

# Public Document Pack

## Cabinet

Tuesday, 19th November, 2019  
at 4.30 pm

### **PLEASE NOTE TIME OF MEETING**

Council Chamber - Civic Centre

This meeting is open to the public

#### **Members**

Leader – Councillor Hammond  
Adult Care - Councillor Fielker  
Aspiration, Children & Lifelong Learning –  
Councillor Paffey  
Healthier and Safer City – Councillor Shields  
Resources - Councillor Barnes-Andrews  
Green City & Environment – Councillor Leggett  
Homes & Culture - Councillor Kaur  
Place and Transport - Councillor Rayment

(QUORUM – 3)

#### **Contacts**

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## **BACKGROUND AND RELEVANT INFORMATION**

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

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

### **The Forward Plan**

The Forward Plan is published on a monthly basis and provides details of all the key executive decisions to be made in the four month period following its publication. The Forward Plan is available on request or on the Southampton City Council website, [www.southampton.gov.uk](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>2019</b>	<b>2020</b>
18 June	21 January
16 July	11 February
20 August	18 February (Budget)
17 September	17 March
15 October	21 April
19 November	
17 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 15<sup>th</sup> October, 2019 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 SEPTEMBER 2019 (Pages 5 - 30)

To consider the report of the Cabinet Member for Resources detailing the General Revenue Fund, Housing Revenue Account (HRA) and Collection Fund financial position for the Council as at the end of September 2019, and highlights any key issues which need to be brought to the attention of Cabinet

### 9 CAPITAL FINANCIAL MONITORING FOR THE PERIOD QUARTER 2 (Pages 31 - 50)

To consider the report of the Cabinet Member for Resources detailing the Capital

**ITEMS FOR DECISION BY CABINET**

**10 BLOCK CONTRACT FOR CHILDREN'S RESIDENTIAL SERVICES FOR LOOKED AFTER CHILDREN** ( Pages 51 - 78)

To consider the report of the Cabinet Member for Aspiration, Children and Lifelong Learning seeking approval for a tender for a block contract with one or several providers on the Children's Residential Care Framework.

**11 COURT LEET PRESENTMENTS 2019** (Pages 79 - 94)

To consider the report of the Director Legal and Governance detailing the presentments accepted at Court Leet, actions taken to date and Cabinet Members or officers identified to lead on the response and any further action.

**12 EXCLUSION OF THE PRESS AND PUBLIC - EXEMPT PAPERS INCLUDED IN THE FOLLOWING ITEM**

The appendix to this report is presented as a general exception item in accordance with the Access to Information Procedure Rules of Part 4 of the Council's Constitution. Amendments to the Local Authorities (Executive Arrangements) (Meetings and Access to information) (England) Regulations 2012 require 28 days' notice to be given prior to determining all Key Decisions. Whilst the report did have the required 28 days' notice, the requirement to indicate potential elements of confidentiality was not complied with as notification of the decision was published on the 9th October, 2019.

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

The appendix is considered to be exempt from general publication based on Category 3 of paragraph 10.4 of the Council's Access to Information Procedure Rules. It is not in the public interest to disclose this because doing so would prejudice the Council's business affairs.

**13 IMPLEMENTATION OF MICROSOFT 365** ( Pages 95 - 102)

To consider the report of the Cabinet Member for Resources seeking approval for the implementation of Microsoft 365.

**14 EXCLUSION OF THE PRESS AND PUBLIC - EXEMPT PAPERS INCLUDED IN THE FOLLOWING ITEM**

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

The report is considered to be exempt from general publication based on Categories 3, 5 and 7A of paragraph 10.4 of the Council's Access to Information Procedure Rules. It is not in the public interest to disclose this because doing so would prejudice

information that is both commercially sensitive and detrimental to the business affairs of the Council.

**15 BUDGET MATTERS - STUDIO 144** ( (Pages 103 - 106)

To consider the confidential report of the Cabinet Member for Resources regarding Budget Matters Studio 144.

Monday, 11 November 2019

Director of Legal and Governance

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SOUTHAMPTON CITY COUNCIL  
EXECUTIVE DECISION MAKING

RECORD OF THE DECISION MAKING HELD ON 15 OCTOBER 2019

Present:

Councillor Hammond	-	Leader of the Council
Councillor Fielker	-	Cabinet Member for Adult Care
Councillor Kaur	-	Cabinet Member for Homes and Culture
Councillor Leggett	-	Cabinet Member for Green City and Environment
Councillor Shields	-	Cabinet Member for Healthier and Safer City
Councillor Barnes-Andrews	-	Cabinet Member for Resources

Apologies: Councillors Rayment and Dr Paffey

35. COMMERCIAL PROPERTY INVESTMENT

DECISION MADE: (CAB 19/20 25463)

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

- (i) Re-affirms the commitment to a property investment fund as a part of the strategy for addressing future budget shortfall.
- (ii) Agrees the approach as outlined in this report and the investment criteria attached to this report.
- (iii) Agrees to delegate to the Service Director – Strategic Finance and Commercialisation, in consultation with the Cabinet Member for Resources, the ability to amend the property investment strategy prior to making the first additional purchase into the Fund.
- (iv) Notes the addition and spend of £200M. It is proposed to include this sum in the 2019/20 capital programme. Whilst it will be included in full, in practice it is likely there will be a need to spread such an investment beyond the current year. This will be funded by Council resources.

36. MEDIUM TERM FINANCIAL STRATEGY TO 2023/24 AND ASSOCIATED MATTERS

DECISION MADE: (CAB 19/20 25459)

On consideration of the report of the Cabinet Member for Resources, Cabinet agreed the following modified recommendations:

- (i) Note the high level forecast for the General Fund for 2019/20 onwards and subsequent rebasing of budgets, ensuring budgets are on a sound and robust footing.
- (ii) Note the pressures which have been included in the forecast which are set out in paragraphs 17 and 18.
- (iii) Note the Executive's initial investment and savings proposals put forward for conversation and consultation in Appendices 3 and 4. Savings amount to a cumulative £29.5M by 2022/23, with a significant contribution from income generating initiatives. New investment under these proposals is estimated at around £14.0M in the revenue budget.
- (iv) Note that the Executive's budget proposals for consultation are based on the assumption that they will recommend a Council Tax increase of 1.99% to Full Council as per paragraph 21.
- (v) To note the implications for the Capital Programme and to approve the additions to the capital programme as detailed in paragraph 26 to 28 and give approval to spend.
- (vi) Note that the Executive's initial savings set out in Appendices 3, with a clear emphasis on ways to generate income as a key part of ensuring a balanced budget.
- (vii) Note the consultation on the Executive's draft budget proposals will commence on 16th October 2019 and note the consultation proposals and methodology set out in paragraph 35.
- (viii) Delegate authority to the Chief Financial Officer (CFO), following consultation with the Cabinet Member for Resources, to do anything necessary to give effect to the proposals contained in this report.

### 37. UPDATE ON PLANNING FOR BREXIT

DECISION MADE: (CAB 19/20 25556)

On consideration of the report of the Cabinet Member for Resources, Cabinet agreed the following modified recommendations:

- (i) To note the current position of Southampton City Council's planning in relation to UK's exit from the European Union; and
- (ii) that there had been some updates since it had been written and that Southampton City Council finds itself in an uncertain position due to national negotiations.

### 38. THE FUTURE OF ST MARY'S LEISURE CENTRE

DECISION MADE: (CAB 19/20 25556)

On consideration of the report of the Cabinet Member for Homes and Culture, Cabinet agreed the following recommendations:

- (i) To approve the disposal (by way of lease) of St Mary's Leisure Centre
- (ii) To delegate authority to the Service Director: Customer, Digital and Policy following consultation with the Cabinet Member for Homes and Culture, the

Executive Director for Finance and the Service Director: Legal and Governance, to take all necessary steps to grant a lease and associated contract with the selected bidder following the completion of a competitive bidding process.

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# Agenda Item 8

<b>DECISION-MAKER:</b>	CABINET		
<b>SUBJECT:</b>	CORPORATE REVENUE FINANCIAL MONITORING FOR THE PERIOD TO THE END OF SEPTEMBER 2019		
<b>DATE OF DECISION:</b>	19 NOVEMBER 2019		
<b>REPORT OF:</b>	CABINET MEMBER FOR RESOURCES		
<b><u>CONTACT DETAILS</u></b>			
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<b>STATEMENT OF CONFIDENTIALITY</b>
N/A
<b>BRIEF SUMMARY</b>
This report summarises the General Revenue Fund, Housing Revenue Account (HRA) and Collection Fund financial position for the Council as at the end of September 2019, and highlights any key issues which need to be brought to the attention of Cabinet.

## RECOMMENDATIONS:

	<b><u>General Revenue Fund</u></b>
	It is recommended that Cabinet:
i)	Note the forecast outturn position is broadly break even (net underspend of £0.01M), as outlined in paragraph 4.
ii)	Note the performance of treasury management, and financial outlook in paragraphs 12 to 15 and appendix 1.
iii)	Note the Key Financial Risk Register as detailed in paragraph 18 and appendix 2.
iv)	Note the performance against the financial health indicators detailed in paragraphs 21 and 22 and appendix 3.
v)	Note the performance outlined in the Collection Fund Statement attached at appendix 5 and detailed in paragraphs 24 to 25.
	<b><u>Housing Revenue Account</u></b>
	It is recommended that Cabinet:
vi)	Note the forecast outturn position is an underspend of £1.77M as outlined in paragraph 23 and appendix 4.
<b>REASONS FOR REPORT RECOMMENDATIONS</b>	

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 below sets out the financial position of the General Fund after the rebasing exercise reported to Cabinet on 15 October 2019.

Portfolio	Budget Qtr 2 £M	Rebased Budget £M	Forecast Qtr 2 £M	Forecast Variance to Rebased Budget £M
Adult Care	63.79	66.66	66.55	0.11 F
Aspiration, Children & Lifelong Learning	40.65	48.03	48.45	0.42 A
Green City & Environment	0.81	0.86	0.85	0.01 F
Healthier & Safer City	(5.24)	(5.25)	(5.20)	0.05 A
Homes & Culture	7.28	7.51	7.51	0.01 F
Leader	5.79	3.38	3.37	0.01 F
Place & Transport	23.21	22.41	22.46	0.05 A
Resources	33.34	35.18	34.88	0.30 F
<b>Total Portfolios</b>	<b>169.64</b>	<b>178.79</b>	<b>178.87</b>	<b>0.09 A</b>
Levies & Contributions	0.63	0.63	0.63	0.00
Capital Asset Management	15.03	5.13	5.03	0.10 F
Other Expenditure & Income	4.26	5.02	5.02	0.00
<b>Net Revenue Expenditure</b>	<b>189.57</b>	<b>189.57</b>	<b>189.56</b>	<b>0.01 F</b>
Draw from Balances	0.00	0.00	0.00	0.00
Council Tax	(101.75)	(101.75)	(101.75)	0.00
Business Rates	(83.29)	(83.29)	(83.29)	0.00
Non-Specific Government Grants	(4.53)	(4.53)	(4.53)	0.00
<b>Total Financing</b>	<b>(189.57)</b>	<b>(189.57)</b>	<b>(189.57)</b>	<b>0.00</b>
<b>(SURPLUS)/DEFICIT</b>	<b>0.00</b>	<b>0.00</b>	<b>(0.01)</b>	<b>0.01 F</b>

NB Numbers are rounded

4. The current forecast spending against the council's net General Fund budget for the year is projected to be broadly break even overall (£0.01M underspend). Explanations of significant variances compared to the rebased budget are provided below.

**Adult Care (£0.11M favourable variance)**

5.	<p><u>ICU Provider Relationships (£0.11M favourable variance)</u></p> <p>The movement is due to further day care commissioning savings of £0.01M for a reduction in lease costs for the Brook Centre and £0.01M for direct payment support. This is increased by £0.06M for Southern Health investment costs which have been met by the Clinical Commissioning Group and £0.03M for further savings on the Hoarders project as staffing costs are less than planned.</p>
	<p><b><u>Aspiration, Children &amp; Lifelong Learning (£0.42M adverse variance)</u></b></p>
6.	<p><u>Looked After Children Provision (£0.34M adverse variance)</u></p> <p>The adverse movement is due to a number of children moving from Independent Fostering Agency placements and other lower costing placements to higher costing residential placements.</p>
	<p><b><u>Resources (£0.30M favourable variance)</u></b></p>
7.	<p><u>Accounts Payable and Accounts Receivable (£0.31M favourable variance)</u></p> <p>There is a favourable variance due to vacancies within the Customer Payments and Debt team due to difficulties in recruiting staff, plus budgets carried forward from 2018/19 which are no longer required.</p>
8.	<p><u>Centrally Apportionable Overheads (£0.11M adverse variance)</u></p> <p>There is an adverse variance due to a number of schools transferring to academy status. The City Council are unable to recharge these academies as they no longer use the SCC Schools Finance service.</p>
9.	<p><u>Finance &amp; Commercialisation (£0.10M adverse variance)</u></p> <p>There is an adverse variance due to credit card fees for Cash Office transactions of £0.05M due to the delay in closing the Cash Office, plus the Risk and Insurance saving target against the Insurance Premiums budget of £0.05M not being achieved.</p>
10.	<p><u>Local Taxation &amp; Benefits Service (£0.19M favourable variance)</u></p> <p>The Council Tax gain share fund is no longer required following the cessation of the Capita contract.</p>
	<p><b><u>Implementation of Savings Proposals</u></b></p>
11.	<p>All £4.16M of savings in the rebased 2019/20 budget have been achieved or are on track to be achieved before the end of this financial year. A further £2.02M of savings, included in the original budget agreed in February 2019, are now covered within the exercise of rebasing budgets. As stated to Cabinet on 15 October 2019 in the update to the Medium term Financial Strategy, the rebasing was itself cost neutral but places service and corporate budgets on a more accurate and reliable footing.</p>
	<p><b><u>Treasury Management</u></b></p>
12.	<p>Treasury Management borrowing and investment balances as at 30 September 2019 and forecasts for the year-end are set out in appendix 1. After taking into account maturing and new debt requirements in year and a reduction in investment balances, there is an estimated increase in net borrowing of £75.83M for 2019/20.</p>
13.	<p>The government announced an increase in the margin on PWLB loan rates from 0.8% to 1.8% on 9 October 2019. The Council will review its sources of borrowing in light of this increase.</p>
14.	<p>Appendix 1 includes an overview of current performance along with an update on the</p>

	financial outlook. The Council approved a number of indicators at its meeting in February 2019. The Council has operated within the agreed prudential indicators for the first half of the year and is forecast to do so for the remainder of the year. A review of prudential limits and treasury management for the first half of the year is on the agenda of the Governance Committee on 11 November 2019 and is available in the members' library.
15.	The Council will continue to monitor the financial markets closely in light of uncertainties over the UK's exit from the EU and the impact of a general election, and will keep its treasury management strategy under review.
	<b><u>Reserves &amp; Balances</u></b>
16.	The General Fund Balance is currently £10.07M with no planned drawdown during the year. The use of reserves is being monitored and their use is in line with the Financial Strategy.
17.	At the 31 March 2019, earmarked reserves totalled £85.81M, plus Schools Balances totalling £2.85M. The estimated forecast position as at the 31 March 2020 is £63.03M, with Schools Balances forecast to be nil.
	<b><u>Key Financial Risks</u></b>
18.	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 meeting. The register has been reviewed and is attached as appendix 2.
	<b><u>Schools</u></b>
19.	As at 30 September 2019 there were 14 schools reporting a deficit balance of £4.46M. This is the same number of schools and a reduction of £0.23M compared to the position reported at the end of the first quarter. These schools are working with Children's & Families to agree Deficit Recovery Plans (DRP). Additional resources have been made available from earmarked reserves to fund a school improvement officer and additional finance support. This team is working closely with these schools to develop deficit recovery plans and to monitor achievement against these during 2019/20.
20.	As previously reported there is a significant pressure within the High Needs Budget which overspent by £4M in 2018/19. That overspend was partially offset from a number of sources: £2M from General Fund Reserves as a one-off contribution, £0.53M additional High Need funding from central government in recognition of High Needs pressures nationally and the transfer of 0.5% Schools Block funding to the High Needs Block £0.7M. These contributions total to £3.23M leaving a net outturn overspend of £0.77M.  The forecast for 2019/20 is for the pressure to continue at £4M however additional funding to offset this is a further central government contribution of £0.53M. The Schools Forum elected not to transfer 0.5% to High Needs and the forecast is therefore for a £3.47M overspend in High Needs.  The Service is working towards creating additional capacity within the City for children with High Needs who would otherwise become placed in expensive out of city settings which would significantly reduce High Needs expenditure.
	<b><u>Financial Health Indicators</u></b>



21. 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 3 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.
22. At present all indicators are green with the exception of those for Creditor Payments. Payment Days for the second quarter are 21 days compared to a target of 20 and 90.0% of undisputed invoices have been paid within terms compared with a target of 98%. This is a deterioration in performance compared to the first quarter.

**Housing Revenue Account**

23. The overall forecast position for the year end on income and expenditure items indicates an underspend of £1.77M as summarised in Table 2 below. The most significant variance relates to a reduction in interest and principal payable following a review of the HRA capital programme (£0.97M favourable variance). Further details and an explanation of significant variances is provided in appendix 4.

	<b>Budget Qtr 2 £M</b>	<b>Forecast Qtr 2 £M</b>	<b>Variance Qtr 2 £M</b>
Expenditure	74.24	72.62	1.62 F
Income	(74.24)	(74.39)	0.15 F
<b>(Surplus) / Deficit for the year</b>	<b>0.00</b>	<b>(1.77)</b>	<b>1.77 F</b>

**Collection Fund**

24. Appendix 5 shows the forecast outturn position for the Collection Fund at quarter 2, with the position summarised in Table 3.

**Table 3 – Collection Fund Forecast 2019/20**

	<b>Council Tax £M</b>	<b>NDR £M</b>	<b>Total £M</b>
Distribution of previous years' estimated surplus	2.39	3.10	5.49
Other income and expenditure	(0.81)	2.12	1.31
<b>Deficit/(Surplus) for the year</b>	<b>1.58</b>	<b>5.22</b>	<b>6.80</b>
Deficit/(Surplus) brought forward from 2018/19	(1.48)	(5.36)	(6.84)
<b>Overall Deficit/(Surplus) Carried Forward</b>	<b>0.11</b>	<b>(0.15)</b>	<b>(0.04)</b>
<b>SCC Share of Deficit/(Surplus)</b>	<b>0.09</b>	<b>(0.40)</b>	<b>(0.31)</b>

NB Numbers are rounded

25. This is an improvement in the Non Domestic Rates (NDR) position compared to the first quarter, primarily due to new premises coming in to the rating list and bills being backdated.

26.	Any deficit or surplus on the Collection Fund will need to be taken into account at the time of setting the 2020/21 General Revenue Fund Budget.
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**RESOURCE IMPLICATIONS**

**Capital/Revenue**

27.	The revenue implications are contained in the report. There are no capital implications.
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**Property/Other**

28.	None.
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**LEGAL IMPLICATIONS**

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

29.	Financial reporting is consistent with the Section 151 Officer's duty to ensure good financial administration within the Council.
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**Other Legal Implications:**

30.	None.
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**RISK MANAGEMENT IMPLICATIONS**

31.	See comments within report.
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**POLICY FRAMEWORK IMPLICATIONS**

32.	None.
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**KEY DECISION?** No

<b>WARDS/COMMUNITIES AFFECTED:</b>	All
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**SUPPORTING DOCUMENTATION**

**Appendices**

1.	Treasury Management Qtr 2
2.	Key Financial Risk Register Qtr 2
3.	Health Indicators Qtr 2
4.	HRA Forecast Qtr 2
5.	Collection Fund Qtr 2

**Documents In Members' Rooms**

1.	None
2.	

**Equality Impact Assessment**

Do the implications/subject of the report require an Equality Impact	No
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Assessment (EIA) to be carried out?		
<b>Privacy Impact Assessment</b>		
Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out?		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.	General Fund Revenue Budget Report 2019/20 to 2022/23 (Approved by Council February 2019)	

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# Agenda Item 8

## Appendix 1

<b>Treasury Management</b>					
<b>Borrowing and Investments</b>					
1.	The table below shows the year's opening balance of borrowing and investments, current levels and those predicted for year-end.				
2.	<b>Borrowings and Investments</b>	<b>01.04.2019 Balance £M</b>	<b>30.09.2019 Balance £M</b>	<b>Average Yield/Rate %</b>	<b>31.03.2020 Estimated Balance £M</b>
	<b>External Borrowing</b>				
	Public Works Loan Board (PWLB)	197.34	281.61	2.62	247.87
	Market Loans	9.00	9.00	4.86	9.00
	<b>Total Long Term Borrowing</b>	<b>206.34</b>	<b>290.61</b>	<b>2.72</b>	<b>256.87</b>
	Temporary Borrowing	40.00	15.36	0.91	40.59
	<b>Total External Borrowing</b>	<b>246.34</b>	<b>305.97</b>	<b>2.66</b>	<b>297.46</b>
	<b>Borrowings and Investments</b>	<b>01.04.2019 Balance £M</b>	<b>30.09.2019 Balance £M</b>	<b>Average Yield/Rate %</b>	<b>31.03.2020 Estimated Balance £M</b>
	<b>Investments</b>				
	Cash (Instant access)	(26.06)	(73.44)	(0.70)	(11.89)
	Local Authority	(9.00)	(20.00)	(0.74)	(0.00)
	Cash (Notice Account)		(5.00)	(0.95)	
	Short Term Bonds	(1.60)	(3.02)	(1.09)	(0.00)
	Long Term Bonds	(6.03)	(3.01)	(5.30)	(3.01)
	Property Fund	(27.00)	(27.00)	(4.24)	(27.00)
	<b>Total Investments</b>	<b>(69.69)</b>	<b>(131.47)</b>	<b>(3.85)</b>	<b>(41.90)</b>
	<b>Net Borrowing</b>	<b>176.65</b>	<b>174.50</b>		<b>255.56</b>
3.	After taking into account maturing and new debt requirements in year and a reduction in investment balances, there is an estimated increase in net borrowing of £79.28M for 2019/20.				
4.	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.				
	<b>Borrowing</b>				
5.	The forecast cost of financing the council's loan debt is £14.6M of which £5.5M relates to the HRA however this will be subject to movement as the need for further borrowing during the year becomes more certain.				
6.	As a result of the current economic uncertainty, the benchmark gilt rates for PWLB loans have fallen to historic lows. In order to secure this advantageous rate, a £90M 15 year EIP (Equal Instalment Payment) loan was taken at 1.12% in early September. Rates have since risen following the government's announcement on 9th October that the margin on loans				

	has increased from 0.8% to 1.8% an increase of 100 base points or £10k for each £1M borrowed.
7.	Short term interest rates have remained low and are likely to do so for the remainder of the year and offer good value, which we will utilise to fund any further borrowing needs in the year, unless a further opportunity arises to secure a long term loan at advantageous rates. We currently have £15M in short term debt and this is expected to increase to £40M to replace maturing long term debt, expected reduction in reserves and to fund the forecast capital programme for the year.
	<u>Investment</u>
8.	As a result of taking the PWLB loan, balance are higher than usual at £131.5M but are expected to fall throughout the year to an estimated £42M by the end of the year as we have a number of debt maturities in the second half of the year and an ongoing capital programme.
	<u>External Managed investments</u>
9.	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 30th September 2019 the sell price of our total investments were valued at £27.19M a notional “gain” of £0.19M against the initial investments of £27M. This is a reduction from that previously reported and reflects the current economic climate. The estimated return for the year is £1.0M if yields remain around current levels.
	<u>Financial Review and Outlook for 2019/20</u>
10.	A summary of the external factors, which sets the background for Treasury, as provided by the council’s treasury advisors, Arlingclose Ltd, is provided below. The low for longer interest rate outlook theme that has been at the core of the recommended strategic advice for over a decade remains.
11.	The UK economy continues to face a challenging outlook as the government negotiates the country’s exit from the European Union. The Quarterly National Accounts for Q2 GDP confirmed the UK economy contracted by 0.2% following the 0.5% gain in Q1 which was distorted by stockpiling ahead of Brexit. Only the services sector registered an increase in growth, a very modest 0.1%, with both production and construction falling and the former registering its largest drop since Q4 2012. Business investment fell by 0.4% (revised from -0.5% in the first estimate) as Brexit uncertainties impacted on business planning and decision-making.
12.	UK Consumer Price Inflation (CPIH) fell to 1.7% year/year in August 2019 from 2.0% in July, weaker than the consensus forecast of 1.9% and below the Bank of England’s target. The most recent labour market data for the three months to July 2019 showed the unemployment rate edged back down to 3.8% while the employment rate remained at 76.1%, the joint highest since records began in 1971. Nominal annual wage growth measured by the 3-month average excluding bonuses was 3.8% and 4.0% including bonuses. Adjusting for inflation, real wages were up 1.9% excluding bonuses and 2.1% including.

13.	The Bank of England maintained Bank Rate at 0.75% and in its August Inflation Report noted the deterioration in global activity and sentiment and confirmed that monetary policy decisions related to Brexit could be in either direction depending on whether or not a deal is ultimately reached by 31st October.																																																																						
14.	<p>After rallying early in 2019, financial markets have been adopting a more risk-off approach in the following period as equities saw greater volatility and bonds rallied (prices up, yields down) in a flight to quality and anticipation of more monetary stimulus from central banks. The Dow Jones, FTSE 100 and FTSE 250 are broadly back at the same levels seen in March/April. Gilt yields remained volatile over the period on the back of ongoing economic and political uncertainty. From a yield of 0.63% at the end of June, the 5-year benchmark gilt yield fell to 0.32% by the end of September. There were falls in the 10-year and 20-year gilts over the same period, with the former dropping from 0.83% to 0.55% and the latter falling from 1.35% to 0.88%. 1-month, 3-month and 12-month LIBID (London Interbank Bid) rates averaged 0.65%, 0.75% and 1.00% respectively over the period.</p> <p>Politics, both home and abroad, continued to be a big driver of financial markets over the last quarter.</p>																																																																						
15.	Recent activity in the bond markets and PWLB interest rates highlight that weaker economic growth remains a global risk. The US yield curve remains inverted with 10-year Treasury yields lower than US 3-month bills. History has shown that a recession hasn't been far behind a yield curve inversion. Following the sale of 10-year Bunds at -0.24% in June, yields on German government securities continue to remain negative in the secondary market with 2 and 5-year securities currently both trading around -0.77%.																																																																						
16.	Our treasury advisor Arlingclose expects Bank Rate to remain at 0.75% for the foreseeable future but there remain substantial risks to this forecast, dependant on Brexit outcomes and the evolution of the global economy. Arlingclose also expects gilt yields to remain at low levels for the foreseeable future and judge the risks to be weighted to the downside and that volatility will continue to offer longer-term borrowing opportunities, however this may now be impacted by the PWLB increasing the margin for borrowing.																																																																						
	<table border="1"> <thead> <tr> <th></th> <th>Dec-19</th> <th>Mar-20</th> <th>Jun-20</th> <th>Sep-20</th> <th>Dec-20</th> <th>Mar-21</th> <th>Jun-21</th> <th>Sep-21</th> <th>Dec-21</th> <th>Mar-22</th> <th>Jun-22</th> <th>Sep-22</th> <th>Dec-22</th> </tr> </thead> <tbody> <tr> <td><b>Official Bank Rate</b></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Upside risk</td> <td>0.00</td> <td>0.00</td> <td>0.25</td> <td>0.25</td> <td>0.25</td> <td>0.25</td> <td>0.25</td> <td>0.25</td> <td>0.25</td> <td>0.25</td> <td>0.25</td> <td>0.25</td> <td>0.25</td> </tr> <tr> <td>Arlingclose Central Cas</td> <td>0.75</td> <td>0.75</td> <td>0.75</td> <td>0.75</td> <td>0.75</td> <td>0.75</td> <td>0.75</td> <td>0.75</td> <td>0.75</td> <td>0.75</td> <td>0.75</td> <td>0.75</td> <td>0.75</td> </tr> <tr> <td>Downside risk</td> <td>0.50</td> <td>0.75</td> <td>0.75</td> <td>0.75</td> <td>0.75</td> <td>0.75</td> <td>0.75</td> <td>0.75</td> <td>0.75</td> <td>0.75</td> <td>0.75</td> <td>0.75</td> <td>0.75</td> </tr> </tbody> </table>		Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	<b>Official Bank Rate</b>														Upside risk	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	Arlingclose Central Cas	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	Downside risk	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
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	<b><u>Credit background</u></b>																																																																						
17.	There were few credit rating changes during the quarter, none of which have impacted on our investment strategy.																																																																						
18.	<b><u>Investment Performance</u></b>																																																																						
19.	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 short term investments for cash flow purposes.																																																																						

20.	During the last quarter further bonds matured and our investments in bonds is now £6.02M and is expected to fall to £3.01M by the end of the year. We have maintained the property funds at £27M, with all other cash being placed in short term deposits as shown in paragraph 2.
21.	As detailed in paragraph 6 above a £90M loan was taken from PWLB at beginning of September leading to a temporary increase in our cash balances. As a result we had 59% (£78.44M) of our overall investment in unsecured funds which is higher than normal but is in line with other Unitary Authorities (63%) for this time of year. Our target is to reduce this to a £10M working balance to reduce borrowing and therefore net interest costs.
22.	<p>Investments managed internally are currently averaging a return of 0.85% which is slightly higher than the average of 0.83% whilst still maintaining the average credit rating of AA-. Total income return at 1.56% is also higher than the average for both unitary (1.19%) and LA's (1.22%) and our total investment return at 1.58% is again higher than both unitary (1.48%) and LA's (1.34%) across Arlingclose's client base.</p> <p>This is lower than previously reported due to the current high level of cash balances which are depressing the overall return but will be utilised throughout the year leaving us with the strategic investments and a minimal cash flow balance which have a forecast average return of 3.30%. The main investment is in property funds which is currently returning 4.36% (including capital gain), but as previously reported the value of the funds are more volatile and can go down as well as up but are deemed less risky than buying individual properties and do not constitute capital spend and it is the income return at 4.30% that is the driver to invest.</p>



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

IMPACT (Consequence)	
<b>1 - Extreme</b>	Loss or loss of income > £20m
<b>2 - Major</b>	Loss or loss of income £10m < £20m
<b>3 - Significant</b>	Loss or loss of income £5m < £10m
<b>4 - Moderate</b>	Loss or loss of income £500k < £5m
<b>5 - Minor</b>	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 2019 is based on a pay award of 2% over the medium term.</li> </ul>	Unlikely	Minor
FE2. <b>Interest rates</b> are underestimated.	Likely	Major	<ul style="list-style-type: none"> <li>PWLB rates increased 1% on 9 October 2019 with less than 1 hour notice. Funding was secured about 1 month prior to this for £90M for the capital programme at advantageous rates, in anticipation of subsequent step ups with interest rates. Prudent estimates are made around future rates when costing the financing of the capital programme.</li> <li>Market intelligence provided by Treasury Management advisors.</li> <li>Treasury Management Strategy is aligned with CIPFA Code and MHCLG 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>	Possible	Significant
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>Fees and charges have been reviewed as part of the business planning process. 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 exit from the European Union 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>• <i>The Valuations Office undertook 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.</i></li> <li>• <i>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.</i></li> <li>• <i>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.</i></li> </ul>	Unlikely	Minor
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- **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 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 provider 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 (starting October 2019 for draft budget/MTFS covering 2020/21 and onwards).</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 diversified and not confined to the Southampton area.</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	Significant	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 reviewed compared with past expectations as factored into budget plans. This has been undertaken in conjunction with the Growth service team and Business rate collection team, including pipeline developments and their assumed operation dates. This will be monitored on a frequent basis as part of the standard monitoring.</li> <li>Reserves can be used to offset the impact of shortfalls in estimated business rates, giving time to adapt the budget and service planning.</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 and/or reduce or remove the <b>Adult Social Care Levy</b>	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 2019/20 at 2.99% and future years at 1.99% (excluding any the Adult Social Care Levy - if applicable).</li> <li>The Adult Social Care Levy was only introduced as part of the Autumn 2015 Spending Review and allowed local authorities with social care responsibilities to increase Council Tax by a further 6% over the 3 years 2017/18 - 2019/20 (3% was applied in 17-18 &amp; 18-19 and 0% in 19-20). No further assumptions have been made beyond 2019-20 for any increase in this income over and above the 6%.</li> <li>Government currently consulting on a new 2% social care levy for 2020/21. Draft budget currently assumes only a 2% overall rise in council tax for 2020/21.</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 reserves, 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.	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>• <i>The adequacy of the provision is informed by the output from periodical (at least triennial) external actuarial reviews of the funds.</i></li> <li>• <i>The level of funding required is reviewed as part of annual budget setting process and the position, in respect of potential liabilities is reviewed on a monthly basis.</i></li> </ul>	Unlikely	Moderate
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- Adequacy of proposed financial reserves

Key Financial Risk		INHERENT RISK		Comments/Mitigating Actions	RESIDUAL RISK	
		Impact	Likelihood		Impact	Likelihood
FR7.	<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
FR8.	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>• The main implications of the Care Act have been deferred beyond 2019-20.</li> </ul>	Unlikely	Moderate
FR9.	<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
FR10.	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	<i>The impact of Welfare Reform on all service areas will be difficult to monitor or to mitigate against.</i>	Possible	Moderate
FR11.	<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 2019/20. CPI is currently running at 1.7%.</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.</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
FR12.	Exiting the European Union - 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 exiting the European Union, the strength of the pound, inflation and interest rates.</li> </ul>	Likely	Moderate
FR13.	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 Projects and Change Team 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

FR14.	New accounting rules for financial investments may result in adverse valuation movements being charged to the General Fund in the year that they occur.	Possible	Moderate	<ul style="list-style-type: none"> <li>• <i>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.</i></li> <li>• <i>The Government has put in place legislation to mitigate the impact on the General Fund for the five years 2018/19 to 2022/23.</i></li> </ul>	Possible	Moderate
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## FINANCIAL HEALTH INDICATORS – QTR 2

### Prudential Indicators Relating to Treasury

	<u>Maximum</u>	<u>Forecast</u>	<u>Status</u>
Maximum Level of External Debt £M	£925M	£325M	Green
As % of Authorised Limit	100%	35.14%	Green
	<u>Maximum</u>	<u>Highest YTD</u>	<u>Status</u>
Authorised Limit for external debt £M	£925M	£377M	Green
Operational Limit for external debt £M	£875M	£377M	Green
Maximum external borrowing year to date		£311M	Green
Limit of fixed interest debt %	100%	85.6%	Green
Limit of variable interest debt %	50%	14.4%	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	3.00%	1.12%	Green
Average % Rate Existing Long Term Borrowing	3.50%	3.37%	Green
Average Short Term Investment Rate - Cash	0.40%	0.70%	Green
Average Short Term Investment Rate - Bonds	0.50%	1.09%	Green
Average Long Term Investment Rate - Bonds	2.00%	5.30%	Green
Average Return on Property Fund	4.00%	4.24%	Green

### Minimum Level of General Fund Balances

		<u>Status</u>
Minimum General Fund Balance	£10.1M	
Forecast Year End General Fund balance	£10.1M	Green

### Income Collection

	<u>2019/20 Target</u>	<u>Qtr2 YTD</u>	<u>Status</u>
Outstanding Debt:			
More Than 12 Months Old (Agresso only)	<20%	14.85%	Green
Debt written off	<5%	0.09%	Green

### Creditor Payments

	<u>2019/20 Target</u>	<u>Qtr2 YTD</u>	<u>Status</u>
Payment Days	20	21	Amber
Undisputed invoices paid within terms	98.0%	90.0%	Amber

**Tax Collection rate**

	<b><u>2018/19 Actual Rate</u></b>	<b><u>Target Collection Rate</u></b>	<b><u>QTR 2 Collection Rate</u></b>		<b><u>Status</u></b>
			<b><u>Last Year</u></b>	<b><u>This Year</u></b>	
Council Tax	94.9%	94.9%	54.0%	54.1%	Green
National Non Domestic Rates	99.2%	98.7%	60.7%	59.8%	Green

### Housing Revenue Account Forecast Quarter 2 2019/20

	Budget £M	Forecast £M	Variance £M
<b>Expenditure</b>			
Responsive repairs	11.33	11.13	0.20 F
Housing investment	5.19	4.99	0.20 F
Rents payable	0.10	0.10	0.00
Debt management	0.09	0.13	0.05 A
Supervision & management	23.08	22.79	0.29 F
Interest & principal repayments	6.56	5.59	0.97 F
Depreciation	19.97	19.97	0.00
Direct revenue financing of capital	7.94	7.94	0.00
<b>Total expenditure</b>	<b>74.24</b>	<b>72.62</b>	<b>1.62 F</b>
<b>Income</b>			
Dwelling rents	70.16	70.16	0.00
Other rents	1.16	1.16	0.00
Service charge income	2.28	2.23	0.05 A
Leaseholder service charges	0.64	0.84	0.20 F
Interest received	0.01	0.01	0.00
<b>Total income</b>	<b>74.24</b>	<b>74.39</b>	<b>0.15 F</b>
<b>(Surplus) / Deficit for the year</b>	<b>0.00</b>	<b>(1.77)</b>	<b>1.77 F</b>

#### Responsive Repairs (£0.20M favourable variance)

Due to the expansion of fire safety remedial works in the capital programme, the Housing Operations team have diverted time into this to deliver the works required. This has led to a £0.2M favourable variance as staffing costs have been recharged into this capital scheme.

#### Cyclical Maintenance (Housing Investment) (£0.20M favourable variance)

Delays in recruitment to the Capital Assets Team have resulted in a reduction in the cyclical maintenance carried out. None of the statutory landlord responsibilities have been affected by this reduction.

#### Supervision & Management (£0.30M favourable variance)

There has been a reduction in the forecast recharge from the Capital Assets Team of £0.3M, based on a review of the work undertaken for the Housing Revenue Account due to vacancies within the team.

There has also been high staff turnover in the Neighbourhood wardens teams, and the resulting vacant posts due to the recruitment process has resulted in a forecast favourable variance of £0.17M.

Low staff turnover in Supported Housing will result in the vacancy management factor not being met (£0.03M adverse), and a review of recharges to the General Fund for Occupational Therapists, and the work patterns to support it, will lead to an under-recovery of £0.07M.

The remaining balance relates to a number of small variances within this area.

#### Interest & Principal Repayments (£0.97M favourable variance)

As a result of a review of the HRA capital programme (and subsequent reduction in forecast expenditure) the amount of borrowing required for capital financing has decreased, leading to a reduction in the interest and principal payable.

#### Leaseholder Service Charges (£0.20M favourable variance)

Further work has been carried out to increase applicable charges for works allowable under section 20 of the Commonhold and Leasehold Reform Act 2002.

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### COLLECTION FUND REVENUE ACCOUNT FOR YEAR ENDED 31ST MARCH 2020

	Current Budget 2019/20 £M	Forecast 2019/20 £M	Variance Adverse / (Favourable) 2019/20 £M
<b>Council Tax</b>			
<u>Income</u>			
<b>Total Council Tax Income</b>	(117.98)	(117.92)	0.06
<u>Expenditure</u>			
<b>Total Council Tax Expenditure (incl. precepts)</b>	120.36	119.50	(0.86)
<b>Council Tax Deficit/(Surplus) for the Year</b>	2.39	1.58	(0.80)
Council Tax Deficit/(Surplus) Brought Forward	(2.39)	(1.48)	0.91
<b>Council Tax Deficit/(Surplus) Carried Forward</b>	0.00	0.11	0.11
<b>Business Rates</b>			
<u>Income</u>			
<b>Total Business Rates Income</b>	(115.35)	(109.19)	6.16
<u>Expenditure</u>			
<b>Total Business Rates Expenditure</b>	118.45	114.41	(4.04)
<b>Business Rates Deficit/(Surplus) for the Year</b>	3.10	5.22	2.12
Business Rates Deficit/(Surplus) Brought Forward	(3.10)	(5.36)	(2.27)
<b>Business Rates Deficit/(Surplus) Carried Forward</b>	0.00	(0.15)	(0.15)
<b>Total Collection Fund (Surplus)/Deficit</b>	0.00	(0.04)	(0.04)
<b>Council Tax (Surplus)/Deficit</b>			
Contribution (to)/ from SCC		0.09	
Contribution (to)/ from HPA		0.01	
Contribution (to)/ from F&RS		0.00	
Council Tax Collection Fund Balance c/f		0.11	
<b>NDR (Surplus)/Deficit</b>			
Contribution (to)/ from SCC		(0.40)	
Contribution (to)/ from DCLG		0.25	
Contribution (to)/ from HF&R		(0.00)	
NDR Collection Fund Balance c/f		(0.15)	
<b>Total SCC (Surplus)/Deficit</b>		(0.31)	

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# Agenda Item 9

<b>DECISION-MAKER:</b>	CABINET		
	CAPITAL FINANCIAL MONITORING FOR THE PERIOD TO THE END OF SEPTEMBER 2019.		
<b>DATE OF DECISION:</b>	19 NOVEMBER 2019		
<b>REPORT OF:</b>	CABINET MEMBER FOR RESOURCES		
<b><u>CONTACT DETAILS</u></b>			
<b>AUTHOR:</b>	<b>Name:</b>	Maddy Modha	Tel: 023 8083 3574
	<b>E-mail:</b>	<a href="mailto:Madeleine.modha@southampton.gov.uk">Madeleine.modha@southampton.gov.uk</a>	
<b>S151 Officer</b>	<b>Name:</b>	John Harrison	Tel: 023 8083 4897
	<b>E-mail:</b>	<a href="mailto:john.harrison@southampton.gov.uk">john.harrison@southampton.gov.uk</a>	

<b>STATEMENT OF CONFIDENTIALITY</b>	
N/A	
<b>BRIEF SUMMARY</b>	
<p>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 2019/20 to 2023/24, highlighting the changes in the programme since the last reported position in August 2019. The report also notes the major forecast variances against the approved estimates.</p>	
<b>RECOMMENDATIONS:</b>	
<b>It is recommended that Cabinet:</b>	
(i)	Notes the revised General Fund Capital Programme, which totals £190.14M as detailed in paragraph 5, tables 2 and 6, and the associated use of resources in table 7.
(ii)	Notes the revised HRA Capital Programme, which totals £178.26M as detailed in paragraph 5, tables 2 and 6 and the associated use of resources in table 7.
(iii)	Notes that the overall forecast position for 2019/20 at quarter 2 is £120.82M, resulting in a potential underspend of £0.12M, as detailed in table 4, and Appendix 2.
(iv)	Notes that the capital programme remains fully funded up to 2023/24 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 that £47.43M has been added to the programme with approval to spend, with relevant approvals. These additions are detailed Appendix 1.

	(vi)	Approves the addition and cumulative spend of £0.65M in 2020/21 and £0.32M in 2021/22, to the Healthier & Safer City programme. As detailed in Appendix 1 and Appendix 4 paragraphs 1 and 4.
	(vii)	Approves the addition and cumulative spend of £0.28M in 2020/21, to the Homes & Culture programme. As detailed in Appendix 1 and Appendix 4 paragraph 4.
	(viii)	Approves the addition and cumulative spend of £0.23M in 2019/20 and £0.30M in 2020/21, to the Leader programme. As detailed in Appendix 1 and Appendix 4 paragraphs 3-4.
	(ix)	Approves the addition and cumulative spend of £0.21M in 2019/20 to the Place & Transport programme. As detailed in Appendix 1 and Appendix 4 paragraph 4.
	(x)	Approves the addition and cumulative spend of £0.52M in 2019/20, to the Resources programme. As detailed in Appendix 1 and Appendix 4 paragraph 2.
	(xi)	Approves slippage and rephasing as detailed in paragraph 7 and Appendix 3. Noting that the movement has zero net movement over the 5 year programme.
<b>REASONS FOR REPORT RECOMMENDATIONS</b>		
1.	The capital programme is reviewed on a quarterly basis in accordance with the Council's Capital Strategy. The forecast position and any major issues are highlighted to management and Capital Board as part of the monitoring process, with any required programme update reported to Cabinet for approval. This is required to enable schemes in the programme to proceed and to approve additions and changes to the programme.	
<b>ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</b>		
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.	
<b>DETAIL (Including consultation carried out)</b>		
<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 as part of quarter 1 monitoring in August 2019. 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.	
<b>THE 5 YEAR CAPITAL PROGRAMME</b>		
4.	Table 1 shows a comparison of the latest capital expenditure for the period 2019/20 to 2023/24 compared to the previously reported programme, and shows an increase of £49.72M.	



	<b>Table 1 – Programme Comparison</b>						
		<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>Total</b>
		<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>
	Latest Programme	120.94	106.59	56.81	83.77	0.28	368.40
	Previous Programme	123.47	87.17	50.09	57.90	0.05	318.68
	<b>Variance</b>	<b>(2.53)</b>	<b>19.43</b>	<b>6.72</b>	<b>25.87</b>	<b>0.23</b>	<b>49.72</b>
	Note: figures in this and other tables in this report are rounded.						
	<b>CHANGES TO THE OVERALL PROGRAMME</b>						
5.	Table 2 shows the changes to the individual portfolio programmes. The updated programme for the General Fund is £190.14M, whilst for the HRA it is £178.26M. Details of changes made since quarter 1, totalling £49.72M can be found in appendix 1.						
	<b>Table 2 – Changes to Portfolio Programmes</b>						
			<b>Latest Programme</b>	<b>Previous Programme</b>	<b>Total Change</b>		
			<b>£M</b>	<b>£M</b>	<b>£M</b>		
	Adult Care		1.14	1.14	0.00		
	Aspiration, Children & Lifelong Learning		89.66	89.20	0.46		
	Healthier and Safer City		10.85	9.88	0.97		
	Homes and Culture		2.52	2.23	0.28		
	Leader		29.72	2.19	27.53		
	Place and Transport		49.63	48.76	0.87		
	Resources		6.63	5.32	1.31		
	<b>Total GF Capital Programme</b>		<b>190.14</b>	<b>158.72</b>	<b>31.42</b>		
	<b>Total HRA Capital Programme</b>		<b>178.26</b>	<b>159.96</b>	<b>18.30</b>		
	<b>Total Capital Programme</b>		<b>368.40</b>	<b>318.68</b>	<b>49.72</b>		
6.	There is £2.28M of new additions which require approval as part of this report. Detail is given in appendix 4.						
	<b>SLIPPAGE/REPHASING</b>						
7.	Following the quarterly review to ensure that all projects are accurately profiled and budgets are suitably aligned to anticipated works and spend, there is £6.28M of agreed work in 2019/20 being put back to 2020/21. Table 3 below summarises resulting slippage and rephasing by individual capital programmes. There is zero net effect to the budgets over the 5 year capital programme.						
	<b>Table 3</b>		<b>Movement</b>	<b>App. 3</b>			
	<b>Portfolio</b>		<b>£M</b>	<b>Ref</b>			
	Healthier & Safer City		1.51	1			
	Leader		0.62	2-4			
	Place & Transport		3.72	5-18			
	Resources	Page 33	0.43	19			
	<b>Total GF Capital Programme</b>		<b>6.28</b>				

<b>2019/20 MONITORING POSITION</b>				
8.	The forecast performance of individual capital programmes in 2019/20 is summarised in table 4 below.			
<u>Table 4 – Summary of the General Fund &amp; HRA Capital Forecast 2019/20</u>				
	<b>Approved Programme £M</b>	<b>Forecast £M</b>	<b>Forecast Variance £M</b>	<b>Forecast Variance %</b>
Adult Care	0.54	0.19	(0.35)	(65.2%)
Aspiration, Children and Lifelong Learning	26.07	26.30	0.24	0.9%
Healthier and Safer City	3.58	2.65	(0.93)	(26.1%)
Homes and Culture	0.84	0.84	0.00	0.0%
Leader	0.57	0.57	0.00	0.0%
Place and Transport	35.79	35.78	(0.02)	(0.1%)
Resources	6.21	6.21	0.00	(0.0%)
<b>Total GF Capital Programme</b>	<b>73.59</b>	<b>72.53</b>	<b>(1.06)</b>	<b>(1.5%)</b>
<b>Total HRA Capital Programme</b>	<b>47.35</b>	<b>48.30</b>	<b>0.94</b>	<b>2.0%</b>
<b>Total Capital Programme</b>	<b>120.94</b>	<b>120.82</b>	<b>(0.12)</b>	<b>(0.1%)</b>
<b><u>Financed by</u></b>				
*CR - GF Borrowing	(15.63)	(15.28)	(0.35)	(2.2%)
*CR - HRA Borrowing	(13.40)	(13.12)	(0.28)	(2.1%)
Capital Receipts	(12.63)	(12.63)	0.00	0.0%
Direct Revenue Financing	(14.25)	(13.31)	(0.94)	(6.6%)
Capital Grants	(37.65)	(37.88)	0.24	0.6%
Contributions	(7.42)	(6.47)	(0.95)	(12.8%)
HRA – MRA	(19.97)	(22.13)	2.16	10.8%
<b>Total Funding</b>	<b>(120.94)</b>	<b>(120.82)</b>	<b>(0.12)</b>	<b>(0.1%)</b>
*CR – Council Resources				
9.	The programme is currently forecast to be underspent by £0.12M. The reasons for the major forecast variances are detailed in Appendix 2.			
<b>CAPITAL RESOURCES</b>				
10.	The resources which can be used to fund the capital programme are as follows: <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> <li>• Revenue Financing</li> <li>• Council Resources - Borrowing</li> </ul>			

11.	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.																																																																													
12.	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 2019/20 these grants have been passported to these areas.																																																																													
13.	Table 5 shows the current level of available resources.																																																																													
	<p><u>Table 5 – Available Capital Funding</u></p> <table border="1"> <thead> <tr> <th>Resource</th> <th>Balance Fwd £M</th> <th>Received to Date 2019/20 £M</th> <th>Allocated To Current Programme £M</th> <th>Available Funding £M</th> <th>Anticipated Receipts 2019/20 £M</th> </tr> </thead> <tbody> <tr> <td>Capital Receipts</td> <td>(7.57)</td> <td>(0.22)</td> <td>10.23</td> <td>2.44</td> <td>(3.83)</td> </tr> <tr> <td>CIL</td> <td>(12.59)</td> <td>(2.97)</td> <td>3.92</td> <td>(11.64)</td> <td>(1.00)</td> </tr> <tr> <td>S106</td> <td>(8.87)</td> <td>(0.29)</td> <td>7.43</td> <td>(1.73)</td> <td>(1.08)</td> </tr> <tr> <td></td> <td><b>(29.03)</b></td> <td><b>(3.48)</b></td> <td><b>21.58</b></td> <td><b>(10.93)</b></td> <td><b>(5.91)</b></td> </tr> </tbody> </table>	Resource	Balance Fwd £M	Received to Date 2019/20 £M	Allocated To Current Programme £M	Available Funding £M	Anticipated Receipts 2019/20 £M	Capital Receipts	(7.57)	(0.22)	10.23	2.44	(3.83)	CIL	(12.59)	(2.97)	3.92	(11.64)	(1.00)	S106	(8.87)	(0.29)	7.43	(1.73)	(1.08)		<b>(29.03)</b>	<b>(3.48)</b>	<b>21.58</b>	<b>(10.93)</b>	<b>(5.91)</b>																																															
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14.	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.																																																																													
15.	It should be noted that there has been no variation to the expected capital receipts since the last reported position.																																																																													
	<b>OVERALL CAPITAL PROGRAMME</b>																																																																													
16.	Table 6 and 7 show capital expenditure by portfolio and the use of resources to finance the programme up to and including 2023/24, including amendments that are being requested as part of this report.																																																																													
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<u>Table 7 – Use of Resources</u>						
	2019/20	2020/21	2021/22	2022/23	2023/24	Total
	£M	£M	£M	£M	£M	£M
*CR - GF Borrowing	(15.63)	(20.30)	(11.71)	(41.14)	0.00	(88.78)
*CR - HRA Borrowing	(13.40)	(11.34)	(9.03)	(7.92)	(0.23)	(41.93)
Capital Receipts	(12.63)	(10.42)	(4.64)	(4.74)	0.00	(32.43)
Direct Revenue Financing	(14.25)	(7.43)	(7.84)	(8.18)	(0.05)	(37.74)
Capital Grants	(37.65)	(32.22)	(2.50)	(0.27)	0.00	(72.63)
Contributions	(7.42)	(4.35)	(0.05)	0.00	0.00	(11.82)
HRA – MRA	(19.97)	(20.54)	(21.04)	(21.53)	0.00	(83.07)
<b>Total Financing</b>	<b>(120.94)</b>	<b>(106.59)</b>	<b>(56.81)</b>	<b>(83.77)</b>	<b>(0.28)</b>	<b>(368.40)</b>
*CR – Council Resources						
17.	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).					
<b>RESOURCE IMPLICATIONS</b>						
<b><u>Capital/Revenue</u></b>						
18.	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>						
19.	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>						
20.	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>						
21.	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>						
22.	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 Programme Changes Since Quarter 1 Position.	
2.	GF & HRA Forecast Variances as at September 2019.	
3.	GF & HRA Slippage & Rephasing as at September 2019.	
4.	GF & HRA Proposed Changes for Approval	
<b>Documents In Members' Rooms</b>		
1.		
<b>Equality Impact Assessment</b>		
Do the implications/subject of the report require an Equality and Sa 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)

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**VARIATIONS SINCE LAST REPORTED POSITION**

Portfolio	Scheme	£M	*Council/Cabinet **Delegated Approval	Funding Source	Appendix 4 Ref.
<b><u>Additions to the Programme</u></b>					
Aspiration, Children and Lifelong Learning	Great Oaks (Additional Capacity & Improvement V	0.16	**	Government Grant	
	Mount Pleasant Junior School: Safe Guarding	0.27	**	Government Grant	
	Bitterne Park Cricket and Long Jump Pitch	0.03	**	Government Grant	
	Fairisle Junior School	0.20	**	Government Grant	
Healthier & Safer City	Warm Homes	0.77		Contributions	1
	Section 106 Funded Works	0.20		Contributions (S106)	4
Homes & Culture	Section 106 Funded Works	0.28		Contributions (S106)	4
Leader	Former Toys R Us Site Development	27.00	*	Council Resources	
	Town Depot	0.23		Council Resources	3
	Section 106 Funded Works	0.30		Contributions (S106)	4
Place & Transport	Itchen Bridge contactless project	0.20	**	Council Resources	
	Hoglands Park	0.10	**	Other Grants/Contributions	
	Horticultural Equipment	0.08	**	Council Resources	
	Fleet Software upgrades	0.07	**	Council Resources	
	East Park Tennis Courts	0.03	**	Contributions (S106)	
	Mattress Shredder	0.02	**	Council Resources	
	Weston Greenway	0.03	**	Council Resources/Contributions (S106)	
	M27/M3 Travel Demand Management	0.36	*	Government Grant	
Section 106 Funded Works	0.21		Contributions (S106)	4	
Resources	Client Case Management Project	0.79	*	Council Resources	
	Business World	0.52		Council Resources	2
	<b>TOTAL GF</b>	<b>31.85</b>			
HRA	Oaklands Site	18.30	*	Council Resources	
	<b>TOTAL HRA</b>	<b>18.30</b>			
	<b>TOTAL ADDITIONS</b>	<b>50.15</b>			
<b><u>Reductions from the Programme</u></b>					
Aspiration, Children and Lifelong Learning	Chamberlayne Secondary	(0.20)	**	Government Grant	
Place & Transport	Town Depot	(0.23)		Council Resources	4
	<b>TOTAL GF REDUCTIONS</b>	<b>(0.43)</b>			
<b>Total Variations to the Overall Programme</b>		<b>49.72</b>			
		£M			
	* - Approved By Council/Cabinet	46.45			
	** - Approved under Delegated Powers	0.99			
	- Require Approval (details in Appendix 4)	2.28			
<b>Total Variations to the Overall Programme</b>		<b>49.719</b>			

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### GF & HRA Major Forecast Variances as at September 2019.

1.	<p><u>Telecare Equipment (£0.35M forecast underspend)</u></p> <p>Project expected to underspend in line with underspend reported in 2018/19 due to an average 60% successful conversion rate of Adult Social Care referrals for service users to have connected care technology installed.</p> <p>In addition there has been recycling of existing connected care equipment for new service users which has also contributed to the reduced spend on the project.</p> <p>Referrals were expected to increase through more telecare awareness drop in sessions with Adult Social Care teams but the implementation of connected care equipment is not suitable for all referred service users which has resulted in reduced forecast of spend on this project.</p> <p>Following discussions with the service there has been a further reduction in projected spend for 2019/20.</p>
2.	<p><u>Springwell Main Expansion (£0.28M forecast overspend)</u></p> <p>The Architect instructions failed to locate drainage and utilities. Additional surveys were required at phase 2 to locate these and then re-design work of the foundations/utility runs &amp; connections. This delayed the scheme causing extension of time claims and associated cost for prolongation. It is anticipated that this can be managed within the portfolio.</p>
3.	<p><u>Support for Estate Regeneration (£0.93M forecast underspend)</u></p> <p>The portfolio budget included £0.93M to fund 5 houses for Townhill Park regeneration, funded from s106 contributions. This was completed, funded and accounted for during 2018/19 under project H6570, within the Housing portfolio, and therefore the budget is no longer required.</p>
4.	<p><u>Water Quality Remedial Works (£0.25M Underspend)</u></p> <p>There is a need to replace water tanks across the city and as a result a number of tanks have been ordered. However, due to lack of resources internally, works have been carried out by an external contractor who have advised the current timescales in which to complete works are to be beyond the current financial year. Works are being undertaken to identify additional properties that require tank replacements, and it is seen the future budget provisions are sufficient to carry out the works.</p>
5.	<p><u>Energy Company Obligations: City Energy Scheme (£0.13M Underspend)</u></p> <p>A dispute is ongoing with the contractor for rectifying defects. It is unknown at this stage the length of time needed to conclude legal proceedings as they are still ongoing. However, the project manager has indicated it will be unlikely the dispute will be resolved this financial year. As a result a saving has been identified and budget provisions will be put into place for future years once further information has been provided.</p>
6.	<p><u>Lift Refurbishment - Shirley Towers (£0.15M Underspend)</u></p>

	<p>As the budget allocated was based on historical spend, it was used to estimate the value of the contract. As the contract has been awarded to an external contractor, it has now been identified that the estimate used was above what was needed to undertake the works, and as a result, savings have been identified.</p>
7.	<p><u>Roofing Lot 1 West- Flat Roofs (£0.30M Underspend)</u></p> <p>Due to lack of resources within Capital Assets the project has been unable to progress as first anticipated. A quantity surveyor was required to complete pricing documents and preliminaries as otherwise the contract could not go out for tender. However, one has since been appointed and the documents are currently with SCC legal department finalising the contract. As works have been delayed, it was agreed to use this year's savings to fund for existing budget pressures in the fire safety programme, and make allowances for future budgets during the HRA Business Planning stage.</p>
8.	<p><u>Estate Regeneration (Potters Court) (£1.13M Underspend)</u></p> <p>It has been identified that the contractors have been delayed in progressing with works as there have been difficulties with obtaining scaffolding, and as a result the project is behind schedule by a number of weeks. This has however allowed a review of the budget for this scheme, which has enabled the project to be phased more accurately throughout the programme. As a result of this review, savings have been identified and has not been redistributed in subsequent years spend within the next five years as existing budget commitments are already present for delivery.</p>
9.	<p><u>Renew Warden Alarm (£0.85M Underspend)</u></p> <p>The work required to upgrade the central control room software has been specified and orders have been placed, however work will not commence until April 2020 as there has been lack of availability of parts. It is therefore the intention to identify savings in the current year whilst a review is being undertaken to phase the project over a number of years. The remaining works are currently being specified and works will commence towards the end of 2019/20.</p>
10.	<p><u>Roofing Lot 2 East- Pitched Roofs (£0.46M Underspend)</u></p> <p>Due to lack of internal resources the project has been unable to progress as first anticipated. A quantity surveyor was required to complete pricing documents and preliminaries as otherwise the contract could not go out for tender. This resource was not initially available, however, one has since been appointed and the documents are currently with SCC legal department finalising the contract. As works have been delayed, it was agreed to use this year's savings to fund for existing budget pressures in the fire safety programme, and make allowances for future budgets during the HRA Business Planning stage.</p>
11.	<p><u>Energy Company Obligations - Lydgate - External Wall Insulation (£0.17M Overspend)</u></p>

	<p>It has been identified that a contingency sum has not been created within the budget allocation. In the execution of any construction contract unforeseeable events can give rise to additional costs, where the works are to existing structures such occurrences are common, and as a result, savings are being identified elsewhere in the programme to allow for a contingency allocation.</p>
12.	<p><u>Housing Refurbishment Programme (£0.19M Overspend)</u></p> <p>The project manager has identified that an additional £0.19M is required for the kitchen and bathroom void replacements in a number of properties. Without undertaking the works, the properties will not be let out to residents and result in a loss of income for the council. Savings are being identified elsewhere within the programme to allow for additional spend.</p>
13.	<p><u>Hants Fire &amp; Rescue Service - Fire Safety / Sprinkler Project (£3.76M Overspend)</u></p> <p>Additional works have been identified within communal areas and flats, including additional asbestos removal and fire stopping to flats. This is to ensure the safety of residents, to protect the property and meet the acceptable safety requirements.</p>

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### Slippage & Rephasing as at September 2019.

1.	<p><u>Disabled Facilities Grants (DFG) (Slippage of £1.51M from 2019/20 to 2020/21)</u></p> <p>The budgets for 2019/20 and beyond were increased in line with the current grant award during Quarter 1. The DFG policy was recently reviewed to allow greater use of discretionary spend, and this has resulted in an increased level of expenditure in 2019/20. However, the projected level of expenditure on this demand led service will not match the combined grant award and slippage from prior year that makes up this year's budget, and therefore slippage to 2020/21 has been requested. A project has commenced to look at other initiatives in which the DFG grant can be utilised.</p>
2.	<p><u>Town Depot (Slippage of £0.18M from 2019/20 to 2020/21)</u></p> <p>A proportion of the budget has been slippage to match the phased development of the scheme.</p>
3.	<p><u>West Quay Phase 3 Watermark West Quay (Slippage of £0.08M from 2019/20 to 2020/21)</u></p> <p>Discussions with the proposed developer have been brought to an end and therefore the budget needs to slip to next financial year in line with the new anticipated expenditure profile.</p>
4.	<p><u>Royal Pier (Slippage of £0.36M from 2019/20 to 2020/21)</u></p> <p>The conditional landowner development agreement with RPW (Southampton) Ltd has now been terminated which means only a small proportion of the budget will be required in year to continue development work on the project. The Council is working with neighbouring waterfront landowners, Associated British Ports and The Crown Estate, as well as the occupiers, to explore the potential for deliverable development plans that meet the strategic needs of the city and local residents.</p>
5.	<p><u>Hoglands Park (Slippage of £0.10M from 2019/20 to 2020/21)</u></p> <p>This project has had to be retendered as a result of an issue with the original procurement process. In addition, the replacement polymeric surface is reliant on warmer temperatures for successful installation, making it unlikely that works will be carried out until April 2020 at the earliest.</p>
6.	<p><u>St James Park (Slippage of £0.01M from 2019/20 to 2020/21)</u></p> <p>The remaining budget for St James Park is to be spent on fitness equipment. Consultation on requirements has not yet been completed. The timescales for completing consultation and subsequent procurement means that this project will not be completed in 2019/20.</p>
7.	<p><u>Daisy Dip Park (Slippage of £0.01M from 2019/20 to 2020/21)</u></p> <p>Consultation ongoing with the Friends group. The timescales for completing consultation and subsequent procurement means that this project will not be completed in 2019/20.</p>
8.	<p><u>Portswood Entrance (Slippage of £0.01M from 2019/20 to 2020/21)</u></p>

	Planning for the second phase of this project is now underway. The timescale for planning and subsequent consultation means that further works are not expected until early 2020/21.
9.	<u>Riverside Park (Slippage of £0.01M from 2019/20 to 2020/21)</u> Consultation ongoing with the Friends group. The timescales for completing consultation and subsequent procurement means that this project will not be completed in 2019/20.
10.	<u>Mayfield Park (Slippage of £0.03M from 2019/20 to 2020/21)</u> Design work for the next stage of this project is now underway. The timescale for planning and subsequent consultation means that further works are not expected until early 2020/21.
11.	<u>Bridge Maintenance (Slippage of £0.10M from 2019/20 to 2020/21)</u> There is £0.09M of slippage on subway refurbishments which require warmer weather for the works to take place due to the materials used. These works will now be undertaken in spring/summer 2020. £0.01M of slippage is required as a result of inspections due on the Millbrook and Redbridge Flyovers. These inspections cannot be conducted until Highways England have completed their works on the M271 in which will not be completed until 20/21.
12.	<u>Highways Improvements (Slippage of £0.13M from 2019/20 to 2020/21)</u> £0.13M of section 106 funded works on Charlotte Place will form part of the wider Transforming Cities Fund project and therefore works are now not scheduled to commence until 2020/21
13.	<u>Cycling Improvements (Slippage of £1.11M from 2019/20 to 2020/21)</u> Construction on Portswood Corridor (£0.27M), the Orbital Cycle Route (£0.07M) and other minor project totalling £0.08M have been moved to 2020/21 due to network management restraints associated with adopting a coordinated approach to works in the city to minimise disruption. Other projects on the East West Spine (£0.16M), Shirley (£0.03M), Ring Road (£0.32M), Portsmouth Road (£0.02M) and Queensway (£0.16M) are now to be delivered as part of wider Transforming Cities Funds projects.
14.	<u>Improved Safety (Slippage of £0.14M from 2019/20 to 2020/21)</u> Works on Bellevue Road and London Road (£0.03M), Woodmill Lane and Dell Road (£0.05M) and a number of other minor project totalling £0.06M were originally scheduled to be undertaken in March 2020. Based on current work programmes and scheduling with contractors it is likely projection completion works will continue into May and therefore a proportion of the budget has been slipped into the new financial year.
15.	<u>Accessibility (Slippage of £0.50M from 2019/20 to 2020/21)</u>

	<p>Works on Woodmill Bridge (£0.20M) and other projects funded as part of the Local Transport Improvement Fund (£0.30M) were originally scheduled to be undertaken in March 2020. Based on current work programmes and scheduling with contractors it is likely projection completion works will continue into May and therefore a proportion of the budget has been slipped into the new financial year.</p>
16.	<p><u>Congestion Reduction (Slippage of £1.37M from 2019/20 to 2020/21)</u></p> <p>There is slippage on the Intelligent Transport System project of £1.00M as works need to be co-ordinated with third party contractors that results in the project completing at the start of the new financial year. Adjoining works to the Redbridge Village Traffic Management scheme are being undertaken by Highways England. These are now due to finish in May 2020 means that the council's scheme of £0.02M needs to be delayed to 2020/21. There is slippage of £0.30M on the Electric Vehicle Action Plan as the delivery of charging points has been delayed. For charging points on residential streets this is due to ongoing discussions about incorporating powering the points into the street lighting PFI. Charging points in the surface car parks are being incorporated into a wider project to deliver an enhanced electric vehicle infrastructure in the city. There is also slippage on the Urban Freight Strategy of £0.05M as a result of contractual delays in setting up a funding agreement for the proposed scheme.</p>
17.	<p><u>City Centre Improvements (Slippage of £0.05M from 2019/20 to 2020/21)</u></p> <p>There has been slippage on the development of the Northam Rail Bridge project. This is a long-term project and the council is currently investigating funding opportunities. Due to this expenditure in 2019/20 is likely to be low and therefore the budget has been slipped to be utilised in future years are the scheme develops.</p>
18.	<p><u>Flood Risk Management (Slippage of £0.12M from 2019/20 to 2020/21)</u></p> <p>There has been slippage on the Western Shore Coastal Erosion project caused by ground investigation works being held up by a third party. This has changed the expenditure profile of the project but it should still be deliverable within the original timeframe. There is however a potential future change in case law around the habitants regulations which could impact on the scheme. This will continued to be monitored by the team as the situation develops.</p>
19.	<p><u>Client Case Management Project (Slippage of £0.43M from 2019/20 to 2020/21)</u></p> <p>The CCM Project will now run until November 2020. Slippage not previously shown as impact of deferred implementation of Business World was being reviewed. CCM is reliant upon Business World being functional and this is now in place. Therefore £0.43M of costs will now fall into 2020/21.</p>

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<b>GENERAL FUND AND HRA CAPITAL - PROPOSED PROGRAMME CHANGES FOR APPROVAL</b>											
	<b>HEALTHIER &amp; SAFER CITY</b>										
1.	<p><u>Warm Homes – Fuel Poverty initiatives (Addition of £0.45M in 2020/21 and £0.32M in 2021/22)</u></p> <p>The budgets for Fuel Poverty initiatives have been reviewed and updated to reflect anticipated spending profiles over the next two years. Approval is sought for the addition of £0.45M in 2020/21, £0.32M in 2021/22 to the Healthier &amp; Safer City programme and approval to spend this sum in these years. The works are fully funded through use of PUSH contributions, s106 contributions, and external funding contributed from the Warm Homes Fund.</p>										
	<b>RESOURCES</b>										
2.	<p><u>Business World Project (Addition of £0.52M in 2019/20)</u></p> <p>Additional spend on IT consultancy which was not known when the original project was agreed. The main costs were £0.28M Capita TIG &amp; development days, £0.20M due to the project go live delay from 1st April to 1st October and £0.04M for the move from on premise hosting to Cloud based. Approval is sought for the addition of £0.52M in 2019/20 to the resources programme and approval to spend this sum in 2019/20; funded by council resources.</p>										
	<b>VARIOUS</b>										
3.	<p><u>Town Depot (Virement of £0.23M in 2019/20)</u></p> <p>The capital scheme associated with the redevelopment of the old Town Depot site has moved from the Place and Transport Portfolio back to the Leader Portfolio where it is currently being managed.</p>										
4.	<p><u>Section 106 Funded Works – (Addition of £0.21M in 2019/20 and £0.78M in 2020/21)</u></p> <p>Approval is sought for the addition of £0.21M in 2019/20 and £0.78M in 2020/21 to the capital programme, across the portfolios listed below and approval to spend this sum in these years; funded by S106 developer contributions. The allocation of site specific S106 enables schemes to be undertaken in line with planning applications and meet the specific obligations set out in the S106 approvals.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="text-align: left; padding: 2px;">Portfolio</th> <th style="text-align: left; padding: 2px;">£M</th> </tr> </thead> <tbody> <tr> <td style="padding: 2px;">Healthier and Safer City</td> <td style="padding: 2px;">0.20</td> </tr> <tr> <td style="padding: 2px;">Homes and Culture</td> <td style="padding: 2px;">0.28</td> </tr> <tr> <td style="padding: 2px;">Leader</td> <td style="padding: 2px;">0.30</td> </tr> <tr> <td style="padding: 2px;">Place and Transport</td> <td style="padding: 2px;">0.21</td> </tr> </tbody> </table>	Portfolio	£M	Healthier and Safer City	0.20	Homes and Culture	0.28	Leader	0.30	Place and Transport	0.21
Portfolio	£M										
Healthier and Safer City	0.20										
Homes and Culture	0.28										
Leader	0.30										
Place and Transport	0.21										

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<b>DECISION-MAKER:</b>	<b>CABINET COUNCIL</b>		
<b>SUBJECT:</b>	<b>BLOCK CONTRACT FOR CHILDREN'S RESIDENTIAL SERVICES FOR LOOKED AFTER CHILDREN</b>		
<b>DATE OF DECISION:</b>	19 NOVEMBER 2019 20 NOVEMBER 2019		
<b>REPORT OF:</b>	<b>CABINET MEMBER FOR ASPIRATION, CHILDREN AND LIFELONG LEARNING</b>		
<b><u>CONTACT DETAILS</u></b>			
<b>AUTHOR:</b>	<b>Name:</b>	Donna Chapman	Tel: 023 8083 4970
	<b>E-mail:</b>	<a href="mailto:Donna.chapman2@southampton.gov.uk">Donna.chapman2@southampton.gov.uk</a>	
<b>Director</b>	<b>Name:</b>	Stephanie Ramsey	Tel: 023 8029 6075
	<b>E-mail:</b>	<a href="mailto:Stephanie.ramsey1@nhs.net">Stephanie.ramsey1@nhs.net</a>	
<b>STATEMENT OF CONFIDENTIALITY</b>			
NOT APPLICABLE			
<b><u>BRIEF SUMMARY</u></b>			
<p>Over the last year Southampton City Council has regularly had in excess of 30 children and young people in its care whose needs require residential care. Owing to the scarcity of appropriate, local placements, the majority of these children are in residential placement a long distance from the city.</p> <p>The proposal is to enter into block contracts with one or several providers on the existing Children's Residential Care Framework for 3 – 6 beds in the Southampton and/or surrounding area, having run a mini competition, in order to achieve more competitive rates and better access to beds locally. Under a block contract, a provider is guaranteed a fixed payment for a number of beds whether they are used or not. Generally this is at a lower price than would be paid if the beds were purchased on a spot purchase basis. The block contract/s would be to meet a full range of needs, including challenging behaviour, of Southampton looked after children. Key aims are:</p> <ul style="list-style-type: none"> <li>○ To keep children local, thereby increasing their chances of maintaining links with their local community, family and friends where this is in the child's best interest;</li> <li>○ To maximise potential in the longer term for repatriation with a child's own family or step down to foster care by enabling local social care and health services to continue working with the child whilst in residential care;</li> <li>○ To prevent the need for an out of city school placement as a result of lack of care provision to meet a child's needs within the city;</li> <li>○ To reduce spend on out of city placements (education and care) and achieve reduced rates by putting in place a block contract arrangement</li> </ul>			
<b>RECOMMENDATIONS:</b>			

Cabinet		
	(i)	To delegate authority to the Director of Integration and Quality, following consultation with the Leader of the Council, Cabinet Member for Aspiration, Schools & Lifelong Learning and Director of Children's Services, to enter into, following a mini competition, one or two Block Contracts for 3-6 beds with providers on the existing Children's Residential Care Framework.
Council		
	(i)	To authorise the spend by the Council necessary to enter into one or two Block Contracts for 3-6 beds with providers on the existing Children's Residential Care Framework, following a mini competition, up to a total value of £5,963,880.
<b><u>REASONS FOR REPORT RECOMMENDATIONS</u></b>		
1.		The recommendation will enable the Council to enter into block contract arrangements for Children's Residential Care Services to increase local choice and placement stability whilst improving the unit cost of commissioned residential placements.
2.		Commissioning this service via a call-off from an existing Looked After Children's Residential Care Framework will, if successful, generate better value through a competitive bidding process. Wider system savings will also be generated by placing children within or close to the City, for example through reducing the time and travel costs associated with Social Workers supporting children over long distances, giving children the opportunity of staying in local schools, being closer to family and friends for contact and being able to access local health and therapeutic services that already know them and understand their needs.
<b><u>ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</u></b>		
3.		Use of SCC property to establish a local residential provision owned and operated by the Council is also being considered, but would not be available in the short term as a solution to the Council's current level of need for such provision, mainly because suitable accommodation would first have to be found and the provision would need to be mobilised from scratch. There are moves to investigate the feasibility of establishing such provision in-house, but for the medium to longer term. Even if this becomes a viable option, it is unlikely that such provision would grow to meet all of the residential care needs of Southampton children in care.
4.		Continuing only to call off residential placements from the existing residential framework on a one by one basis was considered, but the recommended option provides greater scope for achieving better outcomes and better value as part of a more stable commissioning arrangement and partnership with a residential care provider than is possible when calling off residential placements on a spot purchase basis.
<b><u>DETAIL</u></b>		
5.		As part of its strategy to improve outcomes for looked after children, Southampton City Council (SCC) is proposing to enter into, following a mini competition, one or two block contracts from Lot 1 of the existing Children's Residential Care Framework, either alone or in partnership with other Local

	Authorities from the Consortium of Authorities who use the Children's Residential Care Framework.
6.	<p>The proposed block contract arrangement/s would deliver the following provision:</p> <ul style="list-style-type: none"> <li>• 3-6 beds either in Southampton or in the surrounding South Central area;</li> <li>• For planned and same day placements;</li> <li>• <u>LOT1</u> - The provision of residential care and accommodation is required to meet the full range of needs, including challenging behaviour, of looked after children and young people, this includes 16+, this could include young people who are: <ul style="list-style-type: none"> <li>○ particularly vulnerable because of mental health needs which fall just below the threshold for mental health services or secure welfare</li> <li>○ at risk of child sexual exploitation, trafficking and/or radicalisation and criminalisation</li> <li>○ diagnosed with learning difficulty such as mild Autism Spectrum Disorder (ASD)</li> <li>○ displaying oppositional and aggressive behaviours to others</li> </ul> </li> <li>• Referrals will be identified from a cohort of children who consist of: <ul style="list-style-type: none"> <li>• new admissions into local authority care</li> <li>• Step-up from foster care</li> <li>• Return from out of area residential care</li> </ul> </li> <li>• To access and work in partnership with local educational, health and specialist services for vulnerable children. SCC expect children to access local mainstream or special school provision and local Council or CCG provided mental health and therapeutic services wherever possible. The provider is expected to work in close partnership with local providers of these services to improve outcomes and facilitate engagement for the child in local services.</li> </ul>
7.	<p>The contract/s will be a fixed price agreed up front for all beds. The homes will need to be sited within the city or surrounding South Central area. This will help the council as a corporate parent to achieve a number of its aspirations and aims in relation to their care.</p>
8.	<p>The aims are:</p> <ul style="list-style-type: none"> <li>○ To keep children local, thereby increasing their chances of maintaining links with their local community, family and friends where this is in the child's best interest;</li> <li>○ To maximise potential in the longer term for repatriation with a child's own family or step down to foster care by enabling local social care and health services to continue working with the child whilst in residential care;</li> <li>○ To prevent the need for an out of city school placement as a result of lack of access to care provision to meet a child's needs within the city;</li> <li>○ To reduce spend on out of city placements (education and care), and the associated inefficiency and additional complications of delivering high quality social worker support to children a long way from Southampton;</li> </ul>

	<ul style="list-style-type: none"> <li>○ To improve the stability of placements for children in our care through having a higher proportion of the children in care living in residential care protected by better contractual protection against summary placement breakdown.</li> <li>○ To achieve best value through the reduced rates achieved by putting in place a block contract arrangement.</li> </ul>
9.	As at October 2019, Southampton has 38 children in out of city residential placements, many of whom are a considerable distance from the city. It is important that the residential care provider develops a close working relationship with Southampton's social care teams, local community mental health and other therapy, health and education services.
10.	This proposal will complement other proposals that the Council is considering with regard to better meeting the needs of Southampton Looked After Children, which will be subject to approval in due course. This includes the expansion of the Council's in house fostering service and development of a Specialist Tier 4 Fostering Service which will increase access to foster placements within the city, including for those children with more complex needs requiring an enhanced level of support. Collectively all these proposals are aiming to reduce the number of children requiring residential care in the long term and the number of children who are placed long distances from the city, at the same time as improving value for money. Achieving a greater share of such placements closer to the City will also improve wider social care quality by reducing the inefficiency of children's social workers having to travel long distances to see children placed a long way from Southampton.

### **Consultation with providers of CYP residential services**

11.	<p><b>Market Engagement</b></p> <p>Meetings were held with 3 providers on 9<sup>th</sup> and 10<sup>th</sup> May 2019 who had previously expressed interest in providing Block Contracts to SCC. The aim of the meetings was to ascertain the appetite from the market for block contracts and also to seek the market's views on the shape and content of the block contract. A key conclusion from the discussions was that a "virtual" block contract across all of a provider's properties would be preferable to a specific unit, mainly because it would enable more opportunity to match specific children to the home that best suits their needs and those of other children in the home and therefore reduce the risk of voids.</p>
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### **Proposed Timescale**

12.	The aim would be to award the contract/s in Quarter 4 2019/20 or Quarter 1 2020/21 with a view to having the provision in place during 2020/21.
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### **RESOURCE IMPLICATIONS**

#### **Revenue**

13.	<p>In addition to the complexity of achieving good residential care which is closer to home for children and young people in the Council's care, there is also a compelling value for money business case for negotiating such provision where possible through block contracting arrangements:</p> <ul style="list-style-type: none"> <li>• The current average annual cost of Southampton's existing residential care placements is £249,158 per annum per placement.</li> </ul>
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	<ul style="list-style-type: none"> <li>The annual average cost of a placement across Lot 1 of the Children's Residential Framework is £198,796 per annum.</li> <li>The intention would be to achieve a reduction of approximately 10% even on the average price for Children's Residential Framework placements through block contracting several placements. This would mean that providers are guaranteed a fixed payment for a number of placements whether they are used or not. Given the high number of residential placements currently in use for Southampton children in care (38) it is unlikely that there would be significant periods when such placements would be vacant.</li> <li>Based on these assumptions around prices and with the intention of (where appropriate) relocating children from their existing out area placements to the new block commissioned provision, the Council would achieve a saving of £151k per annum should 3 placements be block contracted or £302,000 per annum should 6 placements be block contracted when all .</li> <li>For the lifetime of the contract (5 years), this would equate to a saving of £755,000 (3 placements) or £1,510,000 (6 placements) respectively.</li> </ul>
14.	The maximum total lifetime value of the block contract would be £2,981,940 (over 5 years) for 3 placements and £5,963,880 (over 5 years) for 6 placements.

#### **Property/Other**

15.	There are no property implications for SCC as the Framework Provider would provide the accommodation.
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#### **LEGAL IMPLICATIONS**

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

16.	<p>The Council's duties in relation to Looked After children are set out in Part 3 of the Children Act 1989 and the Care Planning, Placement and case Review Regulations 2010 and associated secondary legislation and guidance.</p> <p>Sections 22A to 22D of the Children's Act 1989 deal specifically with the Council's duties to secure accommodation for a Looked After child and provide the framework for decisions as to the type and nature of accommodation appropriate for a child's specific circumstances. The Council has a duty under s.22(C)(5) where a placement with the child's parents is not possible to secure 'the most appropriate placement available' to promote and safeguard the child's welfare. Section 22(C)(7) to (9) requires (among other conditions) that 'in so far as is reasonably practicable' any placement must allow the child to live near his / her home and be within the local authority area. Alternative placements should only be considered where these conditions cannot be achieved or are otherwise determined not to be in the best interests of the child for safeguarding reasons.</p>
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#### **Other Legal Implications**

17.	The procurement of a block contract will be subject to compliance with UK Procurement legislation and the Council's Contract Procedure Rules, together with the requirements of the Equalities Act 2010, the Human Rights Act 1998 and the UN Convention on the Rights of A Child (UNCRC)
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#### **CONFLICT OF INTEREST IMPLICATIONS**

18.	None.
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<b>RISK MANAGEMENT IMPLICATIONS</b>	
19.	<p>The main risks associated with this proposal relate to:</p> <ul style="list-style-type: none"> <li>• Price – the proposed procurement may not achieve prices that are lower than the current costs of existing placements. Given the average prices for Lot 1 of the existing Children’s Residential Framework, this is considered unlikely. The Council will also explore options for entering into block contract arrangements in partnership with other Local Authorities who are part of the existing Children’s Residential Framework consortium as a means of achieving a better price through greater economies of scale. The Council will also reserve the right, following a mini competition, not to award a block contract.</li> <li>• Voids – the Council may not be able to fill all the beds in the block contract/s. In order to mitigate this, the Council will ensure that arrangements are in place to “sell” any unused beds within the block contract/s to other Local Authorities in the Framework Consortium. The Council will also explore options for entering into block contract arrangements in partnership with other Local Authorities who are part of the existing Children’s Residential Framework consortium as a means of both achieving a better price through greater economies of scale and mitigating the risk of voids.</li> <li>• Failed tender – there is a risk that no providers will bid for the block contract and therefore the tender will have failed to secure a preferred bidder. This risk is being mitigated through market engagement as well as the consideration of partnership arrangements with other Local Authorities to make the offer to the market more attractive. Ultimately, should the tender fail to secure a preferred bidder, there is still the option to re-tender at a later date.</li> </ul>
<b>POLICY FRAMEWORK IMPLICATIONS</b>	
20.	<p>The recommendations in this paper support the delivery of outcomes in the Council Strategy. The proposals particularly support the following priority outcomes in the Council Strategy by enabling children to remain within the city supported by the services that are familiar to them:</p> <ul style="list-style-type: none"> <li>• Children and young people in Southampton get a good start in life.</li> </ul>
<b>KEY DECISION?</b>	<b>Yes</b>
<b>WARDS/COMMUNITIES AFFECTED:</b>	The proposals could affect children, young people and parents/carers from any ward, and specifically relate to improving outcomes for those local children and young people living in the Council’s care as a corporate parent.
<b><u>SUPPORTING DOCUMENTATION</u></b>	
<b>Appendices</b>	
1.	Equality Impact Assessment
2.	Privacy Impact Assessment



**Documents In Members' Rooms**

1.	None	
<b>Equality Impact Assessment</b>		
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) 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>		
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	

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### Equality and Safety Impact Assessment

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

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

<b>Name or Brief Description of Proposal</b>	Block Contract for Children’s Residential Services for Looked after Children
<b>Brief Service Profile (including number of customers)</b>	<u>The proposals set out in this report relate to how the Council secures appropriate residential provision that meets the needs of children and young people in the care of Southampton City Council.</u>
<b>Summary of Impact and Issues</b>	<u>This impact assessment identifies a range of potential impacts, sensitivities and issues that are present in relation to the population of children and young people in the care of Southampton City Council who require placements in residential children’s homes. Most of the impacts identified relate to a particularly vulnerable group of children and young people, but the overall impact of the proposal is to achieve a net improvement in provision that will better meet their needs than current</u>

	<u>arrangements for securing provision that meets their needs.</u>
<b>Potential Positive Impacts</b>	<p><u>The overall positive impacts of this proposal include arrangements for securing residential provision that:</u></p> <ul style="list-style-type: none"> <li>• <u>Achieves better placement stability for Southampton children and young people in care.</u></li> <li>• <u>Ensures that more Southampton children and young people in care access residential placements that are nearer to home, and that keeps them closer to their friends and family networks.</u></li> <li>• <u>Makes it more likely that Southampton children and young people in residential care placements are able to maintain their existing health and education provision.</u></li> </ul>
<b>Responsible Service Manager</b>	<u>Tim Davis</u> <u>Senior Commissioner, Integrated Commissioning Unit</u>
<b>Date</b>	<u>25 October 2019</u>

<b>Approved by Senior Manager</b>	<u>Donna Chapman</u>
<b>Signature</b>	
<b>Date</b>	

### Potential Impact

<b>Impact Assessment</b>	<b>Details of Impact</b>	<b>Possible Solutions &amp; Mitigating Actions</b>
<b>Age</b>	<p>This intervention will apply only to children and young people in the care of Southampton City Council, mainly in the 7-18 age range. Through entering into block commissioning arrangements with specific providers the Council will be better placed to secure access to provision that meets the care and development needs of these children safely, with better provision for placement stability</p>	<p>No mitigation necessary. The intervention is intended to be an improvement on current situation whereby arrangements for securing residential placements for Southampton children and young people in care are dependent upon less secure access to market provision than is proposed</p>

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
	and more locally than is currently the case.	through these arrangements.
<b>Disability</b>	Children and young people in care are more likely than their peers to have Special Educational Needs and/or disabilities. Through entering into block commissioning arrangements with specific providers the Council will be better placed to secure access to provision that meets the care and development needs of these children safely, with better provision for placement stability and more locally than is currently the case.	No mitigation necessary. The intervention is intended to be an improvement on current situation whereby arrangements for securing residential placements for Southampton children and young people in care are dependent upon less secure access to market provision than is proposed through these arrangements.
<b>Gender Reassignment</b>	No impact anticipated.	No mitigation necessary.
<b>Marriage and Civil Partnership</b>	No impact anticipated.	No mitigation necessary.
<b>Pregnancy and Maternity</b>	No impact anticipated.	No mitigation necessary.
<b>Race</b>	No impact anticipated.	No mitigation necessary.
<b>Religion or Belief</b>	No impact anticipated.	No mitigation necessary.
<b>Sex / Gender identity</b>	No impact anticipated.	No mitigation necessary.
<b>Sexual Orientation</b>	No impact anticipated.	No mitigation necessary.
<b>Community Safety</b>	Children and young people in care, and in residential care are more likely than their peers to be involved in the criminal justice system. They are also more likely to be targeted for criminal or sexual exploitation. Through entering into block commissioning arrangements with specific providers the Council will be better	No mitigation necessary. The intervention is intended to be an improvement on current situation whereby arrangements for securing residential placements for Southampton children and young people in care are dependent upon less secure access to market

<b>Impact Assessment</b>	<b>Details of Impact</b>	<b>Possible Solutions &amp; Mitigating Actions</b>
	<p>placed to secure access to provision that meets the care and development needs of these children safely, with better provision for placement stability and more locally than is currently the case.</p>	<p>provision than is proposed through these arrangements.</p>
<b>Poverty</b>	<p>Children and young people in care are more likely than their peers to have come into care from an area of deprivation and a household of poverty. Through entering into block commissioning arrangements with specific providers the Council will be better placed to secure access to provision that meets the care and development needs of these children safely, with better provision for placement stability and more locally than is currently the case.</p>	<p>No mitigation necessary. The intervention is intended to be an improvement on current situation whereby arrangements for securing residential placements for Southampton children and young people in care are dependent upon less secure access to market provision than is proposed through these arrangements.</p>
<b>Other Significant Impacts</b>	<p>Children and young people in care are more likely than their peers to have suffered from, and / or be suffering from mental health problems, poor emotional wellbeing or historic trauma, domestic and/or sexual abuse that affects their relationships with others. Through entering into block commissioning arrangements with specific providers the Council will be better placed to secure access to provision that meets the care and development needs of these children safely, with better provision for placement stability and more locally than is currently the case.</p>	<p>No mitigation necessary. The intervention is intended to be an improvement on current situation whereby arrangements for securing residential placements for Southampton children and young people in care are dependent upon less secure access to market provision than is proposed through these arrangements.</p>



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## Appendix 2: Data Protection Impact Assessment

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What is a Data Protection Impact Assessment?

**A Data Protection Impact Assessment (“DPIA”) is a process that assists organisations in identifying and minimising the privacy risks of new projects or policies. Projects of all sizes could impact on personal data.**

**The DPIA will help to ensure that potential problems are identified at an early stage, when addressing them will often be simpler and less costly.**

**Conducting a DPIA should benefit the Council by producing better policies and systems, and improving the relationship with individuals.**

---

Why should I carry out a DPIA?

**Carrying out an effective DPIA should benefit the people affected by a project and also the organisation carrying out the project.**

**Not only is it a legal requirement in some cases, it is often the most effective way to demonstrate to the Information Commissioner’s Officer how personal data processing complies with data protection legislation.**

**A project which has been subject to a DPIA should be less privacy intrusive and therefore less likely to affect individuals in a negative way.**

**A DPIA should improve transparency and make it easier for individuals to understand how and why their information is being used.**

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When should I carry out a DPIA?

**The core principles of DPIA can be applied to any project that involves the use of personal data, or to any other activity that could have an impact on the privacy of individuals.**

**Answering the screening questions in Step 1 of this document should help you identify the need for a DPIA at an early stage of your project, which can then be built into your project management or other business process.**

Who should carry out a DPIA?

**Responsibility for conducting a DPIA should be placed at senior manager level. A DPIA has strategic significance and direct responsibility for the DPIA must, therefore, be assumed by a senior manager.**

**The senior manager should ensure effective management of the privacy impacts arising from the project, and avoid expensive re-work and retro-fitting of features by discovering issues early.**

**A senior manager can delegate responsibilities for conducting a DPIA to three alternatives:**

- a) An appointment within the overall project team;
- b) Someone who is outside the project; or
- c) An external consultant.

**Each of these alternatives has its own advantages and disadvantages, and careful consideration should be given on each project as to who would be best-placed for carrying out the DPIA.**

---

How do I carry out a DPIA?

**Working through each section of this document will guide you through the DPIA process.**

**The requirement for a DPIA will be identified by answering the questions in Step 1. If a requirement has been identified, you should complete all the remaining sections in order.**

**After Step 5, the Information Lawyer (Data Protection Officer) will review the DPIA within 14 days of receipt, and complete the rest of the assessment within 28 days. The DPO will identify any privacy risks, and proposed measures to address them.**

**These measures must then be agreed by the project lead, Information Asset Owner or Administrator, and, in some cases, the Senior Information Risk Owner.**

**Advice can be found at the beginning of each section, but if further information or assistance is required, please contact the Information Lawyer (Data Protection Officer) on 023 8083 2676 or at [dataprotection@southampton.gov.uk](mailto:dataprotection@southampton.gov.uk).**

Version	<b>3.3</b>	Approved by	<b>Data Protection Officer</b>
Date last amended	<b>18<sup>th</sup> October 2019</b>	Approval date	<b>18<sup>th</sup> October 2019</b>
Lead officer	<b>Chris Thornton, Information Lawyer (Data Protection Officer)</b>	Review date	<b>16<sup>th</sup> September 2020</b>
Contact	<a href="mailto:dataprotection@southampton.gov.uk">dataprotection@southampton.gov.uk</a>	Effective date	<b>18<sup>th</sup> October 2019</b>

## Project Details

<b>Name of Project</b>
<b>Block Contract for Children’s Residential Services for Looked after Children</b>
<b>Brief Summary of Project</b>
<p>Over the last year Southampton City Council has regularly had in excess of 30 children and young people in its care whose needs require residential care. Owing to the scarcity of appropriate, local placements, the majority of these children are in residential placement a long distance from the city. The proposal is to run a tender for a block contract with one or several providers on the Children’s Residential Care Framework for 3 – 6 beds in the Southampton area in order to achieve more competitive rates and better access to beds locally. Under a block contract, a provider is guaranteed a fixed payment for a number of beds whether they are used or not. Generally this is at a lower price than would be paid if the beds were purchased on a spot purchase basis. The block contract/s would be for a period of 3 years (with optional 2 year extension) to meet a full range of needs, including challenging behaviour, of Southampton looked after children. Key aims are:</p> <ul style="list-style-type: none"> <li>○ To keep children local, thereby increasing their chances of maintaining links with their local community, family and friends where this is in the child’s best interest;</li> <li>○ To maximise potential in the longer term for repatriation with a child’s own family or step down to foster care by enabling local social care and health services to continue working with the child whilst in residential care;</li> <li>○ To prevent the need for an out of city school placement as a result of lack of care provision to meet a child’s needs within the city</li> <li>○ To reduce spend on out of city placements (education and care) and achieve reduced rates by putting in place a block contract arrangement</li> </ul>
<b>Estimated Completion Date</b>
<b>30/10/2019</b>
<b>Name of Project Lead</b>
<b>Donna Chapman</b>

## Details of Person Conducting DPIA

<b>Name</b>
<b>Russell Turner</b>
<b>Position</b>
<b>Service Development Officer</b>
<b>Contact Email Address</b>
<b>Russell.turner@southampton.gov.uk</b>

## Step 1: Identify the need for a DPIA

Does your project involve... (tick all that apply)
<input type="checkbox"/> The collection of new information about individuals
<input type="checkbox"/> Compelling individuals to provide information about themselves
<input checked="" type="checkbox"/> The disclosure of information about individuals to organisations or people who have not previously had routine access to the information
<input type="checkbox"/> The use of existing information about individuals for a purpose it is not currently used for, or in a way it is not currently used
<input type="checkbox"/> Contacting individuals in ways which they may find intrusive
<input type="checkbox"/> Making changes to the way personal information is obtained, recorded, transmitted, deleted, or held
<input type="checkbox"/> The use of profiling, automated decision-making, or special category data <sup>1</sup> to make significant decisions about people (e.g. their access to a service, opportunity, or benefit).
<input type="checkbox"/> The processing of special category data <sup>1</sup> or criminal offence data on a large scale.
<input type="checkbox"/> Systematically monitoring a publicly accessible place on a large scale.
<input type="checkbox"/> The use of new technologies.
<input type="checkbox"/> Carrying out profiling on a large scale.
<input type="checkbox"/> Processing biometric or genetic data.
<input type="checkbox"/> Combining, comparing, or matching data from multiple sources.
<input type="checkbox"/> Processing personal data without providing a privacy notice directly to the individual.

<sup>1</sup> personal data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership, and the processing of genetic data, biometric data for the purpose of uniquely identifying a natural person, data concerning health or data concerning a natural person's sex life or sexual orientation

- Processing personal data in a way which involves tracking individuals' online or offline location or behaviour.
- Processing children's personal data for profiling or automated decision-making or for marketing purposes, or offer online services directly to them.
- Processing personal data which could result in a risk of physical harm in the event of a security breach.

If you answered “yes” to any of these, please proceed to Step 2.

If **none** of these apply, please tick the below box, and return the form to the Information Lawyer (Data Protection Officer) at [dataprotection@southampton.gov.uk](mailto:dataprotection@southampton.gov.uk)

**None of the screening statements in Step 1 of this document apply to the project, and I have determined that it is not necessary to conduct a Data Protection Impact Assessment**

## Step 2: Describe the processing

The nature of the processing
How will you collect data?
Data is collected by Children and Families for Children Looked After children (CLA) cases.
How will you use the data?
Data is used in capacity of Corporate Parent and referrals to providers.
How will you store the data?
Data is stored on Paris and/or any successor client case management system
How will you delete the data?
Data is deleted as per Southampton City Council (SCC) retention schedules.
What is the source of the data?
Children in the Care of Southampton City Council (Children Looked After Children (CLA))
Will you be sharing data with anyone?
<b>INFO: If yes, please provide details</b>
Yes, with organisations providing accommodation and care services for LAC on behalf of SCC
If so, how will the data be transferred?
Data transferred by secure email.
If the data is being shared, with this be governed by an agreement (e.g. contract, data sharing agreement, data processing agreement)?
Contract

Describe the scope of the processing
What is the nature of the data?
<b>INFO: Detail the type of personal data being processed. List any fields that will be processed (e.g. name, address, data of birth, NHS number, video images)</b>
Personal data including: name, address, date of birth, NHS number, video images, education

Does it include special category or criminal offence data? Please provide details.

**INFO: "Special category" data includes personal data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership, and the processing of genetic data, biometric data for the purpose of uniquely identifying a natural person, data concerning health or data concerning a natural person's sex life or sexual orientation.**

Yes: ethnic origin, possibly Special Educational Needs or Disability (SEND), faith

How much data will you be collecting and using?

Data relevant to Children Looked After and required by Children and Families

How often will the data be collected and used?

Daily

How long will you keep it?

75 years from date of birth as per EA9 entry in the Council's retention schedule

How many individuals are affected?

3-6 at any given time, but over the life of the contract, approximately up to 40-50

What geographical area does it cover?

UK

Describe the context of the processing

What is the nature of your relationship with the individuals?

**INFO: Detail who the data subjects will be (e.g. residents, carers, pupils, staff, professionals)**

Children in the Care of Southampton City Council (Children Looked After Children (CLA))

How much control will they have over their data?

Individuals will be able exercise rights available to them under the GDPR. SCC is the Corporate Parent.

Would they reasonably expect the Council to use their data in this way?

**INFO: Please provide details to support your answer**

Yes



Do they include children or other vulnerable groups?
<b>INFO: If yes, please provide details</b>
Yes: Children in the Care of Southampton City Council (Children Looked After (CLA))
Are you aware of any prior concerns over this type of processing or security flaws?
<b>INFO: If yes, please provide details</b>
No
Is the processing novel in any way?
<b>INFO: If yes, please provide details</b>
No
What is the current state of technology in this area?
Paris database and secure email
Are there any current issues of public concern that should be considered?
<b>INFO: If yes, please provide details</b>
No

Describe the purposes of the processing
What do you want to achieve?
Data collected about Children Looked After by Southampton City Council in role as corporate parent in sent to providers (accommodation and care support) as part of referral process.
What is the intended effect on individuals?
Provide care and support as corporate parent.
What are the benefits of the processing – for the Council, and more broadly?
<b>INFO: Please confirm which of the Council’s key outcomes this will support, and how</b>
Outcome:
<input type="checkbox"/> Southampton has strong and sustainable economic growth
<input checked="" type="checkbox"/> Children and young people get a good start in life
<input checked="" type="checkbox"/> People in Southampton live safe, healthy, independent lives

Southampton is an attractive modern city, where people are proud to live and work

How:

Children in the care of the Council are provided with accommodation and care in a safe environment that meets their needs as children and gives them their best chance of a healthy, safe and independent life once they become adults.

### Step 3: Consultation process

Consider how to consult with relevant stakeholders

Describe when and how you will seek individuals' views – or justify why it's not appropriate to do so

Children and Families provide relevant advice and guidance to children in the Council's care, and there is understanding that it is not possible to arrange a suitable placement without sharing information about the needs and interest of the children and young people in care from Social Workers and placements team.

Who else do you need to involve, or have you already involved within the Council?

**INFO: e.g. IT services, records management**

It is not deemed necessary, due to the nature of the processing by the Council's Placements team.

Do you need to ask your processors to assist?

**INFO: Processors are third parties who will process the personal data on our behalf**

No - it is not deemed necessary, due to the nature of the processing by the placements team.

Do you plan to consult information security experts, or any other experts?

**INFO: Please provide details to support your answer**

No - it is not deemed necessary, due to the nature of the processing by the placements team.

### Step 4: Assess necessity and proportionality

Describe compliance and proportionality measures

What is your lawful basis for processing? Please choose one of the following...

**INFO: There should generally only be one legal basis for processing.**

The data subject has given consent

- The processing is necessary for the performance of a contract to which the data subject is party or in order to take steps at the request of the data subject prior to entering into a contract
- The processing is necessary for compliance with a legal obligation to which the Council is subject
- The processing is necessary for the performance of a task carried out in the public interest or in the exercise of official authority vested in the Council
- The processing is necessary for the purposes of the legitimate interests pursued by the Council or by a third party

Does the processing actually achieve your purpose?
<b>INFO: Please provide details to support your answer</b>
Yes: providers require referral data to match children and young people who are looked After to appropriate accommodation and associated care.
Is there another way to achieve the same outcome?
<b>INFO: Please details to support your answer</b>
No: without data describing children and young people who are looked After needs, appropriate matching could not take place.
How will you prevent function creep?
<b>INFO: Function creep is where data collected for one purpose is used for another purpose over time.</b>
Providers are bound by strict legislative and contract terms.
How will you ensure data quality and data minimisation?
<b>INFO: We should only use the minimum amount of personal data possible to achieve the purpose of the processing.</b>
Children and Families use a standard referral form to ensure consistent sharing of the right information.
What information will you give individuals about the processing?
Children and young people who are looked after are kept informed as appropriate by their social worker who will talk to them about their care including information shared on their behalf.
How will you help to support their rights?
<b>INFO: Data subject's rights include the right to access, rectify, erase, port, and restrict their data.</b>
Children in care have access to an advocate if required through SCC commissioned contract with Daybreak. They are made aware of their rights to request information about their care records under Subject Access to Records requests, and that information about their care is kept by the Council after they have left care.
What measures do you take to ensure processors comply with the GDPR, and assist the Council in supporting individuals in exercising their rights?
<b>INFO: E.g. will there be a contract in place with the processor that contains data protection obligations?</b>
Contract in place.

**How do you safeguard any international transfers of personal data?**

**INFO: If there are no international transfers involved, please state this**

**There are no international transfers involved**



<b>DECISION-MAKER:</b>	CABINET		
<b>SUBJECT:</b>	COURT LEET PRESENTMENTS 2019		
<b>DATE OF DECISION:</b>	19 NOVEMBER 2019		
<b>REPORT OF:</b>			
<b><u>CONTACT DETAILS</u></b>			
<b>AUTHOR:</b>	<b>Name:</b>	Ed Grimshaw	Tel: 023 8083 2390
	<b>E-mail:</b>	<a href="mailto:Ed.grimshaw@southampton.gov.uk">Ed.grimshaw@southampton.gov.uk</a>	
<b>Director</b>	<b>Name:</b>	Richard Ivory	Tel: 023 8083 2794
	<b>E-mail:</b>	<a href="mailto:Richard.Ivory@southampton.gov.uk">Richard.Ivory@southampton.gov.uk</a>	

<b>STATEMENT OF CONFIDENTIALITY</b>	
None	
<b>BRIEF SUMMARY</b>	
The purpose of this report is to bring to the Executive's attention the Presentments accepted by Court Leet, the action taken to date and to identify Lead Officers and Members for future actions	
<b>RECOMMENDATIONS:</b>	
	(i) that the initial officer responses to the Presentments approved by the Court Leet Jury, as set out in Appendix 1, be noted; and
	(ii) that individual Cabinet Members ensure responses are made to Presenters regarding presentments within their portfolios as appropriate and as soon as practically possible.
<b>REASONS FOR REPORT RECOMMENDATIONS</b>	
1.	The Executive has agreed that Court Leet Presentments will be reported to the Executive for consideration and ultimately determination.
<b>ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</b>	
2.	The decision was previously made by the Executive to proceed in this manner; therefore this is the only approach considered appropriate.
<b>DETAIL (Including consultation carried out)</b>	
3.	Appendix 1 lays out in brief the Presentments received by Court Leet on 1st October 2019 with details of Lead Officers and Cabinet Members responsible, together with an initial response to each of the Presentments.
4.	The Presentments, once received, have been shared with Lead Officers and Lead Members; responses (and any action required) will be subject to the Council's normal decision-making processes and therefore, consultation at this time.
<b>RESOURCE IMPLICATIONS</b>	
<b><u>Capital/Revenue</u></b>	
5.	None
<b><u>Property/Other</u></b>	

6.	None
<b>LEGAL IMPLICATIONS</b>	
<b><u>Statutory power to undertake proposals in the report:</u></b>	
7.	Court Leet is maintained as a valid Court Leet, but only for purpose of taking Presentments on matters of local concern under the Administration of Justice Act 1977. Any proposals to implement any Presentments will be considered in due course by the appropriate decision-maker, and at that point legal issues will be taken into account.
<b><u>Other Legal Implications:</u></b>	
8.	None.
<b>RISK MANAGEMENT IMPLICATIONS</b>	
9.	None.
<b>POLICY FRAMEWORK IMPLICATIONS</b>	
10.	None.

<b>KEY DECISION?</b>	<b>No</b>
<b>WARDS/COMMUNITIES AFFECTED:</b>	None
<b><u>SUPPORTING DOCUMENTATION</u></b>	
<b>Appendices</b>	
1.	Summary of Presentments and details of Lead Officers and Members Responsibility and Initial Response of Presentments
2.	Letter for the District Housing Office in support to response 8

**Documents In Members' Rooms**

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



## COURT LEET PRESENTMENTS 2019

No.	LEAD OFFICER	LEAD MEMBER	PRESENTMENT
1.	<b>Weston Park Primary School</b>		
<p><b>Tackling Food Waste</b></p> <p>At Weston Park Primary School we are extremely concerned about the amount of food thrown in the bin every day. This includes food not eaten by children, left overs, snack waste and some from cooking. This is a huge problem in some of our homes too. In 2018 there was 7.1 million tonnes of household food waste in the uk.</p> <p>Well you might be thinking – why is it a problem? It is wrong ethically because there are people in our community and world who do not have enough food to eat – they are less fortunate than us. Some of these families live in our communities and even come to our school. It also includes the homeless.</p> <p>All this food waste also wastes money at a time when things are getting more expensive and families are struggling – twelve point five billion pounds worth of food that could have been eaten is thrown away every year in UK homes. What could this have been spent on instead? How much does the food wasted every day at school cost?</p> <p>An estimated 80,382 tonnes of food waste are produced by schools in England per school year (40 weeks). Of this 63,099 tonnes are avoidable. The environmental impact of this avoidable food waste in terms of greenhouse gas emissions is 253,000 tonnes per year. This is comparable to the carbon produced by more than 80,000 cars in a year.</p> <p>At Weston Park Primary School we fill approximately 3 bins per day with wasted food. In a week this is 15 bags and approximately 600 bags in a school year. This is taking up space in landfill sites and then it decomposes creating methane, a powerful greenhouse gas, which adds to air pollution and negatively impacts on the climate.</p> <p>If we avoided throwing all the good food away, it would save the equivalent carbon dioxide as taking one in every four cars off our roads. In a recent article in the Guardian, scientist warned that the dramatic rises in atmospheric methane are threatening to hold global temperature rises to 2C. When methane leaks into the air it absorbs the sun’s heat, warming the atmosphere. For this reason, it’s considered a greenhouse gas, like carbon dioxide. In the 20<sup>th</sup> century most methane was caused by fossil fuels but since action to reduce them it has stabilised. We are worried that our food waste is contributing to global warming and we cannot do anything about it ourselves.</p> <p>You maybe wondering what our solution is. Our cooks at school already cook the right amount of food – we have a band system so they know so they know how many children to cook for. We have raised awareness of food waste so children are reminded to eat their food and not throw it away. We have thought of other solutions to reduce our carbon footprint but do not have the finances to support.</p>			

## COURT LEET PRESENTMENTS 2019

	<p>In Eastleigh they offer a collection of food waste just like the collection of plastics and household rubbish. Is this something you would consider offering in Weston or even Southampton?</p> <p>Another solution could be to use food compost bins. We could use the compost for growing plants or sell it back to the community and raise money to feed the less fortunate or set up a community food bank.</p> <p>It would be great to share what we know with the community and maybe even across Southampton. If we held a poster competition some funding to have them printed and distributed will spread tis important message to reduce food waste. We could use slogans like “only take what you’ll eat” or taste it, don’t waste!”</p>	
	<p><b>Relevant Cabinet Member</b></p>	<p>Councillor Rayment – Cabinet Member for Place and Transport</p>
<p><b>RESPONSE:</b></p> <p>The Government’s Resource and Waste Strategy for England consultation closed earlier in 2019. The outcome of this consultation has not been released yet but there were questions about food waste and recycling which may result in a national strategy and a requirement for all local authorities to collect food waste in the future.</p> <p>All food waste collected currently in household waste bins by the council is incinerated at the Energy Recovery Facility in Marchwood which generates electricity which is fed back into the National Grid.</p> <p>There are no current plans to collect food waste separately in Southampton.</p>		

## COURT LEET PRESENTMENTS 2019

2.	<b>Weston Park Primary School</b>
	<p><b>Vandalism and Graffiti in our community.</b></p> <p>As a group we are worried about the graffiti and vandalism we see as we walk to school and back home, as well as when we visit parks and we walk to the local shops.</p> <p>You may ask, how is this a problem and why would we bring it to you? It is unfair for home and shop owners to have to spend their hard earned money on fixing a problem that shouldn't be there. It causes stress and worries. This is not street art where people have permission, it is illegal.</p> <p>Much of the graffiti uses obscene and disgusting language or swear words which is totally inappropriate for us young people (and those even younger than us) to have to see. A park I used to visit regularly with my Nan has this issue and now we do not go there as often. I don't think that this is fair.</p> <p>This inappropriate language and the unpleasant pictures drawn could also influence other negatively and make them think it is ok to do the same. This would then make the whole situation even worse. If it is illegal, why isn't more done to stop it?</p> <p>As well as the awful graffiti, damage is done to play equipment making it unsafe to use. This is a total waste of council money and is unfair on all of us who want to be able to use the facilities to get our fresh air and fun time after school and at the weekends or in the holidays. Additionally, this gives a very negative impression of Woolston and Weston. It makes it look like an unsafe place and doesn't represent US!</p> <p>Not only does this affect communal areas like the ones we have mentioned but also our school. At Weston Park Primary we have sadly experienced vandalism and have personally suffered because of it. There have been numerous incidents when windows and skylights were broken. Over the year the repairs for the damages have cost a potential £20, 000. This has caused unnecessary stress to staff and children. As a result the school has had to pay for security to be in place in the evenings and overnight but this is very expensive and unsustainable in the long term. The lack of response and support from the local police has added to the issue and stress levels of staff.</p> <p>Our request is to have regular clean-up projects so that the unpleasant graffiti can be removed. More police presence would help. Also, boards warning of fines or community work as a consequence may deter some offenders. Cameras in key locations would support this and help us feel safer as a result. In some boroughs and counties the authorities have set up community art areas or days where adolescents can go and have a permitted space to be creative and express their imagination through street art. If there were more active things to do in the community this may not happen. We implore you to consider our points and hope that you are able to support our cause.</p>

## COURT LEET PRESENTMENTS 2019

	<b>Relevant Cabinet Member</b>	Councillor Rayment – Cabinet Member for a Place and Transport
<p><b>RESPONSE:</b></p> <p>Any offensive graffiti can be reported urgently to the council online:  <a href="https://www.southampton.gov.uk/environmental-issues/street-cleaning/">https://www.southampton.gov.uk/environmental-issues/street-cleaning/</a></p> <p>or by phone on 023 8083 3005. We aim to remove any offensive graffiti within 24 hours of the report being received.</p> <p>Unfortunately taking enforcement action against those who carry out vandalism and post graffiti in our communities is a challenge. It is not possible to provide CCTV cameras at all locations and experience has shown that the presence of CCTV cameras often do not act as a deterrent and prove ineffective when it comes to identifying perpetrators.</p>		
<b>3.</b>	<b>Graham Linecar – On behalf of Southampton Commons and Parks Protection Society</b>	
<p><b>Matching Growth In Population With An Increase In Green Space</b></p> <p>I am making this presentment on behalf of Southampton Commons and Parks Protection Society. For over a century, SCAPPS has campaigned to protect Southampton’s parks and green spaces. SCAPPS representations secured the firm wording in Core Strategy policy CS21 that planning decisions should not reduce the amount of open space in the City. That’s been a vital defence, if permission is given to build on open space, in making sure an equal amount is provided elsewhere.</p> <p>Southampton has an increasing population and increasing density of population especially in inner areas where there’s been rapid growth in the number of apartments, many with little or no outdoor space. These residents, along with people visiting and working and shopping in the city centre, turn to our green spaces for recreation and relaxation. Whilst the City Council is proposing extra school places in response to increasing population, no equivalent proposals are coming forward to add to public open space – indeed, the St Mark’s School draft proposals even seek to curtail informal public access to The Field. Frequent letting-out of parks in the summer for commercial events reduces what’s available for recreation and relaxation.</p> <p>My presentment asks the City Council to reaffirm commitment to retaining the overall amount of green space, not just public parks but also sports grounds and school playing fields – they count as open space even if the public has restricted or no access. Second, I ask for restraint in number and frequency of commercial events stopping normal use and enjoyment of parks. And third for the City Council to be more active in finding ways to increase the amount of public amenity space. The</p>		

## COURT LEET PRESENTMENTS 2019

	City Centre Action Plan proposed new public open spaces be provided in association with major developments. Policy 28 proposed a pocket park replacing the Albion Place car park. What has been achieved?	
	<b>Relevant Cabinet Member</b>	Councillor Hammond – Leader of the Council / Councillor Rayment Cabinet Member for Place and Transport
<p><b>RESPONSE:</b></p> <p>SCAPPS continue to be a welcome critical friend of the planning process, and their deputations often assist the Planning Department in negotiating for development enhancements. As SCAPPS are aware the Council implements its Development Plan within a wider context of competing demands between housing and economic growth and prosperity, and the need to safeguard the health and wellbeing of residents whilst promoting the city as an attractive place to invest, live, socialise and work. Southampton faces the same challenges as other cities and always seeks to secure sustainable development that protects and enhances our natural assets.</p> <p>Indeed, with respect of school playing fields the Council also has a duty to consult with Sport England and their comments form a significant material consideration in the determination of such applications, with the prospect of Government intervention in the decision making process where Sport England’s comments cannot be supported at the local level. So in direct response to the 3 points made by SCAPPS the Council can clearly acknowledge the importance of open space to the health and wellbeing of the city and reaffirm its commitment to protecting its open space, but only in the context of also supporting the wider competing aspirations placed upon it by a growing population.</p> <p>The Council hosts a wide range of public events on its open spaces, some could be classified as commercial ventures. However, it is considered that these events add to the diversity and vitality of the City and continue to promote the City as a whole. Often these events use only part of an open space and as such it is difficult to give a definitive number. However a criteria of events that restrict access to part of a park / green space and the most up to date statistics are for the financial year 2018-19 this indicates that there were 9 events across the whole City.</p> <p>Finally, in respect of providing city-wide open space improvements the Council has committed 10% of the contributions made to the Community Infrastructure Levy (CIL) from new development towards public open space and suitably accessible natural green space (see attached letter).</p> <p>By way of an update to the pocket park at Albion Place I can confirm that discussions are ongoing at this time.</p>		

## COURT LEET PRESENTMENTS 2019

<b>4.</b>	<b>Graham Linecar – On behalf of Southampton Commons and Parks Protection Society</b>	
	<p><b>Reprinting the City Council’s map and ‘official guide to Southampton’s open spaces’</b></p> <p>Many will remember the informative map the City Council had available for the public a decade ago showing and describing Southampton’s parks. Stocks ran out some 5 or 6 years ago. SCAPPS worked with officers to produce a revised version. Money was allocated to pay for a print run. That has now been halted by the embargo on non-essential spending.</p> <p>My presentment asks the City Council to reconsider, and to print the revised map and guide. Yes, information can be made available on-line but this particular leaflet was, and could again be, an important way of gaining publicity for one of the City’s great assets -- its commons, parks, greenways and green spaces</p>	
	<b>Relevant Cabinet Member</b>	Councillor Rayment –Cabinet Member for Place and Transport
<p><b>RESPONSE:</b></p> <p>Communications budgets are centralised and the council does not currently have a budget to produce this. We are looking at ways to enable people to download and print their own copies.</p>		
<b>5.</b>	<b>Mr Trowbridge</b>	
	<p>Southampton City Council has made steps to be seen to be an eco-friendly city. For instance by using electric powered vehicles , having said that could officers of the Council when they go out on Council’s business on the estates use bus, bike or walk thus saving the Council money with reference to money given to them for using their own cars with reference to expenses.</p>	
	<b>Relevant Cabinet Member</b>	Councillor Leggett –Cabinet Member for Green City and Environment
<p><b>RESPONSE:</b></p> <p>SCC employees are encouraged to travel sustainably to meetings and site visits and there are a range of measures in place to ensure, for the majority of staff, they are not reliant on using their own private vehicle for in-work travel. This includes access to a car club vehicle where car travel is the only viable option, cycle parking, bike maintenance, access to pool bikes (including e-bikes), and a rail travel booking system. We regularly survey our staff to ensure we can continue to improve the options for staff to travel sustainably and efficiently around the city.</p>		

## COURT LEET PRESENTMENTS 2019

<b>6.</b>	<b>Mr Trowbridge</b>	
	<p>Southampton City Council has made steps to be seen as an eco-friendly City Council. As I live in a walk up building, like many other people all be it tenants or residents. An officer of the Shirley Housing Office by the name of Mr Garvey has seen fit for a period of time to have the drying areas throughout the building, at that point in time known as Block 37-60 St James Close Shirley, locked so nobody in the building could use them due to them being used for fly-tipping. Having said that it states within the tenancy agreement or deeds of the property that we have the right to use the drying areas. We have been denied the right of the amenity and this has therefore created problems when people wish to dry their clothes in the properties i.e. moulds due to dampness in flats and extra electricity cost to dry clothes by using a tumble dryer especially for those with a large family. So therefore we look to the Council to reimburse us the cost of drying our clothes on a negotiable basis.</p>	
	<b>Relevant Cabinet Member</b>	Councillor Kaur – Cabinet Member for Homes and Culture
	<p><b>Response</b></p> <p>The drying rooms to block 37-60 St. James Close were closed off, in response to some residents dumping their bulky rubbish items in the drying room. The potential for a fire was too great for us to leave the drying rooms open and misused in this way. This was communicated to residents.</p> <p>I have checked the tenancy agreement and lease agreement and there is no mention about the use of drying areas. As a lease holder, you are not charged for the use of the drying room, therefore there is no negotiation to take place about reimbursement.</p> <p>We are always willing to consider the reopening of the drying areas, however I will add that our experience from the block next door to you, has proven to be unsuccessful.</p>	
<b>7.</b>	<b>Mr Trowbridge</b>	
	<p><b>Ashwood Nursing Home</b></p> <p>With the modifications to Ashwood Nursing Home in Shirley Avenue and recently in the Southern Daily Echo it stated that the Governments department who looks after these clients paid it a visit in which certain things weren't up to standard. Even whilst it is still being built with its clients in-situ. Having said that I understand that the management and staff have a duty of care to its clients and as it is now towers over the other houses in Shirley Avenue it has no protection with reference to a lightning strike which could be frightening for its clients and staff as well as damaging the building and therefore I ask for the</p>	

## COURT LEET PRESENTMENTS 2019

	situation be put right as it has to meet Southampton City Councils specification for building and also meet the specification of looking after its clients.	
	Relevant Cabinet Member	Councillor Fielker – Cabinet Member for Adult Care
<p><b>Response</b></p> <p>The Care Quality Commission (CQC) inspected Ashwood Rest Home (a residential care home without nursing) on 13<sup>th</sup> and 18<sup>th</sup> June 2019. At that inspection the home had 12 residents, it can accommodate a maximum of 20, and the section of the home undergoing renovation was not accessible to residents. The CQC felt the provider had worked to minimise the disruption to residents, despite aspects of the décor remaining unfinished. The CQC felt this had a minor impact on some of the communal spaces, and any concerns identified by CQC during the inspection were immediately acted on by the registered manager. The feedback from service users in the report is positive. Since this inspection the Quality Team has visited and the provider continues to make good progress.</p>		
<b>8.</b>	<b>Mr Trowbridge</b>	
	<p><b>St James Close Estate walkabout</b></p> <p>Having joined an estate walkabout on the St James Close Estate Shirley with Mr Garvey of the Shirley Housing Office on 13<sup>th</sup> June 2019, with others. I talked to him about 3 issues on the estate in which he passed over the to the estate warden. After this in the following weeks these issues have not been attended to. Having said that there was another walkabout on 11 July 2019 with Mr Garvey and Ms J Nand and along with other staff of the Council on this occasion I gave Ms Nand a list of things to be looked at including the three items I mentioned to Mr Garvey previously but, these issues have not been attended to yet. Having said that in the past years we have only had one walkabout per year on the estate in which nothing has changed. I recently contacted Ms Nand by email over one of these issues at least two weeks ago but had no reply, which I find disgraceful and I ask for the person concerned to be called to account and the issue to be attended to.</p>	
	Relevant Cabinet Member	Councillor Kaur – Cabinet Member for Homes and Culture
<p><b>Response</b></p> <p>I am attaching the written response the Housing Management Officer provided to the list that was given to her on the walkabout on the 11<sup>th</sup> July 2019.</p>		



## COURT LEET PRESENTMENTS 2019

The only outstanding issue is that we are working on removing the satellite at 55 St.James Close. Mr Robertson is the current block rep, and we are in discussion with him to find another storage area for his bird cage. It is unused and clean , so there is no potential fire hazard here.

To try to get to all the areas we manage in a walkabout at least once a year, that is not to say that the wardens and cleaners are there at a minimum every month at different times. We are always happy to arrange an additional walkabouts if there are issues of concern, for example different parts of St. James Close are visited at two separate times of the year, for organised pre planned walkabouts.

### 9. **Simon Reynier – on Behalf of the City of Southampton Society**

#### **Integrated Transport Hub**

This is not the first time that the City of Southampton Society has made a presentment about the need for an integrated transport hub for Southampton. Our previous requests were based on the option of using the old Toys-R-Us site which is situated mid-way between Southampton Central Rail Station and the National Express Coach Station.

There are two main benefits of having an integrated transport hub

- 1) It makes travelling on public transport easier and thus more attractive for the general public and hence Southampton a more a more attractive destination;
- 2) The use of public transport rather private motor vehicles is more environmentally friendly by reducing carbon emissions and thereby helping the Council achieve its Green City Charter.

It makes little sense for local buses to be parked in Vincents Walk where they pollute the atmosphere and emit noxious fumes not many yards distant from a children's playground. Likewise, the use of Castle Way as a bus park detracts from the value of the city walls, a listed monument and is an inappropriate use of land in the Old Town Conservation area.

For a city with a magnificent integrated transport hub, may I suggest as an example – Bradford -0 where rail, coach and local buses together with Cafes are all accommodated under one roof in a clean and efficient building. I hasten to add I am not suggesting that as many Councillors as possible visit Bradford to see for themselves!

Now that the initial plans for the use of the Toys-R-Us site as offices and apartments have been proposed by the Council, it is evident that an integrated transport hub is not being considered, Instead, according to the Echo, it is proposed that a bus station maybe situated on land to the south of the Central Rail station, land that is currently being used for short and long stay car parking, a taxi rank and a bus stop.

## COURT LEET PRESENTMENTS 2019

	We at the City of Southampton Society, request that before formal planning approval is sought for the Toy-R-U's site, plans for a bus station to the South of the rail station are presented to the public for examination and comment.	
	Relevant Cabinet Member	Councillor Hammond - Leader of the Council
<b>Response</b>		
<p>Following the adoption of the Local Transport Plan 4 – Connected Southampton 2040 in April 2019, SCC is committed to supporting a step change in the provision of public transport and the supporting infrastructure. The strategy can be viewed here: <a href="https://transport.southampton.gov.uk/connected-southampton-2040/">https://transport.southampton.gov.uk/connected-southampton-2040/</a>. We plan to transform the public transport system in Southampton and the wider area working with the bus operators in the city. This will allow people to travel easily around and across Southampton on reliable, high quality vehicles. There will be a united system that allows people to make and pay for their journeys seamlessly.</p> <p>Southampton's bus network carried 21.2m people in 2017 an increase of 11% from 2011. People in Southampton made 84 journeys per head in 2017 – the 6th highest journey per head figure outside London and major cities. The city is therefore in a strong position to build on the current success and strong growth in bus patronage, which has been attributable to successful voluntary partnerships with the bus operators and securing external Government funding to improve the bus user experience.</p> <p>The Connected Southampton 2040 Transport strategy recognises the need to improve existing public transport interchanges and this includes locations in the city centre and the south side of Central Station. Due to the nature of the bus routes serving the city centre and the changing characteristics of the city centre and its uses, there will need to be more than one location for integrated transport hubs to ensure bus passengers can access a range of locations via the strategic routes that come in and out of the city centre.</p> <p>We are currently working with the public transport operators to develop plans for an improved integrated transport hub on the south side of Southampton Central Station. This will support better interchange between rail, local bus, taxis, national coach and cruise transfers. As in many cities, we see the value in developing a high quality public transport interchange close to major rail stations and connected to high quality development areas such as the Mayflower Quarter. There will also be a focus on supporting a redesign of the public realm to ensure as a main gateway to the city centre pedestrians have a clear, high quality and legible routes.</p> <p>Southampton City Council, working in Partnership with HCC have an opportunity to secure Department for Transport "Transforming Cities Funding" to support the delivery of these improvements, which will also be integrated with the emerging plans linked to the Toys R Us redevelopment. Our bid will be submitted to Government at the end of November 2019 and we expect to find out if successful in the Spring 2020. More information on the bid can be found via this web link. <a href="https://transport.southampton.gov.uk/transforming-cities/">https://transport.southampton.gov.uk/transforming-cities/</a></p>		

**COURT LEET PRESENTMENTS 2019**

More information on the plans for public transport improvements linked to the TCF bid will be shared in early 2020.

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**SOUTHAMPTON CITY COUNCIL**  
Shirley Local Housing Office  
Redcar Street, Shirley,  
Southampton,  
SO15 5LL



Direct Dial: (023) 8078 9344  
Please ask for: Jane Nand  
Email: [housing.serviceswest@southampton.gov.uk](mailto:housing.serviceswest@southampton.gov.uk)

Our Ref:  
Your Ref:

Mr Trowbridge  
57 St James Close  
Southampton

23<sup>rd</sup> July 2019

Dear Mr Trowbridge,

**RE: Estate inspection 37-60 & 61-71 St James Close**

Thank you for your list of items raised passed to me at the recent estate walkabout.

I will endeavour to answer your requests to the best of my ability.

The flowers and planting outside 61-71 looks extremely good and is very well done, it really lifts the outside of the block. The area is a credit to all involved with it.

Any weeds growing up within the paving slabs, can be treated at the correct time of year with weed spray. This is a request that goes to the open spaces team, but on occasion is carried out by trained neighbourhood wardens. I will put this request forward but cannot guarantee when it will be completed.

Tree stump – for whatever reason I assume a tree was cut down. Open spaces/tree team would not have the resources to dig up a tree stump.

Dead branches – I will ask if open spaces can clear this on their next visit

White paint – I am unsure what this refers too?

Electric cars – Southampton City Council has no plans to install electric charging points in residents car parks.

Satellite dish – this will need to be removed

Over grown shrubs & bushes around the block – this was passed to open spaces via the scrutiny panel for action.

Dustbins – any issue with refuse bins needs to be directed to Waste & Recycling Team. I am aware that new bins have been installed in 37-60 following a number of complaints.

Drying areas – all 3 drying areas within 37-60 have now been unlocked, Mr Robertson is fully aware that if there is a miss-use of the drying areas they will be locked up again. The neighbourhood wardens will check the drying areas on their next scheduled block inspection in August.



◆ Page 2

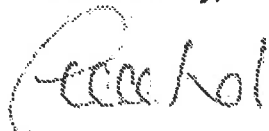
Doormats – each time a doormat appears it is removed , however as previously stated our neighbourhood wardens are not able to visit each block on a daily basis, their role is too visit each block once a month. On these visits anything will removed including doormats and plant pots, this will continue until the housing office is instructed otherwise. I am however aware that this policy is being re-considered by cabinet.

Cleaning issues- any issues with cleaning needs to be directed to the senior neighbourhood warden. I have emailed both seniors this morning to advise that you were not satisfied with the last cleaning visit.

Section 4 & 21 – I am unsure as too what this refers too, so I cannot comment.

I am unable to comment on the future of Southampton City Council or the LGA conference. I am able to advise that Mr Garvey did not attend the conference.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Jane Nand', written in a cursive style.

Jane Nand  
HOUSING MANAGEMENT OFFICER

If you require this letter or future correspondence from us in a different format (e.g. tape, Braille, or disc) please do not hesitate to let us know.

<b>DECISION-MAKER:</b>	CABINET		
<b>SUBJECT:</b>	IMPLEMENTATION OF MICROSOFT 365		
<b>DATE OF DECISION:</b>	19 NOVEMBER 2019		
<b>REPORT OF:</b>	CABINET MEMBER FOR RESOURCES		
<b><u>CONTACT DETAILS</u></b>			
<b>AUTHOR:</b>	<b>Name:</b>	<b>James Strachan</b>	Tel: 023 8083 3436
	<b>E-mail:</b>	<b>James.strachan@southampton.gov.uk</b>	
<b>Director</b>	<b>Name:</b>	<b>Mike Harris</b>	Tel: 023 8083 2882
	<b>E-mail:</b>	<b>Mike.harris@southampton.gov.uk</b>	

<b>STATEMENT OF CONFIDENTIALITY</b>
<p>This matter has been listed on the Forward Plan but not as a confidential item. The commercial proposal provided by the supplier needs to be exempt from publication by virtue of the Council's Access to Information Procedure Rules as contained in the Constitution as it contains information relating to the financial or business affairs of the Council and the supplier (paragraph 3).</p> <p>Appendix 1 is a confidential appendix which provides details of the commercial proposal.</p> <p>Under Rule 15 of the Council's Access to Information Procedure Rules, this decision may still be taken as it must be taken by such a date that it is impracticable to defer the decision until a further 28 clear days' notice has been given on the Forward Plan.</p> <p>As required under Rule 15, the Director of Legal and Governance has informed the Chair of Overview and Scrutiny Management Committee of the decision to be made, and has made copies of the notice available to the public within the required timescales.</p>
<b>BRIEF SUMMARY</b>
<p>Southampton City Council is licensed for the full suite of Microsoft 365 products, but has only rolled out a fraction of the suite to a small number of users. To gain full value for money, maximise the productivity of the organisation and avoid additional licensing charges it is necessary to execute a project that will deploy the core suite to remaining users by 1<sup>st</sup> April 2020 and put in place a training and change programme so that staff and Members are able to fully use them.</p> <p>It is recommended to contract with Microsoft Services to roll out this project. Microsoft are experts in deploying their own products and have a team that has recently rolled out the 365 suite to many local authorities including Warwickshire County Council.</p> <p>The project will be phased. Phase 1 is expected to cost up to the amount specified in Appendix 1, with the project starting in January 2020, plus approximately £80,000 in additional temporary IT capacity costs. There will be a further invest-to-save case made for Phase 2 expenditure in 2020/21.</p>
<b>RECOMMENDATIONS:</b> That Cabinet:

	(i)	Agrees to contract with Microsoft for Phase 1 of the Microsoft 365 roll-out at a maximum cost of the amount specified in Appendix 1.
	(ii)	Delegates to the Service Director for Digital and Business Operations, following consultation with the Cabinet Member for Resources and the Service Director for Finance and Commercialisation, to award the contract and implement the project.
	(iii)	Delegates to the Service Director for Digital and Business Operations to negotiate reductions in the scope of the work required from Microsoft in order to reduce the total cost of the project.
	(iv)	Delegates to the Service Director for Digital and Business Operations to recruit or commission additional temporary IT capacity at a maximum cost of £80,000.
	(v)	Approves the addition and spend of the amount defined in Appendix 1 in 2019/20 within the Resources portfolio in the capital programme.

### **REASONS FOR REPORT RECOMMENDATIONS**

1.	Microsoft is the recommended supplier and the Council has negotiated the stated price. The roll-out will generate productivity benefits as set out in the report together with delivering necessary performance links to other essential software that requires Microsoft 365 compatibility.
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### **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

2.	Not to roll out Microsoft 365 (referred to as M365 below). Rejected because a) the Council needs the productivity uplift that will come with adoption of the suite; b) a number of other important projects depend on M365 being rolled out; c) the Council would be wasting its investment in the M365 suite and facing additional licensing costs.
3.	To roll out M365 using internal staff resources. Not recommended because the Council does not currently have the capacity to roll out the full M365 suite. This will not deliver the productivity improvement that is sought.
4.	To roll out M365 using an alternative supplier. Not recommended because it is believed that only contracting with Microsoft will deliver the project outcomes in the required timescale.

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

5.	The Council has used Microsoft products for many years, especially the Office suite. From time to time the Council has upgraded to more recent versions in order to benefit from the latest technology and avoid falling out of support. The latest offering from Microsoft is the 365 suite, which the Council has licensed but not yet deployed.
6.	The M365 suite offers many benefits including: <ul style="list-style-type: none"> <li>• Secure mobile access to Outlook and other Office 365 (Word, Excel, Powerpoint etc) applications</li> <li>• Major improvements to productivity including Sharepoint (document storage), OneNote (notes application), Teams (videoconferencing and collaboration) and others</li> <li>• Cloud-based applications to allow access from anywhere and automatic upgrades</li> <li>• Built-in accessibility tools to support staff with disabilities</li> </ul>



	<ul style="list-style-type: none"> <li>• Single sign-on for multiple applications</li> <li>• The latest security and compliance tools from Microsoft giving flexible access across devices whilst maintaining security and reducing risk of any potential loss of information</li> </ul> <p>More information is available at <a href="https://www.office.com/?trysignin=0">https://www.office.com/?trysignin=0</a>.</p>
7.	M365 is a radical and transformational upgrade, and both enables and requires a very different and flexible way of working. For example, Teams meetings allow high-quality video-conferencing between staff, and with external partner organisations, who do not need to travel or book rooms. Cloud-based mobile applications will enable true mobile working, with conditional access allowing control over who can access information from what and from where.
8.	M365 includes a number of products that will potentially allow other legacy systems to be decommissioned. Further detail is provided in Appendix 1.
9.	Due to the way in which M365 is licensed, the Council must migrate all users to a minimum product set before 1 <sup>st</sup> April 2020 or face additional licence costs of £500,000. The roll-out was started while the Council's IT service was provided by Capita, but only extended to migrating about 120 users to Office 365 before the service transferred back to the Council. This leaves more than 3,000 staff remaining to be migrated across the full spectrum of Council services.
10.	There is therefore limited time in which to achieve the necessary minimum roll-out. The Council has therefore been in discussions with Microsoft about the fastest way of achieving this.
11.	In addition to technical deployment of the products, the discussions have looked at how to achieve the cultural and working changes that are necessary to make the most of M365. This forms a substantial part of Microsoft's proposal.
12.	<p>A pragmatic scope and phasing has been negotiated which allows the Council to meet its licensing requirements and also benefit from substantial productivity improvements immediately. Phase 1 includes:</p> <ul style="list-style-type: none"> <li>• Enabling Office 365 and onboarding SCC to a new technology platform.</li> <li>• Empowering SCC with the knowledge and technical tooling to use, manage and extend the Office 365 platform, including SharePoint Online, OneDrive and Teams (telephony).</li> <li>• Delivering an agreed compliant platform that meets the business and users needs, to accelerate and de-risk the adoption of Office 365 services.</li> <li>• Enabling SCC to provide mobile device management and advanced security capabilities across O365 and mobile devices.</li> <li>• Empowering SCC with the knowledge and tooling to operate and manage their new environment.</li> <li>• Providing Adoption and Change Management Support to enable SCC to drive and accelerate adoption of the change, by engaging and guiding end-users to understand the new ways of working and the impact and benefits of those changes.</li> </ul>
13.	Phase 2 will be subject to a separate invest-to-save funding request and includes:

	<ul style="list-style-type: none"> <li>Enabling Azure Information Protection for document encryption and management.</li> <li>Deploying Microsoft Cloud App Security capabilities, features and functionality.</li> <li>Working with Microsoft to implement the core M365 and client security policies and tools that support M365 adoption.</li> <li>Creating a Cloud Service Management capability to better respond to business demands and maximise return on investment.</li> </ul>
14.	M365 will run in parallel with existing work to upgrade PCs and laptops across SCC to Windows 10. This is under way but will not complete by April 2020. There is therefore anticipated to be a period where some existing devices will operate at a slower speed given the additional demands placed on them from Office 365 until such time as these devices are replaced.
<b>RESOURCE IMPLICATIONS</b>	
<b><u>Capital/Revenue</u></b>	
15.	The proposed contract with Microsoft contains both revenue and capital expenditure. Funding for the project has been identified from existing resources. A full financial summary is included in Appendix 1.
16.	The likely cost of Phase 2 has not yet been negotiated. There is no dependency between the phases – the Council could implement either phase without the other. The business case is expected to be built on an invest-to-save model.
<b><u>Property/Other</u></b>	
17.	N/A
<b>LEGAL IMPLICATIONS</b>	
<b><u>Statutory power to undertake proposals in the report:</u></b>	
18.	s.111 Local Government Act 1972 empowers a Council to do anything calculated to facilitate the delivery of services or which is otherwise necessary or expedient for the same aim. The improvements to core IT infrastructure will enable more efficient delivery of services.
<b><u>Other Legal Implications:</u></b>	
19.	The contract can legitimately be awarded directly to Microsoft through the use of a Crown Commercial Services framework and an SCC procurement exemption granted on the grounds of urgency.
<b>RISK MANAGEMENT IMPLICATIONS</b>	
20.	This project carries the same risks as any IT project and will be managed using the usual risk management tools.
<b>POLICY FRAMEWORK IMPLICATIONS</b>	
21.	M365 advances a number of the aims of the Council's Digital Strategy including making the Council more efficient and increasingly moving to cloud-based technologies.

<b>KEY DECISION?</b>	<b>Yes</b>
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<b>WARDS/COMMUNITIES AFFECTED:</b>	All
<u>SUPPORTING DOCUMENTATION</u>	
<b>Appendices</b>	
1.	Appendix 1 (confidential)
2.	
<b>Documents In Members' Rooms</b>	
1.	None
2.	
<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.	
2.	

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