

# Public Document Pack

## Cabinet

Tuesday, 19th July, 2022  
at 4.30 pm

**PLEASE NOTE TIME OF MEETING**

**Council Chamber, Civic Centre**

### Members

Leader – Councillor Kaur

Deputy Leader and Cabinet Member for Children and  
Leaning – Councillor Dr Paffey

Cabinet Member for Finance and Change – Councillor  
Leggett

Cabinet Member for Housing and Green Environment –  
Councillor Mitchell

Cabinet Member for Economic Development – Councillor  
Bogle

Cabinet Member for Health, Adults and Leisure –  
Councillor Fielker

Cabinet Member for Transport and District Regeneration -  
Councillor Keogh

Cabinet Member for Safe City – Councillor Renyard

Cabinet Member for Communities and Customer  
Engagement – Councillor Kataria

(QUORUM – 3)

### Contacts

Cabinet Administrator

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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.

### **Municipal Year Dates (Tuesdays)**

<b>2022</b>	<b>2023</b>
14 June	17 January
19 July	7 February
16 August	21 Feb (budget)
13 September	14 March
18 October	18 April
15 November	
20 December	

### **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.

Southampton: Corporate Plan 2020-2025 sets out the four key outcomes:

- Communities, culture & homes - Celebrating the diversity of cultures within Southampton; enhancing our cultural and historical offer and using these to help transform our communities.
- Green City - Providing a sustainable, clean, healthy and safe environment for everyone. Nurturing green spaces and embracing our waterfront.
- Place shaping - Delivering a city for future generations. Using data, insight and vision to meet the current and future needs of the city.
- Wellbeing - Start well, live well, age well, die well; working with other partners and other services to make sure that customers get the right help at the right time

## **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.

### **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.

## **Other Interests**

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

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

Any public authority or body exercising functions of a public nature

Any body directed to charitable purposes

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

## **Principles of Decision Making**

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

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

In exercising discretion, the decision maker must:

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

## AGENDA

### 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 - 2)

Record of the decision making held on 14<sup>th</sup> June, 2022 attached.

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

There are no matters referred for reconsideration.

### 6 **REPORTS FROM OVERVIEW AND SCRUTINY COMMITTEES (IF ANY)**

There are no items for consideration

### 7 **EXECUTIVE APPOINTMENTS**

To deal with any executive appointments, as required.

## **ITEMS FOR DECISION BY CABINET**

### 8 **ST MARY'S LEISURE CENTRE** □ (Pages 3 - 8)

Report of the Cabinet Member for Health, Adults and Leisure outlining the interim plan concerning the future of St. Mary's Leisure Centre.

### 9 **REVENUE AND CAPITAL OUTTURN 2021-22** (Pages 9 - 78)

Report of the Cabinet Member for Finance and Change on the Revenue and Capital Outturn for 2021-22.

**10 CONCESSIONARY FARES REIMBURSEMENT METHODOLOGY 2022/23**

(Pages 79 - 102)

Report of the Cabinet Member for Transport and District Regeneration seeking approval to continue to maintain statutory concessionary travel reimbursement payments to local bus service operators.

**11 SPEED LIMIT REDUCTION ON A33 / A27 BASSETT ROADS** (Pages 103 - 110)

Report of the Cabinet Member for Transport and District Regeneration to approve the reduction in the speed limit from 40mph to 30mph for A33 Bassett Avenue, A33 The Avenue, A27 Bassett Green Road and Bassett Wood Road.

Monday, 11 July 2022

Director of Legal and Business Services

SOUTHAMPTON CITY COUNCIL  
EXECUTIVE DECISION MAKING

RECORD OF THE DECISION MAKING HELD ON 14 JUNE 2022

Present:

Councillor Kaur	-	Leader
Councillor Dr Paffey	-	Cabinet Member for Children and Learning
Councillor Leggett	-	Cabinet Member for Finance and Change
Councillor Mitchell	-	Cabinet Member for Housing and Green Environment
Councillor Bogle	-	Cabinet Member for Economic Development
Councillor Fielker	-	Cabinet Member for Health, Adults and Leisure
Councillor Keogh	-	Cabinet Member for Transport and District Regeneration
Councillor Renyard	-	Cabinet Member for Safe City
Councillor Kataria	-	Cabinet Member for Communities and Customer Engagement

1. RECORD OF THE PREVIOUS DECISION MAKING

The Record of Decision Making held on 14<sup>th</sup> March 2022 was noted.

Regarding minute 59 – Call-In of Executive Decision CAB 21/22 33197: St Mary’s Leisure Centre, Sue Atkins and Parveen Ishfaq were in attendance at the meeting and with the consent of the Chair addressed the meeting.

2. EXECUTIVE APPOINTMENTS 2022-2023

Cabinet approved the Executive Appointments for 2022-23 as set out in the register attached to the report, with the following additions:

King Edward School – Cllr Winning  
SIGOMA – Cllr Kaur

3. SCRUTINY INQUIRY PANEL - ACCESSIBLE SOUTHAMPTON FINAL REPORT

Cabinet received and noted the Scrutiny Inquiry Panel – Accessible Southampton final report for the Executive to formulate its response to the recommendations contained within it, in order to comply with the requirements, set out in the Council’s Constitution.

4. BUDGET MATTER - JUNE 2022

DECISION MADE: (CAB 22/23 33674)

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

To Delegate authority to the Executive Director – Finance and Commercialism, to decide on whether purchase or lease arrangements offer the best value for money for procuring council fleet vehicles. This delegation will be exercised following consideration of a business case and after consultation with the Executive Director of Communities, Culture and Homes and the Cabinet Member for Finance and Change.

5. NITROGEN MITIGATION POSITION STATEMENT

DECISION MADE: (CAB 21/22 33871)

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

- (i) To note the Nitrogen Mitigation Position Statement for use in the determination of planning applications.
- (ii) To delegate authority to the Director of Legal & Business Services, after consultation with the Head of Planning and Economic Development, to sign 'section 33' legal agreements with nearby Councils and mitigation providers in-order to implement the Position Statement in accordance with the Habitat Regulations.
- (iii) To delegate authority to the Head of Planning and Economic Development following consultation with the Cabinet Member for Economic Development to make future changes to the specifics of the Position Statement provided this does not affect the overall approach.
- (iv) To delegate authority to the Head of Planning and Economic Development to make future changes to the technical detail of the approach (e.g. commencement date, data updates, detailed methodology changes, etc) provided that this does not affect the overall approach.



# Agenda Item 8

<b>DECISION-MAKER:</b>	Cabinet
<b>SUBJECT:</b>	St Mary's Leisure Centre
<b>DATE OF DECISION:</b>	19 July 2022
<b>REPORT OF:</b>	<b>COUNCILLOR FIELKER CABINET MEMBER FOR HEALTH, ADULTS AND LEISURE</b>

<b><u>CONTACT DETAILS</u></b>			
<b>Director</b>	<b>Title</b>	<b>Director of Public Health</b>	
	<b>Name:</b>	<b>Dr Debbie Chase</b>	Tel: 023 8083 3694
	<b>E-mail</b>	Debbie.chase@southampton.gov.uk	
<b>Author:</b>	<b>Title</b>	<b>Head of Supplier Management</b>	
	<b>Name:</b>	<b>Paul Paskins</b>	Tel: 023 8083 4353
	<b>E-mail</b>	Paul.paskins@southampton.gov.uk	

## **STATEMENT OF CONFIDENTIALITY**

N/A

## **BRIEF SUMMARY**

This report concerns the facility known as St Mary's Leisure Centre ("SMLC"), the recommencement of leisure services from SMLC, additional services to be offered on an interim basis and the approach to designing a long-term future for SMLC.

## **RECOMMENDATIONS:**

	(i)	On an interim basis, for a period of up to eighteen months, to recommence leisure services and associated additional services from SMLC and to delegate authority to the Head of Supplier Management - following consultation with the Cabinet Member for Health, Adults and Leisure, the Executive Director for Finance and Commercialism and the Service Director Legal and Governance – to enter into contractual and any associated arrangements with Active Nation UK Ltd ("AN") or an alternative operator to give effect to this recommendation.
	(ii)	Cabinet note that a General Fund revenue saving of £148,000 relating to the closure of SMLC will now not be achieved from 2022/23 onwards. It is also recommended that Cabinet approve the reinstatement of the operational budgets of £148,000 in financial year 2022/23 and £100,000 in 2023/24. This will be funded from existing resources.
	(iii)	Further General Fund revenue budgets of £30,000 in financial year 2022/23 and £20,000 in 2023/24 are allocated to the running costs for SMLC. This will be funded from existing resources.

## **REASONS FOR REPORT RECOMMENDATIONS**

1.	The Council intends, subject to the approval of the recommendations of this report, to recommence - at the earliest possible opportunity - services from SMLC for the benefit of the community.
2.	AN are the operating sub-contractor for the Council's main leisure contract and are therefore best placed to mobilise and commence services within the Council's preferred timescales.
<b>ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</b>	
3.	To proceed with the Cabinet decisions of 21 February 2022, which included a decision to " <i>permanently cease leisure services at SMLC and approve in principle the disposal of the site</i> ". This option was rejected as it does not meet the Council's objective of re-opening SMLC in order to provide a facility which offers leisure and other community services.
4.	Undertake a competitive process to select an alternative operator or partner on a long-term basis and delay the commencement of services from SMLC until this operator or partner was appointed and could commence services. This option was rejected as the Council intends to work closely with the local community and other users and potential users of the facility before designing a proposed approach to the long-term future of the facility. The Council would, following the completion of this engagement, then undertake a formal twelve-week consultation process regarding the plans developed; this option would therefore not meet the objective of recommencing services from SMLC at the earliest possible opportunity.
<b>DETAIL (Including consultation carried out)</b>	
5.	SMLC is located in St Mary's Road and consists of a sports hall which was used for activities such as basketball and badminton, smaller rooms arranged around the main hall containing a variety of weights and gym equipment and two squash courts. The facility also contains a variety of other rooms.
6.	An eight-week public consultation regarding the discontinuation of leisure services at SMLC ("the Consultation") was undertaken between 30 November 2021 and 24 January 2022.
7.	In summary, 1,758 responses to the Consultation were received. 75% of respondents were users of SMLC (or parents of children who use SMLC). The highest numbers of responses were from those who took part in badminton activities, football and exercise classes.
8.	86% of all respondents to the Consultation reported a negative impact and 7% a positive impact as a result of discontinuation of the services, 6% felt there would be no impact and 1% did not know what the impact would be.
9.	Leisure services operating from SMLC ceased in December 2021 at the conclusion of an arrangement with Solent University ("SU") to operate these services.
10.	Following a Cabinet report and decision in February 2022, SMLC is currently closed to the public in accordance with recommendation (i) of this February 2022 Cabinet report.
11.	Subject to the approval of the recommendations of this report, the Council intends to re-open SMLC at the earliest possible opportunity and to recommence leisure services from the facility. These leisure services and the associated opening times are anticipated to be in line with those previously offered by SU before the closure of SMLC in December 2021. It is anticipated

	that the re-opening of SMLC will take place as soon as possible and no later than 31 August 2022. This is referred to in the remainder of this report as the 'Interim Arrangement'.
12.	The leisure services offered under the Interim Arrangement at SMLC will be complemented by other community-based services and other services to support people in healthier lifestyle choices such as smoking cessation support. It is intended that the Interim Arrangement will be further developed during its course to offer additional complementary services, community access, community-based activities and to consider changes to opening times. This range of services will be developed by working closely with the local community, other providers of services in the area and other users, and potential users, of SMLC.
13.	Subject to the approval of the recommendations of this report and the exercise of the associated delegations, the Council would enter into a service contract with AN and would grant an associated licence to AN in respect of SMLC for a period of up to eighteen months, but with arrangements for either party to terminate the agreements subject to a notice period. Recommendation (i) of this report would delegate authority to the Head of Supplier Management to finalise this arrangement and its terms, following the consultation described in this recommendation (i).
14.	The principles of the Interim Arrangement are that the Council would retain most of the repairs and maintenance responsibilities associated with SMLC, insure the building and be responsible for utility and most statutory compliance costs. AN would deliver the leisure services and would manage the day-to-day operation of SMLC. The income received from the use of SMLC as a leisure facility would be retained by the Council to offset the costs of operating.
15.	The agreement with AN would require the consideration and approval of an exemption to the Council's Contract Procedure Rules by the Head of Supplier Management.
16.	The Interim Arrangements will be closely aligned to the "We Can Be Active" strategy and would particularly help to deliver the themes of providing "opportunities that meet our needs and interests, and are accessible and easy to find". The offer would be developed around the responses to the Consultation in order to deliver the most attractive offer to the community and other users. Services would be further developed over the term of the Interim Arrangements in order to adapt to community and user needs and requirements.
17.	Immediately following the commencement of the Interim Arrangement, the Council would commence the design of the long-term proposals for the future of SMLC.
18.	These long-term proposals will be developed through close working and detailed conversations with the local community in order that the facility and services delivered from it meet the community's needs and aspirations. The Council anticipates the development of a model which will deliver a range of services which will benefit the community and provide a sustainable and well-supported solution in order to secure a long-term and viable future for SMLC. The approach will continue to align with the "We Can Be Active" strategy and the Council's emerging vision for leisure services.
19.	This engagement will be followed by a twelve-week formal consultation period after which the results will be assessed and considered in order to confirm that

	the proposed approach provides the optimum community benefit and to confirm that the views expressed in the pre-formal-consultation period have been properly considered and reflected in the proposals.
20.	A further Cabinet or Council report to consider the recommendations associated with this process will be brought forward in due course. It is anticipated that the entire process will take no longer than eighteen months.
<b>RESOURCE IMPLICATIONS</b>	
<b><u>Capital/Revenue</u></b>	
21.	The Council budget for financial year 2022/23 included a £148,000 General Fund revenue saving associated with the cessation of leisure services from SMLC. The recommendations of this paper will result in this saving being unachievable and will therefore create a general fund revenue pressure of £148,000 in financial year 2022/23 and £100,000 in 2023/24. This will be funded from existing resources.
22.	Repairs and maintenance costs associated with the building will be funded through the existing repairs and maintenance budgets. The approach to the future management of the fabric, structure and interior of the building and any investment programme will be considered and developed as part of the long-term solution.
23.	An annual cost of £3,400 will be incurred for the insurance of the building. It is anticipated that this can be budget referenced in paragraph 21 of this report.
24.	A further revenue cost of £30,000 General Fund revenue will be allocated in financial year 2022/23 and £20,000 2023/24 to fund publicity and marketing, security, cleaning and other incidentals. This will be funded from existing resources.
<b><u>Property/Other</u></b>	
25.	SMLC was built in 1889, is an ex-drill hall and is Grade II listed. It is captured by Class E and F of Schedule 2, Part A of the Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020 which restricts its usage without further planning permissions
26.	A building condition survey dated 27 September 2021 identified a 'pre-tender' cost of £382,309 to undertake repairs to maintain the building; this includes £232,172 relating to partial replacement and repair of the roofing. These amounts represent the sum of repairs to maintain the building and do not take into account any statutory building compliance-related maintenance and/or improvements to the building. Furthermore, they do not contain any costs for any upgrade or improvement of the interior of the building and its services. Cabinet are also asked to note that the actual costs of the repairs are likely to significantly exceed the pre-tender estimate as a result of current market conditions.  All statutory compliance requirements have been maintained since the closure of the building. A new Energy Performance Certificate is required and has been commissioned.
27.	Under the Interim Arrangement, the Council would retain responsibility for the repair and maintenance of SMLC along with the maintenance and payment of utility costs. These costs would be met from existing repairs and maintenance

	budgets; it should, however, be noted that this may impact negatively on other repairs and maintenance works in the rest of the Council's asset portfolio.
<b>LEGAL IMPLICATIONS</b>	
<b><u>Statutory power to undertake proposals in the report:</u></b>	
28.	The Council has the necessary statutory powers in the Local Government Act 1972 to proceed with the recommendations of this report.
<b><u>Other Legal Implications:</u></b>	
29.	The Council must act in accordance with the Public Contracts Regulations 2015 ("PCRs").
<b>RISK MANAGEMENT IMPLICATIONS</b>	
30.	The practical challenges of mobilising the Interim Arrangement may lead to delays in the re-opening. This risk is being mitigated by working closely with AN.
31.	The Council may be unable to agree acceptable commercial terms and form a contract with AN. Work is well advanced on this matter, but if this risk were to occur, the Council would seek to make arrangements with an alternative operator in order to deliver the Interim Arrangement.
32.	Risks associated with entering into a contract as the result of granting an exemption to the Council's Contract Procedure Rules would be reviewed before such an exemption is approved and would consider the PCRs.
<b>POLICY FRAMEWORK IMPLICATIONS</b>	
33.	The recommendations of this report are consistent with and not contrary to the Council's policy framework.

<b>KEY DECISION?</b>	<b>Yes</b>
<b>WARDS/COMMUNITIES AFFECTED:</b>	All wards
<b><u>SUPPORTING DOCUMENTATION</u></b>	
<b>Appendices</b>	
1.	N/A

**Documents In Members' Rooms**

1.	N/A
<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 Im Assessment (DPIA) to be carried out.</b>	<b>Yes</b>
<b>Other Background Documents</b>	
<b>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.	N/A

# Agenda Item 9

<b>DECISION-MAKER:</b>	CABINET COUNCIL		
<b>SUBJECT:</b>	REVENUE AND CAPITAL OUTTURN 2021/22		
<b>DATE OF DECISION:</b>	CABINET (19 JULY 2022) COUNCIL (20 JULY 2022)		
<b>REPORT OF:</b>	CABINET MEMBER FOR FINANCE & CHANGE		
<b><u>CONTACT DETAILS</u></b>			
<b>Executive Director</b>	<b>Title:</b>	Executive Director for Finance, Commercialisation & S151 Officer	
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<b>Author</b>	<b>Title:</b>	Head of Financial Planning and Management	
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<b>STATEMENT OF CONFIDENTIALITY</b>
N/A
<b>BRIEF SUMMARY</b>
<p>This report is a combined outturn report for revenue and capital.</p> <p>The purpose of this report is to summarise the overall General Fund and Housing Revenue Account (HRA) revenue and capital programme outturn position for 2021/22 and that of the Collection Fund. This report also sets out the revised capital programme estimates for 2022/23 which take account of slippage and re-phasing.</p> <p>The statement of accounts is still under external audit scrutiny, which means this report is provisional, although no material changes are anticipated.</p>

## RECOMMENDATIONS:

	<b><u>General Fund - Revenue</u></b>	
	It is recommended that Cabinet:	
	i)	Notes the General Fund revenue outturn for 2021/22 is a balanced position after transfer of £10.93M surplus to reserves, as outlined in paragraph 4 and in paragraph 2 of Appendix 1.
	ii)	Notes the performance of individual Portfolios in managing their budgets as set out in paragraphs 3 to 6 of Appendix 1 and Annex 1.1.
	iii)	Recommends Council to approve the budget carry-forward requests totalling £4.12M as outlined in paragraph 8 of Appendix 1 and detailed in Annex 1.3 and recommends Council to delegate responsibility to the Executive Director for Finance, Commercialisation & S151 Officer, after consultation with the Cabinet Member for Finance & Change, to approve business cases for the release of the carry forwards.
	iv)	Recommends Council to note the performance of the Property Investment

	Fund (PIF) as detailed in paragraphs 9 to 11 of Appendix 1 and Annex 1.4.
v)	Notes that the level of General Fund balances at 31 March 2022 was £10.07M and the level of earmarked reserves was £101.89M as detailed in paragraph 18 and 19 of Appendix 1 and Annex 1.5.
vi)	Notes the accounts for the Collection Fund in 2021/22 detailed in paragraphs 24 to 30 of Appendix 1 and Annex 1.7.
	<b><u>Housing Revenue Account</u></b> It is recommended that Cabinet:
vii)	Notes the HRA revenue outturn for 2021/22 as outlined in paragraph 6 and paragraphs 21 to 23 of Appendix 1 and Annex 1.6.
	<b><u>Capital Programme</u></b> It is recommended that Cabinet:
viii)	Notes the actual capital spending in 2021/22 for the General Fund was £69.31M and for the HRA was £33.07M, as outlined in paragraphs 10 and 11 below and detailed in paragraphs 2 to 5 of Appendix 2.
ix)	Notes the capital financing in 2021/22 as shown in table 3 of Appendix 2.
x)	Notes the revised capital programme for 2021/22 to 2026/27 and its financing as summarised in paragraph 10 of Appendix 2 and detailed in Annex 2.2.
xi)	Notes the latest prudential indicators for the revised capital programme as detailed in Annex 2.3.
	<b><u>General Fund – Revenue</u></b> It is recommended that Council:
i)	Notes the General Fund revenue outturn for 2021/22 is a balanced position after transfer of £10.93M surplus to reserves, as outlined in paragraph 4 and in paragraph 2 of Appendix 1.
ii)	Notes the performance of individual Portfolios in managing their budgets as set out in paragraphs 3 to 6 of Appendix 1 and Annex 1.1.
iii)	Agrees the budget carry-forward requests totalling £4.12M as outlined in paragraph 8 of Appendix 1 and detailed in Annex 1.3.
iv)	Delegates responsibility to the Executive Director for Finance, Commercialisation & S151 Officer, after consultation with the Cabinet Member for Finance & Change, to approve business cases for the release of the carry forwards.
v)	Notes the performance of the Property Investment Fund (PIF) as detailed in paragraphs 9 to 11 of Appendix 1 and Annex 1.4.
	<b><u>Housing Revenue Account</u></b> It is recommended that Council:
vi)	Notes the HRA revenue outturn for 2021/22 as outlined in paragraph 6 and paragraphs 21 to 23 of Appendix 1 and Annex 1.6.
	<b><u>Capital Programme</u></b> It is recommended that Council:
vii)	Notes the actual capital spending in 2021/22 for the General Fund was £69.31M



	and for the HRA was £33.07M, as outlined in paragraphs 10 and 11 below and detailed in paragraphs 2 to 5 of Appendix 2.
viii)	Notes the capital financing in 2021/22 as shown in table 3 of Appendix 2.
ix)	Approves the revised capital programme for 2021/22 to 2026/27 and its financing as summarised in paragraph 10 of Appendix 2 and detailed in Annex 2.2.
x)	Approves the latest prudential indicators for the revised capital programme as detailed in Annex 2.3.

## REASONS FOR REPORT RECOMMENDATIONS

1.	To ensure that Cabinet fulfils its responsibilities for the overall financial management of the Council's resources.
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## ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2.	None, as the outturn position for 2021/22 has been prepared in accordance with statutory accounting requirements.
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## DETAIL (including consultation carried out)

	<u>Revenue</u>
3.	The outturn positions for the General Fund Revenue Account, Housing Revenue Account (HRA) and Collection Fund for the Council are summarised in Appendix 1.
4.	The overall outturn on the General Fund was a year end surplus of £10.93M which was transferred to reserves to give a final balanced position. This surplus comprised a favourable variance of £9.88M on General Fund business as usual activities and £1.05M favourable variance on COVID-19 budgets, both of which were forecast to be balanced to nil through use of corporate resources in the quarter 3 forecast. Details of the significant movements since the last quarter are provided in Annex 1.1.
5.	The level of General Fund balance at 31 March 2022 remained at £10.07M, which is in line with the Medium Term Financial Strategy as agreed at the 22 February 2022 Council meeting. Earmarked reserves totalled £101.89M at the end of 2021/22, of which £5.70M relates to schools' balances. Included within reserves is the carry forward of £14.08M of COVID-19 grant funding, of which £11.60M relates to compensation for additional business rates reliefs given by the government during the pandemic. The funding is being carried forward via reserves to meet the Council's share of the deficit on the Collection Fund arising from these reliefs, which will be charged to the General Fund in 2022/23. Earmarked reserves do not include the £11.09M cumulative deficit on the Dedicated Schools Grant (DSG), which is being held in an unusable reserve so that it does not impact on the revenue account in accordance with regulations. Reserves (excluding schools' balances) are £18.64M higher than the estimated position at quarter 3. More detail is provided in paragraph 18 to 20 of Appendix 1.
6.	The outturn position for the HRA was a favourable variance of £0.92M. This is in line with the Medium Term Financial Strategy as agreed at the 22 February 2022 Council meeting. The £0.92M favourable variance all relates to HRA business as usual activities and there is no change from the quarter 3 forecast. Details of the significant movements on individual budget lines since the last quarter are provided in Annex 1.6.
7.	The Council collects business rates and council tax not only for itself, but also for the Hampshire and Isle of Wight Fire and Rescue Authority and Hampshire Police and

	<p>Crime Commissioner and accounts for this via the Collection Fund. At the year end the Collection Fund had an overall deficit of £14.35M, comprising a £17.11M business rates deficit offset by a £2.76M council tax surplus. The Council's share of the overall deficit is £6.05M (£8.39M business rates deficit offset by £2.34M council tax surplus). The £17.11M total business rates deficit is largely due to £23.30M of additional reliefs to support businesses during the pandemic, offset by £6.19M reductions in other reliefs and expenditure. £11.60M of government grant funding to compensate for rates reliefs has been carried forward via reserves to offset the deficit that will be charged to the General Fund in 2022/23.</p>
	<b><u>Capital</u></b>
8.	The General Fund and HRA capital expenditure and its financing for 2021/22 and the revised Capital Programme are summarised in Appendix 2.
9.	The total General Fund capital expenditure in 2021/22 was £69.31M compared to the agreed programme of £89.80M, giving a variance of £20.49M (£21.49M net slippage and £1.00M of overspend).
10.	The total HRA capital expenditure in 2021/22 was £33.07M compared to the agreed programme of £37.94M, giving a variance of £4.88M (£3.31M net slippage and £1.57M of underspend).
	<b><u>Statement of Accounts 2021/22</u></b>
11.	The draft statement of accounts will be presented to Governance Committee on 25 July 2022.
12.	The annual audit, carried out by our auditors Ernst & Young LLP, commenced on 22 June 2022. The audit is expected to be completed in September 2022. Changes to the statement of accounts (if any) arising from the annual audit are expected to be reported to the 26 September 2022 Governance Committee.
<b>RESOURCE IMPLICATIONS</b>	
<b><u>Capital/Revenue</u></b>	
13.	The revenue and capital implications are contained in the report.
<b><u>Property/Other</u></b>	
14.	There are no specific property implications arising from this report other than the schemes already referred to within Appendix 2 of the report.
<b>LEGAL IMPLICATIONS</b>	
<b><u>Statutory power to undertake proposals in the report:</u></b>	
15.	Financial reporting is consistent with the Section 151 Officer's duty to ensure good financial administration within the Council.
<b><u>Other Legal Implications:</u></b>	
16.	None.
<b>RISK MANAGEMENT IMPLICATIONS</b>	
17.	None.
<b>POLICY FRAMEWORK IMPLICATIONS</b>	
18.	The proposals contained in the report are in accordance with the Council's Policy Framework Plan.

KEY DECISION? No

WARDS/COMMUNITIES AFFECTED:	All
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**SUPPORTING DOCUMENTATION**

**Appendices**

1.	Revenue Outturn 2021/22
2.	Capital Outturn 2021/22

**Documents In Members' Rooms**

1.	None
2.	

**Equality Impact Assessment**

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

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

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

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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1.	The Revenue Budget 2021/22, Medium Term Financial Forecast 2021/22 to 2024/25 and Capital Programme 2020/21 to 2025/26 (Approved by Council February 2022)	
2.		

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# Agenda Item 9

## Appendix 1

### REVENUE OUTTURN 2021/22

The focus for this report is on indicating the changes since the financial monitoring position reported to Cabinet at its meeting on 21 February 2022 (at quarter 3).

### **GENERAL FUND REVENUE ACCOUNT - SUMMARY**

1. Each portfolio within the General Fund is responsible for monitoring net controllable spend against the budget throughout the financial year. For 2021/22, variances against budget provided for COVID-19 pandemic related issues have been monitored and reported on separately to variances on 'business as usual' (BAU) activities. Table 1 below provides a summary of the overall outturn for the year, with an analysis of BAU variances and COVID-19 variances and movements against the quarter 3 position shown in Tables 2 and 3.
2. The overall outturn for the General Fund Revenue Account was a surplus of £10.93M. This surplus has been transferred to reserves, improving the sums potentially available in the future, to provide an overall balanced position for the year on the General Fund.

**Table 1 – General Fund Revenue Account 2021/22**

	<b>Final Budget £M</b>	<b>Outturn £M</b>	<b>Outturn Variance £M</b>
Portfolios Net Expenditure	216.65	223.42	6.77 A
Non-Portfolio Net Expenditure	(46.00)	(61.38)	15.38 F
<b>Net Revenue Expenditure</b>	<b>170.66</b>	<b>162.04</b>	<b>8.61 F</b>
Financing	(170.66)	(172.97)	2.31 F
<b>(Surplus) / Deficit for the year before transfer to reserves</b>	<b>0.00</b>	<b>(10.93)</b>	<b>10.93 F</b>
Transfer to Reserves – Year End Surplus		10.93	10.93 A
<b>(Surplus) / Deficit for the year</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Numbers are rounded

3. The outturn position for the General Fund on business as usual (BAU) activities for the year (before the final transfer to reserves) is a favourable variance of £9.64M, a favourable movement of £9.64M from the position forecast at quarter 3. The forecast position at quarter 3 was to break even, after the use of corporate resources. Details of the significant movements since quarter 3 (in excess of £0.2M) are provided in Annex 1.1.

**Table 2 – General Fund Business as Usual Outturn 2021/22**

<b>General Fund</b>	<b>BAU Outturn Variance £M</b>	<b>BAU Forecast Variance Qtr 3 £M</b>	<b>BAU Movement from Qtr 3 £M</b>
Portfolios Net Expenditure	6.15 A	7.75 A	1.60 F
Non-Portfolio Net Expenditure	15.38 F	7.48 F	7.90 F
<b>Net Revenue Expenditure</b>	<b>9.23 F</b>	<b>0.27 A</b>	<b>9.50 F</b>
Financing	0.41 F	0.27 F	0.14 F
<b>(Surplus) / Deficit for the year before transfer to reserves</b>	<b>9.64 F</b>	<b>0.00</b>	<b>9.64 F</b>

Numbers are rounded

4. £7.31M of the portfolios business as usual adverse net outturn variance relates to Children's Social Care. The main element of the adverse variance (£4.56M) continues to be for Children Looked After, due to the higher number of children in residential care and independent fostering agencies than budgeted.
5. The £15.38M favourable outturn variance on non-portfolio net expenditure is primarily from a £7.83M contribution from the Social Care Demand Reserve (which stand at £0 from 1 April 2022) and a release of £5.59M from centrally held budgets.
6. The outturn position for the General Fund on COVID-19 budgets for the year (before the final transfer to reserves) is a favourable variance of £1.29M, a favourable movement of £1.29M from the position forecast at quarter 3. The forecast position at quarter 3 was to break even, after the use of corporate resources. Details of the significant movements since quarter 3 (in excess of £0.2M) are provided in Annex 1.1.

**Table 3 – General Fund COVID-19 Outturn 2021/22**

<b>General Fund</b>	<b>COVID Outturn Variance £M</b>	<b>COVID Forecast Variance Qtr 3 £M</b>	<b>COVID Variance Movement from Qtr 3 £M</b>
Portfolios Net Expenditure	0.61 A	2.24 A	1.63 F
Non-Portfolio Net Expenditure	0.00	0.72 F	0.72 A
<b>Net Revenue Expenditure</b>	<b>0.61 A</b>	<b>1.51 A</b>	<b>0.90 F</b>
Financing	1.90 F	1.51 F	0.39 F
<b>(Surplus) / Deficit for the year before transfer to reserves</b>	<b>1.29 F</b>	<b>0.00</b>	<b>1.29 F</b>

Numbers are rounded

7.	A summary of COVID-19 government grants for 2021/22 is provided at Annex 1.2. Application of these grants (including funding carried forward from 2020/21) to COVID-19 related costs incurred by the Council has been maximised, to reduce the financial impact of the pandemic.
	<b><u>Budget Carry Forwards</u></b>
8.	<p>A number of service areas have requested the carry forward of budgets from 2021/22. These are summarised in Annex 1.3 and total £4.12M. Council is recommended to approve the carry forward of this sum. However, given the significant inflationary cost pressures faced in the current year and the major budget shortfall forecast for 2023/24 (circa £23,4M) highlighted in the February 2022 Medium Term Financial Strategy to be addressed, Council is recommended to agree that release of the carry forwards is subject to a business case to be approved by the Executive Director for Finance, Commercialisation &amp; S151 Officer, after consultation with the Cabinet Member for Finance &amp; Change.</p> <p>There is also £18.11M of unspent revenue grant funding being carried forward, most of which is COVID-19 related. Of this, £11.60M is compensation for business rates reliefs (see paragraphs 19 and 27 below) which is required to be carried forward to offset the Collection Fund deficit being recouped in 2022/23.</p>
	<b><u>Property Investment Fund</u></b>
9.	As part of the scheme of delegation it was agreed the performance of the Property Investment Fund would be reported at outturn stage to Full Council. Annex 1.4 gives the details of this fund and Cabinet is asked to recommend Council note the performance.
10.	There have been no additional purchases during the year. The rate of return on investment in 2021/22 before borrowing costs and other on-costs was 6.03%. Borrowing costs of 3.90% were incurred giving a net rate of return of 2.13%. All of the properties remain fully let and the tenants are meeting their financial obligations under the leases (although one tenant has vacated the premises but continues to honour the lease).
11.	Investment properties are required to be revalued every year. The current valuation for those within the Property Investment Fund is £25.68M, an increase in value compared with last year of £1.42M (a reduction in value of £1.23M was reported in 2020/21). Under current accounting rules changes in the value of investment properties do not impact on the General Fund.
	<b><u>Treasury Management</u></b>
12.	The Treasury Management outturn for 2021/22 will be reported to Governance Committee on 25 July 2022.
	<b><u>Dedicated Schools Grant (DSG) and Schools</u></b>
13.	The Dedicated Schools Grant is a ring-fenced grant and balances are carried forward each year. The position at year end is a cumulative deficit of £11.09M, as shown in Table 4 below. This is further detailed in Annex 1.1.

**Table 4 – DSG Outturn**

	£M
Deficit carried forward from 2020/21	8.93
Net deficit in year	2.16
<b>Balance to carry forward</b>	<b>11.09</b>

Numbers are rounded

14. The DSG deficit is being driven by significant year on year increases in the number and complexity of Education and Health Care Plans (EHCPs) and the increasing numbers of pupils with Special Education Needs and Disability (SEND) being placed in highly expensive out of city placements in independent school settings. There is also pressure on Early Years funding from a reduction in children placed in Early Years settings. Work is continuing to review High Needs activity to manage SEND demand and increase the provision of places within Southampton. Anticipated increases in High Needs grant funding from Government are also expected to support the deficit recovery plan.

15. The Schools Budget is ringfenced and the DSG deficit will not impact on the wider council services or council tax payers. In accordance with regulations, the deficit is held within an unusable reserve so that it does not form part of the balance on earmarked revenue reserves.

16. There are 13 schools (out of 43 SCC schools) reporting a deficit balance as at the 31 March 2022 as shown in Table 5 below. There are the same number of schools reporting a deficit as at the previous year end and the total deficit has decreased by £0.48M. During the year one school cleared its deficit and two schools went into deficit from a surplus position. One school reporting a deficit at the previous year end converted to an academy during the year, with the deficit balance of £0.78M being met from the General Fund upon its conversion to an academy as required by the legislation. One other school converted to an academy during the year reducing the number of SCC maintained schools from 45 to 43.

**Table 5 – Schools in Deficit**

	2020/21		2021/22	
	Deficit £M	No. of Schools	Deficit £M	No. of Schools
Primary	2.14	9	2.70	10
Secondary	1.97	4	0.93	3
<b>Total</b>	<b>4.11</b>	<b>13</b>	<b>3.63</b>	<b>13</b>

Numbers are rounded

17. These schools are working with the School Finance team to agree deficit recovery plans.

### **Reserves & Balances**

18. The General Fund balance stands at £10.07M, which is the approved minimum level as per the February 2022 Medium Term Financial Strategy (MTFS).



19.	<p>Earmarked reserves totalled £101.89M at the end of 2021/22, comprising £5.70M of schools' balances and £96.19M other revenue reserves. This compares to a forecast of £77.5M at quarter 3 excluding schools' balances.</p> <p>Included within reserves is the carry forward of £14.08M of COVID-19 grant funding, of which £11.60M relates to government compensation for the loss in 2021/22 business rates income due to continuation of reliefs provided to support particular business sectors during the pandemic. Under accounting arrangements for business rates the Council's estimated share of the loss on the Collection Fund caused by the additional reliefs is charged to the General Fund in 2022/23 (i.e. a year after the grant funds compensating for this loss were received), so the funding is being carried forward via reserves to be applied in 2022/23.</p> <p>Further details and the changes to the quarter 3 position are set out in Annex 1.5. The main changes to the position at quarter 3 were:</p> <ul style="list-style-type: none"> <li>• £11.74M improvement in the Medium Term Financial Risk Reserve arising from the contribution of the year-end surplus (£10.93M), transfer of the unused balance on the Digital Strategy Reserve (£1.06M), re-phasing of some expected drawdowns into 2022/23 (£0.33M), differences between forecast and actual drawdowns (£0.12M), offset by slippage in an expected contribution to the reserve (£0.70M);</li> <li>• £2.08M increase in the transfer to the Revenue Grants Reserve for grants being carried forward into 2022/23. The main elements of this are £2.48M relating to ring-fenced COVID-19 grants plus £4.03M other funding, offset by a reduction of £4.43M in the estimated compensation for business rates losses due to award of the Covid Additional Relief Fund being deferred until 2022/23 (see paragraph 30 below);</li> <li>• £4.12M increase in the Portfolio Carry Forwards Reserve for the budget carry forwards noted in paragraph 8.</li> </ul>																
20.	<p>Given the uncertainty caused by the Ukrainian conflict, cost of living crisis and any ongoing effects from the COVID-19 pandemic on the Council's expenditure and income, it is more important than ever that the Council maintains adequate reserves and monitors all financial risks and acts to mitigate these where it can.</p>																
<b>HOUSING REVENUE ACCOUNT (HRA)</b>																	
21.	<p>The HRA has made a surplus of £0.92M in 2021/22 as summarised in Table 6 below. Further details are provided in Annex 1.6.</p>																
<p><b>Table 6 – Housing Revenue Account Outturn 2021/22</b></p> <table border="1" data-bbox="268 1635 1289 1930"> <thead> <tr> <th>HRA</th> <th>Final Budget £M</th> <th>Outturn £M</th> <th>Outturn Variance £M</th> </tr> </thead> <tbody> <tr> <td>Expenditure</td> <td>75.87</td> <td>74.39</td> <td>1.48 F</td> </tr> <tr> <td>Income</td> <td>(75.87)</td> <td>(75.31)</td> <td>0.56 A</td> </tr> <tr> <td><b>(Surplus) / Deficit for the year</b></td> <td><b>0.00</b></td> <td><b>(0.92)</b></td> <td><b>0.92 F</b></td> </tr> </tbody> </table> <p style="text-align: center;">Numbers are rounded</p>		HRA	Final Budget £M	Outturn £M	Outturn Variance £M	Expenditure	75.87	74.39	1.48 F	Income	(75.87)	(75.31)	0.56 A	<b>(Surplus) / Deficit for the year</b>	<b>0.00</b>	<b>(0.92)</b>	<b>0.92 F</b>
HRA	Final Budget £M	Outturn £M	Outturn Variance £M														
Expenditure	75.87	74.39	1.48 F														
Income	(75.87)	(75.31)	0.56 A														
<b>(Surplus) / Deficit for the year</b>	<b>0.00</b>	<b>(0.92)</b>	<b>0.92 F</b>														

22. The outturn position for the HRA on business as usual (BAU) activities for the year is a favourable variance of £0.92M, no movement from the position forecast at quarter 3, summarised in Table 7 below. Details of the significant movements since quarter 3 are provided in Annex 1.6. This favourable outturn was intended, to help with HRA pressures during 2022/23 given there was a Council decision to freeze rents.

**Table 7 – HRA Business as Usual Outturn 2021/22**

HRA	BAU Outturn Variance £M	BAU Forecast Variance Qtr 3 £M	BAU Movement from Qtr 3 £M
Expenditure	1.48 F	1.14 F	0.34 F
Income	0.56 A	0.22 A	0.34 A
<b>(Surplus) / Deficit for the year</b>	<b>0.92 F</b>	<b>0.92 F</b>	<b>0.00</b>

Numbers are rounded

23. There were no outturn variances on the COVID-19 budget and no movements since quarter 3.

**COLLECTION FUND (for Business Rates and Council Tax)**

24. Proceeds from local business rates and council tax are paid into the Collection Fund operated by the City Council, and then paid out to meet the net budgeted amounts of not only Southampton City Council, but also the Hampshire Police & Crime Commissioner and Hampshire and Isle of Wight Fire & Rescue Authority. Government also receives a 50% share of the proceeds from the local business rates collected.

The outturn for the Collection Fund as a whole is an overall deficit of £14.35M, as shown in Annex 1.7 and summarised in Table 8. The table shows a comparison of the outturn position with the revised estimate at quarter 3.

**Table 8 – Overall Collection Fund Deficit/(Surplus) Carried Forward**

	Outturn £M	Quarter 3 Revised Estimate £M	Movement from Qtr 3 £M
Council Tax	(2.76)	(2.65)	0.11 F
Business Rates	17.11	26.26	9.15 F
<b>Total</b>	<b>14.35</b>	<b>23.61</b>	<b>9.26 F</b>

Numbers are rounded

25. The deficit for business rates is largely due to the continuation of the Government's reliefs to support retail, hospitality, leisure and nursery sectors during the pandemic. A total of £23.30M COVID-19 reliefs have been given in 2021/22. The Council receives compensation for these additional reliefs through Government grant.

26. The business rates quarter 3 revised estimate assumed £8.61M of reliefs would be awarded via the Government's Covid Additional Relief Fund (CARF) scheme

announced in December 2021. Award of these reliefs has been deferred until 2022/23 (to retrospectively reduce bills for 2021/22), which has resulted in a lower outturn deficit than previously forecast. The Government compensation for the CARF reliefs has reduced in tandem, therefore there is no net benefit to the Council of this reduction in the deficit. The remainder of the favourable movement for business rates is mostly due to a reduction in the provision for refunds (£0.55M).

27. The net impact for Southampton City Council (SCC) alone is shown in Table 9.

**Table 9 – SCC Share of Collection Fund Deficit/(Surplus) 2021/22**

	<b>Council Tax £M</b>	<b>Business Rates £M</b>	<b>Total £M</b>
Outturn - SCC Share of Deficit/(Surplus)	(2.34)	8.39	6.05
Less: SCC additional Government Grant for business rates reliefs		(11.60)	(11.60)
<b>Outturn - SCC Net Share of Deficit/(Surplus) after additional Government Grant</b>	<b>(2.34)</b>	<b>(3.21)</b>	<b>(5.55)</b>
Quarter 3 Revised Estimate SCC Net Share of Deficit/(Surplus) after additional Government Grant	(2.25)	(3.16)	(5.41)
<b>Movement from Quarter 3</b>	<b>0.09 F</b>	<b>0.05 F</b>	<b>0.14 F</b>

Numbers are rounded

28. The Council's share of the estimated position at quarter 3 was taken into account in setting the 2022/23 General Fund Revenue Budget in February 2022. To reduce the financial impact in 2021/22 of exceptional losses arising in 2020/21 due to the COVID-19 pandemic, the government made regulations to require 2020/21 in-year deficits to be spread over 3 years. For the Council this means £1.20M of the deficit brought forward from 2020/21 is being carried over into 2023/24 and did not form part of the Collection Fund surplus/deficit taken into account in setting the 2022/23 budget.

29. The outturn position shows a favourable variance of £0.14M compared with the quarter 3 revised estimate. Under the arrangements for operating the Collection Fund, differences between the outturn position and the estimates used when setting the budget for the next year are reflected in the following year's estimates. This favourable variance will therefore be taken into account in setting the 2023/24 General Fund revenue budget.

30. As set out in paragraph 26, the revised estimate at quarter 3 assumed CARF reliefs would be awarded in 2021/22. The 2022/23 General Fund budget includes the Council's share of the estimated deficit on the Collection Fund arising from these reliefs, to be met from compensation grant that was assumed to be receivable in 2021/22 and carried forward via reserves. Due to the deferment of the award of the reliefs no grant was received in 2021/22, however the charge to the General Fund in 2022/23 remains as this is based on the estimated and not the outturn position. Grant will be receivable in 2022/23 when the reliefs are awarded and any differences between estimates and actuals for reliefs/grant will unwind by 2023/24. These timing differences will need to be managed via reserves.

	<b>Conclusion</b>
30.	<p>The authority's formal financial statements are subject to external audit, after which they will be submitted for approval by the Governance Committee.</p> <p>The Council's 2021/22 outturn position has been bolstered by use of one-off funds including reserves, temporary headroom within centrally held budgets and use of short-term grant funding. Funding sources which have been used to offset budget pressures in 2021/22 and helped generate this surplus, will not generally be available to the authority going forward, for example the Social Care Demand Reserve has been exhausted. To maintain the Council's financial resilience, in the absence of these sources of one-off funds, an even greater emphasis will be placed on all services managing often volatile budgets in-year and staying within existing allocated resources.</p> <p>The £10.9M outturn surplus provides additional one-off resource which could help address the significant inflationary pressures being experienced in 2022/23 or other financial risks and/or be used to contribute on a one-off basis to the £23.4M budget shortfall in 2023/24 outlined in the February 2022 Medium Term Financial Strategy.</p> <p>While the Council is currently in a solvent position, it is clear action needs to be taken in the medium term to address the shortfall between the Council's budgeted expenditure and anticipated funding.</p> <p>The outturn position highlights the severe expenditure pressure being experienced from the strong demand level currently being seen within Children's Social Care. Delivery of the action plan to mitigate this pressure is a key component of the 2022/23 budget and onwards and any difficulties in achieving the plan would put further stress on the Council's financial position. The Council's financial resilience will therefore need careful vigilance and stewardship to ensure the Council can continue to meet its financial challenges and support our communities. The challenge will be to make significant savings and ensuring existing budgets can meet the demand pressures faced.</p>

## **Annexes**

1. General Fund Revenue Account Outturn 2021/22
2. COVID-19 Government Grants 2021/22
3. Budget Carry Forwards 2021/22
4. Property Investment Fund 2021/22
5. Earmarked Reserves 2021/22
6. Housing Revenue Account Outturn 2021/22
7. Collection Fund Outturn 2021/22

## GENERAL FUND REVENUE ACCOUNT OUTTURN 2021/22 Appendix 2

A summary of the overall outturn for the General Fund Revenue Account is shown in the table below:

Portfolio	Final Budget £M	Outturn £M	Outturn Variance £M
Children's Social Care	46.56	53.62	7.06 A
Communities, Culture & Heritage	12.16	10.78	1.38 F
Customer Service & Transformation	47.79	49.84	2.05 A
Education	11.20	12.89	1.69 A
Environment	1.69	1.39	0.30 F
Finance & Capital Assets	1.71	1.78	0.07 A
Growth	7.09	4.90	2.19 F
Health & Adult Social Care	83.31	83.37	0.06 A
Leader	5.15	4.88	0.27 F
<b>Total Portfolios</b>	<b>216.65</b>	<b>223.42</b>	<b>6.77 A</b>
Levies & Contributions	0.09	0.09	0.00 A
Capital Asset Management	7.95	6.07	1.88 F
Net Housing Benefit Payments	0.00	0.05	0.05 A
Other Expenditure & Income	(54.04)	(67.59)	13.55 F
<b>Net Revenue Expenditure</b>	<b>170.66</b>	<b>162.04</b>	<b>8.61 F</b>
Council Tax	(103.68)	(103.68)	0.00
Business Rates	(23.25)	(23.25)	0.00
Non-Specific Government Grants	(43.73)	(46.04)	2.31 F
<b>Total Financing</b>	<b>(170.66)</b>	<b>(172.97)</b>	<b>2.31 F</b>
<b>(SURPLUS)/DEFICIT before transfer to reserves</b>	<b>0.00</b>	<b>(10.93)</b>	<b>10.93 F</b>
Transfer to Reserves – Year End Surplus		10.93	10.93 A
<b>(SURPLUS)/DEFICIT</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Numbers are rounded

The business as usual (BAU) outturn variance and movement since quarter 3 is shown in the following table:

<b>Portfolio</b>	<b>BAU Outturn Variance £M</b>	<b>BAU Forecast Variance Qtr 3 £M</b>	<b>BAU Movement from Qtr 3 £M</b>
Children's Social Care	7.31 A	6.30 A	1.01 A
Communities, Culture & Heritage	0.63 F	0.30 F	0.33 F
Customer Service & Transformation	1.93 A	0.29 A	1.64 A
Education	1.94 A	1.60 A	0.34 A
Environment	0.40 F	0.07 F	0.33 F
Finance & Capital Assets	0.27 F	0.13 F	0.14 F
Growth	3.45 F	1.00 F	2.45 F
Health & Adult Social Care	0.04 A	1.09 A	1.05 F
Leader	0.30 F	0.05 F	0.26 F
<b>Total Portfolios</b>	<b>6.15 A</b>	<b>7.75 A</b>	<b>1.60 F</b>
Levies & Contributions	0.00	0.00	0.00
Capital Asset Management	1.88 F	0.60 F	1.28 F
Net Housing Benefit Payments	0.05 A	0.00	0.05 A
Other Expenditure & Income	13.55 F	6.88 F	6.67 F
<b>Net Revenue Expenditure</b>	<b>9.23 F</b>	<b>0.27 A</b>	<b>9.50 F</b>
Council Tax	0.00	0.00	0.00
Business Rates	0.00	0.00	0.00
Non-Specific Government Grants	0.41 F	0.27 F	0.14 F
<b>Total Financing</b>	<b>0.41 F</b>	<b>0.27 F</b>	<b>0.14 F</b>
<b>(SURPLUS)/DEFICIT before transfer to reserves</b>	<b>9.64 F</b>	<b>0.00</b>	<b>9.64 F</b>

Numbers are rounded

The COVID-19 outturn variance and movement since quarter 3 is shown in the following table:

<b>Portfolio</b>	<b>COVID Outturn Variance £M</b>	<b>COVID Forecast Variance Qtr 3 £M</b>	<b>COVID Variance Movement from Qtr 3 £M</b>
Children's Social Care	0.25 F	0.30 F	0.05 A
Communities, Culture & Heritage	0.75 F	0.05 A	0.80 F
Customer Service & Transformation	0.12 A	0.03 A	0.09 A
Education	0.25 F	0.02 A	0.27 F
Environment	0.10 A	0.12 A	0.02 F
Finance & Capital Assets	0.33 A	0.90 A	0.57 F
Growth	1.26 A	1.37 A	0.11 F
Health & Adult Social Care	0.02 A	0.02 A	0.00
Leader	0.03 A	0.03 A	0.00
<b>Total Portfolios</b>	<b>0.61 A</b>	<b>2.24 A</b>	<b>1.63 F</b>
Levies & Contributions	0.00	0.00	0.00
Capital Asset Management	0.00	0.00	0.00
Net Housing Benefit Payments	0.00	0.00	0.00
Other Expenditure & Income	0.00	0.72 F	0.72 A
<b>Net Revenue Expenditure</b>	<b>0.61 A</b>	<b>1.51 A</b>	<b>0.90 F</b>
Council Tax	0.00	0.00	0.00
Business Rates	0.00	0.00	0.00
Non-Specific Government Grants	1.90 F	1.51 F	0.39 F
<b>Total Financing</b>	<b>1.90 F</b>	<b>1.51 F</b>	<b>0.39 F</b>
<b>(SURPLUS)/DEFICIT before transfer to reserves</b>	<b>1.29 F</b>	<b>0.00</b>	<b>1.29 F</b>

Numbers are rounded

The quarter 3 forecast assumed a drawdown of £6.75M from the Social Care Demand Reserve and £1.45M use of centrally held budgets (£0.73M for BAU and £0.72M for COVID-19) to achieve an overall break even position. These forecasts are included within the Other Expenditure & Income lines in the tables above.

## EXPLANATIONS BY PORTFOLIO

### 1. CHILDREN'S SOCIAL CARE PORTFOLIO

#### KEY REVENUE ISSUES – OUTTURN 2021/22

The Portfolio has a deficit of **£7.31M** at year-end for business as usual (BAU) activities. The Portfolio outturn variance has moved adversely by **£1.01M** from the position reported at quarter 3.

In addition, a **£0.25M** surplus has arisen on the COVID-19 pandemic budget, an adverse movement of £0.05M from the position reported at quarter 3.

	<b>Outturn Variance</b>	<b>Forecast Variance</b>	<b>Movement from</b>
	<b>£M</b>	<b>Qtr 3 £M</b>	<b>Qtr 3 £M</b>
<b>Portfolio Outturn</b> business as usual	<b>7.31 A</b>	<b>6.30 A</b>	<b>1.01 A</b>
COVID-19 Pandemic	0.25 F	0.30 F	0.05 A
<b>Total</b>	<b>7.06 A</b>	<b>6.00 A</b>	<b>1.06 A</b>

A summary of the Portfolio business as usual outturn variance and movement since the last quarter is shown in the table below:

<b>Service Area</b>	<b>BAU Outturn Variance</b>	<b>BAU Forecast Variance</b>	<b>BAU Movement from</b>
	<b>£M</b>	<b>Qtr 3 £M</b>	<b>Qtr 3 £M</b>
Children Looked After	4.56 A	4.08 A	0.48 A
Multi Agency Safeguarding Hub & Children in Need	0.32 A	0.43 A	0.11 F
Prevention & Inclusion Service	0.17 A	0.18 A	0.01 F
Quality Assurance Business Unit	0.30 A	0.30 A	0.00
Specialist Core Services	1.61 A	1.16 A	0.45 A
Divisional Management & Legal	0.41 A	0.15 A	0.26 A
Targeted & Restorative Services	0.13 A	0.08 A	0.05 A
Early Help	0.17 F	0.08 F	0.09 F



Other	0.02 F	0.00	0.02 F
<b>Total</b>	<b>7.31 A</b>	<b>6.30 A</b>	<b>1.01 A</b>

The SIGNIFICANT business as usual movements between Quarter 3 and Outturn for the Portfolio are:

<b>Service Area</b>	<b>Movement in Variance between Qtr 3 and Outturn 2021/22 £M</b>	<b>Explanation:</b>
Children Looked After	0.48 A	The adverse movement of £0.48M from Quarter 3 relates to additional Residential and Independent Fostering Agency placement costs. Details of these placement moves and cost increases are provided to the service area teams so work can be undertaken to minimise these costs moving forward.
Specialist Core Services	0.45 A	The agency numbers have not decreased as planned due to the need to retain agency whilst the new staffing structure is implemented. Additionally, preventative spend has been increasing each month due to high demand. These two adverse movements from quarter 3 total £0.83M. This has been partially offset by additional Public Health grant funding of £0.38M.
Divisional Management & Legal	0.26 A	There has been an adverse movement of £0.26M from quarter 3 following an adjustment of the agency budget to better reflect where the services have incurred the spend. These service areas are Specialist Core Services and the Multi Agency Safeguarding Hub & Children in Need Team.

A summary of the Portfolio COVID-19 outturn variance and movement since the last quarter is shown in the table below:

<b>Service Area</b>	<b>COVID Outturn Variance £M</b>	<b>COVID Forecast Variance Qtr 3 £M</b>	<b>COVID Variance Movement from Qtr 3 £M</b>
Children Looked After	0.33 F	0.33 F	0.00
Specialist Core Services	0.08 A	0.00	0.08 A
Divisional Management & Legal	0.00	0.03 A	0.03 F

<b>Total</b>	<b>0.25 F</b>	<b>0.30 F</b>	<b>0.05 F</b>
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There are no SIGNIFICANT COVID-19 variance movements between quarter 3 and outturn for the Portfolio.

## 2. COMMUNITIES, CULTURE & HERITAGE PORTFOLIO

### KEY REVENUE ISSUES – OUTTURN 2021/22

The Portfolio has a surplus of **£0.63M** for business as usual (BAU) activities. The Portfolio outturn variance has moved favourably by **£0.33M** from the position reported at quarter 3.

In addition, a **£0.75M** surplus has arisen on the COVID-19 pandemic budget, a favourable movement of £0.80M from the position reported at quarter 3.

	<b>Outturn Variance</b>	<b>Forecast Variance</b>	<b>Movement from</b>
	<b>Qtr 3</b>	<b>Qtr 3</b>	<b>Qtr 3</b>
	<b>£M</b>	<b>£M</b>	<b>£M</b>
<b>Portfolio Outturn</b> business as usual	<b>0.63 F</b>	<b>0.30 F</b>	<b>0.33 F</b>
COVID-19 Pandemic	<b>0.75 F</b>	<b>0.05 A</b>	<b>0.80 F</b>
<b>Total</b>	<b>1.38 F</b>	<b>0.25 F</b>	<b>1.13 F</b>

A summary of the Portfolio business as usual forecast variance and movement since Quarter 3 is shown in the table below:

<b>Service Area</b>	<b>BAU Outturn Variance</b>	<b>BAU Forecast Variance</b>	<b>BAU Variance Movement from</b>
	<b>Qtr 3</b>	<b>Qtr 3</b>	<b>Qtr 3</b>
	<b>£M</b>	<b>£M</b>	<b>£M</b>
Community Safety	0.04 F	0.00	0.04 F
Cultural Services	0.11 A	0.09 A	0.02 A
Grants to Voluntary Organisations	0.10 F	0.08 F	0.02 F
Housing Needs	0.09 A	0.00	0.09 A
Private Sector Housing	0.05 F	0.08 F	0.03 A
Social Fund	0.54 F	0.15 F	0.38 F
Stronger Communities	0.10 F	0.08 F	0.02 F
<b>Total</b>	<b>0.63 F</b>	<b>0.30 F</b>	<b>0.33 F</b>

The SIGNIFICANT business as usual movements between Quarter 3 and Outturn for the Portfolio are:

<b>Service Area</b>	<b>Movement in Variance between Qtr 3 and Outturn 2021/22 £M</b>	<b>Explanation:</b>
Social Fund	0.38 F	The favourable variance relates to additional income received to fund the support to the Afghan Bridging Hotel.

A summary of the Portfolio COVID-19 outturn variance and movement since Quarter 3 is shown in the table below:

<b>Service Area</b>	<b>COVID Outturn Variance £M</b>	<b>COVID Forecast Variance Qtr 3 £M</b>	<b>COVID Variance Movement from Qtr 3 £M</b>
Private Sector Housing	0.10 A	0.10 A	0.00
Cultural Services	0.10 F	0.05 F	0.08 F
Stronger Communities	0.72 F	0.00	0.72 F
<b>Total</b>	<b>0.75 F</b>	<b>0.05 A</b>	<b>0.80 F</b>

The SIGNIFICANT COVID-19 movements between Quarter 3 and Outturn for the Portfolio are:

<b>Service Area</b>	<b>Movement in Variance between Qtr 3 and Outturn 2021/22 £M</b>	<b>Explanation:</b>
Stronger Communities	0.72 F	The favourable variance relates to the application of COVID-19 grants for Winter Fund, Practical Support, Clinically Extremely Vulnerable to costs already forecasted under BAU.

### 3. CUSTOMER SERVICE & TRANSFORMATION PORTFOLIO

#### KEY REVENUE ISSUES – OUTTURN 2021/22

The Portfolio has a deficit of **£1.93M** at year-end for business as usual (BAU) activities. The Portfolio outturn variance has moved adversely by **£1.64M** from the position reported at quarter 3.

In addition, a **£0.12M** deficit has arisen on the COVID-19 pandemic budget, an adverse movement of £0.09M from the position reported at quarter 3.

	<b>Outturn Variance</b>	<b>Forecast Variance</b>	<b>Movement from</b>
	<b>£M</b>	<b>Qtr 3 £M</b>	<b>Qtr 3 £M</b>
<b>Portfolio Outturn</b> business as usual	<b>1.93 A</b>	<b>0.29 A</b>	<b>1.64 A</b>
COVID-19 Pandemic	0.12 A	0.03 A	0.09 A
<b>Total</b>	<b>2.05 A</b>	<b>0.32 A</b>	<b>1.73 A</b>

A summary of the Portfolio business as usual outturn variance and movement since the last quarter is shown in the table below:

<b>Service Area</b>	<b>BAU Outturn Variance</b>	<b>BAU Forecast Variance</b>	<b>BAU Movement from</b>
	<b>£M</b>	<b>Qtr 3 £M</b>	<b>Qtr 3 £M</b>
Business Support	0.36 A	0.25 A	0.11 A
City Services – Commercial Services	0.53 A	0.15 A	0.38 A
City Services – District Teams	0.33 A	0.24 A	0.09 A
City Services – Trees & Ecology	0.15 A	0.15 A	0.00
City Services – Waste Operations	0.67 F	0.64 F	0.03 F
Green City & Place Trading	0.31 F	0.34 F	0.03 A
Customer Services	0.40 F	0.33 F	0.07 F
IT Services	0.68 A	0.44 A	0.24 A
Supplier Management	1.44 A	0.51 A	0.93 A
Registration of Electors & Elections Costs	0.17 F	0.12 F	0.05 F

Others	0.01 F	0.02 F	0.01 A
<b>Total</b>	<b>1.93 A</b>	<b>0.29 A</b>	<b>1.64 A</b>

The SIGNIFICANT business as usual movements between Quarter 3 and Outturn for the Portfolio are:

<b>Service Area</b>	<b>Movement in Variance between Qtr 3 and Outturn 2021/22 £M</b>	<b>Explanation:</b>
City Services – Commercial Services	0.38 A	The adverse movement of £0.38M is made of an adverse movement on School Ground Maintenance of £0.20M due to increased vehicle costs and use of agency staff increasing expenditure above contracted income levels. There is also an adverse movement on Play Areas of £0.20M following additional recharges from the Landscapes team at outturn. Adverse movements on Pest Control of £0.06M and Special Projects of £0.06M offset by a favourable movement on the Golf Course of £0.14M from increased income in Q3 and reduced spend on equipment.
IT Services	0.24 A	The main reason for the adverse variance of £0.24M was due to the anticipated saving relating the centralisation of telephones and licenses was not achieved, as rationalising of licenses in particular has not taken place.
Supplier Management	0.93 A	Energy inflation, most notably in the Street Lighting contract has increased significantly since quarter 3 and the overspend increased by £0.11M. This combined with a delay in the re-financing of the Street lighting PFI contract £0.5M and a lower than forecast 'Gainshare' income from the Highways activities of £0.32M have contributed to the overall movement of £0.93M.

A summary of the Portfolio COVID-19 outturn variance and movement since the last quarter is shown in the table below:

<b>Service Area</b>	<b>COVID Outturn Variance  £M</b>	<b>COVID Forecast Variance Qtr 3  £M</b>	<b>COVID Variance Movement from Qtr 3 £M</b>
IT Services	0.09 A	0.06 A	0.03 A
City Services – Commercial Services	0.06 F	0.06 F	0.00
City Services – District Teams	0.00	0.07 A	0.07 F
City Services – Waste Operations	0.09 A	0.04 F	0.13 A
<b>Total</b>	<b>0.12 A</b>	<b>0.03 A</b>	<b>0.09 A</b>

There are no SIGNIFICANT COVID-19 variance movements between quarter 3 and Outturn for the Portfolio.

#### 4. EDUCATION PORTFOLIO

##### KEY REVENUE ISSUES – OUTTURN 2021/22

The Portfolio has a deficit of **£1.94M** at year-end for business as usual (BAU) activities. The Portfolio outturn variance has moved adversely by **£0.34M** from the position reported at quarter 3.

In addition, a **£0.25M** surplus has arisen on the COVID-19 pandemic budget, a favourable movement of £0.27M from the position reported at quarter 3.

	<b>Outturn Variance</b>	<b>Forecast Variance</b>	<b>Movement from</b>
	<b>£M</b>	<b>Qtr 3 £M</b>	<b>Qtr 3 £M</b>
<b>Portfolio Outturn</b> business as usual	<b>1.94 A</b>	<b>1.60 A</b>	<b>0.34 A</b>
COVID-19 Pandemic	<b>0.25 F</b>	<b>0.02 A</b>	<b>0.27 F</b>
<b>Total</b>	<b>1.69 A</b>	<b>1.62 A</b>	<b>0.07 A</b>

A summary of the Portfolio business as usual outturn variance and movement since the last quarter is shown in the table below:

<b>Service Area</b>	<b>BAU Outturn Variance</b>	<b>BAU Forecast Variance</b>	<b>BAU Movement from</b>
	<b>£M</b>	<b>Qtr 3 £M</b>	<b>Qtr 3 £M</b>
Education - Early Years and Asset Mgt	0.04 A	0.04 A	0.00
Education - High Needs and Schools	1.92 A	1.56 A	0.36 A
Other	0.02 F	0.00	0.02 F
<b>Total</b>	<b>1.94 A</b>	<b>1.60 A</b>	<b>0.34 A</b>

The SIGNIFICANT business as usual movements between Quarter 3 and Outturn for the Portfolio are:



<b>Service Area</b>	<b>Movement in Variance between Qtr 3 and Outturn 2021/22 £M</b>	<b>Explanation:</b>
Education - High Needs and Schools	0.36 A	There was an adverse movement due to forecasted savings, including income targets, not being achieved across the various Education teams. There was also additional spend for placements within the Jigsaw service.

A summary of the Portfolio COVID-19 outturn variance and movement since the last quarter is shown in the table below:

<b>Service Area</b>	<b>COVID Outturn Variance £M</b>	<b>COVID Forecast Variance Qtr 3 £M</b>	<b>COVID Variance Movement from Qtr 3 £M</b>
Education - High Needs and Schools	0.02 A	0.02 A	0.00
Education - Early Years and Asset Mgt	0.27 F	0.00	0.27 F
<b>Total</b>	<b>0.25 F</b>	<b>0.02 A</b>	<b>0.27 F</b>

The SIGNIFICANT COVID-19 movements between Quarter 3 and Outturn for the Portfolio are:

<b>Service Area</b>	<b>Movement in Variance between Qtr 3 and Outturn 2021/22 £M</b>	<b>Explanation:</b>
Education - Early Years and Asset Mgt	0.27 F	Additional grant income was received to meet the pressures mitigating the impact of COVID-19 within the Home to School Transport service.

### **Dedicated Schools Grant (DSG) Note:**

	<b>£M</b>
Balance brought forward from 2020/21	8.93
Early Years Pressures 2021/22	0.93
High Needs Pressures 2021/22	0.86
Covid-19 Pressures	0.15
Other Schools/CSSB	0.22
<b>Carry Forward Deficit (Cumulative)</b>	<b>11.09</b>

The outturn for the Dedicated Schools Grant (DSG) is an £11.09M cumulative deficit which includes £0.15M for Covid-19 related pressures. The variance includes a cumulative DSG deficit of £8.93M brought forward from 2020/21. The DSG Grant is ring-fenced and the deficit will not impact on the General Fund and non-school services the Council provides. Pressures on the High Needs services is a nationally recognised issue with significant pressures reported in most local authorities.

This deficit is being driven by significant annual increases in numbers and complexity of Education Health Care Plans (EHCPs).

High Needs funding will increase by about 11% in 2022/23 to £37M. The Special Education Needs & Disabilities (SEND) team have an ongoing strategic review of the High Needs activity to manage demand for SEND services. This includes increasing resources for earlier intervention and providing additional places in special schools to reduce the number of pupils being placed in highly expensive placements in independent school settings.

There continues to be pressures in the Early Years block arising from reduced funding, both in year and prior year adjustments, because of a reduction in children being placed in Early Years settings.

## 5. ENVIRONMENT PORTFOLIO

### KEY REVENUE ISSUES – OUTTURN 2021/22

The Portfolio has a surplus of **£0.40M** at year-end for business as usual (BAU) activities. The Portfolio outturn variance has moved favourably by **£0.33M** from the position reported at quarter 3.

In addition, a **£0.10M** deficit has arisen on the COVID-19 pandemic budget, a favourable movement of £0.02M from the position reported at quarter 3.

	<b>Outturn Variance</b>	<b>Forecast Variance</b>	<b>Movement from</b>
	<b>£M</b>	<b>Qtr 3 £M</b>	<b>Qtr 3 £M</b>
<b>Portfolio Outturn</b> business as usual	<b>0.40 F</b>	<b>0.07 F</b>	<b>0.33 F</b>
COVID-19 Pandemic	0.10 A	0.12 A	0.02 F
<b>Total</b>	<b>0.30 F</b>	<b>0.05 A</b>	<b>0.35 F</b>

A summary of the Portfolio business as usual outturn variance and movement since the last quarter is shown in the table below:

<b>Service Area</b>	<b>BAU Outturn Variance</b>	<b>BAU Forecast Variance</b>	<b>BAU Movement from</b>
	<b>£M</b>	<b>Qtr 3 £M</b>	<b>Qtr 3 £M</b>
Bereavement Services	0.11 A	0.02 A	0.09 A
Directorate & Portfolio Management	0.11 A	0.00	0.11 A
Environmental Health & Scientific Services	0.26 F	0.02 F	0.24 F
Port Health & Trading Standards	0.18 F	0.09 F	0.09 F
Registration Services	0.14 F	0.02 A	0.16 F
Other	0.04 F	0.00	0.04 F
<b>Total</b>	<b>0.40 F</b>	<b>0.07 F</b>	<b>0.33 F</b>

The SIGNIFICANT business as usual movements between Quarter 3 and Outturn for the Portfolio are:

<b>Service Area</b>	<b>Movement in Variance between Qtr 3 and Outturn 2021/22 £M</b>	<b>Explanation:</b>
Environmental Health & Scientific Services	0.24 F	Difficulties experienced in recruiting for enforcement and technical staff have increased vacancy savings within the service. In addition, the revisions to the litter enforcement contract have reduced the forecast deficit in relation to this arrangement.

A summary of the Portfolio COVID-19 outturn variance and movement since the last quarter is shown in the table below:

<b>Service Area</b>	<b>COVID Outturn Variance £M</b>	<b>COVID Forecast Variance Qtr 3 £M</b>	<b>COVID Variance Movement from Qtr 3 £M</b>
Bereavement Services	0.19 A	0.19 A	0.00
Registration Services	0.09 F	0.09 F	0.00
Other	0.00 F	0.02 A	0.11 F
<b>Total</b>	<b>0.10 A</b>	<b>0.12 A</b>	<b>0.11 F</b>

There are no SIGNIFICANT COVID-19 variance movements between quarter 3 and outturn for the Portfolio.

## **6. FINANCE & CAPITAL ASSETS PORTFOLIO**

### **KEY REVENUE ISSUES – OUTTURN 2021/22**

The Portfolio has a surplus of **£0.27M** at year-end for business as usual (BAU) activities. The Portfolio outturn variance has moved favourably by **£0.14M** from the position reported at quarter 3.

In addition, a **£0.33M** deficit has arisen on the COVID-19 pandemic budget, a favourable movement of £0.57M from the position reported at quarter 3.

	<b>Outturn Variance</b>	<b>Forecast Variance</b>	<b>Movement from</b>
	<b>£M</b>	<b>Qtr 3 £M</b>	<b>Qtr 3 £M</b>
<b>Portfolio Outturn</b> business as usual	<b>0.27 F</b>	<b>0.13 F</b>	<b>0.14 F</b>
COVID-19 Pandemic	0.33 A	0.90 A	0.57 F
<b>Total</b>	<b>0.06 A</b>	<b>0.77 A</b>	<b>0.71 F</b>

A summary of the Portfolio business as usual outturn variance and movement since the last quarter is shown in the table below:

<b>Service Area</b>	<b>BAU Outturn Variance</b>	<b>BAU Forecast Variance</b>	<b>BAU Movement from</b>
	<b>£M</b>	<b>Qtr 3 £M</b>	<b>Qtr 3 £M</b>
Accounts Receivable	0.22 F	0.04 F	0.18 F
Commercialisation	0.59 A	0.02 A	0.57 A
Leisure Client	0.25 F	0.04 F	0.21 F
Property Portfolio Management	0.08 F	0.00	0.08 F
Risk Management	0.06 F	0.05 F	0.01 F
Other	0.25 F	0.02 F	0.23 F
<b>Total</b>	<b>0.27 F</b>	<b>0.13 F</b>	<b>0.14 F</b>

The SIGNIFICANT business as usual movements between Quarter 3 and Outturn for the Portfolio are:

<b>Service Area</b>	<b>Movement in Variance between Qtr 3 and Outturn 2021/22 £M</b>	<b>Explanation:</b>
Commercialisation	0.59 A	Savings to meet the Commercialisation efficiency savings target have not been identified in full during 2021/22. (£0.54M). PPE expenditure for the council was higher than expected by £0.05M.
Leisure Client	0.21 F	The impact of COVID-19 on our estimate for lost income is less than originally forecast for 2021/22.

A summary of the Portfolio COVID-19 outturn variance and movement since the last quarter is shown in the table below:

<b>Service Area</b>	<b>COVID Outturn Variance £M</b>	<b>COVID Forecast Variance Qtr 3 £M</b>	<b>COVID Variance Movement from Qtr 3 £M</b>
Local Taxation & Benefits Service	0.21 A	0.95 A	0.74 F
Other	0.12 A	0.05 F	0.17 A
<b>Total</b>	<b>0.33 A</b>	<b>0.90 A</b>	<b>0.57 F</b>

The SIGNIFICANT COVID-19 pressures movements between quarter 3 and Outturn for the Portfolio are:

<b>Service Area</b>	<b>Movement in Variance between Qtr 3 and Outturn 2021/22 £M</b>	<b>Explanation:</b>
Local Taxation & Benefits Service	0.74 F	The recovery of court costs has not been as bad as forecast (£0.56M) and therefore there has been a lower contribution to the court costs bad debt provision than forecast (£0.14M). There is also a lower than forecast spend on additional staffing costs to manage through the COVID-19 period (£0.04M).

## 7. GROWTH PORTFOLIO

### KEY REVENUE ISSUES – OUTTURN 2021/22

The Portfolio has a surplus of **£3.45M** at year-end for business as usual (BAU) activities. The Portfolio outturn variance has moved favourably by **£2.45M** from the position reported at quarter 3.

In addition, a **£1.26M** deficit has arisen on the COVID-19 pandemic budget, a favourable movement of £0.11M from the position reported at quarter 3.

	<b>Outturn Variance</b>	<b>Forecast Variance</b>	<b>Movement from</b>
	<b>£M</b>	<b>Qtr 3 £M</b>	<b>Qtr 3 £M</b>
<b>Portfolio Outturn</b> business as usual	<b>3.45 F</b>	<b>1.00 F</b>	<b>2.45 F</b>
COVID-19 Pandemic	1.26 A	1.37 A	0.11 F
<b>Total</b>	<b>2.19 F</b>	<b>0.37 A</b>	<b>2.56 F</b>

A summary of the Portfolio business as usual outturn variance and movement since the last quarter is shown in the table below:

<b>Service Area</b>	<b>BAU Outturn Variance</b>	<b>BAU Forecast Variance</b>	<b>BAU Movement from</b>
	<b>£M</b>	<b>Qtr 3 £M</b>	<b>Qtr 3 £M</b>
Central Repairs & Maintenance	0.71 F	0.62 F	0.09 F
Parking & Itchen Bridge	0.03 F	0.06 F	0.03 A
Skills	0.10 F	0.10 F	0.00
Sustainability	0.09 F	0.09 F	0.00
Transportation	2.40 F	0.01 F	2.39 F
Flood Risk Management	0.09 F	0.18 F	0.09 A
Property Services	0.16 F	0.02 A	0.18 F
Planning	0.16 A	0.04 A	0.12 A
Other	0.03 F	0.00	0.03 F
<b>Total</b>	<b>3.45 F</b>	<b>1.00 F</b>	<b>2.45 F</b>



The SIGNIFICANT business as usual movements between Quarter 3 and Outturn for the Portfolio are:

<b>Service Area</b>	<b>Movement in Variance between Qtr 3 and Outturn 2021/22 £M</b>	<b>Explanation:</b>
Transportation	2.39 F	The favourable movement relates to a lower than expected subsidy claim for the £1 bus fares of £0.28M, the use of Contain Outbreak Management Fund (COMF) of £1.53M to cover some of the additional support provided to bus operators, a surplus in the concessionary fares budget of £0.11M, £0.23M additional income and favourable variances on salary budgets of £0.24M.

A summary of the Portfolio COVID-19 outturn variance and movement since the last quarter is shown in the table below:

<b>Service Area</b>	<b>COVID Outturn Variance £M</b>	<b>COVID Forecast Variance Qtr 3 £M</b>	<b>COVID Variance Movement from Qtr 3 £M</b>
Parking & Itchen Bridge	0.85 A	0.85 A	0.00
Planning	0.20 A	0.30 A	0.10 F
Economic Development	0.05 A	0.05 A	0.00
Transportation	0.16 A	0.17 A	0.01 F
<b>Total</b>	<b>1.26 A</b>	<b>1.37 A</b>	<b>0.11 F</b>

There are no SIGNIFICANT COVID-19 variance movements between quarter 3 and outturn for the Portfolio.

## 8. HEALTH & ADULT SOCIAL CARE PORTFOLIO

### KEY REVENUE ISSUES – OUTTURN 2021/22

The Portfolio has a deficit of **£0.04M** at year-end for business as usual (BAU) activities. The Portfolio outturn variance has moved favourably by **£1.05M** from the position reported at quarter 3.

In addition, a **£0.02M** deficit has arisen on the COVID-19 pandemic budget, no movement from the position reported at quarter 3.

	<b>Outturn Variance</b>	<b>Forecast Variance</b>	<b>Movemen t from</b>
	<b>£M</b>	<b>Qtr 3 £M</b>	<b>Qtr 3 £M</b>
<b>Portfolio Outturn</b> business as usual	<b>0.04 A</b>	<b>1.09 A</b>	<b>1.05 F</b>
COVID-19 Pandemic	<b>0.02 A</b>	<b>0.02 A</b>	<b>0.00</b>
<b>Total</b>	<b>0.06 A</b>	<b>1.11 A</b>	<b>1.05 F</b>

A summary of the Portfolio business as usual outturn variance and movement since the last quarter is shown in the table below:

<b>Service Area</b>	<b>Outturn Variance</b>	<b>BAU Forecast Variance</b>	<b>Movement from</b>
	<b>£M</b>	<b>Qtr 3 £M</b>	<b>Qtr 3 £M</b>
Adults – Adult Services Management	0.05 F	0.11 A	0.16 F
Adults – Long Term	1.83 A	1.06 A	0.77 A
Adults – Provider Services	0.01 A	0.18 A	0.17 F
Adults - Reablement & Hospital Discharge	0.44 F	0.39 A	0.83 F
Adults – Safeguarding Adult Mental Health & Out of Hours	0.36 A	0.33 A	0.03 A
ICU – Provider Relationships	0.97 F	0.36 F	0.61 F
ICU – System Redesign	0.14 F	0.14 F	0.00
Public Health – Non-ringfenced	0.56 F	0.48 F	0.08 F
<b>Total</b>	<b>0.04 A</b>	<b>1.09 A</b>	<b>1.05 F</b>

The SIGNIFICANT business as usual movements between Quarter 3 and Outturn for the Portfolio are:

<b>Service Area</b>	<b>Movement in Variance between Qtr 3 and Outturn 2021/22 £M</b>	<b>Explanation:</b>
Adults – Long Term	0.77 A	There is an adverse movement since quarter 3 due to recoding of Hospital Discharge costs from Reablement to Long Term Care. They were held separately in Reablement during the year to manage the process separately from all ‘business as usual’ activity i.e. to keep costs coded separate. At year end these costs have been allocated to long term care to enable visibility for completion of year end reporting and comparators.
Adults - Reablement & Hospital Discharge	0.83 F	There is a favourable movement since quarter 3 due to an element of recoding of costs from Reablement to Long Term care due to Hospital Discharges, as per the description above (equal/opposite). There is also a £0.04M favourable variance due to Section 75 payments forecast to be paid to the NHS which subsequently were not required following discussions with the Clinical Commissioning Group.
ICU – Provider Relationships	0.61 F	There is a favourable movement since quarter 3 due to a further £0.39M of Public Health grant allocated against Housing Related Support, £0.16M of Omicron Support Funding and £0.06M relating to various smaller level contract savings.

A summary of the Portfolio COVID-19 outturn variance and movement since the last quarter is shown in the table below:

<b>Service Area</b>	<b>COVID Outturn Variance £M</b>	<b>COVID Forecast Variance Qtr 3 £M</b>	<b>COVID Variance Movement from Qtr 3 £M</b>
Adults - Adult Services Management	0.02 A	0.02 A	0.00
<b>Total</b>	<b>0.02 A</b>	<b>0.02 A</b>	<b>0.00</b>

There are no SIGNIFICANT COVID-19 variance movements between quarter 3 and outturn for the Portfolio.

## 9. LEADER PORTFOLIO

### KEY REVENUE ISSUES – OUTTURN 2021/22

The Portfolio has a surplus of **£0.30M** at year-end for business as usual (BAU) activities. The Portfolio outturn variance has moved favourably by **£0.25M** from the position reported at quarter 3.

In addition, a **£0.03M** deficit has arisen on the COVID-19 pandemic budget, no movement from the position reported at quarter 3.

	<b>Outturn Variance</b>	<b>Forecast Variance</b>	<b>Movement from</b>
	<b>£M</b>	<b>Qtr 3 £M</b>	<b>Qtr 3 £M</b>
<b>Portfolio Outturn</b> business as usual	<b>0.30 F</b>	<b>0.05 F</b>	<b>0.25 F</b>
COVID-19 Pandemic	0.03 A	0.03 A	0.00
<b>Total</b>	<b>0.27 F</b>	<b>0.02 F</b>	<b>0.25 F</b>

A summary of the Portfolio business as usual outturn variance and movement since the last quarter is shown in the table below:

<b>Service Area</b>	<b>BAU Outturn Variance</b>	<b>BAU Forecast Variance</b>	<b>BAU Movement from</b>
	<b>£M</b>	<b>Qtr 3 £M</b>	<b>Qtr 3 £M</b>
Corporate Communications	0.28 F	0.00	0.28 F
HR Services	0.02 F	0.05 F	0.03 A
<b>Total</b>	<b>0.30 F</b>	<b>0.05 F</b>	<b>0.25 F</b>

The SIGNIFICANT business as usual movements between Quarter 3 and Outturn for the Portfolio are:

<b>Service Area</b>	<b>Movement in Variance between Qtr 3 and Outturn 2021/22 £M</b>	<b>Explanation:</b>
Corporate Communications	0.28 F	Additional grant income was received, including funding for the provision of a call centre for COVID-19 testing for the Southampton NHS Foundation Trust.

A summary of the Portfolio COVID-19 outturn variance and movement since the last quarter is shown in the table below:

<b>Service Area</b>	<b>COVID Outturn Variance £M</b>	<b>COVID Forecast Variance Qtr 3 £M</b>	<b>COVID Variance Movement from Qtr 3 £M</b>
Licensing	0.03 A	0.03 A	0.00
<b>Total</b>	<b>0.03 A</b>	<b>0.03 A</b>	<b>0.00</b>

The are no SIGNIFICANT COVID-19 variance movements between quarter 3 and Outturn for the Portfolio.

## **10. NON-PORTFOLIO BUDGETS**

### **KEY REVENUE ISSUES – OUTTURN 2021/22**

Non-Portfolio budgets had a surplus of **£15.79M** at year-end for business as usual activities (BAU). This a favourable movement of **£8.04M** from the position reported at quarter 3.

In addition, there is a **£1.90M** surplus on the COVID-19 pandemic budget, an adverse movement of £0.33M from the position reported at quarter 3.

	<b>Outturn Variance £M</b>	<b>Forecast Variance Qtr 3 £M</b>	<b>Movement from Qtr 3 £M</b>
Business as usual	15.79 F	7.75 F	8.04 F
COVID-19 Pandemic	1.90 F	1.57 F	0.33 A
<b>Total</b>	<b>17.69 F</b>	<b>9.32 F</b>	<b>8.37 F</b>

A summary of the Non-Portfolio business as usual outturn variance and movement since quarter 3 is shown in the table below. The Other Expenditure & Income quarter 3 forecast includes the use of corporate resources to achieve an overall break even position.

<b>Service Area</b>	<b>BAU Outturn Variance £M</b>	<b>BAU Forecast Variance Qtr 3 £M</b>	<b>BAU Variance Movement from Qtr 3 £M</b>
Capital Asset Management	1.88 F	0.60 F	1.28 F
Net Housing Benefits Payment	0.05 A	0.00	0.05 A
Other Expenditure & Income	13.55 F	6.88 F	6.67 F
Non-Specific Government Grants & Other Funding	0.41 F	0.27 F	0.14 F
<b>Total</b>	<b>15.79 F</b>	<b>7.75 F</b>	<b>8.04 F</b>

The SIGNIFICANT business as usual movements between Quarter 3 and Outturn for Non-Portfolio budgets are:

<b>Area</b>	<b>Movement in Variance between Qtr 3 and Outturn 2021/22</b> <b>£M</b>	<b>Explanation</b>
Capital Asset Management	1.28 F	Lower borrowing costs due to rephasing/slippage in the capital programme and increased returns on higher investment/cash balances.
Other Expenditure & Income	6.67 F	Use of centrally held budgets reduced by £5.46M, £1.08M increase in use of the Social Care Demand Reserve to meet social care pressures and additional £0.13M unallocated income written out.

A summary of the Portfolio COVID-19 outturn variance and movement since quarter 3 is shown in the table below:

<b>Service Area</b>	<b>COVID Outturn Variance</b> <b>£M</b>	<b>COVID Forecast Variance Qtr 3</b> <b>£M</b>	<b>COVID Variance Movement from Qtr 3</b> <b>£M</b>
Other Expenditure & Income	0.00	0.72 F	0.72 A
Non-Specific Government Grants & Other Funding	1.90 F	1.51 F	0.39 F
<b>Total</b>	<b>1.90 F</b>	<b>2.23 F</b>	<b>0.33 A</b>

The SIGNIFICANT COVID-19 variance movements between quarter 3 and Outturn for Non-Portfolio budgets are:

<b>Area</b>	<b>Movement in Variance between Qtr 3 and Outturn 2021/22</b> <b>£M</b>	<b>Explanation</b>
Other Expenditure & Income	0.72 A	The overall COVID-19 outturn variance was a surplus and not a deficit as had been forecast, so no corporate resources were required to be applied to achieve a break even position.
Non-Specific Government Grants	0.39 F	Additional COVID new burdens funding.

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### COVID-19 Government Grants 2021/22

	<b>£000</b>
<b>Non-Specific Government Grants</b>	
Section 31 Business Rates Grants	(12,011)
COVID-19 Local Authority Support	(7,817)
Local Council Tax Support Grant	(2,818)
Compensation for Loss of Fees & Charges	(1,244)
Other Grants	(775)
<b>Sub-Total Non-Specific Government Grants</b>	<b>(24,665)</b>
<b>Ring-fenced Government Grants</b>	
Local Authority Discretionary Grant Funding to Businesses	(7,947)
Contain Outbreak Management Fund	(2,017)
Adult Social Care Workforce	(2,136)
Household Support Fund	(1,956)
Local Support Grant (formerly Winter Grant Scheme)	(1,325)
Pupil Premium Catch Up and Recovery Funding	(1,194)
School Holiday Activities and Food Programme	(1,073)
Adult Social Care Infection Control & Testing Discretionary Grants	(1,156)
Other Grants	(4,563)
<b>Sub-Total Ring-fenced Government Grants</b>	<b>(23,367)</b>
<b>Grants administered on behalf of Central Government</b>	
Restart Grants to Businesses	(10,944)
Adult Social Care Infection Control & Testing Grants	(2,300)
Omicron Hospitality & Leisure Grants	(1,442)
Other Grants	(1,256)
<b>Sub-Total Grants administered on behalf of Central Government</b>	<b>(15,942)</b>
<b>Total</b>	<b>(63,974)</b>

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### Carry Forwards of Budget

<b>Portfolio</b>	<b>£M</b>	<b>Description</b>
Children's Social Care	0.21	Year of the Child initiatives and UNICEF accreditation
Communities, Culture & Heritage	1.73	Improving processes and outcomes for victims of domestic abuse; violence reduction unit; access and support for victims of hate crimes; reducing homelessness; private sector housing condition survey; Community Fund; heritage assets strategies and works; City of Culture bid; Women's Euros cultural programme; festival & events strategy; destination management plans and strategies including Southampton brand, tourism, venue marketing and retail
Customer Service & Transformation	0.09	Project work
Education	0.22	Feasibility study for new special school; Education Welfare Service
Environment	0.05	Food safety inspections
Finance & Capital Assets	0.05	Leisure strategy
Growth	1.56	Development of plans and strategies: Local Transport Plan, Mass Transit Study, Levelling Up Fund bid, Local Plan, development sites masterplans; Flood Risk Management; repairs and maintenance programme; Future of Work and Intelligent Cities programmes; Green Cities & Infrastructure post.
Leader	0.21	Leadership development programme and project funding
<b>Total Carry Forwards</b>	<b>4.12</b>	

In addition to the above, £18.11M of revenue grants have also been carried forward through reserves. This includes £11.60M of additional Business Rates Relief Grant (see paragraph 27 of Appendix 1) and £2.48M for other COVID-19 grants.

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Property Investment Fund as at 31 March 2022

	Purchase Date	Purchase Price £	Purchase Costs £	Capital Investment £	2021/22 Rent per annum £	Interest £	MRP Charge £	Valuation 31 March 2021 £	Valuation 31 March 2022	2021/22 Change in Valuation £
<b>3 Ely Road, Cambridge</b>	08/09/16	6,125,000	343,438	6,468,438	406,335	-195,758	-56,489	5,205,725	4,875,750	-329,975
<b>241 &amp; 271 Winchester Road, Southampton</b>	05/10/16	14,000,000	689,500	14,689,500	912,591	-444,556	-128,283	10,322,725	11,642,700	1,319,975
<b>Unit 50, Warth Park Way, Raunds, Northants</b>	23/04/17	8,200,000	328,000	8,528,000	471,216	-258,087	-74,475	8,732,025	9,165,425	433,400
<b>Total</b>		<b>28,325,000</b>	<b>1,360,938</b>	<b>29,685,938</b>	<b>1,790,142</b>	<b>-898,400</b>	<b>-259,247</b>	<b>24,260,475</b>	<b>25,683,875</b>	<b>1,423,400</b>

Rate of Return  
6.03% Gross  
2.13% Net

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# Agenda Item 9

Appendix 6

<b>Reserve</b>	<b>Balance as at 31/03/2022</b>	<b>Forecast as at Quarter 3</b>	<b>Difference</b>
	<b>£M</b>	<b>£M</b>	<b>£M</b>
Medium Term Financial Risk Reserve	57.05	45.31	11.74
Revenue Contributions to Capital	0.93	0.86	0.07
Revenue Grants Reserve	20.93	18.85	2.08
Portfolio Carry Forwards	4.49	0.36	4.12
PFI Sinking Fund	4.39	4.41	(0.02)
Insurance General Reserve	2.37	2.79	(0.42)
On Street Parking Reserve	2.33	1.91	0.42
Other <sup>#</sup>	3.71	3.06	0.65
<b>Sub-Total</b>	<b>96.19</b>	<b>77.55</b>	<b>18.65</b>
Schools' Balances	5.70	2.30	3.40
<b>Total</b>	<b>101.89</b>	<b>79.85</b>	<b>22.05</b>

\* Balances remaining for the Social Care Demand Risk Reserve and Digital Strategy Reserve have been consolidated into the Medium Term Financial Risk Reserve.

# A cumulative deficit of £11.09M on the Dedicated Schools Grant is held separately in an unusable reserve in accordance with legislation.

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# Agenda Item 9

## Appendix 7

### Housing Revenue Account Outturn 2021/22

	<b>Final Budget £M</b>	<b>Outturn £M</b>	<b>Outturn Variance £M</b>
<b>Expenditure</b>			
Responsive repairs	12.15	14.21	2.06 A
Housing investment	4.97	5.24	0.27 A
Rents payable	0.10	0.26	0.16 A
Debt management	0.09	0.09	0.00 F
Supervision & management	24.94	23.53	1.41 F
Interest & principal repayments	8.83	8.48	0.34 F
Depreciation	20.92	19.39	1.52 F
Direct revenue financing of capital	3.88	3.19	0.69 F
<b>Total expenditure</b>	<b>75.87</b>	<b>74.39</b>	<b>1.48 F</b>
<b>Income</b>			
Dwelling rents	(71.38)	(71.04)	0.34 A
Other rents	(1.20)	(1.24)	0.03 F
Service charge income	(2.34)	(2.34)	0.00 A
Leaseholder service charges	(0.95)	(0.70)	0.25 A
Interest received	(0.01)	0.00	0.01 A
<b>Total income</b>	<b>(75.87)</b>	<b>(75.31)</b>	<b>0.56 A</b>
<b>(Surplus) / Deficit for the year</b>	<b>0.00</b>	<b>(0.92)</b>	<b>0.92 F</b>

Numbers are rounded

There was a planned surplus of £0.92M for 2021/22 to be carried forward to offset a planned deficit in 2022/23, such that by the end of 2022/23 the HRA balance will return to £2M.

A summary of the Portfolio business as usual outturn variance and movement since the last quarter is shown in the table below:

<b>Service Area</b>	<b>BAU Outturn Variance  £M</b>	<b>BAU Forecast Variance Qtr 3 £M</b>	<b>BAU Movement from Qtr 3 £M</b>
Responsive Repairs	2.06 A	0.00	2.06 A
Cyclical Maintenance	0.27 A	0.40 F	0.67 A
Supervision & Management	1.41 F	1.48 F	0.07 A
Interest & Principal Repayments	0.34 F	0.38 F	0.04 A
Depreciation	1.52 F	0.63 A	2.15 F

Direct Revenue Financing of Capital	0.69 F	0.49 A	1.18 F
Dwelling Rents	0.34 A	0.22 A	0.12 A
Leaseholder Service Charges	0.25 A	0.00	0.25 A
Other	0.12 A	0.00	0.12 A
<b>Total</b>	<b>0.92 F</b>	<b>0.92 F</b>	<b>0.00</b>

The SIGNIFICANT business as usual movements between Quarter 3 and Outturn for the Portfolio are:

<b>Service Area</b>	<b>Movement in BAU Variance between Qtr 3 and Outturn 2021/22 £M</b>	<b>Explanation:</b>
Responsive Repairs	2.06 A	The adverse variance relates to increasing activity in the second half of 2021/22 as access to properties increased. It is also being driven by an increased level of voids and major repair work.
Cyclical Maintenance	0.67 A	The adverse variance relates mainly to an increase in the cost of servicing and repairs for gas boilers, as the existing stock ages. A replacement programme is built into the capital programme to address this issue. The remainder is due to an increase in asbestos removal, which has increased as redecoration work increased post pandemic.
Depreciation	2.15 F	A change to the methodology for calculating depreciation has resulted in a favourable variance of £2.15M.
Direct Revenue Financing of Capital	1.18 F	The amount of revenue budget applied to finance capital has been adjusted (reduced) to offset the adverse variance movements in other service areas. However, reducing the contribution from revenue for capital cost will mean more borrowing and more costs for the HRA over the long term.
Leaseholder Service Charges	0.25 A	Leaseholder service charges were lower in 2021/22 due to refunds paid in respect of a lower level of service provided during the pandemic year.

There were no variances on the COVID-19 budget and no movements since the last quarter.

**COUNCIL TAX COLLECTION FUND REVENUE ACCOUNT**  
**FOR YEAR ENDED 31ST MARCH 2022**

Original Estimate		Revised Estimate	Actual	Variance Adverse / (Favourable)
2021/22 £M	Council Tax	2021/22 £M	2021/22 £M	2021/22 £M
	<b><u>Income</u></b>			
(130.93)	<b>Total Council Tax Income</b>	(131.74)	(131.64)	0.10
	<b><u>Expenditure</u></b>			
128.34	<b>Total Council Tax Expenditure (incl. precepts)</b>	127.91	127.71	(0.21)
(2.60)	Council Tax - Deficit / (Surplus) for the Year	(3.83)	(3.94)	(0.11)
3.13	Council Tax - Deficit / (Surplus) Brought Forward	1.18	1.18	0.00
<b>0.53</b>	<b>Council Tax Deficit / (Surplus) Carried Forward</b>	<b>(2.65)</b>	<b>(2.76)</b>	<b>(0.11)</b>
	<b>Business Rates</b>			
	<b><u>Income</u></b>			
(163.36)	<b>Total Business Rates Income</b>	(130.87)	(139.52)	(8.65)
	<b><u>Expenditure</u></b>			
111.05	<b>Total Business Rates Expenditure</b>	106.46	105.95	(0.50)
(52.31)	Business Rates - Deficit / (Surplus) for the Year	(24.42)	(33.57)	(9.16)
56.29	Business Rates - Deficit / (Surplus) Brought Forward	50.68	50.68	0.00
<b>3.98</b>	<b>Business Rates Deficit / (Surplus) Carried Forward</b>	<b>26.26</b>	<b>17.11</b>	<b>(9.16)</b>
<b>4.51</b>	<b>Total Collection Fund Deficit / (Surplus) Carried Forward</b>	<b>23.61</b>	<b>14.35</b>	<b>(9.26)</b>
	<b>Council Tax (Surplus)/Deficit</b>			
	Contribution (to)/ from SCC		(2.34)	
	Contribution (to)/ from HPCC		(0.32)	
	Contribution (to)/ from H&IOWFRA		(0.10)	
	Council Tax Collection Fund Balance c/f		<u>(2.76)</u>	
	<b>Business Rates (Surplus)/Deficit</b>			
	Contribution (to)/ from SCC		8.39	
	Contribution (to)/ from DLUHC		8.55	
	Contribution (to)/ from H&IOWFRA		0.17	
	NDR Collection Fund Balance c/f		<u>17.11</u>	
	<b>Total SCC (Surplus)/Deficit</b>		<u><u>6.05</u></u>	

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<b><u>CAPITAL FINANCIAL MONITORING FOR THE PERIOD TO MARCH 2022</u></b>																																																																
1.	The focus for this report is on the capital outturn position for 2021/22, the variances compared with the agreed programme, the financing of the capital spend and any changes to the programme.																																																															
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2.	The total General Fund capital expenditure in 2021/22 was £69.31M compared to a budget (as adjusted at quarter 3) of £89.80M, giving a variance of £20.49M or 22.82% of the programme compared with the quarter 3 position. The variance is comprised of £21.49M net slippage and £1.00M of deficit spend. Net slippage is the net effect of slippage where budget is rolled forward into future years and rephasing where budget from future years has been brought forward to the current year.																																																															
3.	The total HRA capital expenditure in 2021/22 was £33.07M compared to a budget (as adjusted at quarter 3) of £37.94M, giving a variance of £4.88M or 12.85% of the programme compared with the quarter 3 position. The variance is comprised of £3.31M net slippage and £1.57M of surplus budget. Net slippage is the net effect of slippage where budget is rolled forward into future years and rephasing where budget from future years has been brought forward to the current year.																																																															
4.	The performance of individual capital programmes in 2021/22 is summarised in table 1 and 2.																																																															
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*As amended and reported each quarter during the year																																																																

**Table 2 – 2021/22 Breakdown of Variance by Programme**

<b>Programme</b>	<b>(Surplus)/ Deficit £M</b>	<b>Slippage/ (Rephasing) £M</b>	<b>Variance £M</b>
Communities, Culture & Heritage	0.11	(0.97)	(0.86)
Customer Service & Transformation	0.18	(5.87)	(5.69)
Education & Children's Social Care	0.02	(5.33)	(5.32)
Environment	(0.01)	(0.56)	(0.56)
Finance & Capital Assets	0.00	(0.47)	(0.47)
Growth	0.71	(8.30)	(7.59)
Health & Adult Social Care	0.00	(0.01)	(0.01)
<b>Total GF Capital Programme</b>	<b>1.00</b>	<b>(21.49)</b>	<b>(20.49)</b>
Total HRA Capital Programme	(1.57)	(3.31)	(4.88)
<b>Total Capital Programme</b>	<b>(0.57)</b>	<b>(24.81)</b>	<b>(25.37)</b>

5. Reasons for major variances on individual schemes since the last reported position are detailed for each programme in annex 2.1.

**CAPITAL FINANCING**

6. The resources used to finance the 2021/22 expenditure for the General Fund HRA capital programmes are summarised in table 3 below. The most significant source of financing for the General Fund was capital grants and for the HRA it was MRA financing.

**Table 3 – Capital Financing 2021/22**

	<b>General Fund £M</b>	<b>HRA £M</b>	<b>Total £M</b>
Total Financing Required	<b>69.31</b>	<b>33.07</b>	<b>102.38</b>
<b>Financed By: -</b>			
Council Resources	12.68	3.30	15.97
Capital Receipts	0.25	3.56	3.81
Direct Revenue Financing	0.60	3.19	3.79
Capital Grants	53.08	0.00	53.08
Contributions	2.71	1.01	3.71
MRA	0.00	22.01	22.01
<b>Total</b>	<b>69.31</b>	<b>33.07</b>	<b>102.38</b>

7. Any deficit spend on individual schemes are financed from identified additional funding or from savings elsewhere within the programme. Programmes are required to balance their capital programmes within the resources available to them, this may result in reduced outputs where a deficit results in reductions being made elsewhere in the programme.

8.	The impact of scheme variances for 2021/22 on future years' capital expenditure will feed into future capital programme updates aligned to Council priorities.																																
<b>THE 5 YEAR CAPITAL PROGRAMME</b>																																	
9.	Table 4 shows a comparison of the latest capital estimate for the period 2021/22 to 2026/27 including any amendments noted elsewhere within this report, compared to the previously reported programme for the same period, and shows a decrease of £0.04M.																																
10.	<p><b><u>Table 4 – Programme Comparison</u></b></p> <table border="1"> <thead> <tr> <th></th> <th><b>2021/ 2022 £M</b></th> <th><b>2022/ 2023 £M</b></th> <th><b>2023/ 2024 £M</b></th> <th><b>2024/ 2025 £M</b></th> <th><b>2025/ 2026 £M</b></th> <th><b>2026/ 2027 £M</b></th> <th><b>Total £M</b></th> </tr> </thead> <tbody> <tr> <td>Actual 2021/22 /Latest Programme</td> <td>102.38</td> <td>225.38</td> <td>176.08</td> <td>101.04</td> <td>57.48</td> <td>65.14</td> <td>727.50</td> </tr> <tr> <td>Previous Programme</td> <td>127.25</td> <td>201.51</td> <td>175.13</td> <td>101.03</td> <td>57.48</td> <td>65.14</td> <td>727.54</td> </tr> <tr> <td><b>Variance</b></td> <td><b>(24.87)</b></td> <td><b>23.88</b></td> <td><b>0.95</b></td> <td><b>0.01</b></td> <td><b>0.00</b></td> <td><b>0.00</b></td> <td><b>(0.04)</b></td> </tr> </tbody> </table>		<b>2021/ 2022 £M</b>	<b>2022/ 2023 £M</b>	<b>2023/ 2024 £M</b>	<b>2024/ 2025 £M</b>	<b>2025/ 2026 £M</b>	<b>2026/ 2027 £M</b>	<b>Total £M</b>	Actual 2021/22 /Latest Programme	102.38	225.38	176.08	101.04	57.48	65.14	727.50	Previous Programme	127.25	201.51	175.13	101.03	57.48	65.14	727.54	<b>Variance</b>	<b>(24.87)</b>	<b>23.88</b>	<b>0.95</b>	<b>0.01</b>	<b>0.00</b>	<b>0.00</b>	<b>(0.04)</b>
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11.	Annex 2.2 provides details of the revised budget by individual scheme and use of resources by each programme up to 2026/27.																																
<b>PRUDENTIAL INDICATORS</b>																																	
12.	The Prudential Code requires the Prudential Indicator for Actual Capital Expenditure to be reported against the estimates previously reported. The estimates shown in the tables in annex 2.3 are those reported to Council as part of the February 2022 Annual Treasury Management Strategy and Prudential Limits report.																																
<b><u>SUPPORTING DOCUMENTATION</u></b>																																	
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2.	GF & HRA Scheme Budgets and Use of Resources for 2021/22 to 2026/27																																
3.	Prudential Indicator for Actual Capital Expenditure																																

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### GF & HRA MAJOR VARIANCE EXPLANATIONS SINCE LAST REPORTED POSITION

<b><u>COMMUNITIES, CULTURE &amp; HERITAGE</u></b>	
	<b><u>Slippage and Rephasing</u></b>
1.	<u>Art Gallery Roof (Slippage of £0.48M from 2021/22 to 2022/23)</u> Due to an increase in the scope of work at feasibility stage of this project has resulted in it taking longer to agree the final scope and commission the design stage. This will now occur in 2022/23.
<b><u>CUSTOMER SERVICE &amp; TRANSFORMATION</u></b>	
	<b><u>Slippage and Rephasing</u></b>
2.	<u>Client Case Management System (Slippage of £0.53M from 2021/22 to 2022/23)</u> Some developments have been delayed due to resources being deployed to other tasks due to COVID. The works will now take place into 2022/23.
3.	<u>IT Equipment and Software Refresh (Slippage of £1.39M from 2021/22 to 2022/23)</u> Some projects on the investment plan had been delayed due to other IT projects being prioritised as a result of COVID.
4.	<u>Purchase of vehicles (Slippage of £1.61M from 2021/22 to 2022/23)</u> Slippage due to vehicle manufacturers experiencing difficulties sourcing semiconductors for electronic control modules which has had an adverse effect on global vehicle supplies and resulted in deliveries that were expected to be received in the financial year being delayed.
5.	<u>S106 – Open Spaces &amp; Play Areas (Slippage of £0.90M from 2021/22 to 2022/23)</u> A review is being carried out to assess the projects that need to be undertaken to fulfil our obligations under S106 agreements. It is likely that this will result in further slippage across the 5 year programme.
6.	<u>City Services – Depots (Slippage of £0.63M from 2021/22 to 2022/23)</u> The scheme is to provide improvements to depots including the instillation of Electric RCV charging points. The scheme has been delayed due to the requirement for an electrical feasibility report to be produced on whether the scheme is viable based on electrical supply to the site. Improvement to welfare provision is also included on the scheme and requirements are currently being developed.
<b><u>EDUCATION &amp; CHILDREN'S SOCIAL CARE</u></b>	
	<b><u>Slippage and Rephasing</u></b>
7.	<u>Chamberlayne Refurbishment (Slippage £2.35M from 2021/22 to 2022/23)</u> Scheme slipped into next year to be done in school holidays. The works are being procured and undertaken by the Trust and outside the control of SCC.
8.	<u>Children's Services Residential &amp; Assessment Unit (Slippage £1.65M from 2021/22 to 2022/23)</u> There has been difficulty in finding appropriate houses within the city that meet the Council's needs. The market is being regularly monitored, whilst a review is undertaken of how best to deliver the service should a property not be found.

<b>ENVIRONMENT</b>	
	<b><u>Slippage and Rephasing</u></b>
9.	<b><u>Crematorium Refurbishment (Slippage of £0.51M from 2021/22 to 2022/23)</u></b> Works were originally expected to take place in Quarter 4 2021/22 but were rescheduled to next financial year mainly due to delays associated with impact of COVID-19 on staffing and lead times for supplies.
<b>GROWTH</b>	
	<b><u>Slippage and Rephasing</u></b>
10.	<b><u>Public Transport (Slippage of £0.91M from 2021/22 to 2022/23)</u></b> Negotiations on the details for implementation of schemes within this budget were not fully resolved within 2021/22 which has delayed their start. These schemes will now be carried out in 2022/23. Also delays due to additional public consultation required on the Polygon / Bedford Place scheme have contributed to this slippage as this has also delayed delivery of the scheme until 2022/23
11.	<b><u>Northam Rail Bridge and Corridor improvements (Slippage of £1.53M from 2021/22 to 2022/23)</u></b> A decision is still pending from Department for Transport (DfT) on the outcome of the Strategic Outline Business Case which would unlock further funding to carry out modelling, design work and development of an Outline Business Case further spend on this scheme has been delayed until this is known.
12.	<b><u>Footways (Slippage of £0.54M from 2021/22 to 2022/23)</u></b> There were delays in the programme delivery due to: <ul style="list-style-type: none"> <li>• issues with types of footway treatments in Kennedy and Lancaster Roads, which led to a revision to similar programmes going forward</li> <li>• a delay in the programme formulation whilst of requests to include ad-hoc footway were reviewed</li> <li>• a delay in the assimilation of footway condition data from new supplier Gaist towards the end of the 2021/22 year, so priorities being late in progression</li> </ul>
13.	<b><u>M27/M3 Travel Demand Management (Slippage of £0.36M from 2021/22 to 2023/24)</u></b> The scheme sponsor Highways England has made changes they wish this project to be delivered. This was due to Covid having a detrimental effect on the use of public transport and operators not wishing to undertake any new projects at such a challenging time. Highways England paused any delivery of capital projects within this funded programme until further notice.
14.	<b><u>Future Transport Zone (Slippage of £1.71M from 2021/22 to 2022/23)</u></b> Delays to some of the schemes with the Future Transport Zone programmes have resulted in slippage, the major schemes of slippage are: MAAS Trials – This scheme is fully committed via MoU with Universities but project has incurred delays in the testing phase which has delayed wider roll-out to 2022/23; Micro Consolidation – due to a lack of resource following a number of unsuccessful recruitment rounds, delays have occurred with progressing this area of the programme - these have now been largely resolved with the majority of spend now being incurred in 2022/23. And drones for medical logistics – delays as a result of weather, licensing and resourcing constraints mean the remainder of scheme will be incurred 2022/23 and 2023/24.

15.	<p><u>Transforming Cities (Slippage of £0.72M from 2021/22 to 2022/23)</u>  The impact of staff shortages in the early part of the year, covid impacts throughout the year and delays of DfT Change Control outcome in the last quarter of the year led to slower development of some of the schemes within the programme.</p> <p>Following the change in administration in May last year a programme review which was anticipated to last for 3 months was also carried out. The subsequent changes to some of the schemes required a DfT Change Control that impacted the programme further.</p> <p>Some of the major scheme slippages are: A35-A33 Smart Technology where there is uncertainty about the availability of C-ITS system which has delayed progression of the whole scheme. And Southampton West P&amp;R – the licence agreement development with University Hospital Southampton taking longer than anticipated.</p>
16.	<p><u>Corporate Assets Decarbonisation Scheme (CADS) (Slippage of £1.78M, £1.51M from 2021/22 to 2022/23 and £0.27M from 2021/22 to 2023/24)</u></p> <p>There was previously envisaged to be the bulk of spend during the 2022/23 financial year, but the reason for more slippage from 2021/22 is that we have an ongoing protracted / delayed contractual process with our Street Lighting Services provider, leading to delayed Legal and Project Management costs coming through to SCC. This will ultimately lead to a contract Deed of Variation to be provided for implementation of the project and this (together with approval of the Final Business Case) will not be possible until at least June 2022. This means the bulk of the ordering of materials and delivery on the ground (the £1.78M including street lighting/building work) will not commence until latter part of 2022/23.</p>
<b>Surplus &amp; Deficit</b>	
17.	<p><u>Additional Roads Programme (Deficit of £0.82M, increase of £0.82M since last reported position)</u></p> <p>A reassessment of the treatments of costs has led to additional costs being chargeable to capital. These costs will be met from the Council's share of the gain-share return as part of BBLP contract.</p>
<b>HRA</b>	
<b><u>Slippage and Rephasing</u></b>	
18.	<p><u>New Homes (Slippage of £0.43M from 2021/22 into 2022/23)</u></p> <p>The budget of £0.5M was to cover the PCSA contract, expected to be finalised by March 2022. However, this was not completed as expected due to complexities, and with a timescale for May 2022. Therefore, the full budget has not been spent and will require slippage into 2022/23.</p>
19.	<p><u>Oaklands Site (Slippage of £1.45M from 2021/22 into 2022/23)</u></p> <p>At the time of the previous budget estimate progress on site was on track to complete all units during 2021/22. Since then, materials delays caused by Brexit &amp; COVID 19 have come into play, as well as some required corrective works to all flatted blocks. As a result, the progress in this project has slowed down and therefore will be slipping into 2022/23.</p>

20.	<p><u>HRA IT Equipment and Software Refresh (Slippage of £0.64M from 2021/22 into 2022/23)</u></p> <p>Orders were in place, but supply chain issues for the software have meant delivery has not happened in the current financial year 2021/22. The budget is required for NEC Solutions Upgrade project. Therefore, this budget will be incurring a slippage into 2022/23.</p>
21.	<p><u>Sprinkler Work (Slippage of £1.25M from 2021/22 into 2022/23)</u></p> <p>The project had to be re-tendered, with the scope of works changed by omitting and adding blocks. This has delayed the project, meaning no installation works has been undertaken in 2021/22. Installations are now expected to take place in 2022/23, and therefore slippage of the budget is required.</p>
22.	<p><u>Block Modernisation Programme (Rephase of £0.94M from 2022/23 into 2021/22)</u></p> <p>Some of the modernisation works have been accelerated to ensure resident safety in high-risk blocks. As result, spend in 2021/22 has been higher than anticipated and this will be met by rephasing budget from 2022/23 into 2021/22.</p>
23.	<p><u>HFRS Fire Safety / Sprinkler Project (Rephase of £0.43M from 2022/23 into 2021/23)</u></p> <p>Additional spend was identified around additional fire stopping and flat ventilation requiring replacement of non-functioning extract fire damper cones with fire damper grilles to ensure adequate extraction and protection against smoke and fire spread. In addition to this, existing ducts and grilles were found to contain asbestos containing products, which requires protection to be put in place while the original plan for upgrading the system as a separate project is subject to a feasibility exercise. As a result, the project will be rephasing from 2022/23</p>
<b>Surplus &amp; Deficit</b>	
24.	<p><u>Roofing Lot 1 West (flat roofs) (Surplus of £0.33M)</u></p> <p>The impact of issues in the supply chain for materials, has caused delays in obtaining materials and commencing works at one large roof. This has been mitigated by reprofiling works until supply chain issues have been resolved. As a result, this project has incurred a surplus. This is an annual budget that has been reviewed and set in the 2022/23 business plan.</p>
25.	<p><u>Lift Refurbishment - Shirley Towers (Surplus £0.41M)</u></p> <p>Spend has reduced due to late start on site resulting from COVID restrictions. There was a conscious decision to delay the works due to the knock-on impact of lift closures and the ability to maintain social distancing within tower block. As a result, the project will be incurring a surplus and future works will be covered by the reviewed set budget.</p>
26.	<p><u>Lift Refurbishment - Shirley Towers (Surplus £0.31M)</u></p> <p>Despite efforts to enable the project to conclude in 2021/22 as intended, the final contract negotiations took longer than anticipated to agree, and more site investigative work has been belatedly identified before the project can physically proceed. As a result, the future years budget has been reviewed and reset as part of the 2022/23 business plan and the project will not be incurring a slippage.</p>

**COMMUNITIES, CULTURE & HERITAGE**

Scheme No.	Project Description	Budget 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27	Total £M
		£M	£M	£M	£M	£M	£M	
CG0018	CCTV Cameras	0.024	0.161	0.000	0.000	0.000	0.000	0.185
CG0132	Arts Gallery Improvements	0.004	0.000	0.000	0.000	0.000	0.000	0.004
CG0139	Outdoor Sports Centre Improvements	0.466	12.664	4.100	0.050	0.000	0.000	17.280
CG0140	Art in Public Places – Millbrook and Weston	0.000	0.013	0.000	0.000	0.000	0.000	0.013
CG0202	S106 - Art in Public Spaces	0.000	0.036	0.000	0.000	0.000	0.000	0.036
CG0208	Heritage Assets- Strategy	0.202	0.161	0.000	0.000	0.000	0.000	0.363
CT0027	Disabled Facilities Grants - Approved Adaptations	1.360	3.266	0.000	0.000	0.000	0.000	4.626
CT0028	Disabled Facilities Grants - Support Costs	0.252	0.000	0.000	0.000	0.000	0.000	0.252
CT0030	Estate Parking Improvements	0.042	0.188	0.000	0.000	0.000	0.000	0.230
CT0068	Warm Homes	0.291	0.070	0.000	0.000	0.000	0.000	0.361
CT0072	S106 - Affordable Homes	0.000	1.122	0.000	0.000	0.000	0.000	1.122
CG0216	Art Gallery Roof	0.019	2.281	0.000	0.000	0.000	0.000	2.300
CG0233	Hoarders Project	0.042	0.058	0.000	0.000	0.000	0.000	0.100
CG0234	Extend Library Opening Hours	0.000	0.249	0.000	0.000	0.000	0.000	0.249
CG0235	SeaCity Museum	0.013	0.002	0.000	0.000	0.000	0.000	0.015
CG0236	1000 Parking Spaces (General Fund Element)	0.000	2.117	0.000	0.000	0.000	0.000	2.117
CG0237	Sky Museum	0.040	0.000	0.000	0.000	0.000	0.000	0.040
CG0238	Vaults Restoration	0.000	1.023	0.000	0.000	0.000	0.000	1.023
CG0242	Restoring and Promoting Heritage Assets	0.000	5.687	0.000	0.000	0.000	0.000	5.687
CG0244	British Library IP Centre	0.000	0.075	0.000	0.000	0.000	0.000	0.075
		<b>2.755</b>	<b>29.173</b>	<b>4.100</b>	<b>0.050</b>	<b>0.000</b>	<b>0.000</b>	<b>36.078</b>
<b>Sources of Finance</b>								
	Council Resources	0.271	18.516	3.100	0.050	0.000	0.000	21.937
	Capital Receipts	0.252	0.265	0.000	0.000	0.000	0.000	0.517
	Contributions	0.581	6.910	1.000	0.000	0.000	0.000	8.491
	Central Govt Grants	1.578	3.334	0.000	0.000	0.000	0.000	4.912
	Other Grants	0.073	0.148	0.000	0.000	0.000	0.000	0.221
	<b>Total Programme</b>	<b>2.755</b>	<b>29.173</b>	<b>4.100</b>	<b>0.050</b>	<b>0.000</b>	<b>0.000</b>	<b>36.078</b>

**CUSTOMER SERVICE & TRANSFORMATION**

Scheme No.	Project Description	Budget 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27	Total £M
		£M	£M	£M	£M	£M	£M	
CA0010	Client Case Management System	1.579	0.527	0.000	0.000	0.000	0.000	2.106
CF0002	Digital Investment Phase 2 & 3	0.035	0.000	0.000	0.000	0.000	0.000	0.035
CG0199	S106 - Open Spaces	0.000	0.714	0.000	0.000	0.000	0.000	0.714
CG0200	S106 - Play Areas	0.000	0.189	0.000	0.000	0.000	0.000	0.189
CG0211	IT Equipment and Software Refresh	2.077	2.909	1.306	1.015	0.000	0.000	7.307
CI0001	Customer Relationship Management	0.022	0.000	0.000	0.000	0.000	0.000	0.022
CI0002	CRM Phase 2	0.025	0.037	0.000	0.000	0.000	0.000	0.062
CI0040	Contact Centre Telephony	0.105	0.138	0.000	0.000	0.000	0.000	0.243
CT0001	Purchase of vehicles	2.222	4.869	2.000	2.000	0.000	0.000	11.091
CT0018	Daisy Dip Play Area	0.032	0.003	0.000	0.000	0.000	0.000	0.035
CT0020	Coxford Play Area	0.008	0.000	0.000	0.000	0.000	0.000	0.008
CT0039	Westwood Greenway	0.000	0.028	0.000	0.000	0.000	0.000	0.028
CT0041	City Pride - Improvements to Queens Park	0.025	0.000	0.000	0.000	0.000	0.000	0.025
CT0042	Shoreburs Greenway Footpath Improvement Project	0.017	0.000	0.000	0.000	0.000	0.000	0.017
CT0044	Blechynden Terrace Park	0.000	0.012	0.000	0.000	0.000	0.000	0.012
CT0049	Realignment of Park Walk Entrance to East Park	0.012	0.000	0.000	0.000	0.000	0.000	0.012
CT0055	Solar Powered Compactor Bins	0.016	0.784	0.000	0.000	0.000	0.000	0.800
CT0061	Weston Shore Coastal Erosion	0.117	1.042	0.000	0.000	0.000	0.000	1.159
CT0064	Welfare Improvements at Mayfield Depot	0.002	0.017	0.000	0.000	0.000	0.000	0.019
CT0070	Hoglands Park Improvements	0.012	0.000	0.000	0.000	0.000	0.000	0.012
CT0071	Tranman - Fleet System Upgrade	0.000	0.019	0.000	0.000	0.000	0.000	0.019
CT0075	City Services - Depots	0.186	0.631	0.000	0.000	0.000	0.000	0.817
CT0076	Rozel Court Play Area	0.024	0.000	0.000	0.000	0.000	0.000	0.024
CT0077	Millbrook Rec Play Area	0.061	0.000	0.000	0.000	0.000	0.000	0.061
CT0078	Bracklesham Close Play Area	0.048	0.000	0.000	0.000	0.000	0.000	0.048
CT0080	Ivy Dene Play Area	0.027	0.000	0.000	0.000	0.000	0.000	0.027
CT0082	Peace Fountain Refurbishment and Enhancement	0.059	0.000	0.000	0.000	0.000	0.000	0.059
CT0083	Open Spaces	0.005	0.505	0.000	0.000	0.000	0.000	0.510
CA0012	CareDirector	0.000	2.485	0.000	0.000	0.000	0.000	2.485
CT0031	Southampton Common	0.000	0.050	0.000	0.000	0.000	0.000	0.050
CT0084	High Priority Play Parks	0.291	0.118	0.000	0.000	0.000	0.000	0.409
CT0085	Traveller Defences	0.021	0.079	0.000	0.000	0.000	0.000	0.100
CT0092	Mayflower Park Revetments	0.044	0.456	0.000	0.000	0.000	0.000	0.500
CT0093	Weston Shore Footpath	0.000	0.090	0.000	0.000	0.000	0.000	0.090
CT0094	Green Flag Improvements	0.073	0.441	0.000	0.000	0.000	0.000	0.514
CT0095	Golf Course	0.081	1.004	0.000	0.000	0.000	0.000	1.085
CT0096	East Park Pavillion	0.000	0.140	0.000	0.000	0.000	0.000	0.140
CT0097	Hoglands Park & Pavillion	0.000	0.250	0.750	0.000	0.000	0.000	1.000
TCAP01	Play Areas	0.000	0.350	0.350	0.000	0.000	0.000	0.700
		<b>7.226</b>	<b>17.887</b>	<b>4.406</b>	<b>3.015</b>	<b>0.000</b>	<b>0.000</b>	<b>32.534</b>
<b>Sources of Finance</b>								
	Council Resources	5.314	13.883	4.056	3.015	0.000	0.000	26.268
	Capital Receipts	0.000	1.330	0.000	0.000	0.000	0.000	1.330
	Contributions	0.677	2.604	0.350	0.000	0.000	0.000	3.631
	Central Govt Grants	0.117	0.000	0.000	0.000	0.000	0.000	0.117
	Other Grants	0.040	0.000	0.000	0.000	0.000	0.000	0.040
	Direct Revenue	1.078	0.070	0.000	0.000	0.000	0.000	1.148
	<b>Total Programme</b>	<b>7.226</b>	<b>17.887</b>	<b>4.406</b>	<b>3.015</b>	<b>0.000</b>	<b>0.000</b>	<b>32.534</b>

**EDUCATION & CHILDRENS SOCIAL CARE**

Scheme No.	Project Description	Budget	Budget	Budget	Budget	Budget	Budget	Total £M
		2021/22 £M	2022/23 £M	2023/24 £M	2024/25 £M	2025/26 £M	2026/27 £M	
CC0004	Primary Review P2 - Fairisle Junior	0.036	0.004	0.000	0.000	0.000	0.000	0.040
CC0008	Springwell School - Main Expansion 15/16	0.168	0.000	0.000	0.000	0.000	0.000	0.168
CC0010	Springhill Primary Academy School - one modular building	0.000	0.039	0.000	0.000	0.000	0.000	0.039
CC0014	St Denys	0.000	0.004	0.000	0.000	0.000	0.000	0.004
CC0020	Schools Condition Works	1.588	4.243	1.361	0.000	0.000	0.000	7.192
CC0021	Early Years Expansion Programme	0.163	0.458	0.000	0.000	0.000	0.000	0.621
CC0023	St Mark's School	21.152	6.271	0.507	0.000	0.000	0.000	27.930
CC0025	Schools Devolved Capital	0.465	0.000	0.000	0.000	0.000	0.000	0.465
CC0030	Bitterne Park Autism Resource Base	0.014	0.000	0.000	0.000	0.000	0.000	0.014
CC0034	Sholing Technical College Renovation	0.761	0.000	0.000	0.000	0.000	0.000	0.761
CC0035	Regent Park Expansion	0.033	0.174	0.000	0.000	0.000	0.000	0.207
CC0037	St George's Expansion	0.123	2.097	0.050	0.000	0.000	0.000	2.270
CC0038	Cantell Secondary Expansion	0.326	0.026	0.000	0.000	0.000	0.000	0.352
CC0039	Chamberlayne Refurbishment	0.283	2.345	0.000	0.000	0.000	0.000	2.628
CC0041	Healthy Pupils Capital Fund	0.000	0.022	0.000	0.000	0.000	0.000	0.022
CC0042	Sure Start Sholing Year R Springwell	0.005	0.062	0.000	0.000	0.000	0.000	0.067
CC0044	Regent Park Sports Facility	0.006	1.343	0.000	0.000	0.000	0.000	1.349
CC0047	Mount Pleasant Junior Health & Safety	0.265	0.006	0.000	0.000	0.000	0.000	0.271
CC0048	Newlands Hearing Centre	0.096	0.984	0.029	0.000	0.000	0.000	1.109
CC0049	SEND Review	0.013	7.037	23.995	14.180	0.000	0.000	45.225
CC0050	Childrens Services- Residential Unit	0.000	1.663	0.000	0.000	0.000	0.000	1.663
CC0051	Childrens Services- Assessment Unit	0.000	0.649	0.000	0.000	0.000	0.000	0.649
CC0052	Maytree School Playground	0.000	0.050	0.000	0.000	0.000	0.000	0.050
CC0053	Surestart	0.034	0.033	0.000	0.000	0.000	0.000	0.067
CC0055	Modular relocation & purchase from Springwell to Vermont	0.252	0.031	0.000	0.000	0.000	0.000	0.283
CC0056	Reconfiguration of Compass School Green Lane	0.380	0.114	0.000	0.000	0.000	0.000	0.494
CC0057	Polygon All Weather Pitch	0.000	0.050	0.000	0.000	0.000	0.000	0.050
CC0058	St Marks ICT Equipment	0.000	0.000	0.041	0.041	0.000	0.000	0.082
CC0059	St Monica's Academisation	0.002	1.229	0.031	0.000	0.000	0.000	1.262
CC0060	Young Peoples Hub	0.000	0.305	0.000	0.000	0.000	0.000	0.305
CC0061	SEND - 2 primary classrooms for Sept 22	0.000	0.100	0.000	0.000	0.000	0.000	0.100
CC0062	Townhill Junior	0.000	1.500	0.000	0.000	0.000	0.000	1.500
		<b>26.165</b>	<b>30.839</b>	<b>26.014</b>	<b>14.221</b>	<b>0.000</b>	<b>0.000</b>	<b>97.239</b>
<b>Sources of Finance</b>								
	Council Resources	1.580	12.768	24.074	14.180	0.000	0.000	52.602
	Central Govt Grants	24.585	18.071	1.940	0.041	0.000	0.000	44.637
	<b>Total Programme</b>	<b>26.165</b>	<b>30.839</b>	<b>26.014</b>	<b>14.221</b>	<b>0.000</b>	<b>0.000</b>	<b>97.239</b>

**ENVIRONMENT**

Scheme No.	Project Description	Budget	Budget	Budget	Budget	Budget	Budget	Total £M
		2021/22 £M	2022/23 £M	2023/24 £M	2024/25 £M	2025/26 £M	2026/27 £M	
CT0074	S106 - Air Quality	0.000	0.011	0.000	0.000	0.000	0.000	0.011
CT0081	Crematorium Refurbishment	0.034	0.514	0.000	0.000	0.000	0.000	0.548
CT0090	Green City Action Plan	0.093	0.829	0.078	0.000	0.000	0.000	1.000
CG0220	Public Sector Decarbonisation Scheme	1.622	0.058	0.000	0.000	0.000	0.000	1.680
CG0265	River Itchen Flood Alleviation Scheme (RIFAS)	0.000	0.500	4.000	4.200	0.500	1.000	10.200
		<b>1.749</b>	<b>1.912</b>	<b>4.078</b>	<b>4.200</b>	<b>0.500</b>	<b>1.000</b>	<b>13.439</b>
<b>Sources of Finance</b>								
	Council Resources	0.127	1.343	0.078	0.000	0.000	0.000	1.548
	Contributions	0.000	0.511	4.000	4.200	0.500	1.000	10.211
	Central Govt Grants	1.622	0.058	0.000	0.000	0.000	0.000	1.680
	<b>Total Programme</b>	<b>1.749</b>	<b>1.912</b>	<b>4.078</b>	<b>4.200</b>	<b>0.500</b>	<b>1.000</b>	<b>13.439</b>

**FINANCE & CAPITAL ASSETS**

Scheme No.	Project Description	Budget	Budget	Budget	Budget	Budget	Budget	Total £M
		2021/22 £M	2022/23 £M	2023/24 £M	2024/25 £M	2025/26 £M	2026/27 £M	
CG0158	Civic Centre Upgrade	0.141	3.481	1.000	1.000	0.000	0.000	5.622
CI0020	PA System	0.000	0.060	0.000	0.000	0.000	0.000	0.060
CI0030	Digital Customer Content Management	0.019	0.031	0.000	0.000	0.000	0.000	0.050
CG0245	Mayoral transport	0.049	0.000	0.000	0.000	0.000	0.000	0.049
CG0246	Belgrave Industrial Estate Roof	0.000	1.000	0.000	0.000	0.000	0.000	1.000
		<b>0.209</b>	<b>4.572</b>	<b>1.000</b>	<b>1.000</b>	<b>0.000</b>	<b>0.000</b>	<b>6.781</b>
<b>Sources of Finance</b>								
	Council Resources	0.209	4.572	1.000	1.000	0.000	0.000	6.781
	<b>Total Programme</b>	<b>0.209</b>	<b>4.572</b>	<b>1.000</b>	<b>1.000</b>	<b>0.000</b>	<b>0.000</b>	<b>6.781</b>

**GROWTH**

Scheme No.	Project Description	Budget	Budget	Budget	Budget	Budget	Budget	Total £M
		2021/22 £M	2022/23 £M	2023/24 £M	2024/25 £M	2025/26 £M	2026/27 £M	
CAP1	Northam Rail Bridge	0.000	3.156	3.170	6.340	22.190	31.700	66.556
CAP3	Lordswood Close - Unadopted Road	0.000	0.250	0.000	0.000	0.000	0.000	0.250
CG0003	Improved Safety – Engineering	0.029	0.000	0.000	0.000	0.000	0.000	0.029
CG0004	QE2 Mile - Bargate Square	0.000	0.000	1.260	0.000	0.000	0.000	1.260
CG0005	Road Safety Partnership	0.016	0.000	0.000	0.000	0.000	0.000	0.016
CG0006	Cycling	0.262	0.902	0.450	0.150	0.000	0.000	1.764
CG0008	Public Transport	0.626	0.382	0.995	0.090	0.000	0.000	2.093
CG0009	Improved Safety	0.094	0.457	0.200	0.150	0.000	0.000	0.901
CG0010	Travel to School	0.153	0.171	0.134	0.134	0.000	0.000	0.592
CG0011	Workplace Travel Plan Measures	0.017	0.000	0.000	0.000	0.000	0.000	0.017
CG0012	School Travel Plan Measures	0.014	0.000	0.000	0.000	0.000	0.000	0.014
CG0013	Accessibility	0.330	0.065	0.250	0.125	0.000	0.000	0.770
CG0016	Local Transport Improvement Fund	0.045	0.480	0.000	0.000	0.000	0.000	0.525
CG0017	ITS	0.303	0.360	0.616	0.300	0.000	0.000	1.579
CG0020	Redbridge Roundabout Junction Improvements	0.012	0.000	0.000	0.000	0.000	0.000	0.012
CG0024	Electric Vehicle Action Plan	0.117	0.181	0.000	0.000	0.000	0.000	0.298
CG0026	Additional Roads Programme	7.456	12.195	7.800	7.800	0.000	0.000	35.251
CG0027	Essential Highways Minor Works	0.046	0.084	0.000	0.000	0.000	0.000	0.130
CG0028	Pothole Action Fund	1.631	0.500	0.000	0.000	0.000	0.000	2.131
CG0029	Cycleways Improvements Programme	0.006	0.070	0.000	0.000	0.000	0.000	0.076
CG0030	Anti-Terrorist Measures	0.005	0.000	0.000	0.000	0.000	0.000	0.005
CG0034	NCR: Ave East Lodge Rd – Dorset St	0.006	0.009	0.000	0.000	0.000	0.000	0.015
CG0038	Bus Corridor Minor Works	0.025	0.076	0.000	0.000	0.000	0.000	0.101
CG0040	Northam Rail Bridge and corridor improvements	0.013	0.000	0.000	0.000	0.000	0.000	0.013
CG0042	Other Bridge Works	0.456	2.436	0.000	0.000	0.000	0.000	2.892
CG0045	Various Principal	(0.018)	0.000	0.000	0.000	0.000	0.000	(0.018)
CG0046	Classified Roads	(0.014)	0.000	0.000	0.000	0.000	0.000	(0.014)
CG0048	Millbrook Roundabout Detailed Design	(0.001)	0.000	0.000	0.000	0.000	0.000	(0.001)
CG0049	Unclassified Roads	(0.023)	0.000	0.000	0.000	0.000	0.000	(0.023)
CG0050	Footways - Various Treatments	0.822	1.538	0.000	0.000	0.000	0.000	2.360
CG0051	Highways Network Delivery	0.037	0.000	0.000	0.000	0.000	0.000	0.037
CG0052	Highways Drainage Investigations	0.212	0.287	0.000	0.000	0.000	0.000	0.499
CG0053	St Lighting	0.000	0.013	0.000	0.000	0.000	0.000	0.013
CG0054	Road Restraint Systems	(0.002)	0.300	0.000	0.000	0.000	0.000	0.298
CG0060	Highways Improvements (Developer)	0.079	0.171	0.000	0.000	0.000	0.000	0.250
CG0148	Town Depot	0.009	0.209	0.000	0.000	0.000	0.000	0.218
CG0195	Itchen Bridge Card Readers	0.020	0.000	0.000	0.000	0.000	0.000	0.020
CG0196	M27/M3 Travel Demand Management	0.000	0.360	0.000	0.000	0.000	0.000	0.360
CG0197	S106 - Highways	0.000	0.342	0.000	0.000	0.000	0.000	0.342
CG0198	S106 - Integrated Transport	0.000	0.005	0.000	0.000	0.000	0.000	0.005
CG0209	FTZ Theme 1 - Personal Mobility	3.794	4.888	1.740	0.447	0.000	0.000	10.869
CG0215	Transforming Cities Fund	12.534	38.103	9.479	0.000	0.000	0.000	60.116
CT0065	Clean Air Zone	0.147	0.070	0.000	0.000	0.000	0.000	0.217
CT0066	Townhill Park Infrastructure - Roads	0.145	0.000	0.000	0.000	0.000	0.000	0.145
CT0067	Townhill Park Infrastructure - Parks	0.473	0.063	0.000	0.000	0.000	0.000	0.536
CG0218	FTZ Programme - Other	1.063	1.646	1.815	1.376	0.000	0.000	5.900
CG0217	FTZ Theme 2 - Sustainable Urban Logistics	0.171	6.317	4.530	0.311	0.000	0.000	11.329
CG0231	Pavements	0.000	0.500	0.500	0.500	0.000	0.000	1.500
CG0241	Safer Streets	0.028	0.472	0.000	0.000	0.000	0.000	0.500
CG0247	District Centre Improvements	0.000	0.250	2.750	0.000	0.000	0.000	3.000
CG0248	Works to Winchester Rd investment property	0.000	1.250	0.587	0.000	0.000	0.000	1.837
CG0249	Highways	0.000	0.000	5.000	0.000	0.000	0.000	5.000
CG0250	Bedford Place	0.000	1.200	0.000	0.000	0.000	0.000	1.200
CG0251	Materials Recycling Facility	0.000	0.580	2.340	0.000	0.000	0.000	2.920
CG0252	Itchen Bridge	0.000	0.000	3.800	0.000	0.000	0.000	3.800
CT0091	Corporate Assets Decarbonisation Scheme (CADS)	0.000	3.861	2.270	2.000	1.914	0.000	10.045
		<b>31.138</b>	<b>84.199</b>	<b>49.686</b>	<b>19.723</b>	<b>24.104</b>	<b>31.700</b>	<b>240.550</b>
<b>Sources of Finance</b>								
	Council Resources	6.687	23.661	20.923	9.367	4.495	3.687	68.820
	Contributions	1.356	6.617	5.940	0.500	2.000	0.750	17.163
	Central Govt Grants	22.575	53.921	22.823	9.856	17.609	27.263	154.047
	Direct Revenue	0.520	0.000	0.000	0.000	0.000	0.000	0.520
	<b>Total Programme</b>	<b>31.138</b>	<b>84.199</b>	<b>49.686</b>	<b>19.723</b>	<b>24.104</b>	<b>31.700</b>	<b>240.550</b>

**HEALTH & ADULT SOCIAL CARE**

Scheme No.	Project Description	Budget	Budget	Budget	Budget	Budget	Budget	Total £M
		2021/22 £M	2022/23 £M	2023/24 £M	2024/25 £M	2025/26 £M	2026/27 £M	
CA0003	S106 - Centenary Quay	0.001	0.015	0.000	0.000	0.000	0.000	0.016
CA0006	Telecare Equipment	0.064	0.100	0.100	0.103	0.000	0.000	0.367
CA0009	Integrated Working	0.000	0.100	0.000	0.000	0.000	0.000	0.100
CA0011	Holcroft House - Fire Safety Measures	0.000	0.610	0.000	0.000	0.000	0.000	0.610
		<b>0.065</b>	<b>0.825</b>	<b>0.100</b>	<b>0.103</b>	<b>0.000</b>	<b>0.000</b>	<b>1.093</b>
<b>Sources of Finance</b>								
	Council Resources	0.064	0.810	0.100	0.103	0.000	0.000	1.077
	Contributions	0.001	0.015	0.000	0.000	0.000	0.000	0.016
	<b>Total Programme</b>	<b>0.065</b>	<b>0.825</b>	<b>0.100</b>	<b>0.103</b>	<b>0.000</b>	<b>0.000</b>	<b>1.093</b>



HOUSING REVENUE ACCOUNT

Sum2	Scheme No.	Project Description	Budget 2021/22 £M	Budget 2022/23 £M	Budget 2023/24 £M	Budget 2024/25 £M	Budget 2025/26 £M	Budget 2026/27 £M	Total £M
	CG0065	Roofing Lot 1 West	1.428	1.558	1.558	1.558	1.558	1.558	9.218
	CG0066	Roofing Lot 2 East	1.309	1.414	1.384	1.384	1.384	1.384	8.259
	CG0083	Door Entry Systems	0.565	0.352	0.350	0.350	0.350	0.350	2.317
	CG0087	Wall Structure & Finish	0.386	0.760	1.230	1.650	1.650	1.650	7.326
Improving Quality of Homes	CG0096	Housing Refurbishment Programme	1.531	1.448	1.540	1.540	1.540	1.540	9.139
	CG0159	Lift Refurbishments – Sturminster House	0.004	0.000	0.000	0.000	0.000	0.000	0.004
	CG0163	Renew Porch/Canopy	0.344	0.250	0.250	0.200	0.200	0.200	1.444
	CG0174	Lift Refurbishment - Shirley Towers	0.506	0.924	0.922	0.700	0.700	0.700	4.452
	CG0186	Electrical System Upgrades/Refurbishments	0.164	0.500	0.500	0.500	0.500	0.500	2.664
	CG0189	Total Mobile	0.131	0.050	0.050	0.000	0.000	0.000	0.231
	CG0213	Housing Health and Safety Rating System and Disrepair	0.035	0.050	0.050	0.050	0.050	0.050	0.285
	CG0221	IT Upgrade - Compliance module	0.014	0.186	0.000	0.000	0.000	0.000	0.200
Improving Quality of Homes Total			6.417	7.492	7.834	7.932	7.932	7.932	45.539
	CG0084	External Windows and Doors	0.028	1.000	2.500	2.500	2.500	2.500	11.028
	CG0089	Electrical Heating Systems	0.068	2.600	2.600	2.600	2.600	2.600	13.068
	CG0099	ECO: City Energy Scheme	0.063	0.277	0.000	0.000	0.000	0.000	0.340
	CG0125	ECO - Canberra Towers	0.052	0.448	0.000	0.000	0.000	0.000	0.500
	CG0130	ECO - Lkydgate EWI	(0.028)	0.000	0.000	0.000	0.000	0.000	(0.028)
	CG0181	Gas Heating Upgrades/Refurbishments	0.496	1.000	1.000	1.222	1.222	1.222	6.162
	CG0182	Insulation Upgrades	0.081	1.410	1.300	1.300	0.000	0.000	4.091
	CG0183	Millbank House EWI Refurbishment	0.006	0.200	2.600	2.600	0.000	0.000	5.406
	CG0184	Millbrook House - EWI Upgrade	0.062	0.300	0.300	0.300	0.300	0.300	1.562
Making Homes Energy Efficient	CG0185	Albion Towers Heating	0.006	0.700	1.050	1.050	0.000	0.000	2.806
	CG0222	Passive Fire Safety Works	0.333	5.267	8.507	0.048	0.431	0.000	14.586
	CG0223	P-Type Ring beam External Wall Insulation	0.004	0.126	0.110	0.000	0.000	0.000	0.240
	CG0254	Lighting upgrades	0.000	0.050	0.050	0.050	0.000	0.000	0.150
	CG0255	Suited locks	0.000	0.050	0.050	0.050	0.050	0.050	0.250
	CG0256	Balcony rectification works	0.000	0.100	0.100	0.100	0.100	0.100	0.500
	CG0257	Palmerstone House - redecoration and lighting	0.000	0.190	0.190	0.190	0.190	0.190	0.950
	CG0258	Wyndham Court Refurbishment	0.000	0.450	0.000	0.000	0.000	0.000	0.450
	CG0259	Major Works - reactive	0.000	0.880	0.880	0.880	0.880	0.880	4.400
	CG0260	Network Heating & District Heating meters (HIU Units)	0.000	0.100	0.050	0.050	0.050	0.050	0.300
	CG0261	Structural Inspections to High Rise Blocks	0.000	0.600	0.600	0.000	0.000	0.000	1.200
	CG0263	Fire Detection Upgrades to LD2 - domestic dwellings	0.000	1.500	1.500	1.500	1.500	1.500	7.500
Making Homes Energy Efficient Total			1.171	17.248	23.387	14.440	9.823	9.392	75.461
	CG0080	Communal Areas Works	0.781	0.400	0.641	0.250	0.250	0.250	2.572
	CG0082	Structural Works	3.143	0.050	0.000	0.000	0.000	0.000	3.193
	CG0097	HFRS Fire Safety / Sprinkler Project	2.529	0.421	0.000	0.000	0.000	0.000	2.950
	CG0100	Water Quality Remedial Works	0.014	0.000	0.000	0.000	0.000	0.000	0.014
	CG0102	Remedial Works Following Compliance Inspections	0.240	0.300	0.300	0.300	0.300	0.300	1.740
	CG0123	HFRS Fire Safety Doors	0.000	0.300	0.300	0.300	0.300	0.300	1.500
Making Homes Safe	CG0127	Tower Block Communal Works	(0.013)	0.000	0.000	0.000	0.000	0.000	(0.013)
	CG0178	Structural Works	0.987	1.000	1.000	1.000	1.000	1.000	5.987
	CG0179	Non High Rise FRA Remedial Works	0.200	0.000	0.000	0.000	0.000	0.000	0.200
	CG0187	Block Modernisation Programme	6.980	3.190	4.160	2.160	2.160	2.160	20.810
	CG0224	EWS1 Surveys - External Cladding Systems Surveys1	0.000	0.070	0.070	0.000	0.000	0.000	0.140
	CG0226	HRA IT Equipment and Software Refresh	0.236	0.811	0.070	0.070	0.000	0.000	1.187
	CG0227	Asbestos Removal	0.334	0.250	0.250	0.250	0.250	0.250	1.584
	CG0228	Sprinkler Work	0.004	3.096	4.800	4.350	3.500	3.500	19.250
Making Homes Safe Total			15.435	9.888	11.591	8.680	7.760	7.760	61.114
	CG0114	Townhill Park Regeneration	1.018	2.182	3.551	3.601	0.000	0.000	10.352
	CG0116	Estate Regeneration Woodside/Wimpson	0.344	0.065	0.000	0.000	0.000	0.000	0.409
	CG0190	GN New Homes	0.081	6.932	35.000	18.500	0.000	0.000	60.513
	CG0191	Oaklands Site	4.523	1.943	0.000	0.000	0.000	0.000	6.466
New Homes & Regeneration	CG0229	Annual spend on new-build after 1000 homes project	0.000	0.000	0.000	0.000	1.985	1.985	3.970
	CG0232	1,000+ Parking Spaces (HRA Element)	0.289	4.066	0.000	0.000	0.000	0.000	4.355
	CG0240	CCTV initiatives (HRA Element)	0.002	0.073	0.000	0.000	0.000	0.000	0.075
	CG0262	Garages Demolition	0.000	0.200	0.200	0.200	0.200	0.200	1.000
	CG0264	Wimpson Lane & Oakley Road - external improvement works	0.000	0.100	0.100	0.100	0.100	0.100	0.500
New Homes & Regeneration Total			6.257	15.561	38.851	22.401	2.285	2.285	87.640
	CG0069	Decent Neighbourhoods Projects	0.648	1.533	1.258	1.500	1.500	1.500	7.939
	CG0090	Roads/Paths/Hard Standing	0.204	0.321	0.321	0.321	0.321	0.321	1.809
Supporting Communities	CG0109	THP Phase 2 MacArthur/Vanguard	0.003	0.000	0.000	0.000	0.000	0.000	0.003
	CG0110	DN: Shirley	0.001	0.000	0.000	0.000	0.000	0.000	0.001
	CG0111	DN: Estate Improvement Programme (EIP)	0.275	0.200	0.200	0.200	0.000	0.000	0.875
	CG0112	DN: Cuckmere Lane	0.031	0.080	0.000	0.000	0.000	0.000	0.111
	CG0207	Container Homes	0.176	0.500	0.000	0.000	0.000	0.000	0.676
Supporting Communities Total			1.338	2.634	1.779	2.021	1.821	1.821	11.414
Supporting Independent Living	CG0104	Renew Warden Alarm	0.010	0.554	0.554	0.554	0.554	0.554	2.778
	CG0177	Disabled Adaptations	2.435	2.600	2.700	2.700	2.700	2.700	15.835
Supporting Independent Living Total			2.445	3.154	3.254	3.254	3.254	3.254	18.613
			<b>33.063</b>	<b>55.976</b>	<b>86.696</b>	<b>58.728</b>	<b>32.875</b>	<b>32.444</b>	<b>299.780</b>
<b>Sources of Finance</b>									
		Council Resources	4.555	20.855	52.779	27.978	4.405	4.405	114.976
		Capital Receipts	5.176	7.342	8.218	4.824	1.985	1.985	29.530
		Contributions	0.176	0.000	0.000	0.000	0.000	0.000	0.176
		Other Grants	0.000	0.200	0.000	0.000	0.000	0.000	0.200
		MRA	20.083	24.871	24.902	25.364	26.008	25.577	146.804
		Direct Revenue	3.074	2.708	0.797	0.562	0.477	0.477	8.095
<b>Total Programme</b>			<b>33.063</b>	<b>55.976</b>	<b>86.696</b>	<b>58.728</b>	<b>32.875</b>	<b>32.444</b>	<b>299.780</b>

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### GENERAL FUND AND HRA CAPITAL OUTTURN 2021/22 – PRUDENTIAL INDICATORS

1. Table 1 below reports the movement in the total capital programme since last reported and updates the prudential indicators up to and including 2025/26. These indicators reflect the change made in this report.

**Table 1 – Estimate of Capital Expenditure**

Capital Expenditure and Financing	2021/2022	2021/2022	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	Actual £M	Forecast £M	Variance £M	Forecast £M	Forecast £M	Forecast £M	Forecast £M
General Fund	69.31	89.80	(20.49)	169.41	89.38	42.31	24.60
HRA	33.07	37.94	(4.88)	55.98	86.70	58.73	32.87
<b>Total Expenditure</b>	<b>102.38</b>	<b>127.74</b>	<b>(25.37)</b>	<b>225.38</b>	<b>176.08</b>	<b>101.04</b>	<b>57.48</b>
Capital receipts	(3.81)	(8.04)	(4.22)	(8.94)	(8.22)	(4.82)	(1.99)
Capital Grants	(53.08)	(57.25)	(4.17)	(75.73)	(24.76)	(9.90)	(17.61)
Contributions	(3.71)	(4.84)	(1.12)	(16.66)	(11.29)	(4.70)	(2.50)
Major Repairs Allowance	(22.01)	(22.24)	(0.23)	(24.87)	(24.90)	(25.36)	(26.01)
Direct Revenue Financing	(3.79)	(4.73)	(0.94)	(2.78)	(0.80)	(0.56)	(0.48)
Council Resources - borrowing	(15.97)	(30.65)	(14.68)	(96.41)	(106.11)	(55.69)	(8.90)
<b>Total Financing</b>	<b>(102.38)</b>	<b>(127.74)</b>	<b>(25.37)</b>	<b>(225.38)</b>	<b>(176.08)</b>	<b>(101.04)</b>	<b>(57.48)</b>

2. When the strategy was last updated in February 2022, the capital financing requirement (CFR) for 31 March 2022 was estimated at £522.51M, the Council's actual CFR at the end of the year was £507.88M. This decrease was due to the variance in the capital programme, £11.99M on the General Fund and £2.64M on HRA. The CFR for future years, based on the proposed programme, is detailed in table 2 below.

**Table 2 – Current and Estimated Capital Financing Requirement**

	31/03/22 Actual	31/03/22 Forecast	Variance	31/03/24 Forecast	31/03/25 Forecast	31/03/26 Forecast	31/03/27 Forecast
	£M	£M	£M	£M	£M	£M	£M
Balance Brought forward	337.18	337.18	0.00	339.15	401.91	440.99	452.48
New Borrowing	12.68	24.67	11.99	74.24	53.33	27.72	4.49
MRP	(6.89)	(6.89)	0.00	(7.97)	(10.59)	(11.89)	(12.35)
Movement in Other Liabilities	(3.82)	(3.82)	0.00	(3.51)	(3.66)	(4.34)	(3.85)
<b>Total General Fund Debt</b>	<b>339.15</b>	<b>351.14</b>	<b>11.99</b>	<b>401.91</b>	<b>440.99</b>	<b>452.48</b>	<b>440.77</b>
HRA	168.75	171.37	2.64	174.66	194.14	246.92	274.90
<b>Total CFR</b>	<b>507.88</b>	<b>522.51</b>	<b>14.63</b>	<b>576.57</b>	<b>635.13</b>	<b>699.40</b>	<b>715.67</b>
Estimated Debt	316.27	367.27	51.00	436.06	494.62	558.76	578.71
<b>Under / (Over) Borrowed</b>	<b>191.61</b>	<b>155.24</b>	<b>(36.37)</b>	<b>140.51</b>	<b>140.51</b>	<b>140.64</b>	<b>136.96</b>

3. The estimated gross debt reported in February 2022 was £367.27M the actual debt at the end of the year was £316.27M, a reduction of £51.00M. This decrease was due to lower capital spend and higher than expected cash

balances. Table 3 below details this and the estimated debt in future years based on the proposed programme.

4. Table 3 – Current and Estimated Gross Debt

	31/03/22 Actual	31/03/22 Forecast	Variance	31/03/23 Estimate Forecast	31/03/24 Estimate Forecast	31/03/25 Estimate Forecast	31/03/26 Estimate Forecast
	£M	£M	£M	£M	£M	£M	£M
Borrowing (Long Term GF)	90.03	124.93	34.90	195.72	238.42	254.11	249.90
Borrowing (Long Term HRA)	165.27	171.37	6.10	172.87	192.38	245.19	273.19
Borrowing (Short Term)	0.35	10.35	10.00	10.35	10.35	10.35	10.35
<b>Total Borrowing</b>	<b>255.65</b>	<b>306.65</b>	<b>51.00</b>	<b>378.94</b>	<b>441.15</b>	<b>509.65</b>	<b>533.44</b>
Finance leases and Private Finance Initiatives	47.52	47.52	0.00	44.38	41.09	37.10	33.62
Transferred Debt	13.10	13.10	0.00	12.74	12.38	12.01	11.65
<b>Total Other Debt</b>	<b>60.62</b>	<b>60.62</b>	<b>0.00</b>	<b>57.12</b>	<b>53.47</b>	<b>49.11</b>	<b>45.27</b>
<b>Total Debt</b>	<b>316.27</b>	<b>367.27</b>	<b>51.00</b>	<b>436.06</b>	<b>494.62</b>	<b>558.76</b>	<b>578.71</b>

5. Table 4 below shows the ratio of financing costs to net revenue stream based on the proposed capital programme. This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet borrowing costs. The ratio is based on the forecast of net revenue expenditure in the medium term financial model. The upper limit for this ratio is currently set at 15% and will remain so for the General Fund to allow for known borrowing decisions in the next five years and to allow for additional borrowing affecting major schemes.

6. This indicator is not so relevant for the HRA, especially since the introduction of self-financing, as financing costs have been built into their 40-year business plan including the voluntary payment of MRP. No problem is seen with the affordability but if problems were to arise then the HRA would have the option not to make principle repayments in the early years, which it has currently opted to do.

7. Table 4 - Ratio of Financing Costs to Net Revenue Stream

	2021/22 Actual	2021/22 Forecast	Variance	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
	%	%	%	%	%	%	%
General Fund	9.69	9.92	(0.23)	10.03	10.78	11.80	11.63
HRA	11.26	11.31	(0.04)	6.74	7.18	8.55	9.78
<b>Total</b>	<b>11.52</b>	<b>11.69</b>	<b>(0.17)</b>	<b>10.24</b>	<b>10.91</b>	<b>12.21</b>	<b>12.22</b>

<b>DECISION-MAKER:</b>	CABINET
<b>SUBJECT:</b>	CONCESSIONARY FARES REIMBURSEMENTS METHODOLOGY 2022/23
<b>DATE OF DECISION:</b>	19 JULY 2022
<b>REPORT OF:</b>	<b>CABINET MEMBER FOR TRANSPORT &amp; DISTRICT REGENERATION</b>

### CONTACT DETAILS

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### **STATEMENT OF CONFIDENTIALITY**

None

### **BRIEF SUMMARY**

A decision is required to amend the 2022/23 statutory concessionary travel reimbursement payments methodology to local bus service operators in line with Department for Transport (DfT) guidance but applying a local hybrid method. This follows updates to the Government's Concessionary Travel Recovery strategy for financial year 2022/23, which allows Travel Concession Authorities (TCAs) to transition towards making payments based on actual patronage levels rather than based on pre-Covid levels.

### **RECOMMENDATIONS:**

(i)	To agree the local hybrid reimbursement methodology for bus operators on Concessionary Travel in line with the Department for Transport Alternative Covid-19 Recovery Guidance for financial year 2022/23.
(ii)	To delegate authority to Head of Service Green City & Infrastructure to give notice to bus operators of variation to the 2022/23 Concessionary Fares scheme to confirm the extension of the £1 Evening Fare for a period to be determined following consultation with the Cabinet Member for Transport & District Regeneration and the Leader.

### **REASONS FOR REPORT RECOMMENDATIONS**

- Recovery from the Covid-19 pandemic has impacted on bus travel nationally and in Southampton. This includes the number of concessionary passenger journeys made. Overall, bus patronage in Southampton for March 2022 was 84% of pre-Covid levels (February 2020) so recovering relatively well, however concessionary travel passenger journeys are not recovering as well at 70% of pre-Covid levels. Government guidance for 2021/22 was that Travel Concession Authorities maintain concessionary fare reimbursement at adjusted pre-Covid levels. This was to enable support of vital local bus services and their role in our community after the pandemic.

2.	<p>In February 2022, the Department for Transport (DfT) provided its Alternative Recovery Guidance for Travel Concessionary Authorities to move to a phased approach for concessionary fare reimbursement. This would transition away from the adjusted (inflated) reimbursement levels based on pre-covid demand towards making payments based on actual concessionary passenger journeys made. This is intended to get bus services back on a sustained path to recovery alongside other Government funding (such as Bus Recovery Grant – which is due to end October 2022). Therefore, based on the overall patronage levels and trends and the DfT guidance, it is recommended that the Council reverts back to reimbursing operators based on actual patronage from April 2023 and applies an updated methodology for 2022/23 to manage the transition period.</p>
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**ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

3.	<p><u>Do Nothing</u></p> <p>Under this option, the Council would not provide any additional support to bus operators for concessionary travel other than the statutory free off-peak local bus travel reimbursement as set out by the Transport Act 2000 and Concessionary Bus Travel Act (2007). Payment based only on actual patronage would impact on the bus operator revenues and the ability for the bus network to gradually adjust to the post-Covid new normal which is expected to conclude throughout 2022/23. This would also deviate away from the DfT recommended approach and the need for LTAs to be “<i>sensitive to the financial needs of operators</i>”. The reduction in operator revenue would run the risk of significant service reductions, where some routes could disappear, both with implications for SCC having to intervene to safeguard lost services via direct subsidy, resulting in a potentially greater revenue pressure. See appendix 2 for financial summary of concessionary fares reimbursement based on actuals and summarised below in table 2.</p> <p><u>Maintain pre-Covid level payments for the duration of the 2022/23 financial year</u></p> <p>Under this option, the Council would retain the methodology that has been used in 2020/21 and 2021/22 whereby bus operators are paid 100% pre-Covid patronage rather than on actual patronage or a gradual return to payment based on actual. The advice is to use local data and circumstances to see if this is appropriate.</p> <p>Overall, Concessionary Travel in Southampton is recovering well – it is 70% of pre-Covid and increasing. This is in line with wider bus patronage in would continue with the adjusted scheme that has been in operation since 2020 for 2022/23. This would continue to pay operators 100% of value of concessionary travel based on pre-Covid patronage for the full financial year irrespective of actual patronage.</p> <p>This option has been rejected as local circumstances are indicating that concessionary travel is still below pre-Covid and recovering. Continuing with this would artificially pay operators and not reflect the actual situation and not support the transition plan to 2023/24 of paying on actuals as set by DfT. If patronage rose above pre-Covid levels then operators would be worse off, going against the principle that operators are ‘<u>no better and no worse off</u>’ by taking part in concessionary travel schemes. This would result in a risk of a reduction in bus services across the City. Any service reductions or route withdrawals would have the greatest impact on young people, older people and families from lower income households, disabled people, and women. All these groups rely more on bus services than the general population.</p> <p>The projected expenditure for this would be £3,855,436 based on 2021/22 outcomes as detailed in table 2. Please see Appendix 5 for detailed overall concessionary fare payments made during 2021/22.</p> <p><u>DfT Guidance</u></p>
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	<p>This option uses the DfT's default assumption that TCAs will follow a phased approach for transition back down to actual concessionary patronage levels. Under this approach the Council would steadily reduce their pre-Covid concessionary payments to operators in 5% bi-monthly reduction in payments from 90% of pre-Covid reimbursement level from July 2022 onwards, until actual patronage levels are reached. This reduction would only occur if the Council was paying at 100% of pre-Covid in April 2022. It does provide recovery support to bus operators while concessionary patronage is still suppressed.</p> <p>This option has been rejected as while it is the DfT's default option, concessionary reimbursements are lower than 100% therefore, the actuals would be reached earlier than March 2023. See appendix 3 for forecast costs of this option. And summary in Table 2 below.</p>
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**DETAIL (Including consultation carried out)**

4.	<p>Southampton City Council, as a Travel Concession Authority (TCA), is required to reimburse operators of eligible local bus services for journeys undertaken by passengers holding English National Concessionary Travel Scheme (ENCTS) bus passes. Bus passes are issued to permanent residents who meet either the age criteria (currently pensionable age for women) or the disability criteria (based on DfT Guidelines). This is a statutory requirement under Transport Act 2000 and Concessionary Travel Act 2007. Bus operators participate in this scheme and are reimbursed by the Council compensating them for the revenue lost from passengers who would have travelled even if no concession existed (the lost fares revenue) and for the costs sustained by carrying the extra passengers (generated trips) as a result of the concessionary fare scheme. The objective of the scheme is to ensure that bus operators are 'no better or worse off' than they would be if the scheme did not exist. Payment is based on the number of concessionary journeys undertaken on each service per month as well as the average fare paid by adult non-concessionary passengers.</p>
5.	<p>The Covid-19 pandemic has had a significant impact on bus travel, particularly following government advice to avoid using public transport commencing in March 2020. Bus use initially dropped to around 5-10% of pre-Covid levels, it has since recovered and overall bus patronage in March 2022 was at 84% of pre-Covid (Feb 20). In 2020/21 and 2021/22 the Department for Transport (DfT) urged TCAs to continue to pay bus operators for concessionary fares at pre-COVID levels. Advice was provided through Public Procurement Notices PPN (Procurement Policy Note) 02/20 and PPN 04/20 were used to justify concessionary fares payments to bus operators.</p>
6.	<p>As the pandemic progressed and the imposition and removal of various restrictions the DfT published guidance for TCAs on how to calculate and provide pre-COVID concessionary payments. Guidance from November 2020 suggested considering the current local bus service mileage operated as well as the general decline in concessionary travel that had been experienced.</p> <p>The November 2020 guidance reiterated that TCAs continue to provide concessionary fare funding at pre-Covid levels for 2020/21 as part of the COVID-19 Bus Service Support Grant (CBSSG) Restart scheme. The budget, agreed with HM Treasury, for the CBSSG Restart scheme, including the Local Transport Authority (LTA) component, has been calculated on the basis that these concessionary reimbursement payments at pre-COVID levels continue to be made. In 2021/22, CBSSG was replaced with Bus Recovery Grant (BRG), payable to LTAs and bus operators as part of the Government's recovery from the pandemic, this was due to end in March 2022 but has been extended to October 2022 and is due to be replaced with a new funding stream – Local Transport Fund (LTF).</p> <p>Additionally in 2020/21 DfT maintained Bus Service Operator Grant (BSOG) payments to bus operators and LTAs at pre-COVID levels. These were planned to maintain bus services as</p>

close to pre-Covid levels of frequency and times as possible. If the mileage reduced below 90% these changes had to be agreed with the LTA.

These measures combined were the DfT's level of support to buses during 2020/21 and into 2021/22.

7. In August 2021, the DfT wrote to all TCAs asking them to continue to contribute towards the successful working partnerships created between operators and authorities during the pandemic, by maintaining concessionary fare payments to operators at pre-Covid levels, until the end of the current financial year 2021/22. The letter also said that the budget agreed with HM Treasury for BRG has been calculated on the basis that these concessionary reimbursement payments would continue to be made at pre-Covid levels. The DfT letter went on to explain that government aims to implement a concessionary travel recovery strategy at the start of the "next" financial year (2022/23). This will allow TCAs to transition away from paying out concessionary payments at pre-Covid levels, back to making these payments to meet with actual patronage levels, at a rate that will not adversely affect other funding streams or bus services across the country.

8. The DfT letter went on to explain that government aims to implement a concessionary travel recovery strategy at the start of the 2022/23 financial year. This will allow TCAs to gradually return from paying out concessionary payments based on pre-Covid patronage to making payments based on to meet with actual patronage levels.

9. In October 2021, and revised in February 2022, the DfT published its Concessionary Travel Recovery Strategy setting out the importance of continuing support for bus operators while gradually reducing the pre-covid reimbursement payments as patronage levels improve. In October, the DfT recommended that from April 2022, TCAs pay bus operators at 90% of the pre-Covid reimbursement level and that they should make a subsequent reduction of 5% every two months until actual patronage levels are reached. The point when this happens will depend on the rate that concessionary patronage levels recover to pre-pandemic levels. The emergence of the Omicron variant and other restrictions impacting on concessionary patronage recovery led DfT to delay the start of the recovery period to July 2022. Through an Alternative Concessionary Travel Recovery Strategy this recovery period ends in April 2023. The phased transition in reduced reimbursement is shown in Table 1 comparing the original and revised DfT strategy.

	2022									2023			
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
DfT Recovery Strategy (original)	90%	90%	85%	85%	80%	80%	75%	75%	70%	70%	65%	65%	
DfT Revised	100%	100%	100%	90%	90%	85%	85%	80%	80%	75%	75%	70%	70%

Table 1 – DfT Concessionary Travel Recovery Strategy - Payment Transition

To calculate the pre-Covid levels, the Guidance proposed this approach:

*Within the Concessionary Travel Supplementary Guidance (20 November 2020), suggested LTAs may consider several principles when developing their methodology to calculating pre-Covid reimbursement payments:*

1. *Seasonality of services – (some authorities have adopted approaches to cover this, for example, averaging two lower winter and two higher summer payment methods)*
2. *Decline in concessionary patronage - (total concessionary bus journeys fell by 2.5% in England in 2018/19, however, this may vary across local areas)*
3. *Decline in patronage as a whole*
4. *Operators may have ceased trading/some services*
5. *Operators may have started trading/new services*



	<p>6. Operators may have varied their services to increase/decrease the frequency/length of journey</p> <p>The Alternative Strategy subsequently state:  <i>“For the remainder of the 2021/22 Financial Year, DfT’s ask remains that LTAs should continue to pay out at pre-Covid levels if they are able and, in the 2022/23 Financial Year, choose which is the most appropriate method of continuing these payments, from the options DfT has or will provide in the near future. To be clear, an LTA may choose to:-</i></p> <ol style="list-style-type: none"> <li>1. <i>Reduce their pre-Covid level payments in line with the Recovery Strategy (published October 2021). <b>This is the DfT’s default assumption.</b></i></li> <li>2. <i>Maintain pre-Covid level payments for the duration of the 2022/23 financial year, should they deem local circumstances require this.</i></li> <li>3. <i>Adopt their own approach to pre-Covid concessionary reimbursement for the 2022/23 financial year, however, we urge LTAs to be sensitive to the financial needs of operators, and balance this against any alternative reduction in concessionary fare payments, as any sudden reduction can lead to immediate negative impacts to operators and service levels.</i></li> <li>4. <i>Follow any alternative or supplementary recovery guidance that DfT may issue.”</i></li> </ol>
10.	<p>These Strategies have provided the framework for assessing options for the methodology the Council in setting the Concessionary Travel reimbursement budget for 2022/23.</p>
11.	<p><b>Proposed Reimbursement Methodology Preferred Option for 2022/23</b></p> <p>For 2022/23 the DfT’s Alternative Strategy advises that TCAs can use their own discretion to decide on which methodology to follow from their menu of options.</p> <p>Alternative options have been reviewed and not recommended for proceeding with as set out in paragraph 3. SCC is recommending to apply a local hybrid methodology as detailed below.</p>
12.	<p><u>Recommended Option: Hybrid Methodology - based on actual bus patronage trend</u></p> <p>This option takes principles 1, 3 and 4 from the February 2022 Guidance to build a local bespoke reimbursement methodology.</p> <p>As shown in Appendix 5, in 2021/22 average actual concessionary travel levels were at 61% of adjusted 19/20 levels. For last quarter of 2021/22 the Council was paying an average of 43% level of support rather than higher levels seen previously. Before the disruption caused by the Omicron variant, actual concessionary travel in December 2021 was at 70% of pre-Covid. This indicates that the recovery in concessionary travel is growing – although lower than the overall recovery in bus patronage.</p> <p>DfT notes that when considering current patronage levels and average forecast levels, it is predicted that reimbursement levels will align with actual patronage levels by early 2023.</p> <p>As noted above it is unlikely that Southampton’s concessionary travel levels will continue to be suppressed in April 2023. As SCC is currently paying to a total of 95% of 19/20 any 5% reduction in support would come into effect from September 2022. Given the trends seen in second half of 21/22 for concessionary travel it is likely that actual concessionary fare travel will reach 19/20 levels in Autumn 2022. From this point payments would be based on actual patronage rather than actual plus support, however if patronage is still below pre-Covid SCC may need to continue making support payments.</p> <p>Appendix 4 sets out the hybrid approach. Payments to operators will be based on 2019/20 adjusted actuals (adjusted by 7.5% to represent the acknowledged national decline) with a further adjustment tapering the additional support from the Council to nil. This tapering of support will continue in April at 95% (reducing this down by 5% in line with DfT guidance until November 2022 when additional support will cease, and concessionary fares reimbursement will continue based on actual patronage at any point between April 2022 and October</p>

	<p>2022 operator actuals fall above the scheduled payment based this methodology, then actuals will be paid.</p> <p>This hybrid methodology fulfils the objective of DfT's Alternative Concessionary Travel Recovery Strategy that it is an effective way of reducing the level of additional support SCC provides to make pre-Covid concessionary payments whilst avoiding any sudden widespread reduction in these payments. This is because any sudden reduction could lead to a significant impact on bus service levels, and consequently to an effect on demand levels. In line with the DfT guidance, reduction in pre-Covid concessionary payments is done at a rate that will not adversely affect other funding streams, the viability of the bus market.</p>
13.	<p><i>Evening Bus Fare Support</i></p> <p>Cabinet determined on 18 October 2021 to support a promotional £1 Evening Bus Fare that was introduced by the bus operators from 5<sup>th</sup> September 2021. This was part of a package of activities to support Southampton's night-time economy to recover from the Covid pandemic.</p> <p>Funding for the scheme initially ran to 31<sup>st</sup> March 2022 under a variation of the 2021/22 Concessionary Fare scheme.</p> <p>Both bus operators have continued with the scheme since end of March and have approached the Council requesting further support to continue the fare offer into the Summer.</p> <p>Officers have continued to have discussions with the bus operators following the requests to continue through 2022/23, and the support would initially be extended to September 2022 depending on uptake and operation extended to 31<sup>st</sup> March 2023.</p> <p>The value of the support will be capped at an agreed determined level based on the difference between evening bus patronage prior to the introduction of the free evening parking charges in July 2021.</p>

## RESOURCE IMPLICATIONS

### Capital/Revenue

15.	The budget for concessionary fares in 2022/23 is £4.68M after an in-year a saving of £0.35M has been applied														
16.	<p>The three options for reimbursement of concessionary fares are</p> <ul style="list-style-type: none"> <li>• Reimburse on actual patronage</li> <li>• Reimburse using the current DfT model for Concessionary Fares Recovery issued in February 2022</li> <li>• Reimburse using an alternative model taking account of local recovery trends (proposed model)</li> </ul> <p>These options compared to the budget are set out in table 2 below,</p> <p>Table 2</p> <table border="1"> <thead> <tr> <th>Reimbursement Method</th> <th>Concessionary Fares Reimbursement Forecast</th> <th>Concessionary Fares Budget</th> <th>Potential Budget Underspend</th> </tr> </thead> <tbody> <tr> <td>Actual Forecast Patronage</td> <td>£2,855,961</td> <td rowspan="3">£4,684,000</td> <td>£1,828,039</td> </tr> <tr> <td>Dft Model for Concessionary Fares Recovery</td> <td>£3,486,064</td> <td>£1,197,936</td> </tr> <tr> <td>Alternative hybrid Model (proposed model)</td> <td>£3,436,954</td> <td>£1,247,046</td> </tr> </tbody> </table>	Reimbursement Method	Concessionary Fares Reimbursement Forecast	Concessionary Fares Budget	Potential Budget Underspend	Actual Forecast Patronage	£2,855,961	£4,684,000	£1,828,039	Dft Model for Concessionary Fares Recovery	£3,486,064	£1,197,936	Alternative hybrid Model (proposed model)	£3,436,954	£1,247,046
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Dft Model for Concessionary Fares Recovery	£3,486,064		£1,197,936												
Alternative hybrid Model (proposed model)	£3,436,954		£1,247,046												

17. Table 2 shows that the proposed model forecasts an underspend of £1.25M will be achieved against budget for 2022/23. Should Concessionary Fares recovery exceed the forecast in this model, then reimbursement will be made on actual patronage which will reduce this underspend. Budgets will be monitored monthly to ensure a robust forecast is reported.

18. Additional financial support has been included in the models which don't reimburse solely on actual patronage. The forecast value of this support is shown below in table 3.

Table 3

Reimbursement Method	Forecast Actual Value Concessionary Fares	Additional Support	Concessionary Fares Reimbursement Forecast
Actual Forecast Patronage	£2,855,961	£0	£2,855,961
Dft Model for Concessionary Fares Recovery	£2,855,961	£630,104	£3,486,065
Alternative hybrid Model (proposed model)	£2,855,961	£580,994	£3,436,955

19. Table 3 shows that the proposed model will provide a forecast value of additional support to operators of £0.58M. This additional support will reduce should the actual patronage reimbursement value exceed the reimbursement value of this model.

20. Details of each model are shown in appendix 2 – 5.

21. The cost of the Evening Bus Fares Support will be met from a one-off budget saving from the Concessionary Fares 2022/23 budget. The estimated funding envelope to end of September 2022, is £104,000, or £168,000 to March 2023. Claims by bus operators will be capped at a level, to be agreed in advanced, based on patronage levels prior to the removal of evening parking charges.

**Property/Other**

22. There are no property or other implications

**LEGAL IMPLICATIONS**

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

23. Concessionary Fares are governed by the Transport Acts of 1985 and 2000, and the Concessionary Fares Act of 2007. If it were to be agreed that the future that no enhancements over and above the statutory minimum will be offered, then the 1985 Act does not apply as all local enhancements are made under the Concessionary Fares Act 2007.

**Other Legal Implications:**

24. The Transport Act 2000, as amended by the Concessionary Travel Act 2007, and the Mandatory Travel Concession (England) Regulations 2011, provides a statutory basis for free off-peak travel for older and disabled people (resident in England outside London) on all local buses anywhere in England from 0930 until 2300 on weekdays and all day at weekends and on Bank Holidays. A Southampton adjustment means that Southampton residents who are concessionary pass holders are entitled to free travel on all local buses within Southampton between 0900 and 0000.

25. Bus passengers are subsidised for concessionary travel via the bus operator and under normal circumstances there is no subsidy paid to the service providers. Any bus operator

	accepting an ENCTS pass for travel should be left 'no better off and no worse off' as a result. The operators are reimbursed by the TCA for revenue forgone and additional costs incurred such as extra resources to meet increased demand from passholders and administrative costs. There is no legal requirement to reimburse more than is sufficient to cover the revenue foregone and additional costs associated with the concessionary passengers carried.
26.	In putting forward the recommendations set out in this report an Equalities Assessment has been carried out to ensure the proposals accord with the Authorities duties under the Equalities Act 2010, including the implications of reduced funding resulting in withdrawal of services and the nature of the passengers most affected by that possibility.
<b>RISK MANAGEMENT IMPLICATIONS</b>	
27.	Once the scheme starts on 1st April bus operators then have 56 days to appeal to the Secretary of State on the proposed reimbursement rates. This could impact on the final reimbursement rates if the bus operators were to win an appeal. The risk of this is managed by the Council Scheme being consistent with the DfT Concessionary Fares guidance.
<b>POLICY FRAMEWORK IMPLICATIONS</b>	
28.	The provision of concessionary travel accords with the policy direction of the City's adopted Local Transport Plan (2019) by helping the Council meet its targets for increasing the use of sustainable transport modes (and bus travel in particular) and increasing accessibility and promoting social inclusion.

<b>KEY DECISION?</b>	Yes	
<b>WARDS/COMMUNITIES AFFECTED:</b>	Not applicable	
<u>SUPPORTING DOCUMENTATION</u>		
<b>Appendices</b>		
1.	<a href="#">Concessionary Fare Scheme 2022/23</a>	
2.	Forecast cost of reimbursing operators on actual patronage basis	
3.	Forecast cost of reimbursing operators using DfT Concessionary Fares Recovery Method	
4.	Alternative reimbursement model - assuming actual patronage will be reimbursed from November 22	
5	Concessionary Fare Payments 2021/22	
<b>Documents In Members' Rooms</b>		
1.		
2.		
<b>Equality Impact Assessment</b>		
<b>Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA (Equality Safety Impact Assessment) to be carried out.</b>		<b>YES</b>
<b>Data Protection Impact Assessment</b>		
<b>Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.</b>		<b>No</b>

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

<b>Title of Background Paper(s)</b>	<b>Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)</b>
1.	<a href="#">Concessionary Fare Scheme 2022/23</a>
2.	Forecast cost of reimbursing operators on actual patronage basis
3.	Forecast cost of reimbursing operators using DfT Concessionary Fares Recovery Method
4.	Alternative reimbursement model - assuming actual patronage will be reimbursed from November 22
5	Concessionary Fare Payments 2021/22

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### **Scheme Conditions**

#### **SOUTHAMPTON CITY COUNCIL CONCESSIONARY FARES SCHEME 2022/2023 ('the Scheme')**

##### **Introduction**

The Concessionary Fares Scheme agreed by Southampton City Council will come into effect on 1 April 2022 and continues until 31<sup>st</sup> March 2023. This Notice and Scheme replaces the Southampton Concessionary fares Scheme 2022/22 and supersedes all previous Schemes and Notices

##### **Legislation**

The scheme is made in accordance with the Concessionary Bus Travel Act 2007, the Transport Act 2000, the Travel Concessions (Eligibility) Act 2002 and the discretionary powers contained in the Transport Act 1985 ('the Acts').

##### **Responsible Authority**

The responsible authority for the Scheme shall be Southampton City Council. The Scheme shall be funded by Southampton City Council. The Scheme shall be administered by either Southampton City Council or its appointed agent(s).

All enquiries regarding the Scheme and all Notices required to be served upon the responsible authority under the Acts should be addressed to:

Pete Boustred, Head of Green City & Infrastructure, Civic Centre, Southampton, SO14 7LY.

A copy of the Scheme will be supplied to any person on request by post from the person specified above and is available on the Council website at [www.southampton.gov.uk](http://www.southampton.gov.uk) .

##### **Operator Eligibility**

Operators of registered bus services running within the City which is in receipt of Bus Service Operators Grant or contracted by the Local Public Transport team of Southampton City Council or a neighbouring local authority, unless excluded

##### **Service Eligibility**

The ENCTS applies on eligible local bus services as defined by the Travel Concessions (Eligible Services) Order 2002 as amended by the Travel Concessions (Eligible Services) (Amendment) Order 2009 – unless excluded by the 2009 Amendment Order.

##### **User Eligibility**

Residents of Southampton who meet any of the following criteria will be eligible for a free concessionary fares pass:

- Men and women who have reached the female state pension age (you can calculate if you are eligible here: <https://www.gov.uk/state-pension-age/y>)
- blind people;
- partially sighted people;

- deaf people;
- people without speech (in any language);
- people with a disability, or who have suffered an injury, which, in the opinion of a qualified medical practitioner, seriously impairs their ability to walk;
- people without the use of both arms;
- people with a learning difficulty;
- people who would be refused the grant of a driving licence to drive a motor vehicle under Section 92 of Part III the Road Traffic Act 1988;
- people with a long term mental health problem; and
- travelling companions/escorts of disabled people.

For those under the female state pension age, applicants must provide confirmation that:

- i) They are in receipt of Disability Living Allowance (higher mobility component); or
- ii) They have been awarded 8 or more points Personnel Independent Payment for Moving Around or Communicating verbally
- iii) They are in receipt of War Pensions Mobility Supplement; or
- iv) They have a valid registration card for their disability; or
- v) Certification of Vision impairment; or
- vi) Have learning difficulties and attend Southampton Day Services or registered with Southampton Learning Disabilities team; or
- vi) They have a signed form (MQ14) from their doctor confirming eligibility.

### **Hours of Operation**

The Southampton concessionary fares scheme will be based on bus travel alone. Concessionary travel available all day on Saturdays, Sundays, Bank Holidays and declared public holidays; and between 09:00 and 00:30 on other days for residents of Southampton; and between 0930 and 2300 for all other English national passholders. Blind persons will be permitted to travel at any time.

### **Area of Travel**

Any journey that starts within the boundary of Southampton (NOTE: funding of such travel shall be subject to any inter-authority boundary/funding agreements which may be entered into and shall be deemed to be part of this Scheme. This will not affect user eligibility or operator reimbursement).

### **Level of Concession**

The proposed scheme provides free travel on presentation of a valid pass.

### **Administration**

The administration of the issue of concessionary fares scheme passes will be carried out by the Strategic Transport Team. A database of all people who are issued with a bus pass will be kept. The City Council will be responsible for meeting the statutory requirements for data protection.



## **Reimbursement Arrangements**

Operators will submit monthly returns to the City Council unless otherwise agreed in advance. Payment of 85% of the estimated figure for the month will be agreed with the operator and be made on the 15<sup>th</sup> of the month. The outstanding figure will be paid once exact figures are known from verified operator returns.

The City Council will require all information produced in support of claims to be certified as accurate by a “responsible person”.

The returns will be subject to periodic audit by the City Council or its nominated representatives. Bus operators will be expected to provide information reasonably required for this purpose.

The standard method of operator reimbursement will be the method used in the Reimbursement Calculator published by the Department for Transport<sup>1</sup>, in line with Department for Transport guidance on operator reimbursement<sup>2</sup>.

Due to the current COVID-19 pandemic, Southampton City Council reserves the right to amend the scheme in line with any further DfT guidance released after the 1st December 2021. The Council will notify operators of any proposed changes with the correct notice period, as defined by the DfT.

### Calculating reimbursement

Reimbursement for any period is the aggregate of the sum of Revenue Reimbursement (Net Revenue Foregone), Marginal Operating Costs, Marginal Capacity Costs, Peak Vehicle Requirement Costs and Scheme Administration Costs for the same period in respect of each service/route operated by each operator during that period.

### Revenue Reimbursement

Under the standard method Revenue Reimbursement will be calculated for each operator as follows:

$$R = J \times F \times f_r$$

Where:

R is Revenue Reimbursement  
J is the validated number of eligible passenger journeys made starting in the scheme area  
F is the average fare forgone  
f<sub>r</sub> is the Reimbursement Factor which takes account of generated travel. This factor will be determined individually for each operator.

The validated number of passenger journeys will be the number of bus boardings recorded by the participating operator commencing from a boarding stage within the scheme area, checked and validated as necessary by the City Council or its agent.

The average fare forgone will be calculated using the DfT’s Reimbursement Calculator. In line with DfT Guidance, it is intended that the “Discount Factor” method will be used for all operators

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<sup>1</sup> <https://www.gov.uk/government/publications/concessionary-bus-travel-reimbursement-calculator>

<sup>2</sup> <https://www.gov.uk/government/publications/guidance-on-reimbursing-bus-operators-for-concessionary-travel>

except where any of the following criteria are met, in which case the “Basket of Fares” approach will be used:

- Operators with cash fares only
- Operators with only cash fares and weekly tickets
- Operators with no cash fares
- Operators with atypical ticket price combinations such that the daily ticket to average cash fare price ratio is greater than 5 (before or after degeneration)
- Operators with ticket price ratios such that the Discount Factor method would lead to the proportion of daily or period tickets to cash fare ticket sales being higher than the corresponding proportion for current fare paying passengers
- Where 60 per cent or more of an operator's concessionary passenger boardings (on services serving a TCA's area) are carried on buses where the average weekday daytime frequency (09.30 to 18.00) is one bus per hour or less

The Reimbursement Factor value for each individual operator will be calculated using the Department for Transport's Reimbursement Calculator. The DfT Reimbursement Calculator uses two Single Demand Curves – one for “PTE-like” areas and one for “non-PTE-like” areas. For concessionary journeys on routes that run wholly within the Southampton scheme area the appropriate Reimbursement Factor will be determined using the “PTE-like” Single Demand Curve. For concessionary journeys on routes that run across an administrative boundary from “PTE-like” into “non-PTE-like” areas (as defined by DfT Guidance), a proportion of concessionary journeys will be reimbursed using a Reimbursement Factor based on the “non-PTE-like” Single Demand Curve, with the remainder being reimbursed using a Reimbursement Factor based on the “PTE-like” Single Demand Curve. The appropriate proportions of concessionary journeys for the “PTE-like / non-PTE-like” split will be estimated by the Council based on best available information on residency of concessionary passengers boarding the cross-boundary services within the scheme Principal Area. The default estimate is that half of such concessionary journeys will be reimbursed using a Reimbursement Factor based on the “non-PTE-like” Single Demand Curve, with the other half being reimbursed using a Reimbursement Factor based on the “PTE-like” Single Demand Curve.”

The actual value of the Reimbursement Factor used for each operator is determined by the appropriate Single Demand Curve, together with the percentage change in average commercial fares (in real terms, taking account of inflation as measured by Government Consumer Price Index (CPI) figures) on the operator's routes that serve the scheme area between 2005-6 and 2022-23. This will be calculated by the City Council using the best available information, including data provided by the operator concerned. Care will be taken to use comparable data sets in calculating this change, to the extent possible. Where operator-specific data on the change in average commercial fares between 2005-6 and 2022-23 is not available, the City Council will use either: (a) a scheme-wide figure for average percentage change in commercial fares; or (b) the National Bus Index up to 2010-11 and the percentage change in average commercial fares between 2010-11 and 2022-23.

#### Marginal Operating Costs

Marginal Operating Costs will be calculated in accordance with the Department for Transport's Reimbursement Calculator. Each operator will receive Marginal Operating Costs for each generated concessionary journey. Marginal Operating Costs will be calculated in two parts for each operator; the “Fixed” and “Variable” elements, using the DfT Reimbursement Calculator. The “Fixed Element” of operating costs equates to £0.069 per generated concessionary journey (according to the latest DfT Calculator published November 2019). The “Variable Element” relates directly to the average concessionary journey length for an operator. The average journey length will be taken to be the default value in the DfT Reimbursement Calculator unless the City Council can determine an alternative value based on local evidence from the operator.

The number of generated journeys to be used in the calculation of the Marginal Operating Costs will be calculated as follows:

$$J_g = J \times (1 - f_r)$$

Where:

$J_g$  is the number of generated journeys  
 $J$  is the validated number of passenger journeys  
 $f_r$  is the Reimbursement Factor which takes account of generated travel, expressed as a decimal fraction.

### Marginal Capacity Costs

Marginal Capacity Costs are the costs to a bus operator of necessarily providing increased capacity on a bus route to accommodate generated travel resulting from the concessionary travel scheme, by using the existing bus fleet more intensively through increased frequency. Marginal Capacity Costs payable are net of the estimated additional revenue generated from commercial journeys that arise from increased frequency.

It is recognised that a possible alternative response to the increase in demand from generated concessionary travel would be to increase seating capacity rather than increase frequency of service. However, the costs payable to operators making this operating choice will not exceed the net costs of increasing frequency (including revenue effects) of using existing buses, as set out below.

The City Council will adopt the Marginal Capacity Cost (MCC) calculator of the DfT Reimbursement Calculator for determining the level of Marginal Capacity Costs payable to each operator. This requires the following input parameters for each operator's network of services that serve Southampton:

- Average bus speed
- Mean vehicle occupancy
- Mean journey length
- Mean route length
- Commercial journeys (including adults, young people and children) as a percentage of total journeys
- Average commercial fare (including adults, young people and children) per journey

Where an operator can provide (in the reasonable judgement of the City Council) a properly evidenced full set of local inputs on all of these parameters, they will be used for calculating Marginal Capacity Costs due using the DfT MCC Calculator. Where an operator does not provide such a properly evidenced full set of local inputs on all these parameters, the set of default values contained within the DfT MCC calculator will be used for calculating Marginal Capacity Costs due to that operator.

### Peak Vehicle Requirement Costs

The City Council recognises that in exceptional circumstances an operator may have to operate additional vehicles in the peak period due to generated concessionary travel. If an operator wishes to claim additional Peak Vehicle Requirement (PVR) Costs then the operator must supply data and analysis to support such a claim. If an operator wishes to submit a claim, the evidence that is required to be provided is set out in the DfT Guidance on reimbursing bus operators (as published in November 2019) at paragraphs 7.61 to 7.63. The calculation of any PVR costs due to an operator submitting a valid claim will follow the calculation process set out in the DfT Guidance on reimbursing bus operators (as published in November 2019) at paragraphs 7.64 to

7.74. Settlement of claims agreed as reasonable by the City Council will be made without undue delay.

#### Scheme Administration Costs

The City Council recognises that operators are subject to administration costs for which they should be reimbursed. These costs include publicity, ticketing, software changes and management time relating to special requests for information. The council will pay administration costs at a rate of £0.002 for each trip made under the scheme.

Operators claiming reimbursement from the scheme above a level of £10,000 per annum must have suitable, auditable, Electronic Ticket Machine (ETM) data that will be required each month, except in circumstances that have been agreed with the Authority. Claims submitted with inadequate data may need to be validated through surveys. In these cases, the Scheme reserves the right to reclaim the cost of this validation.

Operators claiming reimbursement from the scheme above a level of £10,000 per annum must have ITSO-compliant smart readers with fully-functioning Class 2 messaging (including hot listing), and that are compatible with the Southampton HOPS, in active operation and must use the output of those readers to arrive at the claim. If smart readers are not in use or if they are not being used with full functionality as above, the Council reserves the right to make a proportionate deduction of 3% from the number of journeys claimed each month to account for the level of undetected fraudulent travel that is assumed to be taking place. The relevant reimbursement rate will be applied to the number of journeys after deduction unless the operator can provide verifiable evidence that all the journeys claimed for were made by holders of valid passes.

On request, the operator must make available historic boarding data for affected services; this will normally be in the form of unprocessed data from electronic ticket machine systems.

To enable the timely and efficient operation of the scheme and consideration of claims, claims should be submitted by the end of the calendar year to which they relate and relate to the preceding 12 months operation of the scheme. Additional claims submitted in accordance with the Limitation Act 1980 will be considered on a case by case basis.

Any challenge to any decision by the Authority in relation to any claim for additional capacity costs must be brought in accordance with the paragraph below headed "Operator Representations and Complaints".

#### **Right to Survey**

The City Council has the right to carry out surveys on vehicles on which concessions are given. Bus operators will be consulted as to how and when the survey will be carried out and operators will be given reasonable prior notice of the City Council's intention.

#### **Variations**

Southampton City Council reserves the right to vary the Scheme or to offer discretionary enhancements to the Scheme in accordance with the provisions of the Transport Act 1985 and any reimbursement arrangements relating to and forming part of the Scheme at any time in accordance with the provisions of the Acts, upon relevant Notice. Southampton City Council shall give 28 days notice in writing to Operators of any proposed variations or changes to the Scheme, save where changes relate to reimbursement arrangements in relation to which the Authority shall give 4 months notice of any proposed changes reimbursement arrangements, but the period of such notice may be shortened by mutual agreement or variations to the scheme required to give effect to a decision of the Secretary of State for Transport's determination of any application

under the Transport Acts in relation to which the Authority shall give notice in writing to apply with immediate effect .

### **Right of Participation**

Notwithstanding the mandatory participation of Operators in accordance with the Transport Act 2000 and the Concessionary Bus Travel Act 2007, Southampton City Council may require and notify any Operator to participate in the Scheme or any variation of the Scheme in accordance with the Transport Act 1985, and such participation will commence not less than 28 days after receipt of such written notification. At the date of notification the Operator will be supplied with a copy of this Scheme and any Variations thereto.

### **Operator Representations and Complaints:**

If an Operator in this Scheme wishes to make any representations in relation to this scheme or reimbursement under this scheme (including any challenge, complaint, concern or grievance in relation to the Scheme) such a representation should be made in writing to the Responsible Authority at the address set out above. Representations will be considered by the Council on their merits and without prejudice to the Operators rights of Appeal under the Acts. Operators also have the right to avail themselves of the Authority's Corporate Complaints Policy, details of which may be found on the Authority's website at [www.southampton.gov.uk](http://www.southampton.gov.uk)

### **Right of Appeal**

Any Operator has a right of appeal to the Secretary of State against the terms of reimbursement of the Scheme under the Transport Acts 1985 and 2000 or against participation in any discretionary element of the Scheme under the Transport Act 1985 on the grounds that:-

(a) There are special reasons why their company's participation in the scheme in respect of any of the services to which the notice applies would be inappropriate (under both the 2000 Act and the 1985 Act); or

(b) Any provision of the scheme or of any of the scheme arrangements are inappropriate for application in relation to any operators who are not voluntarily participating in the scheme (1985 Act only).

Prior to making such an application, notice in writing must be given to the person and at the address specified under the 'Responsible Authority Heading above.

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### Appendix 2

#### Option 1 - Forecast cost of reimbursing operators on actual patronage basis

	<b>Total Estimated Value Concessionary Fares Reimbursement</b>	<b>Estimated Value of Concessionary Fares Reimbursement on Actual Patronage</b>	<b>Additional Recovery Support Included in Reimbursement Amount</b>
Apr-22	£193,014	£193,014	£0
May-22	£205,413	£205,413	£0
Jun-22	£190,889	£190,889	£0
Jul-22	£202,943	£202,943	£0
Aug-22	£203,653	£203,653	£0
Sep-22	£261,757	£261,757	£0
Oct-22	£281,098	£281,098	£0
Nov-22	£280,010	£280,010	£0
Dec-22	£262,513	£262,513	£0
Jan-23	£265,377	£265,377	£0
Feb-23	£245,907	£245,907	£0
Mar-23	£263,387	£263,387	£0
	<b>£2,855,961</b>	<b>£2,855,961</b>	<b>£0</b>

Appendix 3

Option 2 - Forecast cost of reimbursing operators using DfT Concessionary Fares Recovery Method

	<b>Adjusted Pre-Covid Reimbursement Amount*</b>	<b>DfT Proposed Tapering of Support</b>	<b>Estimated Value of Concessionary Fare Reimbursement</b>	<b>Estimated Value of Concessionary Fares Reimbursement on Actual Patronage</b>	<b>Additional Recovery Support Included in Reimbursement Amount</b>
Apr-22	£321,691	100%	£321,691	£193,014	£128,677
May-22	£342,355	100%	£342,355	£205,413	£136,942
Jun-22	£318,148	100%	£318,148	£190,889	£127,259
Jul-22	£338,238	90%	£304,414	£202,943	£101,471
Aug-22	£339,421	90%	£305,479	£203,653	£101,826
Sep-22	£327,197	85%	£278,117	£261,757	£16,360
Oct-22	£351,373	85%	£298,667	£281,098	£17,569
Nov-22	£350,013	80%	£280,010	£280,010	£0
Dec-22	£328,141	80%	£262,513	£262,513	£0
Jan-23	£331,722	75%	£248,791	£265,377	£0
Feb-23	£307,384	75%	£230,538	£245,907	£0
Mar-23	£329,234	70%	£230,464	£263,387	£0
	<b>£3,984,917</b>		<b>£3,421,187</b>	<b>£2,855,961</b>	<b>£630,104</b>

\* 2019/20 Actuals adjusted for national decline in concessionary fares of 2.5% per year

\*\* Jan 23-Mar 23 reimbursement on actual patrons forecast to exceed DfT model - in this scenario reimbursement would be made on actuals



Appendix 4

Option 3 - Alternative reimbursement model - assuming actual patronage will be reimbursed from November 22

	<b>Adjusted Pre-Covid Reimbursement Amount*</b>	<b>Proposed Tapering of Support</b>	<b>Estimated Value of Concessionary Fare Reimbursement</b>	<b>Estimated Value of Concessionary Fares Reimbursement on Actual Patronage</b>	<b>Additional Recovery Support Included in Reimbursement Amount</b>
Apr-22	£321,691	95%	£305,606	£193,014	£112,592
May-22	£342,355	95%	£325,237	£205,413	£119,824
Jun-22	£318,148	95%	£302,241	£190,889	£111,352
Jul-22	£338,238	90%	£304,414	£202,943	£101,471
Aug-22	£339,421	90%	£305,479	£203,653	£101,826
Sep-22	£327,197	85%	£278,117	£261,757	£16,360
Oct-22	£351,373	85%	£298,667	£281,098	£17,569
Nov-22	£350,013	0%	Paid on Actual	£280,010	£0
Dec-22	£328,141	0%	Paid on Actual	£262,513	£0
Jan-23	£331,722	0%	Paid on Actual	£265,377	£0
Feb-23	£307,384	0%	Paid on Actual	£245,907	£0
Mar-23	£329,234	0%	Paid on Actual	£263,387	£0
	£3,984,917		£2,119,761	£2,855,961	£580,994

\* 2019/20 Actuals adjusted for national decline in concessionary fares of 2.5% per year

## Appendix 5

### Concessionary Fare Payments 2021/22

As part of the budget review and 2021/22 Council Budget a saving of £1m from the overall Concessionary Travel budget line was targeted. This was achieved by adopting the DfT's Concessionary Fare Reimbursement methodology for 2021/22.

Table 3 shows that in 2021/22 additional support of £1,531,121 has been paid to local bus operators when comparing the Covid support concessionary fare payments to payments due based actual patronage. 2021/22 reimbursement methodology was built in line with DfT's November 2020 using principle two and six from the suggested list of factors (para 8) to build a reimbursement methodology.

The amounts paid were based on historic claims, as opposed to the actual number of pass holders carried - reimbursing bus operators for the same month in 2019/20 minus a 2.5% deduction for 2020-21 and a further 2.5% deduction for 2021-22. This recognises the general pre-Covid trend of decreasing concessionary patronage in England/Southampton from DfT bus statistics<sup>1</sup>. This additional support was met from the existing approved Concessionary Fares budget.

The total paid in 21/22 was £3,882,732.

- Payments – Payments made based on CF reimbursement methodology for 2020/21
- Actual due – Payments SCC would make if reimbursement was based on actual patronage levels.
- Value of Support – The support that SCC provides after reimbursing operators for “Actual due”  
% - the level of support

Overall Concessionary Fare Payments 2021/22						
	Number of Concessionary Journeys	Payments	Actual Due	Value of Support (£ and %)		21/22 Actual Compared to Adjusted 19/20 Baseline
<b>Apr-21</b>	152,838	£313,442	£159,663	£153,779	49%	51%
<b>May-21</b>	171,888	£333,576	£183,552	£150,024	45%	55%
<b>Jun-21</b>	194,777	£309,989	£204,163	£105,826	34%	66%
<b>Jul-21</b>	202,378	£329,565	£202,592	£126,973	39%	61%
<b>Aug-21</b>	216,638	£330,717	£209,233	£121,484	37%	63%
<b>Sep-21</b>	208,378	£318,806	£221,612	£97,194	30%	70%
<b>Oct-21</b>	218,996	£342,363	£220,732	£121,631	36%	64%
<b>Nov-21</b>	221,459	£341,037	£225,644	£115,393	34%	66%
<b>Dec-21</b>	189,458	£319,727	£189,362	£130,365	41%	59%
<b>Jan-22</b>	185,541	£323,216	£186,653	£136,563	42%	58%
<b>Feb-22</b>	179,653	£299,502	£182,235	£117,267	39%	61%
<b>Mar-22</b>		£320,792	£166,170*	£154,622*	48%	52%
<b>Total</b>	<b>2,141,954</b>	<b>£3,882,732</b>	<b>£2,351,611</b>	<b>£1,531,121</b>	<b>39%</b>	<b>61%</b>
*Estimated values						

<sup>1</sup> DfT's Statistical Release "Concessionary Travel Statistics England 2018/19" ([https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/852526/concessionary-travel-statistics-2019.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/852526/concessionary-travel-statistics-2019.pdf)).



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<b>DECISION-MAKER:</b>	Cabinet
<b>SUBJECT:</b>	Speed limit reduction on A33 / A27 Bassett roads
<b>DATE OF DECISION:</b>	19 July 2022
<b>REPORT OF:</b>	<b>CABINET MEMBER FOR TRANSPORT &amp; DISTRICT REGENERATION</b>

<u><b>CONTACT DETAILS</b></u>			
<b>Executive Director</b>	<b>Title</b>	Executive Director Growth	
	<b>Name:</b>	<b>Adam Wilkinson</b>	Tel: 023 80
	<b>E-mail</b>	<b>Adam.Wilkinson@southampton.gov.uk</b>	
<b>Author:</b>	<b>Title</b>	<b>Transport Delivery Team Leader</b>	
	<b>Name:</b>	<b>Wade Holmes</b>	Tel: 023 80
	<b>E-mail</b>	Wade.Holmes@southampton.gov.uk	

<b>STATEMENT OF CONFIDENTIALITY</b>
Not Applicable

<b>BRIEF SUMMARY</b>	
<p>Southampton City Council lowered the speed limit on A33 Bassett Avenue, A33 The Avenue from 40mph to 30mph under a Temporary Traffic Order to support the installation of temporary cycle lanes (some remain as permanent) and improve the overall road safety of the corridor for all road users. Other roads in the proximity with a 40mph limit include A27 Bassett Green Road and Bassett Wood Road.</p> <p>A Traffic Regulation Order to reduce the speed limit and make all of these roads a permanent speed limit of 30mph was advertised in December 2021 with the majority of submissions in support of the reduction in speed limit. The Police have objected to the Traffic Regulation Order for A27 Bassett Green Road, A33 Bassett Avenue and A33 The Avenue. A decision is now required from Cabinet if the Traffic Regulation Order should proceed or be withdrawn.</p>	
<b>RECOMMENDATIONS:</b>	
	(i) To approve the proposals in the Traffic Regulation Order to permanently reduce 40mph speed limits in Bassett to 30mph for Bassett Avenue, Bassett Green Road, Bassett Wood Road and The Avenue.
<b>REASONS FOR REPORT RECOMMENDATIONS</b>	
1.	Compliance with Council's Connected Southampton 2040 Local Transport Plan – A System for Everyone, making Southampton an attractive and liveable place to improve the people's quality of life, so that everyone is safe.
<b>ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</b>	
2.	Do nothing / Temporary Traffic Regulation Order expires and the 40mph is reinstated. This would not be in compliance with Council's Connected Southampton 2040 Local Transport Plan. There would be implications for road safety along the

corridor, as new cycle lanes have been designed based on the reduced speed limit, and the current crash history would not be addressed without a reduced speed limit

**DETAIL (Including consultation carried out)**

3. A Traffic Regulation Order for to reduce the speed limit and make these roads with a permanent speed limit of 30mph was advertised in December 2021. The Council received 532 responses, of which 136 (27%) were objections, 370 (73%) were in support and 26 were comments on the proposals.

Road	Objecting	(%)	Supporting	(%)	Preferences	Commenting	Total
Bassett Avenue	121	28%	318	72%	439	21	460
Bassett Green Road	56	17%	271	83%	327	9	336
Bassett Wood Road	38	14%	231	86%	269	6	275
The Avenue	117	27%	311	73%	428	19	447

4. Of the submissions received, Hampshire Police have stated that they will not object to Bassett Wood Road, but have objected to Bassett Green Road, Bassett Avenue and The Avenue. They have stated that based on traffic data (observed speeds of vehicles along the road) obtained as part of the monitoring of the current conditions of the road that a 40mph speed limit is appropriate for these roads. It is the Police view that reducing speed limits from 40mph by only replacing 40mph signage with 30mph signage will not see any significant reduction in overall speeds.

5. Council has obtained traffic counts showing the speeds of vehicles in the proposed roads, with the results as follows (counts taken in June 2021)

The Avenue	38.8mph	42.0mph
Bassett Avenue	37.0mph	35.8mph
Bassett Green Road	45.2mph	44.6mph
Bassett Wood Road	33.4mph	35.7mph

6. Current land use along the corridor is a mixture of open space (The Avenue), residential properties with driveway access, and links to educational facilities (University of Southampton). Access to these land uses would be improved with a lower speed limit along the corridor. The corridor is located on a bus route, with bus stops provided along The Avenue, Bassett Avenue and Bassett Green Road.

7. Current facilities for non-motorised users along these roads is as follows:

- Combined shared use path for cycles and pedestrians along The Avenue between Northlands Road and Winn Road, where the facilities are adjacent to the carriageway. There is a signalised pedestrian / cycle crossing in this section;

	<ul style="list-style-type: none"> <li>• A pedestrian path and a segregated cycle way along The Avenue between Winn Road and The Common subway. There are no formal crossing points in this section;</li> <li>• A pedestrian path and no cycle way (cyclists are mixed with traffic) along The Avenue between The Common subway and Burgess Road, where the facilities are adjacent to the carriageway. There are no formal crossing points in this section;</li> <li>• Combined shared use path for cycles and pedestrians along Bassett Avenue, where the facilities are adjacent to the carriageway. There are signalised crossing points in this section;</li> <li>• A pedestrian path and no cycle way (cyclists are mixed with traffic) along Bassett Wood Road, where the facilities are adjacent to the carriageway. There are no formal crossing points in this section; and</li> <li>• A pedestrian path and no cycle way (cyclists are mixed with traffic) along Bassett Green Road, where the facilities are adjacent to the carriageway. There are no formal crossing points in this section.</li> </ul> <p>There are no plans to provide additional cycle facilities along the corridor and any change to speed limits would not result in any new measures or reinstatement of previous temporary measures along the corridor.</p>																														
8.	<p>The Department for Transport (DfT) <i>Setting local speed limits DfT Circular 01/2013</i> introduced guidance that a wider range of parameters that should be considered when setting speed limits. The guidance indicates for a 40mph limit as “high quality suburban roads or those on the outskirts of urban areas where there is little development... that wherever possible cater for the needs of non-motorised users though segregation of road space”. It is considered that The Avenue, Bassett Avenue and Bassett Green Road do not fit that criteria and as such a 40mph speed limit is not appropriate. The level of frontage development, junctions, bus stops and crossings conflict with the DfT profile.</p>																														
9.	<p>A reduction in the posted speed limit will lead to lower speeds in the corridor, even with occasional enforcement from the Police. Improved signage advising of the new speed limit is proposed as part of the scheme will assist in the compliance of the new speed limit (although it should be noted that repeater signing of 30mph limits in urban areas is prohibited in design guides as the Highway Code speed limit rules apply for built up areas). Vehicle telematics and in vehicle GPS will also be updated to provide further reminders to drivers of the lower speed limit. Upon installation of the new speed limit, information will be passed onto drivers via the use of the Variable Message Signs on the corridor, and the use of Vehicle Activated Signs on a rotating basis which will flash the correct speed limit to vehicles that speed past the signs</p>																														
10.	<p>There is a history of speed related injury crashes along the corridor. Injury data for the roads is as follows:</p> <table border="1" data-bbox="316 1816 1506 2083"> <thead> <tr> <th colspan="6">Bassett Avenue</th> </tr> <tr> <th>Severity</th> <th>2016</th> <th>2017</th> <th>2018</th> <th>2019</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td>Fatal</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Serious</td> <td>1</td> <td>1</td> <td>1</td> <td>4</td> <td>1</td> </tr> <tr> <td>Slight</td> <td>2</td> <td>6</td> <td>9</td> <td>11</td> <td>4</td> </tr> </tbody> </table>	Bassett Avenue						Severity	2016	2017	2018	2019	2020	Fatal	0	0	0	0	0	Serious	1	1	1	4	1	Slight	2	6	9	11	4
Bassett Avenue																															
Severity	2016	2017	2018	2019	2020																										
Fatal	0	0	0	0	0																										
Serious	1	1	1	4	1																										
Slight	2	6	9	11	4																										

Bassett Green Road (in 40mph)						
Severity	2016	2017	2018	2019	2020	
Fatal	0	0	0	0	0	
Serious	0	0	0	0	0	
Slight	0	1	1	1	0	
Bassett Wood Road						
Severity	2016	2017	2018	2019	2020	
Fatal	0	0	0	0	0	
Serious	0	0	0	0	0	
Slight	0	0	1	0	0	
The Avenue						
Severity	2016	2017	2018	2019	2020	
Fatal	0	0	1	0	0	
Serious	1	0	1	3	0	
Slight	1	2	2	2	1	
11.	The Department for Transport guidance indicates that as a general rule for every 1 mph reduction in average speed, collision frequency reduced by around 5%. A reduction in the speed limit on these roads will assist in the Connecting Southampton 2040 Local Transport Plan A System for Everyone.					
<b>RESOURCE IMPLICATIONS</b>						
<b><u>Capital/Revenue</u></b>						
12.	The cost estimate of £25,000 capital expenditure in 2022/23 will be met from within the existing capital programme for Transport and District Regeneration.					
13.	The Transforming Cities Fund capital scheme will cover the cost to change the signage at gateway points from 40mph to 30mph restriction and the removal of redundant 40mph signs. This scheme is funded by government grant.					
<b><u>Property/Other</u></b>						
14.	Not applicable					
<b>LEGAL IMPLICATIONS</b>						
<b><u>Statutory power to undertake proposals in the report:</u></b>						
15.	All speed limits, other than those on restricted roads, should be made by order under Section 84 of the Road Traffic Regulation Act 1984.					
<b><u>Other Legal Implications:</u></b>						



16.	An Equality Impact Assessment has been carried out to determine if the scheme will have any impact on key user groups, and has found that no adverse impact has been identified. The scheme will deliver positive benefits in terms of road safety.
<b>RISK MANAGEMENT IMPLICATIONS</b>	
17.	Approving the Traffic Regulation has minimal risk. The proposal is in alignment with relevant Department for Transport guidelines for setting speed limits on roads. There is a risk that the Police may only provide occasional enforcement of the speed limit given their objection. Southampton City Council will continue to work with Police to address compliance of the new speed limit through education / promotion of the new speed limit, the use of vehicle activated signs on a rotating roster and the use of the variable message signage along the corridor which will mitigate some the Police's concerns.
<b>POLICY FRAMEWORK IMPLICATIONS</b>	
18.	<p>Under Council's framework for the processing of Traffic Regulation Order, the Director of Environment and Economy or their authorised nominee shall determine any unresolved objections unless:</p> <ul style="list-style-type: none"> <li>(a) There remains an unresolved objection from the Chief Constable;</li> <li>(b) There remains an unresolved objection from a bus operator regarding a local public transport service;</li> <li>(c) A proposal may result in a public inquiry;</li> <li>(d) A large petition is received regarding the proposal;</li> <li>(e) In the view of the Director of Environment and Economy, following consultation with the Cabinet Member for Environment and Transport, it would be appropriate to ask cabinet to determine the matter</li> </ul> <p>In which case the matter will be referred to Cabinet for Determination, unless Cabinet have previously decided that the decision shall be taken through delegated powers.</p>

<b>KEY DECISION?</b>	<b>N/A</b>
<b>WARDS/COMMUNITIES AFFECTED:</b>	Bassett, Shirley, Portswood, Swaythling
<u>SUPPORTING DOCUMENTATION</u>	
<b>Appendices</b>	
1.	ESIA for advertising of the Traffic Regulation Order
2.	
<b>Documents In Members' Rooms</b>	
1.	
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>Yes</b>
<b>Data Protection Impact Assessment</b>	

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




### 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 proposals and consider mitigating action.

<b>Name or Brief Description of Proposal</b>	Advertising of a Traffic Order to remove 40mph speed limit on A33 and associated roads  The advertising of a Traffic Order amendment to reduce the speed limit from 40mph to 30mph on: Bassett Avenue, Bassett Green Road, Bassett Wood Road and The Avenue
<b>Brief Service Profile (including number of customers)</b>	
Strategic Transport is responsible for the policy and strategy relating to all transport activities in the City.  It is also responsible for strategic direction of the maintenance and management of the highway network including maintenance and enforcement of the Strategic Cycle Network and any related functions.  Customers include all transport users in the city including residents, visitors and businesses.	
<b>Summary of Impact and Issues</b>	
<ul style="list-style-type: none"> <li>• Reduction of speed limit of the specified roads</li> </ul>	
<b>Potential Positive Impacts</b>	
<ul style="list-style-type: none"> <li>• More suitable speed to character of the road(s)</li> <li>• Improve road safety</li> <li>• Benefits to air quality</li> <li>• Reduce congestion</li> <li>• Provide a more pleasant environment for pedestrians and cyclists</li> <li>• Encourage active travel options</li> </ul>	
<b>Responsible</b>	

<b>Service Manager</b>	
<b>Date</b>	
<b>Approved by Senior Manager</b>	
<b>Date</b>	12/01/2022

**Potential Impact**

<b>Impact Assessment</b>	<b>Details of Impact</b>	<b>Possible Solutions &amp; Mitigating Actions</b>
<b>Age</b>	None	N/A
<b>Disability</b>	None	N/A
<b>Gender Reassignment</b>	None	N/A
<b>Marriage and Civil Partnership</b>	None	N/A
<b>Pregnancy and Maternity</b>	None	N/A
<b>Race</b>	None	N/A
<b>Religion or Belief</b>	None	N/A
<b>Sex</b>	None	N/A
<b>Sexual Orientation</b>	None	N/A
<b>Community Safety</b>	Potential positive impact as detailed above.	N/A
<b>Poverty</b>	None	N/A
<b>Health &amp; Wellbeing</b>	None	N/A
<b>Other Significant Impacts</b>	None	N/A