IBJSA) Families in receipt of Child Tax Credit and Working Tax Credit provided that their annual income as assessed by Her Majesty's Revenue and Customs (HMRC) does not exceed £16190 The Guarantee element of State Pension Credit Employment and Support Allowance Income Related (ESA) Support under part VI of the Immigration and Asylum Act 1999 Universal Credit</p>	<p>IMA will be paid after the first 6/7 weeks of attendance. If the decision is made to withhold a weekly payment, usually due to an absence, the student will be informed by email.</p> <p>Students have the right of appeal if they disagree with a decision to withhold payment. In the first instance they should see Michelle Payne. If they then disagree they can appeal to the Student Services Manager, Steve Perkins, whose decision is final.</p> <p>Parents wishing to appeal on behalf of the student should contact Steve Perkins.</p> <p>Please note: the IMA is intended to cover costs resulting from attendance at the college and will not be paid where there is a significant period of absence due to sickness in any one week. In cases of real hardship, i.e. long term illness, students should approach their tutor for advice.</p>	<p>Michelle Payne – IMA and Transport Officer</p> <p>Itchen Sixth Form College, Middle Road, Bitterne, Southampton, So19 7TB</p> <p>02380 435 636</p> <p>mpayne@itchen.ac.uk</p> <p>www.itchen.ac.uk</p>

			Students receiving IMA will need to check their college email every Monday where they will be notified if they have received their bursary for the previous week. In order to receive IMA, students require 100% attendance.	
<b>Richard Taunton Sixth Form College</b>	Financial Assistance Bursary	Be aged between 16-18, live independently and claim income support, or Be aged between 16-18, live independently and claim universal credit, or In care, or A care leaver, or A disabled young person in receipt of DLA, or A disabled young person in receipt of universal credit and PIP, or Be aged 19+ and have an EHCP	The Bursary is £1,200 per year.  Bursaries will be provided in the form of discounted bus passes, free school meals or payments into your bank account.  The bursary is for educational purposes only and you must have 100% attendance with no more than 3 lates to all timetabled classes each fortnight.  Bus passes must be returned if you should leave part way through the year.	Student Services  Richard Taunton Sixth Form College, Hill Lane, Southampton, SO15 5RL  02380 514 720  studentservices@richardtaunton.ac.uk  www.richardtaunton.ac.uk
<b>Bitterne Park Sixth Form College</b>	16-19 Bursary Fund	Be in care, or A care leaver, or In receipt of income support, or A disabled young person in receipt of employment support allowance and DLA, or	As the funds allocated by the Education Funding Agency, are very limited, we may not be able to guarantee financial support for every claimant. It is at the college's discretion to decide on	College Office  Bitterne Park Sixth Form College, Dimond Road, Southampton, SO18 1BU

		Was in receipt of free school meals in Y11	<p>the amount and type of support that is awarded to each student. Bursary funding can be used to help with costs of transport, food, equipment or other course related costs.</p> <p>Please note that our Finance Office will request documentary evidence for any claim for financial support.</p> <p>Please contact the college office for further information.</p>	<p>02380 294 155</p> <p>info@bitterneparksixthform.org.uk</p> <p>www.bitterneparksixthform.org.uk</p>
<b>Eastleigh College</b>	Subsidised Travel	<p>Under 19 on 1/9/2018 (or 19-24 with an EHCP)</p> <p>Studying a full time funded course at the college (apprenticeships are not eligible)</p> <p>Be a UK resident or meet sufficient residency criteria</p> <p>Live over 2 miles from the college (by AA route planner)</p> <p>Have a household income of up to £40,000</p> <p>Not be receiving support from any other sources (eg: local education authority)</p>	<p>Reduced travel costs (student contribution of £150 per term)</p> <p>All termly passes are issued each term. To be eligible to receive awards, both proof of student address and a completed travel bursary application form will be required for submission to the College.</p> <p>The College reserves the right to change the bursary offer, or to withdraw payments at any time.</p>	<p>Eastleigh College Chestnut Avenue Eastleigh Hampshire SO50 5FS</p> <p>02380 911 743</p> <p>studentsupport@eastleigh.ac.uk</p> <p>www.eastleigh.ac.uk</p>
<b>Eastleigh College</b>	Eastleigh College Travel Bursary	<p>Under 19 on 1/9/2018 (or 19-24 with an EHCP)</p> <p>Studying a full time funded course at the college (apprenticeships are not eligible)</p> <p>Be a UK resident or meet sufficient residency criteria</p>	<p>Reduced travel costs (student contribution of £100 per term)</p> <p>All termly passes are issued each term. To be eligible to receive awards, both proof of student address and a completed travel bursary</p>	<p>Eastleigh College Chestnut Avenue Eastleigh Hampshire SO50 5FS</p> <p>02380 911 743</p>

		<p>Live over 2 miles from the college (by AA route planner)          Have a household income of up to £30,000 - or household in receipt of income assessed benefit          Not be receiving support from any other sources (e.g.: local education authority)</p>	<p>application form will be required for submission to the College. The College reserves the right to change the bursary offer, or to withdraw payments at any time.</p>	<p>studentsupport@eastleigh.ac.uk          www.eastleigh.ac.uk</p>
<b>Eastleigh College</b>	Enhanced Travel	<p>Under 19 on 1/9/2018 (or 19-24 with an EHCP)          Studying a full time funded course at the college (apprenticeships are not eligible)          Be a UK resident or meet sufficient residency criteria          Be on:</p> <ul style="list-style-type: none"> <li>• Income Support</li> <li>• Income-based Jobseekers Allowance</li> <li>• Income-related Employment Support Allowance (ESA)</li> <li>• Support under Immigration &amp; Asylum Act 1999 (part VI)</li> <li>• Guarantee element of State Pension Credit</li> <li>• Child Tax Credit (provided not entitled to Working Tax Credit) and gross income of no more than £16,190 each year (assessed by Her Majesty's Revenue &amp; Customs)</li> <li>• Working Tax Credit run on (paid for 4 weeks after you stop qualifying for Working Tax Credit)</li> </ul>	<p>Fully funded travel pass          All termly passes are issued each term. To be eligible to receive awards, both proof of student address and a completed travel bursary application form will be required for submission to the College. The College reserves the right to change the bursary offer, or to withdraw payments at any time.</p>	<p>Eastleigh College          Chestnut Avenue          Eastleigh          Hampshire          SO50 5FS</p> <p>02380 911 743          studentsupport@eastleigh.ac.uk          www.eastleigh.ac.uk</p>

		Universal Credit (with net earnings no more than £7,400 each year)		
<b>St Vincent Sixth Form College</b>	Travel Help	Awaiting further information – Please contact the College direct.	<p>students can apply for a discounted bus pass which covers the cost of their travel to and from college and can be used weekdays on all First Hampshire services</p> <p>Students from Henry Cort, Fareham Academy, Cams Hill, Bridgemary and Brune Park Schools can access the Eclipse Express Bus service to college which takes only a few minutes.</p> <p>In addition to this the College also provides a bespoke bus service for students attending Brookfield, Crofton and Bay House School routes to the College community at the start and end of the day with students having access to all local services at other times.</p> <p>Students travelling from Portsmouth will be eligible for free ferry tickets for the academic year.</p> <p>Students with Learning Difficulties may be eligible for free transport, subject to meeting Hampshire County Council's (HCC) SEN criteria. Please contact HCC regarding this.</p>	<p>Finance Office</p> <p>St Vincent Sixth Form College, Mill Lane, Gosport, PO12 4AQ</p> <p>023920603 633</p> <p>finance@stvincent.ac.uk</p> <p>www.stvincent.ac.uk</p>

<b>Barton Peveril College</b>	Discretionary Student Support Fund	<p>Are over 16 years of age and under 19 years of age at the start of the academic year and studying a state funded course at Barton Peveril Sixth Form College</p> <p>Are living in a household where the joint annual income is less than £23,500 (or living independently on an income below this level), annual income includes any assessed benefit such as:</p> <ul style="list-style-type: none"> <li>• Income Support</li> <li>• Universal Credit</li> <li>• Job Seekers Allowance</li> <li>• Working/Child Tax Credit</li> <li>• facing exceptional financial circumstances *</li> <li>• Meet the residency conditions specified below.</li> </ul> <p>(*Exceptional financial circumstances: If this applies, a covering letter should be included outlining the circumstances. Supporting evidence of income must also be supplied.)</p>	<p>Applicants with exceptional circumstances will be viewed sympathetically where financial need can be evidenced. Details of the bus routes covered by the college transport arrangements can be found on the college website – <a href="http://www.barton-peveril.ac.uk">www.barton-peveril.ac.uk</a>.</p>	<p>Transport Officer</p> <p>Barton Peveril College, Chestnut Avenue, Eastleigh, SO50 5ZA</p> <p>02380 367 214</p> <p><a href="mailto:transport@barton.ac.uk">transport@barton.ac.uk</a></p> <p><a href="http://www.barton-peveril.ac.uk">www.barton-peveril.ac.uk</a></p>
<b>Brockenhurst College</b>	Vulnerable Person Bursary	<ul style="list-style-type: none"> <li>• Students aged 16-18 on 31/08/2018 and</li> </ul> <p>Be participating in provision as directed by the Education Funding Agency, see <a href="https://www.gov.uk/guidance/16-to-19-bursary-fund-guide-2018-to-2019-academic-year">https://www.gov.uk/guidance/16-to-19-bursary-fund-guide-2018-to-2019-academic-year</a></p>	<p>The bursary will pay for essential course costs and contribute up to 50% towards the cost of a travel pass ordered through the College.</p> <p>All travel purchased through the College is sold on a termly basis</p>	<p>Student Finance and Welfare Advisor</p> <p>Brockenhurst College, Lyndhurst Road, Brockenhurst, Hampshire, SO42 7ZE</p> <p>01590 625 555</p>

		<p>And be in one of these defined vulnerable groups:</p> <ul style="list-style-type: none"> <li>• Care leaver or in care</li> <li>• In receipt of Income Support or Universal Credit in lieu of Income Support in their own right; or</li> </ul> <p>In receipt of Employment and Support Allowance or Universal Credit AND Disability Living or Personal Independence Payments in their own right.</p>	<p>with payments via our online BrockShop. There is an option to spread the cost through instalments at no additional charge. To ensure value for money, travel on all College bus routes was also available to students with reduced timetables on a journey by journey basis (cash payments only, payable to the driver). A full refund is available if an applicant chooses not to attend.</p>	<p>financialsupport@brock.ac.uk</p> <p>www.brock.ac.uk</p>
<b>Brockenhurst College</b>	College Discretionary Bursary	<ul style="list-style-type: none"> <li>• Be aged 16-18 on 31 August 2018 or</li> <li>• Be aged 19 -24 on 31 August 2018 and have an Education, Health and Care Plan (EHCP); or</li> <li>• Be aged 19+ and are on the second year of a course they started when aged 16-18</li> </ul> <p>AND</p> <p>Be participating in provision as directed by the Education Funding Agency, see <a href="https://www.gov.uk/guidance/16-to-19-bursary-fund-guide-2018-to-2019-academic-year">https://www.gov.uk/guidance/16-to-19-bursary-fund-guide-2018-to-2019-academic-year</a> for full information</p> <p>Family income must be under 21,000 Net – Means tested</p>	<p>The bursary will pay for essential course costs and contribute up to 50% towards the cost of a travel pass ordered through the College (see page 4 of the Bursary application for full details of eligibility).</p> <p>All travel purchased through the College is sold on a termly basis with payments via our online BrockShop. There is an option to spread the cost through instalments at no additional charge. To ensure value for money, travel on all College bus routes was also available to students with reduced timetables on a journey by journey basis (cash payments only, payable to the driver). A full refund is</p>	<p>Student Finance and Welfare Advisor</p> <p>Brockenhurst College, Lyndhurst Road, Brockenhurst, Hampshire, SO42 7ZE</p> <p>01590 625 555</p> <p>financialsupport@brock.ac.uk</p> <p>www.brock.ac.uk</p>



		benefits are not included in the income calculation	available if an applicant chooses not to attend	
<b>Sparsholt College</b>		2018/19 timetable and prices have not been released yet please use link: <a href="https://www.sparsholt.ac.uk/the-college/transport/">https://www.sparsholt.ac.uk/the-college/transport/</a> when they are available.	<p>2017/2018 Prices</p> <p>Campus Bus</p> <p>Band A – £540</p> <p>Band B – £650</p> <p>Band C – £740</p> <p>Band D – £835</p> <p>These fees are confirmed for 2017/2018.</p> <p>This payment can be spread at no extra cost by paying an initial payment at application and the remaining balance over 9 months by direct debit – interest free.</p>	<p>Transport Team</p> <p>Sparsholt College, Hampshire Westley Lane Sparsholt Winchester SO21 2NF</p> <p>01962 797 346</p> <p><a href="mailto:transport@sparsholt.ac.uk">transport@sparsholt.ac.uk</a></p> <p><a href="http://www.sparsholt.ac.uk">www.sparsholt.ac.uk</a></p>
<b>Sparsholt College</b>	Combined Rail and Bus Pass	2018/19 timetable and prices have not been released yet please use link: <a href="https://www.sparsholt.ac.uk/the-college/transport/">https://www.sparsholt.ac.uk/the-college/transport/</a> when they are available.	This pass includes rail travel to Winchester from the following locations, plus a Stagecoach pass to get you from Winchester to the college on the hourly Number 7 bus service (valid during term time only and excluding weekends. Band A – £565	<p>Transport Team</p> <p>Sparsholt College, Hampshire Westley Lane Sparsholt Winchester SO21 2NF</p> <p>01962 797 346</p>

			<p>Band B – £680</p> <p>Band C – £790</p> <p>If Stagecoach operates in your area and you would like a Stagecoach bus pass to get you from home to the train station, you may upgrade to a Stagecoach Megarider pass. The price of this is £325. For more information about Stagecoach services please visit their website.</p> <p>If you live in the Winchester area and only need to catch the No 7 bus, you can buy a Stagecoach bus pass for just this service. The cost of this for 2017-18 is £340</p>	<p>transport@sparsholt.ac.uk</p> <p>www.sparsholt.ac.uk</p>
<b>Sparsholt College</b>	Megarider Gold	<p>2018/19 timetable and prices have not been released yet please use link: <a href="https://www.sparsholt.ac.uk/the-college/transport/">https://www.sparsholt.ac.uk/the-college/transport/</a> when they are available.</p>	<p>This pass can be used on ANY Stagecoach bus in Hampshire during the academic year, including weekends and holidays. This is the most cost-effective pass for students travelling from Andover. The prices for this pass for 2017-18 are: Megarider – £595</p> <p>You can also apply for a Megarider Gold and Train</p>	<p>Transport Team</p> <p>Sparsholt College, Hampshire Westley Lane Sparsholt Winchester SO21 2NF</p> <p>01962 797 346</p> <p>transport@sparsholt.ac.uk</p> <p>www.sparsholt.ac.uk</p>

			<p>package – price bands for 2017-18 are: Band A – £915</p> <p>Band B – £1030</p> <p>Band C – £1140</p>	
<b>Totton College</b>		Awaiting further information – Please contact the College direct.	<p>Transport to Totton College is via the public bus and train service. The service is able to support students travelling from a range of locations such as the Waterside, New Forest, Southampton and Romsey, including locations from Salisbury and the Isle of White, please just ask if you are unsure.</p>	<p>Totton College, Water Lane, Totton, Southampton, Hampshire, SO40 3ZX</p> <p>02380 874 874</p> <p>info@totton.ac.uk</p> <p>www.totton.ac.uk</p>
<b>Bluestar Bus</b>			<p>School &amp; College tickets – Please visit their website on <a href="http://www.bluestarbus.co.uk/page.shtml?pageid=915">http://www.bluestarbus.co.uk/page.shtml?pageid=915</a></p> <p>Bluestar serves a number of schools and colleges in the South Hampshire area. There are many ticket options and discounted tickets available.</p> <p>Peter Symonds College tickets:</p> <p>Term Price Summer 2018 £190</p>	
<b>First Bus</b>			Here at First Bus, we know that	

			<p>students appreciate cheaper bus travel, and if that's what you're looking for, then our great value First Student bus passes make this possible. Whether you're on your way to a lecture or need a safe ride home from a well-deserved night out, we're making your journey easier and cheaper.</p>	
--	--	--	--	--

Please visit their website for more information:  
<https://www.firstgroup.com/buy-ticket/students>

### Home to school transport policy review for children with Special Educational Needs and Disabilities

#### Introduction and Background

##### **1. The need for a review**

- 1.1. The need for a review was first identified in 2017 when a proposed policy change was made by way of a response to financial pressures in this area of the budget and a perceived over delivery against statutory requirements in this policy area. This policy change was put on hold as it was felt at this time that SCC could not move forward with a proposal without carrying out a full review of the service, including an audit of existing provision and operational functions, by way of gaining an understanding of these additional pressures. The need to engage with stakeholders, including recipients of home to school transport was identified as a high priority to ensure that any review also included the qualitative element of service delivery and by way of ensuring that the impact of any proposed changes was fully understood by decision makers.
- 1.2. A project group was established in October 2017, with a project plan designed in order that policy change recommendations could be developed and go to full consultation in autumn 2018, in preparation for a September 2019 implementation.

##### **2. Joint working arrangements**

- 2.1. The policy review has been jointly undertaken by the Special Educational Needs and Disability (SEND) Service, the Transport Coordination Unit, the Programme Management Office and Policy, Partnerships and Strategic Planning. The work has sought to actively involve the Southampton Parent Carer Forum (SPCF) in discussions about changes to policy.

#### Current service

##### **3. Under 5s**

##### ***Statutory duties:***

- 3.1. Children under compulsory school age are not automatically entitled to transport to an early years setting or school. Compulsory school age begins on the first day of the term following the child's fifth birthday. For children in Early Years settings, section 509A of the Education Act ("EA") 1996 gives local authorities ("LAs") discretion to make travel arrangements for children receiving early year's education other than in a school. For children at school but under compulsory school age, section 508C EA 1996 also gives LAs a discretionary power to make such school travel arrangements as they consider necessary for the purpose of facilitating the child's attendance at school.

##### ***Southampton's offer:***

- 3.2. Southampton City Council currently provide by way of automatic entitlement free home to school transport for children attending early years provision at Rosewood Free School, a specialist setting for children and young people with Profound and Multiple Learning Disabilities (PMLD) and Cedar School, a specialist school for children and young people with Physical Disabilities (PD).

#### 4. Children of compulsory school age (aged 5-16)

##### **Statutory Duties:**

- 4.1. Local authorities (“LAs”) are required to arrange free, suitable, home to school transport for children of compulsory school age who are ‘eligible’, to their nearest suitable qualifying school (section 508B of the Education Act (“EA”) 1996).
- Eligible children fall within four categories, set out in Schedule 35 EA 1996:
  - Children with SEN, a disability or a mobility difficulty
  - Children whose route to school is unsafe
  - Children who live beyond the statutory walking distance
  - Children from low income families.
  - Compulsory school age begins with the start of term following a child’s fifth birthday and ends on the last Friday in June in the academic year in which s/he turns 16.
  - A qualifying school is a:
    - maintained (publicly funded) school or nursery
    - non-maintained special school
    - pupil referral unit
    - city technology college, or
    - an Academy
- 4.2. For a child with an Education, Health and Care (EHC) plan, an independent school can also be a qualifying school if this is the only school or the nearest school named in Section I of the EHC plan (Paragraph 15(3) Schedule 35B EA 1996).
- 4.3. Children who receive education somewhere other than at school (for example, at an alternative provision for children who are excluded or have medical needs which mean they cannot attend school) can also qualify as eligible children.

##### **What are travel arrangements?**

- 4.4. “*Travel arrangements*” are defined in section 508B(4) EA 1996 and pages 48-51 of the government’s statutory guidance [‘Home to School Travel and Transport Guidance 2014’](#).
- 4.5. ‘Home to school travel arrangements’, in relation to an eligible child, are travel arrangements in both directions between the child’s home and the relevant educational establishment.
- 4.6. They include arrangements for the provision of transport, and any of the following arrangements – but only if they are made with parental consent:
- provision of one or more escorts (whether alone or together with other children) when travelling to or from the relevant educational establishment
  - payment of the whole or any part of a person’s reasonable travelling expenses
  - payment of allowances in respect of the use of particular modes of travel
  - voluntary arrangements made by the parent.
  - travel arrangements in relation to an eligible child must not give rise to additional costs and must include appropriate protection against those costs.

- 4.7. The Home to School Travel and Transport Guidance (paras 34 and 35) defines suitable travel arrangements. In particular:
- They must enable an eligible child to reach school without such stress, strain or difficulty that they would be prevented from benefiting from the education provided.
  - They must enable the child to travel in reasonable safety and comfort although this does not necessarily mean a door-to-door service. However, arrangements that entailed a child walking an unreasonably long distance to catch a public bus would be unlikely to be 'suitable'.
- 4.8. The guidance suggests maximum reasonable journey times of 45 minutes for primary school children, and 75 minutes for secondary school children. It notes, however, that for children with SEN and/or disabilities, journeys may be more complex and a shorter journey time, although desirable, may not always be possible. The child's age and disability would have to be taken into account in considering what is suitable. Breaks might be needed when children live a long way from their school.
- 4.9. Those who operate the travel arrangements such as bus drivers and escorts must be subject to enhanced DBS (formerly CRB) checks and should have undertaken disability equality training.

***Southampton's offer:***

- 4.10. Southampton City Council provides free home to school transport arrangements for eligible children and young people. The method of delivery of these arrangements are currently restricted to:
- Independent travel training x .08FTE
  - Walking/Transport escorts
  - Bus/train passes
  - Taxi
  - Minibus
  - Personal budgets for parents of children attending Southampton Special Schools
  - Other forms of transport as appropriate

**5. Young people aged 16 – 19**

***Statutory duties:***

- 5.1. Although there is no automatic entitlement to transport for those of sixth form age in the same way there is for 'eligible' children of compulsory school age, LAs have a discretion to assist with transport arrangements and are expected to target support towards students in particular circumstances (such as those with SEN or from low income families) taking into full consideration duties under the Equality Act 2010. It is unlikely that such transport will be free.
- 5.2. Where a young person is of 'sixth form age' and attending school or college, the law requires local authorities ("LAs") to have a 'Transport Policy Statement' setting out home to school/college transport arrangements for particular groups of young people (section 509AA Education Act 1996).

- 5.3. Sixth form age means they are over compulsory school age (which ends on the last Friday in June in the academic year in which s/he turns 16) but under 19. If a young person began the course they are studying at school or college before their 19th birthday, they remain of sixth form age until they complete that course.
- 5.4. The legislation gives LAs the discretion to determine what transport and financial support are necessary to facilitate young people's attendance. The LA must exercise its power to provide transport or financial support reasonably, taking into account all relevant matters. A failure to make the arrangements that are specified in a transport policy statement (or ensure that such arrangements are made) would amount to a failure to fully meet the duty.

**Southampton's offer:**

- 5.5. Southampton currently offer free home to school transport to young people who have an EHC Plan and whom are attending their closest appropriate setting, as named in the EHC Plan.

**6. Young people aged 19 and over (up to 25)**

**Statutory duties:**

- 6.1. The LA's duty in respect of 'adult learners' is covered by section 508F of the Education Act ("EA") 1996. 'Adult learners' will be young people over sixth form age – those who are 19 and up (if they started a course of further education before their 19<sup>th</sup> birthday, they remain of sixth form age until they complete that course).
- 6.2. When considering adult learners, the LA must make "*such arrangements for the provision of transport, as they consider necessary*" and must do so for two purposes. The first purpose is to facilitate the attendance of adults receiving education at institutions:
- maintained or assisted by the authority and providing further or higher education (or both), or
  - within the further education sector.
- 6.3. Any transport arrangements provided under this duty must be free of charge.
- 6.4. LAs have duties under section 508G EA 1996 to consult with further education colleges and others about the fulfilment of their duties towards adult learners, and they must publish a policy on how they will do so.

**Southampton's offer:**

- 6.5. Southampton City Council provides free home to school transport arrangements for eligible children and young people.

**Expenditure and demand information**

**7. Increasing demand**

- 7.1. Whilst home to school transport is not exclusively delivered for children and young people with SEND, this is the primary client group.
- 7.2. In September 2014 the new Children and Families Act 2014 was enacted. Section 3 of this Act, the SEND Code of Practice 2015, extended the rights of children and



young people with SEND to remain in education, with the statutory protection of an EHC Plan, until they are 25 years old where this is assessed to be required. This represents a significant increase to those with EHC Plans and the protections and preferences afforded to children and young people and their parents under this new legislation. Historically, Statements of SEN (now replaced by EHC Plans) would have ceased when a young person leaves school at the end of year 11. Now that EHC Plans and access to education up to 25 is enshrined in law, there has been a natural increase in the number of young people entitled to home to school transport assistance by way of enabling them to access the setting named in their EHC Plan.

- 7.3. In addition to this, Southampton City Council has seen a significant increase in the number of children in receipt of an EHC Plan. We started at a baseline of 710 Statements of SEN in January 2014. This represented 2.3% of the Southampton school age population, which was set against a 2.8% national average. Arguably the levels of Statements in Southampton at this time was too low.
- 7.4. Southampton now has 1,127 school-aged EHC Plans, which represents 3.4% of the school aged population. This sits against a 2.9% national average.
- 7.5. When a child or young person has an EHC Plan, the right to make a preference for a particular school is given as part of the statutory process. The number of parents choosing a special school has seen an increase and these placements are more likely to result in eligibility to home to school transport, as it is less likely that the appropriate special school is within reasonable walking distance.
- 7.6. The prevalence of children and young people with Special Educational Needs and disability is increasing, with a proposed 4.8% annual increase (in line with population increase) for children and young people with profound and multiple learning disabilities.

#### **Increasing SEND demand**

Year	Statement/EHC Numbers	No. Clients Eligible	Cost per client
2011/12	647	342	£4,900
2012/13	670	377	£4,719
2013/14	667	388	£4,830
2014/15	710	455	£4,571
2015/16	790	532	£4,230
2016/17	860	614	£3,904
2017/18	1,011	627	£4,450
2018/19 (forecast)	1,127	TBC	TBC

## **Review**

### **8. Audit of home to school transport policy and operational practices.**

8.1. An internal audit was completed between November 2017 and January 2018. The outcome of this audit was "limited assurances". This primarily identified procedural issues in the audit which related to recording clear reasons for decisions made. The SEND Service Manager and auditors carried out file reviews and in no cases was the offer of transport found to be invalid, however, staff have been instructed to ensure that they are clear in the CYP's file what the reasons are for approval (or not) of transport.

8.2. It was established by comparing our existing policy to guidance and legislation, that we are delivering above our statutory duties in two areas:

### **9. Children under compulsory school age**

9.1. This relates to the automatic entitlement for transport assistance for children under 5 attending Rosewood Free School Nursery and Cedar School Nursery in the current policy. This amounts to approx. £32K per annum.

### **10. Young people aged 16 – 19**

10.1. This relates to the provision of home to school travel assistance for children and young people with Education, Health and Care Plans aged 16-19 which is currently provided free of charge under the existing policy. This amounts to approx. £453,000.

10.2. The highest cost of home to school transport is for school aged pupils with SEND costing over £2.2m. However, the audit report states that there are no clear areas where spend in this area can be reduced.

### **11. Approaches in other LA areas**

11.1. An extensive piece of research was carried out to identify what other local areas are offering in line with statutory guidance.

### **12. Children under compulsory school age:**

12.1. It was established that the majority of LA's had either never provided for, or have withdrawn the provision of free home to school transport for children and young people below statutory school age, with special educational needs and disability. There are some examples where this support is provided but at a charge to the parents.

### **13. Young people aged 16 – 19:**

13.1. It was established that the majority of local authorities apply an annual charge to the parents of children and young people in receipt of this provision, to support the costs to the LA for the provision of this transport.

### **14. Review of all cases where transport has been granted on the grounds of exceptional circumstances**

14.1. A full review of all of these cases (approx. 120) was carried out, including an update on needs and circumstances from the head teachers of the schools that children and young people attend. All except for two of these cases were found to be

valid cases for the provision of transport, typically on the grounds of the presentation of the child or young person's special educational need/disability, or limitations of the parents, either through health or circumstance e.g. single parent with other children unable to get to two separate schools at the same time.

## **Engagement of stakeholders**

### **15. Parents/Carers**

15.1. The Southampton Parent Carer Forum (SPCF) have representation on the home to school transport project group that was established in October 2017 and will continue throughout the journey of this policy change, if approved, until the point of full implementation.

### **16. Parent carer engagement events**

16.1. The SPCF hosted four engagement events between May and June 2018. These events were held across at four different settings, including mainstream and special schools and a community provider. Three of these events were held in school hours, with one event held in the evening to enable working parents to attend. The purpose of these events were to seek views from parents on what is currently working well in regard to the provision of home to school transport and where there is room for improvement. This was in acknowledgement to informal feedback received via the forum around the quality of the existing provision and the need to look at this alongside any policy changes.

16.2. Themes of this feedback were:

- Skill set of escorts and drivers – requirement of more specialised training
- Ambiguity relating to the 2 mile distance criteria and SEND criteria. Currently the distance from home is used as a pre-determination of eligibility for SEND and if a C/YP and their family. If they do not qualify on these grounds, they are requested to complete an application for exceptional circumstances. This application includes the child's individual SEND as a qualifying factor, but some families fed back at these events that this bureaucracy prevented them from applying in the first place.
- Quality of vehicles e.g. leaking buses.
- Behaviour of some drivers, escorts and officers in TCU.

### **17. Task and finish group**

17.1. On the back of these events a task and finish group was formed, comprised of equal number of local authority officers to members of Southampton parent carer forum, to focus on two areas:

### **18. Policy changes**

18.1. The group were responsible for establishing where Southampton sit within current duties to provide home to school transport and where other options were tabled, the group jointly considered the impact of these options on both users and the LA, resulting in the agreement of a recommendation to propose to take to consultation.

## **19. Qualitative Improvements**

19.1. The group are supporting in the development of the offer to influence and ensure improvements that were clearly identified as a need following on from the engagement events.

19.2. The paper being submitted to Cabinet for consideration on 18<sup>th</sup> September focuses on policy changes. However, plans to improve the quality of service is on-going and will remain a priority. This will be managed and overseen through the joint working group between the SEND Service, the TCU and SPCF. All updates will be provided through the SPCF newsletter and will form part of the Southampton Local Offer annual report which is due for publishing in autumn 2018.

## **Policy Proposals**

### **20. SEND Children under compulsory school age:**

20.1. It is proposed to remove the automatic entitlement for preschool aged children attending specialist nursery placements but to enable requests for exceptional circumstances where parents are unable to facilitate placement at one of these settings without home to school transport assistance.

### **21. SEND School aged children:**

21.1. It is proposed to remove automatic entitlement for specific special schools (currently Rosewood Free School and Cedar Special School) and base all decision relating to provision of home to school travel assistance to special schools on the special educational need of the child or young person. It is felt that all school aged children and young people at Rosewood Free School will be eligible on the grounds of their disability and the vast majority of those attending Cedar will continue to be eligible. It is important to note that whilst Cedar School was traditionally a school for C/YP with physical disabilities, the types of needs supported at the school has changed quite dramatically. The Southampton SEND Strategic review, carried out between June 17 and April 18, showed that only 29% of The Cedar School's population now have a physical disability recorded as their primary need.

### **22. SEND Young people aged 16-19:**

22.1. The provision of free transport assistance for post 16 students will no longer be offered under the new policy. Transport assistance will still be available to eligible students aged between the ages of 16 and 19, but will be subject to a flat rate contributory charge:

- £600 per annum, payable in 3 termly instalments of £200.
- £495 per annum payable in 3 termly instalments of £165 for students whose families meet the low income criteria set out in the policy.

22.2. Southampton City Council may assist with travel expenses up to the total cost for some post-16 students with special educational needs and/or disabilities where there is evidence of exceptional circumstances.

22.3. There is no automatic entitlement to assisted transport for students over the age of 16 years and under the age of 19. Southampton City Councils is proposing to continue to provide transport for these pupils, and the introduction of a contributory charge will support the costs of delivering the service, enabling provision to

continue. Southampton City council will increase the capacity for individual travel training. See below.

**23. Independent Travel Training:**

23.1. SCC will resource an additional independent travel trainer to support development of outcomes linked to the 4 Preparation for Adulthood headings. Students will be assessed via the EHC Annual Review process from year 9 onwards, for suitability of independent travel training. If assessed as suitable, training will be provided to support young people to confidently and safely travel independently to school. The current success rate for this training is 70%. This provision will significantly improve a young person's opportunities in adult life, reducing the strain of caring responsibilities on parent carers.

23.2. 70% of young people within this age range have Moderate Learning Disability (MLD), Autistic Spectrum Conditions (ASC), Specific Learning difficulties and Social, Emotional and Mental Health Needs as their primary of need. A high proportion of this group are likely to, with support, be able to develop the skills to travel independently by the end of year 11.

**Policy review summary**

Theme	Old Policy	New Policy	Number of C/YP	Impact
<p>Early years (Cedar and Rosewood Schools and Early Learning Group)</p>	<p>“Travel assistance will be provided to children attending the nearest appropriate early years setting to their home where their placement is supported by the Early Years and Portage team or the Special Educational Needs team and the distance between their home and the early years setting is more than 2 miles.” (section 3.1.1)</p> <p>“Travel Assistance will be provided to all children attending Rosewood and Cedar Schools from age 2 years if placement agreed by the Local Authority.” (section 3.4.1)</p> <p>“Travel assistance will be provided to children attending the Early Learning Group if the distance between home and the setting is over 2 miles and placement is agreed by the Early Years and Portage Manager.” (3.1.2)</p>	<p>Automatic entitlement for those children attending Rosewood and Cedar schools is no longer in the policy. Children of statutory school age attending these schools whose EHCP identifies a travel assistance requirement will qualify for support, and those under statutory school age may be considered under the Exceptional Circumstances Criteria.</p>	<p>23</p>	<p>Positive impact – all children attending a special school will have their needs assessed for the provision of home to school travel assistance.</p> <p>Negative impact – Removal of this offer could have a negative impact on some parents who will have become accustomed with this offer. All decisions will be based on individual circumstances to reduce risks associated with non-attendance at nursery and impact of caring on parent/carer.</p> <p>Negative impact – for a small amount of families this could result in the withdrawal of transport where they are accustomed to this regardless of age, primary need and/or circumstance. High level assessments suggests this will effect up to 5 families currently attending Cedar Special School.</p>

Theme	Old Policy	New Policy	Number of C/YP	Impact
SEND	The old policy did not explicitly refer to assistance for children and young people with SEND.	The policy has been updated to explicitly set out provisions and assistance for children and young people with SEND needs in line with legislation.	All families of children/young people with EHC Plan. Currently approx. 1400.	<p>Positive – Families will find the document easier to follow and have clarity on eligibility and processes relating to home to school travel assistance.</p> <p>Some families may apply and be entitled to home to school transport where they may have previously interrupted that they were not eligible. It is not possible to put a figure against this as there is no way of knowing at this stage. See financial prediction for possible financial impact below.</p>
Post-16	<p>“Travel assistance will be provided to the nearest college / school with a sixth form offering an appropriate course.”</p> <p>(section 3.7.1)</p>	<p>The provision of free transport assistance for post 16 students will no longer be offered under the new policy. Transport assistance will still be available to eligible students aged between the ages of 16 and 19, but will be subject to a flat rate contributory charge:</p> <ul style="list-style-type: none"> <li>• £600 per annum, payable in 3 termly instalments of £200.</li> <li>• £495 per annum payable in 3 termly instalments of £165 for students whose families meet the low</li> </ul>	110	<p>Negative financial impact for families of children moving into this group.</p> <p>Due to the time of implementation, the majority of parents who have a young person within this age group will not have to pay. However, a number of young people may stay on in 6<sup>th</sup> form education for a further year. For these families, the cost would apply.</p>

Theme	Old Policy	New Policy	Number of C/YP	Impact
		income criteria set out in the policy.		
Independent travel training	"By applying for travel assistance agreement is being given to have an assessment for Independent Travel Training" (3.7.3)	The proposed policy 2019/20 explicitly references the expectation of engagement with independent travel training from year 9 plus for children and young people who are assessed through EHC Annual Review processes to achieve this skill, leading to positive outcomes. This will require additional resources to be put in place to support independent travel training, but will mean that more young people can travel independently aged 16+.	35	Positive - Travel training has a 70% success rate in helping young people to be able to travel independently. All young people with an EHCP should be working towards as much independence as they are able to prepare them for adult life.



<b>DECISION-MAKER:</b>		<b>CABINET</b>	
<b>SUBJECT:</b>		<b>LAND QUALITY STRATEGY 2018-2023</b>	
<b>DATE OF DECISION:</b>		<b>18 SEPTEMBER 2018</b>	
<b>REPORT OF:</b>		<b>CABINET MEMBER FOR TRANSPORT AND PUBLIC REALM</b>	
<b><u>CONTACT DETAILS</u></b>			
<b>AUTHOR:</b>	<b>Name:</b>	<b>Steve Guppy, Service Manager, Scientific Services</b>	Tel: 023 8091 7527
	<b>E-mail:</b>	Steve.Guppy@southampton.gov.uk	
<b>Director</b>	<b>Name:</b>	<b>Mitch Sanders, Service Director, Transactions and Universal Services</b>	Tel: 023 8083 3613
	<b>E-mail:</b>	Mitch.Sanders@southampton.gov.uk	

<b>STATEMENT OF CONFIDENTIALITY</b>	
NOT APPLICABLE	
<b>BRIEF SUMMARY</b>	
<p>The Council has a statutory responsibility to continually inspect its area for land contamination and document how it intends to undertake that process in an 'Inspection Strategy'. Where significant contamination is identified the land must be remediated to prevent further harm. Southampton City Council (SCC) published its first strategy in 2001. Historically The Department of Environment and Rural Affairs (Defra) provided grants to fund the investigation and remediation of contaminated land where the polluter could not be identified. This funding stream was withdrawn in December 2013. Since this date the council has no budget or access to funding to undertake investigation and remediation and therefore has been severely restricted in how it can fulfil its statutory duties.</p> <p>SCC's Land Quality Strategy 2018-2023 has been published to demonstrate how it will deliver its duties under Part IIA of the Environmental Protection Act 1990 (Part IIA) in the absence of central government funding. As well as fulfilling the responsibility to provide an "Inspection Strategy" it also details the Councils wider role in managing and maintaining confidence in the quality of land in the City. It proposes to achieve this by;</p> <ul style="list-style-type: none"> <li>• Using existing resources available in the Scientific Service Team within Transactions and Universal Services.</li> <li>• Recovering costs where appropriate.</li> <li>• Producing an annual business plan identifying future budget pressures.</li> </ul>	
<b>RECOMMENDATIONS:</b>	
(i)	<p>To adopt the proposed Land Quality Inspection Strategy 2018-2023 and;</p> <ul style="list-style-type: none"> <li>• Maintain a proactive Contaminated Land Inspection Strategy that is consistent with our Part IIA duties.</li> <li>• Recover costs where appropriate</li> <li>• Consider any business case put forward to progress site investigations and/or remediation in accordance with part IIA.</li> </ul>

	<ul style="list-style-type: none"> <li>Ensure SCC's own policies regarding land contamination are consistent with best practice.</li> </ul>
<b>REASONS FOR REPORT RECOMMENDATIONS</b>	
1	To ensure that the Council's statutory obligations continue to be met and minimise the risk of legal challenge.
<b>ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</b>	
2	Cease Part IIA contaminated land inspection. This was rejected as it did not fulfil the council's statutory duties.
3	Continue Part IIA contaminated land inspection without recovering costs. This was rejected as it was not in accordance with statutory guidance and would place unnecessary financial risks on SCC.
4	Continue Part IIA contaminated land inspection (reactive). This was rejected as it did not fulfil the council's statutory duties.
<b>DETAIL (Including consultation carried out)</b>	
5	Contamination of land arises principally from industrial processes, waste disposal and accidental spillages of contaminants. If not dealt with adequately it can present a risk to human health, the environment and sustainable economic development. This risk only arises where there is a link between the land that is contaminated and a receptor (human, ecological or controlled water).
6	The Council has regulatory responsibility for carrying out the duties and functions under Part IIA of the Environmental Protection Act 1990 in relation to contaminated land. This Act is aimed at addressing the legacy of historical contamination associated with contaminating land uses that were not subject to the pollution control or town planning requirements that exist today. Local Authorities are required to inspect their area for land that could be contaminated and, if legally determined as contaminated land are duty-bound to ensure it is made safe. In carrying out these duties the Council must act in accordance with statutory guidance. Further information of the requirements of Part IIA can be found in Appendix 1.
7	Local Authorities were previously able to access funds to cover the cost of site investigations and remediation through the Contaminated Land Capital Grant Scheme (CLCGS) administered by the Department of Environment, Food and Rural Affairs (Defra). SCC was successful in using this scheme to support its activities in relation to Part IIA until funding was withdrawn in 2014/15 (see Appendix 2).
8	<p>Costs incurred by the Council can be recovered from liable parties, including placing a charge on property, but only so far as the statutory guidance and the Council's own Cost Recovery &amp; Hardship Policy will allow. Currently SCC has no Cost Recovery &amp; Hardship Policy in place but the Housing Renovation Grant test provides a set of principles that can be followed. In addition, other LA's have adopted the following:</p> <ul style="list-style-type: none"> <li>Costs will be recovered from the original polluter wherever possible.</li> <li>Cost recovery should not cause undue hardship.</li> <li>Costs to be recovered should not exceed the value of the land.</li> <li>Costs would not be recovered from land owners if the contamination was genuinely unsuspected</li> </ul> <p>Page 22</p>

	<p>for land contamination (through legal / environmental searches) when purchasing the property but none was identified.</p> <p>Costs will be recovered in situations where there was knowledge of the contamination at the time of purchasing the property and this was either taken into account in the land value, or specific insurance cover.</p>
9	<p>SCC has made progress in fulfilling its Part IIA duties. In 2006 an initial desk-top study identified 1,517 sites where potentially contaminating land uses have existed. These “sites of potential concern” have been prioritised according to the hazards associated with those specific land uses and the sensitivity of the land uses that might now be exposed to that hazard. That process has identified. (see Appendix 3).</p> <p>Some specific sites were subject to detailed investigation when Defra funding was available. This includes the Radcliffe Road allotment sites which were amongst the first in the UK to be managed under Part IIA.</p>
10	<p>Defra removed the CLCGS in 2013. There was no previous indication that this would happen or that funding was a temporary measure to kick start inspections (as has since been suggested).</p>
11	<p>When Part IIA was first introduced very few tools were available to make robust technical assessments of risk. Only in the last 24-36 months have we seen the introduction of robust assessment criteria and an ‘Expert Panel’. In their absence some Local Authorities were accused of making inappropriate decisions and land was being blighted. SCC was able to avoid such issues by recognising we were not equipped to deal with the more contentious sites.</p>
12	<p>Scientific Service lost 1 FTE in 2009, the post was dedicated to undertaking Part IIA activities and consequently our activity in this area had to be reduced.</p>
13	<p>In the absence of staff resource, technical guidance and capital funds SCC, like other Local Authorities, has been restricted to reactive activities in recent years.</p>
14	<p>SCC’s revised Land Quality Strategy 2018 – 2023 look to address these obstacles by:</p> <ul style="list-style-type: none"> <li>• using existing resources more effectively;</li> <li>• fully utilising its powers to recover costs, and</li> <li>• having regard to the latest published guidance.</li> </ul>
15	<p>The content of an “Inspection Strategy” is clearly defined in statutory guidance and has been formatted into the “double sided A3” SCC strategy template (see Appendix 4).</p>
16	<p>In addition the Inspection Strategy includes position statements relating to SCC’s wider approach to land quality and contamination and attempted to differentiate these two elements within the template.</p>
17	<p>The current version has been provided to key stakeholders for comment. No recommendations for material changes have been provided.</p>
<b>RESOURCE IMPLICATIONS</b>	
<b><u>Capital/Revenue</u></b>	
18	<p>The Scientific Service Team has competent staff able to deliver the strategy. Capacity will be provided by a grade 8, 0.5FTE vacancy which can be used to</p>

	backfill and cover other existing duties. However, if the inspection process identifies the need for any detailed assessments or remedial projects these may bring about additional resource pressures which will be identified in an annual business plan.
19	Given that Government CLCGS funding is no longer available, consideration needs to be given to how the cost for remediating contaminated land will be met moving forward. The proposed principles of the Cost Recovery & Hardship Policy mean that, in most cases, costs incurred by the Council when remediating land would not be recoverable and there is currently no capital budget to cover the costs of these works. The severity and extent of land contamination is typically unknown, therefore the cost of remediation can only be quantified as sites are investigated. Once costs have been identified a business case will be made to obtain capital funds for the following year's detailed investigations and remediation works to take place.
20	It is not possible to accurately cost potential remediation works and consequently SCC's financial liability associated with the 53 priority sites until the inspection works have been completed. However, an estimate for the 53 sites, based on The Homes & Communities Agency (HCA) 'Guidance on dereliction, demolition and remediation costs', indicates that costs are likely to range between £85,750 and £379,862. The table in section 28 provides further sensitivity analysis for best and worst case scenarios.
21	Part 2A only applies to sites where a significant risk to health has been identified. Therefore the options for remediation will typically be limited to those that will provide a short to medium term solution. It is anticipated that any remediation undertaken will take 3-6 months to complete.
<b><u>Property/Other</u></b>	
22	As a major landowner the Council must ensure that it has in place appropriate mechanisms to manage ground quality issues. In addition to the activities being undertaken under Part IIA, the need for a proactive means of approaching land contamination within current procedures is required. Those departments with land holdings are therefore supported by Scientific Services to ensure that ground contamination is given the appropriate level of consideration within. <ul style="list-style-type: none"> <li>• Asset and Property Management Plans</li> <li>• Land Transactions</li> <li>• Development Projects</li> <li>• Operational Use / Service Delivery</li> </ul>
<b>LEGAL IMPLICATIONS</b>	
<b><u>Statutory power to undertake proposals in the report:</u></b>	
23	The proposed Land Quality Strategy would fulfil the council's statutory obligations under Part IIA of the Environmental Protection Act 1990.
<b><u>Other Legal Implications:</u></b>	
24	The Corby case highlights the risks presented to LA's that do not manage land contamination risks appropriately. Compensation pay outs totalling £8M have been suggested ( <a href="#">link</a> ). Media sources have reported that environmental lawyers are now actively seeking sites which are considered contaminated under Part IIA with the aim of claiming compensation from the Local Authority

	for failure to undertake its duty of care under the Environmental Protection Act.												
25	The need to complete a Data Protection Impact Assessment (DPIA) has been identified. A Full DPIA will be necessary as personal information relating to land and property ownership is likely to be collected when a site progresses to detailed investigation. This will be completed prior to implementation of the strategy.												
<b>RISK MANAGEMENT IMPLICATIONS</b>													
26	The assessment process is a rolling one. Whilst Part IIA exists Southampton City Council will always have a responsibility to inspect and re-inspect land within its boundary. Therefore the need for funding could arise at any time.												
27	<p>Remediation costs can vary significantly as severity of contamination can vary and each site has specific needs. An estimate of the financial liability associated with the 53 priority sites has been calculated as follows:</p> <ul style="list-style-type: none"> <li>• Status of the site in terms of land use and ownership identified from SCC corporate mapping system.</li> <li>• Where multiple land uses exist on one site, each land use was recorded as a percentage of the whole priority site</li> <li>• Range of costs for remediation of each priority site estimated using The Homes &amp; Communities Agency (HCA) 'Guidance on dereliction, demolition and remediation costs' (range of costs relates to severity of contamination)</li> </ul> <p>Local Authorities that have pursued an Inspection Strategy report that only 5-10% of priority sites eventually require remediation. The remaining 90-95% were found to not meet the definition contaminated land and therefore did not require remediation.</p>												
28	<p>Having calculated the mean cost of remediation for each site on the priority list, the upper 7.5%, lower 7.5% and middle 7.5% have been identified to illustrate the range of financial liability.</p> <table border="1"> <thead> <tr> <th></th> <th>SCC Landholdings</th> <th>All Land</th> </tr> </thead> <tbody> <tr> <td>Best Case (lower 7.5%)</td> <td>£632 ± £282</td> <td>£282 ± £368</td> </tr> <tr> <td>Most Likely (middle 7.5%)</td> <td>£159,135 ± £73,385</td> <td>£259,418 ± £120,444</td> </tr> <tr> <td>Worst Cast (top 7.5%)</td> <td>£1,001,147 ± £418,749</td> <td>£4,935,194 ± £2,058,196</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>• Of the 53 priority sites SCC has ownership of 23 sites (2 in full ownership and 21 where SCC owns a portion of the site).</li> <li>• The lowest cost for remediating SCC owned land on an individual site on the priority list is £315.</li> <li>• The highest cost for remediating SCC owned land on an individual site on the priority list is £650K.</li> </ul>		SCC Landholdings	All Land	Best Case (lower 7.5%)	£632 ± £282	£282 ± £368	Most Likely (middle 7.5%)	£159,135 ± £73,385	£259,418 ± £120,444	Worst Cast (top 7.5%)	£1,001,147 ± £418,749	£4,935,194 ± £2,058,196
	SCC Landholdings	All Land											
Best Case (lower 7.5%)	£632 ± £282	£282 ± £368											
Most Likely (middle 7.5%)	£159,135 ± £73,385	£259,418 ± £120,444											
Worst Cast (top 7.5%)	£1,001,147 ± £418,749	£4,935,194 ± £2,058,196											
29	<p>SCC may be liable for the cost of remediation any site where;</p> <ul style="list-style-type: none"> <li>• It is identified as the "Class A appropriate person" because it caused the pollution or permitted development of an unsuitable site.</li> <li>• The land is in its ownership and no other "Class A appropriate person" is identified.</li> </ul>												

	<ul style="list-style-type: none"> <li>The site is an “Orphan Site” i.e. where it is not possible to find either the polluter or the owner/occupier or where certain members of the liability group are exempt from liability under the provisions of Part IIA.</li> </ul>
<b>POLICY FRAMEWORK IMPLICATIONS</b>	
30	The recommendations are consistent with the Southampton City Council Strategy 2016-2020 outcome; “People in Southampton live safe, healthy, independent lives.

<b>KEY DECISION?</b>	<b>Yes</b>
<b>WARDS/COMMUNITIES AFFECTED:</b>	ALL
<u>SUPPORTING DOCUMENTATION</u>	
<b>Appendices</b>	
1.	Environmental Protection Act 1990, Part IIA Duties
2.	Letter from Defra regarding funding under the Contaminated Land Capital Grants Scheme.
3.	Process map for rolling inspection programme
4.	SCC Land Quality Strategy 2018-2023

**Documents In Members’ Rooms**

1.	Equality and Safety Impact Assessment
2.	Data Protection Impact Assessment

**Equality Impact Assessment**

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

**Data Protection Impact Assessment**

<b>Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.</b>	<b>Yes</b>
--	------------

**Other Background Documents**

**Other Background documents available for inspection at:**

<b>Title of Background Paper(s)</b>	<b>Relevant Paragraph of the Access to Information Procedure Rules / Schedule 1IIA allowing document to be Exempt/Confidential (if applicable)</b>
1. NONE	

### Appendix 1 – Part 2A Summary

- The requirement to develop a written Strategy to inspect land for contamination is set out in statutory guidance<sup>1</sup>. The guidance identifies what the Strategy must include and requires the approach to be rational, ordered and efficient. The Council's first Contaminated Land Strategy<sup>2</sup> was published in 2001 and is due to be revised to reflect current circumstances.
- For land to be determined as being contaminated in terms of the statute, investigation and assessment must be used to demonstrate that there is *significant likelihood of significant harm being caused*. This scientific process presents a relatively high threshold in terms of risk. This means that land that might initially be identified as being of potential concern might not to meet that threshold of risk and would not be determined as being contaminated.
- In 2006 an initial desk-top study identified 1,517 sites where potentially contaminating land uses have existed. These sites of potential concern have been prioritised according to the hazards associated with those specific land uses and the sensitivity of the land uses that might now be exposed to that hazard. That process has identified a discreet group of 53 priority sites that are recommended for further attention.
- A site can be ruled out as being contaminated at any of the stages. It is difficult to predict how many of the remaining sites might ultimately be determined as being contaminated, but experience suggests this will be a very low percentage. As a guide it is predicted that 60 – 70% will be ruled out at desk-top study stage, 25 – 35% will be ruled out at on-site survey stage and < 5% could be determined as contaminated.
- In the event that any site is determined as being contaminated, officer time must be focused on ensuring the site is remediated as soon as practicable thereby ensuring risks and liabilities are dealt with expediently and the opportunity of property blight is reduced.
- In the first instance the person who caused the contamination is legally liable for its remediation. This could be the original operator of the site, or a subsequent developer who built houses on the land (and put the residents at risk). If these parties cannot be found or no longer exist then liability passes to the current landowner. In most cases land contamination is historic and arose from operators or housing developers that have long-since ceased to exist as a legal entity and so liability passes to the current landowner. The nature of how land contamination presents a risks means that land occupied by residential owners/occupiers is most at risk.

<sup>1</sup>[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/223705/pb13735cont-land-guidance.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/223705/pb13735cont-land-guidance.pdf)

<sup>2</sup>[http://www.southampton.gov.uk/Images/Contaminated%20land%20An%20inspection%20strategy%20for%20Southampton\\_tcm63-369087.pdf](http://www.southampton.gov.uk/Images/Contaminated%20land%20An%20inspection%20strategy%20for%20Southampton_tcm63-369087.pdf)

- Remediation is a specialist function and although liability for undertaking it rests with the liable party (i.e. a residential owner/occupier) it would be reasonable to assume that they are unlikely to have the necessary knowledge or financial capital to carry this out. Experience shows that it would usually be left to the local authority, using its statutory powers, to arrange for the remediation works to be undertaken.
- The cost of detailed site investigations and remediation work is not insignificant. Based on typical sites remediated to date (by SCC through Part 2A) an average remedial cost of £20k per household has been estimated. According to the [Environment Agency](#), the average cost of a site investigation is £14,500 and the average cost of remediation is £105,800 per site. Overall project costs can run into the millions of pounds.

<sup>1</sup>[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/223705/pb13735cont-land-guidance.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/223705/pb13735cont-land-guidance.pdf)

<sup>2</sup>[http://www.southampton.gov.uk/Images/Contaminated%20land%20An%20inspection%20strategy%20for%20Southampton\\_tcm63-369087.pdf](http://www.southampton.gov.uk/Images/Contaminated%20land%20An%20inspection%20strategy%20for%20Southampton_tcm63-369087.pdf)





Department  
for Environment  
Food & Rural Affairs

Nobel House  
17 Smith Square  
London SW1P 3JR

T: 08459 335577  
helpline@defra.gsi.gov.uk  
[www.defra.gov.uk](http://www.defra.gov.uk)

To: All Local Authorities in England

December 2013

**From Lord de Mauley  
Parliamentary Under Secretary**

I am writing to update you on the future of Defra funding for the Contaminated Land Capital Grants Scheme.

Since 2009/10, over £38m has been made available to local authorities through the Grants Scheme. However, as you will be aware the budget for the scheme has undergone significant incremental cuts in line with the economic downturn, decreasing from £17.5m in 2009/10 down to £2m for 2013/14.

You will also be aware that Defra published revised Part 2A Statutory Guidance in April 2012, which was designed to provide clarity to local authorities on implementing Part 2A of the 1990 Environmental Protection Act, to focus attention on the highest-risk sites and to enable Local Authorities to dismiss lower risk sites more quickly and easily. This has resulted in a more stringent risk-based approach to identifying and remediating contaminated land. Given these changes, Defra will no longer be supporting the costs of investigating and remediating contaminated land under Part 2A through the Contaminated Land Capital Grants Scheme. This is a regrettable but necessary change of approach but one that reflects current circumstances including activities looking at departmental priorities and government spend.

Despite continuing economic pressures, from 1 April 2014 for a 3-year period, it is anticipated that up to £0.5m could still be made accessible annually (subject to capital funding being available within Defra) for absolute emergency cases and to meet the requirements of on-going remediation projects where these are considered to be the highest priority. Funding will cease from 1 April 2017.



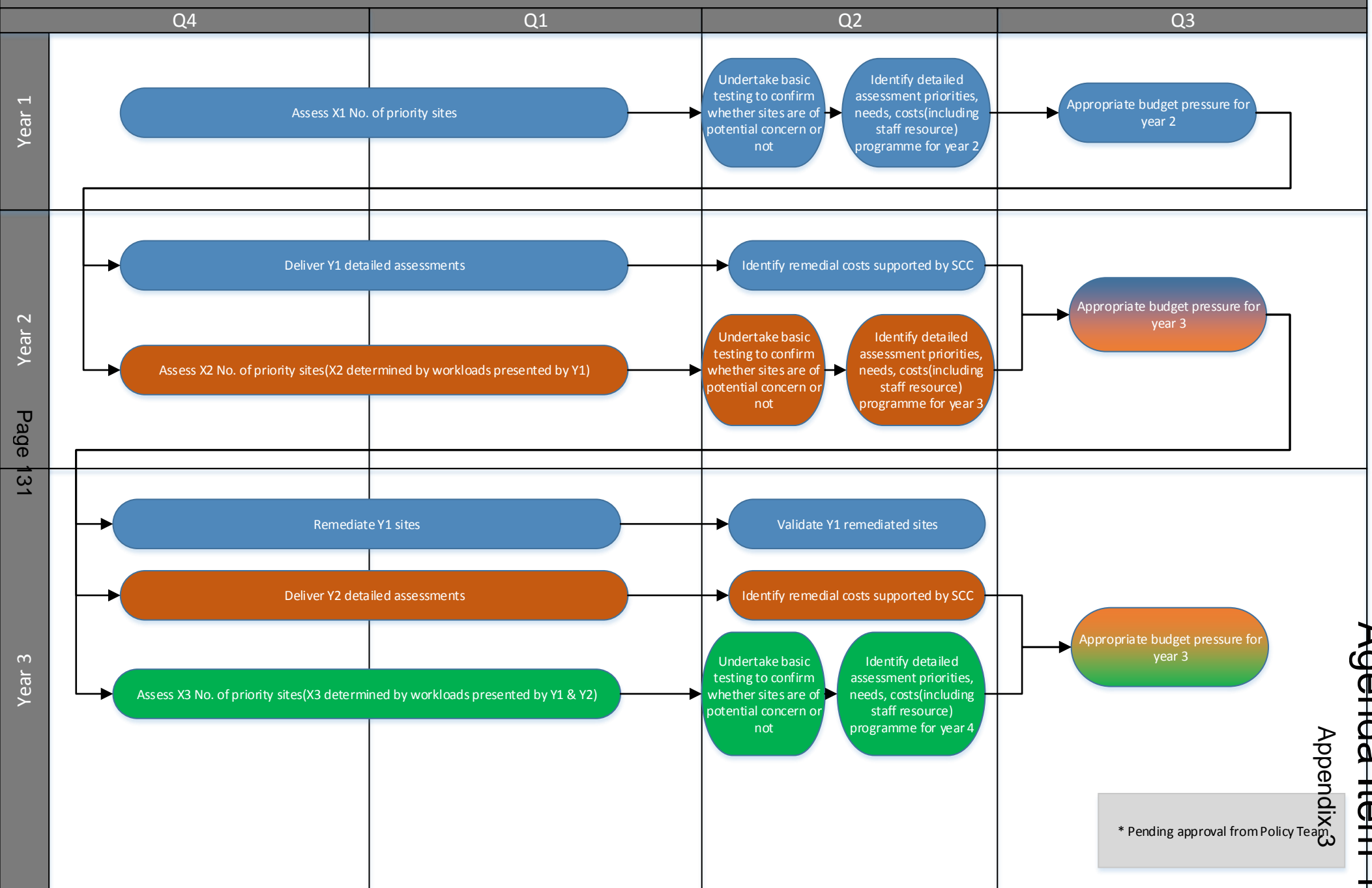
As currently, funding for local authorities to fulfil their statutory obligations under Part 2A of the Environmental Protection Act will continue to be provided through the Revenue Support Grant provided by DCLG.

Defra remains committed to providing the supporting tools to help Local Authorities embed the revised Part 2A Statutory Guidance. The project to develop new 'Category 4' screening levels will be published soon and this will sit alongside the Defra-funded research on 'normal' background levels of contaminants that is already available. Defra has also established a National Experts' Panel on contaminated land, whose remit is to advise Local Authorities on difficult decisions under Part 2A at more complex contaminated sites. This Panel is available for Local Authorities to access now and it is envisaged that Case Studies on the output of the Panel's work will also be available to be distributed to other Local Authorities to share best practice. The vast majority of contaminated land will continue to be remediated through redevelopment under planning guidance as set out in the National Planning Policy Framework.

*Rupert de Manby*



# Work Programme



\* Pending approval from Policy Team

This page is intentionally left blank



# Southampton Land Quality Strategy 2018-2023

Southampton City Council is committed to maintaining confidence in the quality of land across our area so that our residents and visitors can be safe and healthy. Preventing future pollution and addressing historical contamination will ensure ongoing improvements in the quality of our land stock; the local environment and public health. This in turn supports economic growth and the delivery of housing and business developments across the city.

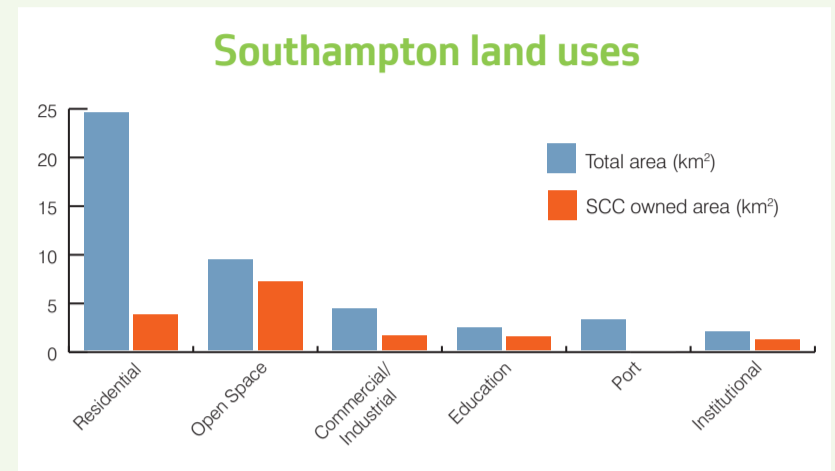
## SOUTHAMPTON CITY COUNCILS RESPONSIBILITIES

As a regulator, land owner, landlord, tenant and planning authority Southampton City Council is presented with a number of responsibilities as a result of legislation and government guidance, including:

- To ensure compliance with and enforcement of statute.
- To protect human health and the wider environment.
- To ensure that where redevelopment of sites take place within the City that the process deals effectively with any land contamination.
- To address the liability issues associated with the Councils existing land holdings and avoid any new liability associated with land acquisitions.
- To ensure that procedures are in place for the open provision of information concerning land contamination to the public, developers/property surveyors etc.
- To encourage market confidence in the redevelopment of brownfield sites in the city.

## LAND QUALITY IN SOUTHAMPTON

- Contamination of land arises principally from industrial processes, waste disposal and accidental spillages of contaminants. If not dealt with properly, it can pose a risk to human health, the environment and sustainable economic development.
- Southampton has a strong industrial history which means the city has an increased risk of land becoming contaminated as a result of previous land uses. In the past, industrial processes were not regulated like they are today and with little or no controls in place the risk of contaminants spreading was far more significant.
- Approximately 250,000 people live in Southampton, and this is expected to grow by 4.9% by 2022, to approximately 260,000 people. This will result in increased demand for usable land for residential use and open spaces. It is important that we ensure this demand can be satisfied and land contamination does not present a barrier to growth or compromise public health or the wider environment.
- Remediation of contaminated land can be costly. Remediation cost for a site can range between £1000 and up to £1.5 million per hectare.



The city is comprised of various land uses which present different challenges where land contamination is an issue.

Where individuals might be exposed to soils and/or spend considerable time the risks are most significant whilst industrial sites can offer a greater hazard due to the nature of their activities.

As well as presenting risks to human health, contamination can cause harm to property, water resources and ecological systems. Southampton does not offer much in terms of agriculture but does have a diverse and dense property stock and a number of designated sites of ecological interest.

As a land owner the council is directly responsible for a significant proportion of land in the city.

## REMEDIATION

The risks presented by any given level of contamination will vary greatly according to the use of the land and a wide range of other factors, such as the underlying geology of the site. In recognition of this, the Government considers a "suitable for use" approach in dealing with contaminated land the most appropriate. This consists of three elements and is the basis to the current UK legislation dealing with contaminated land:

- ensuring that the land is suitable for its current use,
- ensuring that land is made suitable for any new use, and
- limiting requirements for remediation work in relation to the current use or officially-permitted future use of the land.

### Part 2A of the Environmental Protection Act 1990

The council has a statutory responsibility to continually inspect its area for land contamination and document how it intends to undertake that process. Where significant contamination is identified the land must be remediated to protect human health. The local authority has a duty:

- to cause their areas to be inspected for contaminated land;
- to determine whether any particular site meets the statutory definition of contaminated land;
- to act as the enforcing authority for all contaminated land, unless the site meets the definition of a "special site" (in which case the Environment Agency will act as the enforcing authority);
- to record information on a public register about their regulatory actions.

If land is legally determined as "Contaminated Land" a remediation strategy must be agreed and the details must be entered onto the local authorities Public Register of Contaminated Land, in accordance with the requirements of the Contaminated Land Regulations.

### What are we doing

Scientific Services has already undertaken an initial prioritisation of the land within its area and has identified a distinct group of priority sites which are believed to present the greatest risk from land contamination. Southampton City Council proposes an initial five year programme of inspection running up to April 2023 to further assess and where deemed necessary remediate these priority sites. Sites not included in the priority list may be brought forward for inspection where sufficient evidence is brought to our attention to suggest that a significant pollutant linkage might exist. This programme will be reviewed annually and recommendations will be made in the 2019 review on meeting the council's future inspection requirements.

### Cost recovery

The council will take remedial action and recover costs from liable parties where it deems appropriate. Where there is evidence that cost recovery would cause undue hardship, the council will consider each matter on a case by case basis.

### Communication policy

Exposure to contamination is involuntary and typically unforeseen. Those affected can easily feel powerless and confused. This can lead to anxiety, stress and anger. Every situation is different therefore it is essential that a specific Risk Communication Strategy is developed for every site that is subject to assessment, investigation and remediation. That Strategy will be devised in collaboration with Southampton City Councils Communications Team and must:

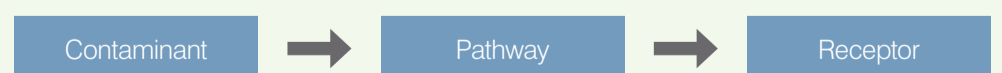
- Provide suitable information in an accessible manner
- Support communities and individuals
- Involve all affected parties
- Demonstrate our actions are necessary, proportionate and fair

### What is contaminated land?

Historical contamination identified via the Environmental Protection Act 1990 (Part 2A) has the following specific definition: Contaminated land is any land which appears to the local authority in whose area it is situated to be in such a condition, by reason of substances in on or under the land, that:

- significant harm is being caused or there is a significant possibility of such harm being caused; or
- pollution of controlled waters is being, or is likely to be caused.

The definition of contaminated land is based upon the principles of the risk assessment. For a site to meet the definition of contaminated land, a pollutant linkage must be established. A pollutant linkage consists of three parts:



The risk assessment process seeks to identify viable contaminant linkages and then assess whether they pose an unacceptable risk to an identified receptor. If a pollutant linkage exists then the following factors are taken into account in deciding whether significant harm is being caused or if there is a possibility of significant harm being caused:

- the nature and degree of harm;
- the susceptibility of the receptors to which the harm might be caused; and the timescales within which the harm might occur.

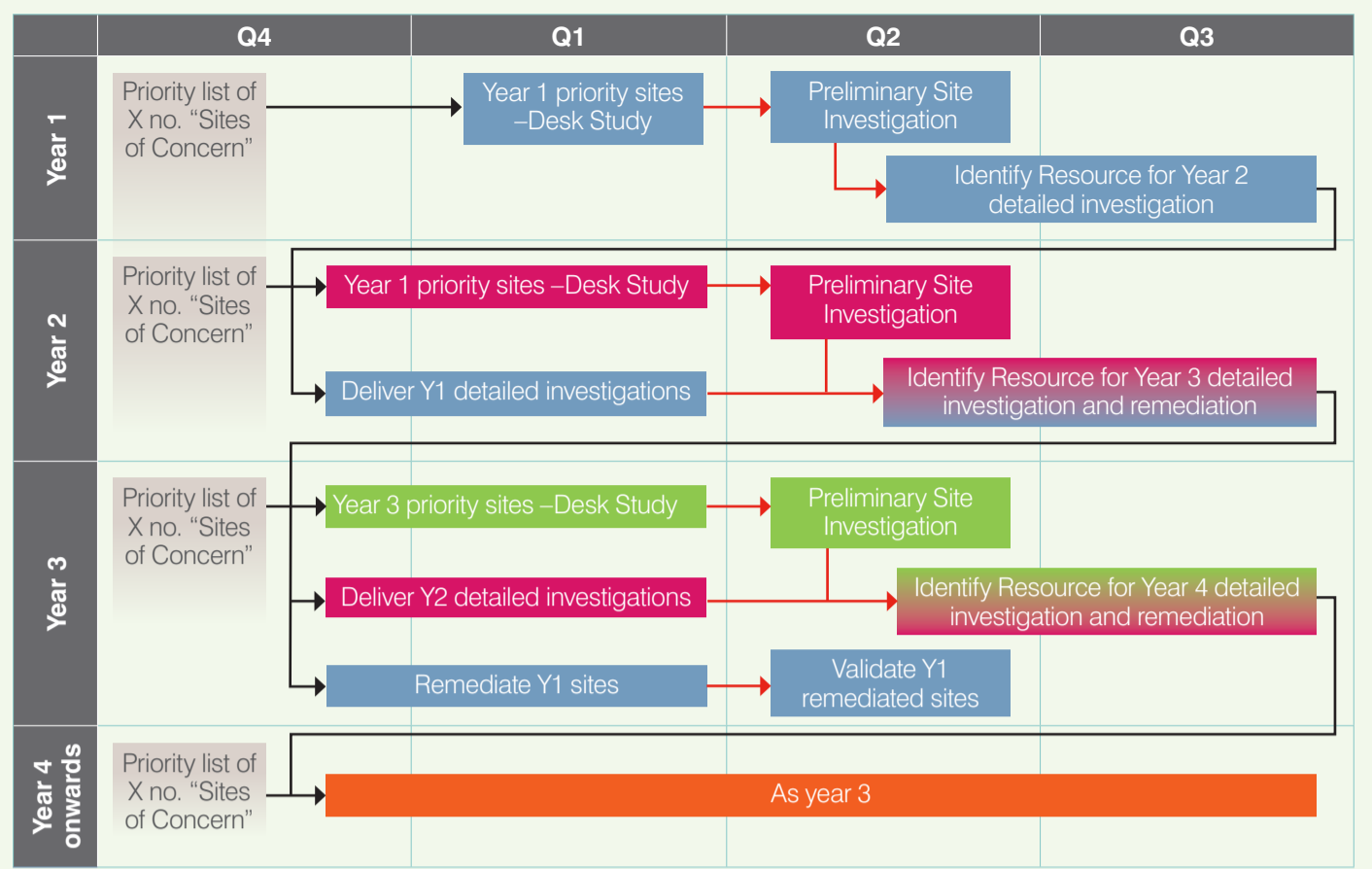
## Inspection programme

Priority sites will be subject to a phased investigation until a point is reached where the council can reasonably demonstrate that the site does not meet the legal definition of contaminated land.

Where any phase identifies the subsequent need for further investigation, assessment or remediation we will identify resources and budget programme for investigation, assessment or remediation will be identified and funding sought as necessary.

The programme represents a continual cycle and multiple sites will be subject to inspection at any one time.

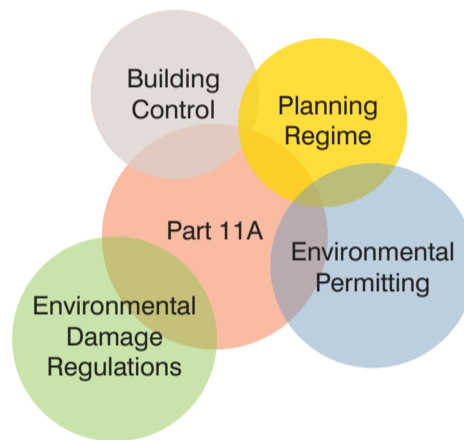
As the programme progresses sites that are not considered contaminated land or have been remediated will be removed from the priority list.



## REMEDIATION

There are a number of other regulatory functions that provide Southampton City Council with legislative powers to deal with land contamination. Part 2A is designed to address historical contamination that presents a risk to an existing land use and will only be used to secure remediation where no appropriate alternative exists.

Land contamination is a material planning consideration which means the impact of contamination must be taken into account in the determination of all planning applications. The National Planning Policy Framework sets out that the planning system is central to bringing land affected by contamination back into use and puts the responsibility for ensuring safe developments onto the developer and/or landowner. There is an expectation that the majority of contaminated sites will be remediated through the planning regime.



## BUSINESS AND SERVICE DELIVERY

As a major landowner the Council must ensure that it has in place appropriate mechanisms to manage ground quality issues. In addition to the activities being undertaken under Part 2A, the need for a proactive means of approaching land contamination within current procedures is required.

Those departments with land holdings are therefore supported by Scientific Services to ensure that ground contamination is given the appropriate level of consideration within.

- Asset and Property Management Plans
- Land Transactions
- Development Projects
- Operational Use / Service Delivery

PRIORITY	WHAT ARE WE GOING TO DO?
<b>Ensure confidence in the city's land assets.</b>	<ul style="list-style-type: none"> <li>• Address the liability issues associated with the council's existing land holdings and avoid any new liability associated with land acquisitions.</li> <li>• Provide information to assist in the council's contribution to city regeneration projects.</li> <li>• Maintain records of land condition assessments and remediation in accessible manner including the use of Geographic Information System.</li> <li>• Ensuring that the precautionary approach taken to land contamination whilst seeking to ensure that disproportionate burdens are not placed on local communities and local businesses.</li> </ul>
<b>To protect Human health and the wider environment.</b>	<ul style="list-style-type: none"> <li>• Prioritise risks to human health and the most sensitive and vulnerable to its risks.</li> <li>• Focus on identifying the most pressing and seriously affected areas first.</li> <li>• Ensure our protected ecological systems are afforded suitable protection</li> </ul>
<b>Act as a responsible landowner, landlord and tenant to ensure the council achieves full legal compliance.</b>	<ul style="list-style-type: none"> <li>• Lead by example, ensuring our plans, policies and working practices support and promote sustainable remediation.</li> <li>• Ensure all Southampton City Council land transactions adequately deal with land contamination issues.</li> <li>• Ensure public confidence in the council's assessments by applying good practice at all times.</li> <li>• Support other council departments to ensure land contamination is given appropriate consideration.</li> <li>• Encourage the use of sustainable remediation techniques.</li> </ul>
<b>Where Possible, deal with land contamination through the planning regime, building control or voluntary remediation.</b>	<ul style="list-style-type: none"> <li>• Ensure efficiency by directing effort away from areas already or soon to be dealt with through redevelopment.</li> <li>• Provide information to ensure the adoption of appropriate planning policies and decisions.</li> <li>• Provide comprehensive information to developers to ensure that they meet the local and national requirements.</li> <li>• Support Development Control to ensure all new developments are adequately assessed and where appropriate remediated.</li> <li>• Engage with developers to secure appropriate land assessment information either prior to planning approval or through planning conditions.</li> <li>• Encourage landowners to undertake voluntary remediation.</li> </ul>
<b>Where no alternative exists, use the Part 2A inspection process to ensure existing land is safe.</b>	<ul style="list-style-type: none"> <li>• Avoid undertaking Part 2A activity on land where redevelopment is likely to offer a more immediate solution.</li> <li>• Systematically inspect sites identified by the prioritisation process in accordance with Part 2A of the Environmental Protection Act 1990.</li> <li>• Bring forwards sites for inspection which were not previously prioritised where evidence is brought to our attention to suggest the land is causing significant harm or there is possibility of significant harm.</li> <li>• Maintain a public register of Contaminated Land on our website in accordance with Section 78R of the Environmental Protection Act 1990.</li> <li>• Identify those sites where land is presenting unacceptable environmental risks in a systematic and logical manner and ensure remediation takes place.</li> </ul>

## HOW WILL WE MEASURE SUCCESS?

- Reduction in the number of priority sites.
- Increased number of sites investigated through redeveloped.
- Successful implementation of the Inspection Programme.
- The number of sites remediated.
- The Land Quality Strategy will also contribute to wider improvements in health across the city and we anticipate improvements in key indicators for Public Health in the city.

## LINKS TO OTHER STRATEGIES AND PLANS



Document is Confidential

This page is intentionally left blank