

Public Document Pack

Cabinet

Tuesday, 25th June, 2024
at 4.30 pm

PLEASE NOTE TIME OF MEETING

Council Chamber, Civic Centre

Members

Leader – Councillor Fielker

Deputy Leader and Cabinet Member for Finance and
Corporate Services – Councillor Letts

Cabinet Member for Economic Development – Councillor
Bogle

Cabinet Member for Environment and Transport -
Councillor Keogh

Cabinet Member for Children and Learning – Councillor
Winning

Cabinet Member for Compliance and Leisure– Councillor
Kataria

Cabinet Member for Communities and Safer City –
Councillor C Lambert

Cabinet Member for Housing Operations – Councillor A
Frampton

Cabinet Member for Adults and Health – Councillor Finn

Cabinet Member for Green City and Net Zero – Councillor
Savage

(QUORUM – 4)

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

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 or other IT 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)

2024	2025
25 June	7 January
16 July	28 January
27 August	25 February (Budget)
17 September	25 March
29 October	29 April
26 November	
17 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

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 2022-2030 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 4.

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 **EXECUTIVE APPOINTMENTS**

To deal with any executive appointments, as required.

4 **STATEMENT FROM THE LEADER**

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

Record of the decision making held on 11th April, 2024.

ITEMS FOR DECISION BY CABINET

6 **SCRUTINY INQUIRY PANEL - HOW CAN WE GET A BETTER DEAL FOR PRIVATE SECTOR RENTERS IN SOUTHAMPTON?** (Pages 5 - 60)

Report of the Chair of the Scrutiny Inquiry Panel 2023/24, recommending that Cabinet receive the attached Scrutiny Inquiry Panel report to enable 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.

7 **FINANCIAL POSITION UPDATE** (Pages 61 - 82)

To consider the report of the Cabinet Member for Finance and Corporate Services providing an update on the Council's financial position for 2024/25 as at the end of May 2024.

8 **DIGITAL STRATEGY** □ (Pages 83 - 108)

To consider the report of the Cabinet Member for Finance and Corporate Services seeking approval of a new Digital Strategy.

9 **DATA STRATEGY** □ (Pages 109 - 120)

To consider the report of the Cabinet Member for Finance and Corporate Services seeking approval of a new Data Strategy.

10 **ST MARY'S AND WOODLANDS SEND RESOURCED PROVISION** □
(Pages 121 - 144)

To consider the report of the Cabinet Member for Children and Learning seeking approval for the provision of additional resourced places for children with SEND at St. Mary's and Woodlands schools.

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

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

Appendix 1 and 2 of this report contain information deemed to be exempt from general publication based on Category 3 of Paragraph 10.4 of the Council's Access to Information Procedure Rules. This includes details of commercial terms which have not yet been agreed between parties and which if disclosed, could put the Council or other parties at a commercial disadvantage.

12 **CHAPEL RIVERSIDE DEVELOPMENT** □ (Pages 145 - 180)

To consider the report of the Cabinet Member for Economic Development outlining the next steps required to progress the development of Chapel Riverside.

Monday, 17 June 2024

Director of Legal and Governance

SOUTHAMPTON CITY COUNCIL
EXECUTIVE DECISION MAKING

RECORD OF THE DECISION MAKING HELD ON 16 APRIL 2024

Present:

Councillor Fielker	-	Leader of the Council
Councillor Bogle	-	Cabinet Member for Economic Development
Councillor Finn	-	Cabinet Member for Adults and Health
Councillor A Frampton	-	Cabinet Member for Housing
Councillor Kataria	-	Cabinet Member for Communities and Leisure
Councillor Keogh	-	Cabinet Member for Environment and Transport
Councillor Letts	-	Deputy Leader and Cabinet Member for Finance and Change
Councillor Winning	-	Cabinet Member for Children and Learning

Apologies: Councillor Renyard

54. BUDGET MATTERS - GRANT APPLICATIONS

DECISION MADE: (CAB 23/24 43619)

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

- (i) To accept and apply the grant funding from DFT, for Local Electric Vehicle Infrastructure (LEVI) grant of £1.63M and Traffic Signal Obsolescence Grant (TSOG) of £0.58M; and
- (ii) To approve addition and spend of £2.21M which has been added to the Growth and Prosperity capital programme.

55. HOUSEHOLD SUPPORT FUND

DECISION MADE: (CAB 23/24 45184)

On consideration of the report of the Cabinet Member for Communities and Leisure, Cabinet agreed the following:

Having complied with paragraph 15 of the Council's Access to Information Procedure Rules:

- (i) To approve in principle for Southampton City Council to participate in the delivery of the next phase of Household Support Fund from 1 April 2024 to 30 September 2024.
- (ii) To delegate authority to the Executive Director Wellbeing and Housing to finalise the details of the local Household Support

Fund scheme following consultation with the Executive Director Corporate Services and S151 Officer and the Cabinet Member for Communities and Leisure and to administer funding in accordance with that scheme.

56. PASSENGER TRANSPORT DYNAMIC PURCHASING SYSTEM

DECISION MADE: (CAB 23/24 45186)

On consideration of the report of the Cabinet Member for Children and Learning, Cabinet agreed the following:

- (i) To approve the procurement of a Passenger Transport Dynamic Purchasing System (DPS) for a ten-year period through which the Council can seek competitive quotations for any passenger related transport.
- (ii) To delegate authority to the Executive Director – Growth and Prosperity following consultation with Executive Director Corporate Services (S151) to enter into all call off contracts through the DPS.

57. WASTE DISPOSAL CONTRACT 2030+

DECISION MADE: (CAB 23/24 45012)

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

- (i) To approve the proposed programme and governance arrangements to jointly undertake the initial project appraisal to inform and direct the arrangements for managing waste disposal beyond expiry of the current contract after December 2030.
- (ii) To delegate authority to the Director - Environment, through their role on the Strategic Tripartite Board, following consultation with the Cabinet Member for Environment and Transport within the approvals set out below to progress the options appraisal work set out in the Appendix 1.
- (iii) To approve and commit to supporting the resource requirements to deliver the programme set out in the Appendix 1.
- (iv) To approve in principle the proposed programme budget set out in the Appendix 1.
- (v) To approve the procurement of external expertise and resources to provide the necessary technical input to the options appraisal.
- (vi) To delegate authority to Director - Environment to approve any minor amendments that may be required to the Tripartite Agreement to support the programme set out in the Appendix 1.

58. ANPR CAMERA ENFORCEMENT CONTRACT

DECISION MADE: (CAB 23/24 43680)

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

- (i) To authorise the direct award using Crown Commercial Service Framework agreement RM6099 of a contract to Marston Holdings ('Marston') for a 5-year period for ANPR installation, maintenance and repair starting from 01/04/2024.
- (ii) To authorise spend up to £570,000 in relation to the above from the Traffic Enforcement (AT9010) budget over a five year period.

59. EXTRA CARE REPROCUREMENT

DECISION MADE: (CAB 23/24 45163)

On consideration of the report of the Cabinet Member for Adults and Health, Cabinet agreed to award three Extra Care Contracts to the successful Tenderer, Care Quality Services Ltd, with effect from 1st July 2024 to 1st July 2028 for an initial term of 4 years with a possible +1+1 extension, at an annual value of £452,368.80 and a total contract value of £2,714,212.80.

60. SCHOOL TRAVEL SERVICE AND POST TRAVEL SERVICE POLICY 2024-2025

DECISION MADE: (CAB 23/24 45020)

On consideration of the report of the Cabinet Member for Children and Learning, Cabinet agreed the following:

- (i) To approve the School Travel Service and Post-16 Travel Service Policy 2024-25.
- (ii) To delegate authority to the Executive Director – Wellbeing (Children and Learning), following consultation with the Cabinet Member for Children's Services and Learning to make minor changes to the policy during its period of effect.

61. TOYS R US DEVELOPMENT AGREEMENT

DECISION MADE: (CAB 23/24 45149)

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

- (i) To approve the proposed changes to the Development Agreement and recommendations set out in Confidential Appendix 1.
- (ii) To delegate authority to the Chief Executive following consultation with the Leader, Executive Director Corporate Services and Director of Legal & Governance to finalise the detailed terms of the amendments required to the Development Agreement Lease and all other ancillary legal documentation to support the delivery of the scheme.

DECISION-MAKER:	CABINET		
SUBJECT:	SCRUTINY INQUIRY PANEL – HOW CAN WE GET A BETTER DEAL FOR PRIVATE SECTOR RENTERS IN SOUTHAMPTON?		
DATE OF DECISION:	25 JUNE 2024		
REPORT OF:	CLLR WINDLE CHAIR OF THE SCRUTINY INQUIRY PANEL - 2023/24		
<u>CONTACT DETAILS</u>			
Author:	Title	Scrutiny Manager	
	Name:	Mark Pirnie	Tel: 023 8083 3886
	E-mail	Mark.pirnie@southampton.gov.uk	
STATEMENT OF CONFIDENTIALITY			
None			
BRIEF SUMMARY			
<p>From November 2023 to February 2024 the Scrutiny Inquiry Panel undertook evidence gathering sessions as they conducted the inquiry focussing on getting a better deal for private sector renters in Southampton. The final report was approved by the Inquiry Panel on 18 April 2024.</p> <p>The Scrutiny Inquiry Panel final report, attached as Appendix 1, contains a number of recommendations. The report is to be considered by the Overview and Scrutiny Management Committee (OSMC) on 20 June 2024. If OSMC approve the report at their June meeting, Cabinet needs to formally respond to these recommendations, summarised in Appendix 2, within two months to meet the requirements in the Council's constitution.</p>			
RECOMMENDATIONS:			
	(i)	Subject to the report being approved by the OSMC on 20 June, Cabinet is recommended to receive the attached Scrutiny Inquiry Panel report to enable 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.	
REASONS FOR REPORT RECOMMENDATIONS			
1.	The overview and scrutiny procedure rules in part 4 of the Council's Constitution requires the Executive to consider all inquiry reports that have been endorsed by the OSMC, and to submit a formal response to the recommendations contained within them within two months of their receipt.		
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED			
2.	Not applicable.		
DETAIL (Including consultation carried out)			
3.	The OSMC, at its meeting in September 2023, requested that the Scrutiny Inquiry Panel undertake an inquiry focussing on the private rented sector in Southampton.		

4.	The set objectives of the inquiry were: <ul style="list-style-type: none"> a. To identify the challenges and concerns of private sector renters in Southampton. b. To understand existing plans and opportunities to address the identified challenges. c. To identify good practice being employed to get a better deal for private sector renters in the UK and beyond. d. To identify what initiatives and approaches could work well in Southampton to improve outcomes for private sector renters.
5.	The Scrutiny Inquiry Panel undertook the inquiry over 4 evidence gathering meetings and received information from a wide variety of organisations. This included Generation Rent, Southampton Tenants Union, iHOWZ Landlords Association, The National Residential Landlords Association (NRLA), Bristol City Council, London Borough of Newham, the Environment Centre, Citizen's Advice Southampton, the University of Southampton, Southampton Solent University and officers from Southampton City Council.
6.	The final report, attached as Appendix 1, will be considered by the OSMC on 20 June 2024. The report contains a number of recommendations which, if implemented, the Panel believe will result in a better deal for private sector renters in Southampton. The conclusions and recommendations are summarised in Appendix 2.
7.	Subject to approval by the OSMC, the Executive needs to consider the inquiry recommendations and to formally respond within two months of the date of receiving this report in order to meet the requirements set out in the Council's constitution.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue/Property/Other</u>	
8.	In practice any future resource implications arising from this review will be dependent upon whether, and how, each individual recommendation within the Inquiry report is progressed by the Executive. More detailed work will need to be undertaken by the Executive in considering its response to each of the recommendations set out in the Inquiry report.
9.	During the inquiry a number of potential sources of funding were identified that could help to resource certain recommendations. These include income from employing the full range of enforcement powers available to the Council and new burdens funding if the Renters (Reform) Bill, or its successor, is prioritised by the incoming government, receives Royal Assent.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
10.	The duty to undertake overview and scrutiny is set out in Part 1A Section 9 of the Local Government Act 2000.
<u>Other Legal Implications:</u>	
11.	None
RISK MANAGEMENT IMPLICATIONS	

12.	The requirements with regards to receiving and responding to scrutiny inquiry reports are set out in the constitution and have been explained to those who contributed to the inquiry.	
POLICY FRAMEWORK IMPLICATIONS		
13.	Southampton City Council's Corporate Plan (2024 update) includes the following strategic objective – Safe and stable home environments. Implementing the recommendations within the attached inquiry final report would help to deliver this objective.	
KEY DECISION		No
WARDS/COMMUNITIES AFFECTED:		None directly as a result of this report
<u>SUPPORTING DOCUMENTATION</u>		
Appendices		
1.	How do we get a better deal for private sector renters in Southampton Inquiry – Final report	
2.	How do we get a better deal for private sector renters in Southampton Inquiry – Conclusions and recommendations	
Documents In Members' Rooms		
1.	None	
Equality Impact Assessment		
Do the implications/subject of the report require an Equality and Safety Impact Assessments (ESIA) to be carried out?		No
Data Protection Impact Assessment		
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out?		No
Other Background Documents		
Equality Impact Assessment and Other Background documents available for inspection at:		
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)	
1.	None	

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How do we get a better deal for private sector renters in Southampton?

Final Report



Scrutiny Inquiry Panel

PANEL MEMBERSHIP – 2023/24

Councillor Windle (Chair)

Councillor Evemy (Vice-Chair)

Councillor Blackman

Councillor McEwing

Councillor Powell-Vaughan

Scrutiny Manager – Mark Pirnie

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Chair's Introduction



Councillor Windle – ‘How do we get a better deal for private sector renters in Southampton?’ Inquiry Panel Chair (2023/24)

We are experiencing a housing crisis in the UK. House prices are prohibitive for many and there is a severe shortage of social housing. In Southampton, and across the country, the private rented sector has expanded to meet the shortfall but rent levels have risen consistently resulting in private renting becoming unaffordable to a growing proportion of households.

This inquiry, informed by the feedback from a survey of tenants in the city that received 599 responses over a 2 week period, has identified that the problems associated with the private rented sector nationally, predominantly issues relating to affordability, stability and quality, are pronounced in Southampton and are associated with rising levels of homelessness, an increase in the number of households in debt, overcrowding, poorer health and wellbeing outcomes, and for the growing number of children living in the sector, poorer educational attainment where instability is a factor.

The Renters (Reform) Bill represented an opportunity to address a number of the issues identified in this report, particularly through the proposed ending of no-fault evictions and the introduction of a duty on private landlords to meet the Decent Homes Standard. Following the conclusion of the inquiry the proroguing of Parliament for the general election has resulted in the Bill not being passed. This is a setback, and we await the next steps regarding this important piece of legislation from the incoming government. However, as the report states, a number of the required improvements are predicated on actions delivered in Southampton by the City Council and partners.

Whilst recognising the financial challenges facing the Authority, now is the opportunity to lead by example by supporting and implementing the recommendations contained within the report and utilising the powers that already exist to, for example, improve housing conditions and standards for tenants by developing a more proactive approach to enforcement. To deliver this approach there is an urgent requirement to address the lack of resources dedicated to this service area that limits our ability to employ best practice in line with better performing local authorities. Given the costs associated with a poorly performing private rented sector that is significantly larger than comparable cities, investing resources to address the problems identified should be considered value for money, particularly as the cost to the Council of providing temporary accommodation continues to rise.

I would like to thank all those who gave evidence to the inquiry, including Southampton Tenants Union, iHOWZ Landlords Association and the National Residential Landlords Association (NRLA) who made important contributions at each meeting of the inquiry. The Panel are also grateful for the support provided by our Expert Advisers from the University of Southampton, Professor Helen Carr and Dr Mark Jordan. Their insights have been invaluable, as have the contributions from members of the Panel who provided much appreciated support throughout the inquiry.

How do we get a better deal for private sector renters in Southampton?

The Aim of the Inquiry

1. In 2022-23, the private rented sector accounted for 4.6 million or 19% of households in England. Throughout the 1980s and 1990s, the proportion of private rented households was steady at around 9% to 11%. The sector has doubled in size since the early 2000s, but the rate has remained around 19% or 20% since 2013-14.¹
2. In Southampton the private rented sector accommodates a significantly higher percentage of households than the national average. Data from the 2021 Census identified that 29.2% of Southampton's households lived in private rented sector accommodation.² This is the highest out of Southampton's comparator cities³ and has increased from 24.9% in 2011.⁴
3. In June 2022 the Government published 'A Fairer Private Rented Sector' White Paper. In the foreword to the report, the Secretary of State for Levelling Up, Housing and Communities, the Rt Hon Michael Gove MP, stated that:
*'Everyone has a right to a decent home. No one should be condemned to live in properties that are inadequately heated, unsafe, or unhealthy. Yet more than 2.8 million of our fellow citizens are paying to live in homes that are not fit for the 21st century..... The reality today is that far too many renters are living in damp, dangerous, cold homes, powerless to put things right, and with the threat of sudden eviction hanging over them.'*⁵
4. Following publication of the White Paper that outlines the Government's plans for reforming the private rented sector, The Renters (Reform) Bill was introduced in Parliament on 17 May 2023. At time of writing the Bill is still awaiting Royal Assent.
5. The White Paper recognises the vital role local authorities play in regulating and enforcing compliance in the private rented sector.⁶ A number of innovative practices have been introduced by local authorities in England that have been designed to improve outcomes for private sector renters. However, although local authorities have extensive powers to tackle poor property conditions and management standards in the private rented sector, there's evidence of low and inconsistent levels of enforcement between authorities.⁷
6. Given the importance of the private rented sector in Southampton; concerns about housing conditions and affordability; impending new legislation and inconsistencies in approaches adopted by councils enforcing existing regulations, the Overview and Scrutiny Management Committee recommended at the September 2023 meeting, that an inquiry focussing on getting a better deal for private sector renters in Southampton be undertaken by the Scrutiny Inquiry Panel.

¹ [Chapter 1: Profile of households and dwellings - GOV.UK \(www.gov.uk\)](#)

² [How life has changed in Southampton: Census 2021 \(ons.gov.uk\)](#)

³ ONS Census 2021 - [Microsoft Power BI](#)

⁴ [How life has changed in Southampton: Census 2021 \(ons.gov.uk\)](#)

⁵ [A fairer private rented sector - GOV.UK \(www.gov.uk\)](#) - Foreword

⁶ [A fairer private rented sector - GOV.UK \(www.gov.uk\)](#) -p11

⁷ [Regulation of private renting - National Audit Office \(NAO\) report](#)

7. The set objectives of the inquiry were:
 - a. To identify the challenges and concerns of private sector renters in Southampton.
 - b. To understand existing plans and opportunities to address the identified challenges.
 - c. To identify good practice being employed to get a better deal for private sector renters in the UK and beyond.
 - d. To identify what initiatives and approaches could work well in Southampton to improve outcomes for private sector renters.
8. The full terms of reference for the inquiry, agreed by the Overview and Scrutiny Management Committee, are shown in Appendix 1.

How the inquiry was conducted

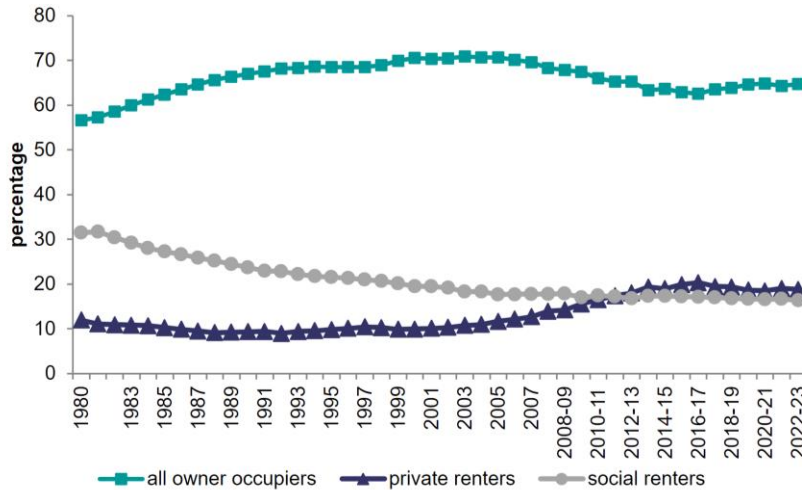
9. The Scrutiny Inquiry Panel undertook the inquiry over 4 evidence gathering meetings. The Panel received information from a wide variety of organisations, including Generation Rent, Southampton Tenants Union, iHOWZ Landlords Association, The National Residential Landlords Association (NRLA), Bristol City Council, London Borough of Newham, the Environment Centre, Citizen's Advice Southampton, the University of Southampton, Southampton Solent University and officers from Southampton City Council. A full list of those who provided evidence is attached as Appendix 2.
10. The key findings, conclusions and recommendations from the inquiry are detailed succinctly later in this report.
11. Members of the Panel would like to thank all those who have assisted with the development of this review, in particular the Panel's Expert Advisers who have provided the Panel with invaluable advice throughout the inquiry:
 - Professor Helen Carr – Professor of Property law and social justice and Director of the Law School Research Centre, People, Property, Community, University of Southampton
 - Dr Mark Jordan – Lecturer in Housing law at Southampton Law School and founding member of Law School Research Centre, People, Property, Community, University of Southampton.

Introduction and Background

The private rented sector in Southampton - Households

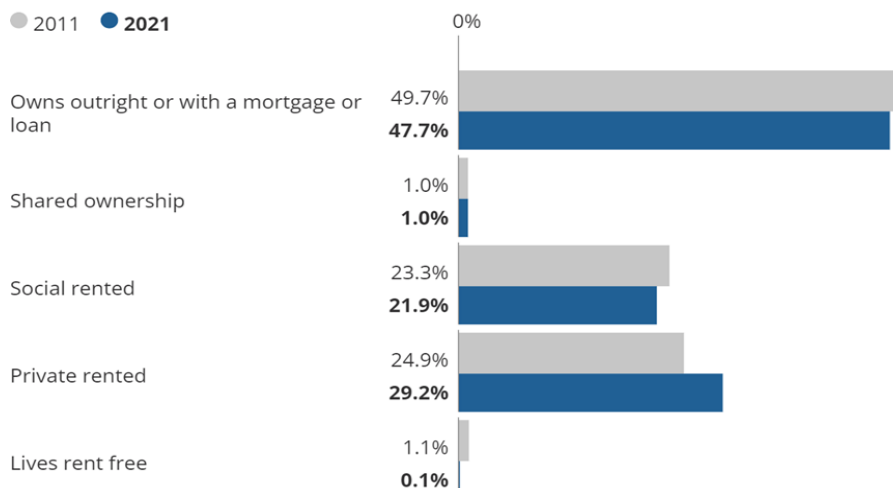
12. In 2022-23, there were an estimated 24.4 million households in England living in self-contained accommodation. It is estimated that 19%⁸ of households in England are accommodated in the private rented sector, housing up to 13 million people.⁹ Over the past two decades, the sector has doubled in size across the UK reflecting a range of demand and supply factors.¹⁰

Figure 1 - Trends in tenure (proportions) 1980 – 2022 / 2023¹¹



13. In Southampton the private rented sector is estimated to house 29.2% of households in the city, approximately 30,000 households. As identified in the chart below, the size of the private rented sector has increased significantly in Southampton since 2011 as the percentage of owner occupiers and social renters has declined.

Figure 2 – Percentage of households by housing tenure, Southampton



Source - ONS 2011 Census and 2021 Census

⁸ [Chapter 1: Profile of households and dwellings - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/442222/Chapter_1_Profile_of_households_and_dwelling_types.pdf)

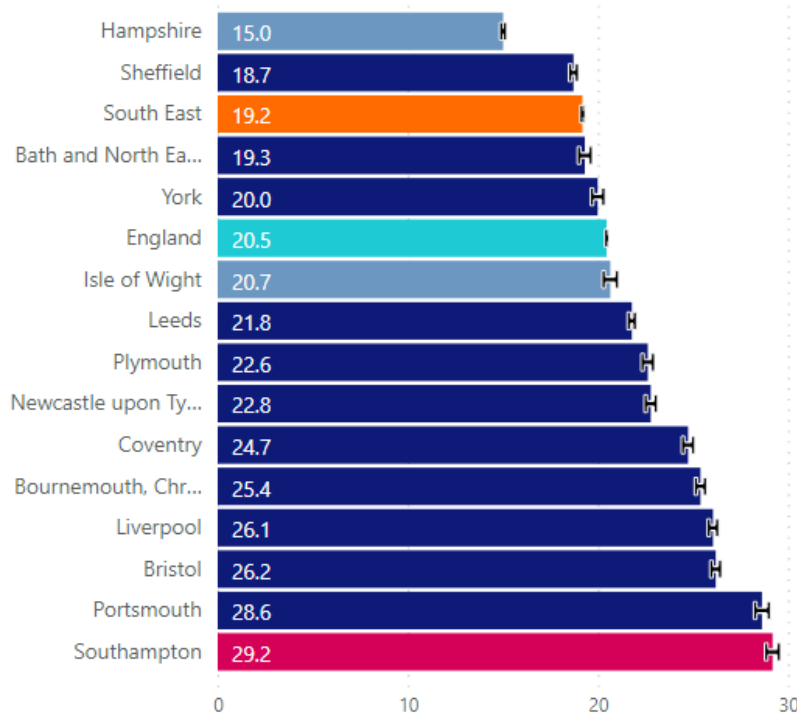
⁹ [About Generation Rent - Generation Rent](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/442222/Chapter_1_Profile_of_households_and_dwelling_types.pdf)

¹⁰ [TDS-Overview-paper_final.pdf \(housingevidence.ac.uk\)](https://www.housingevidence.ac.uk/pubs/TDS-Overview-paper_final.pdf) pp 5-7.

¹¹ [Chapter 1: Profile of households and dwellings - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/442222/Chapter_1_Profile_of_households_and_dwelling_types.pdf)

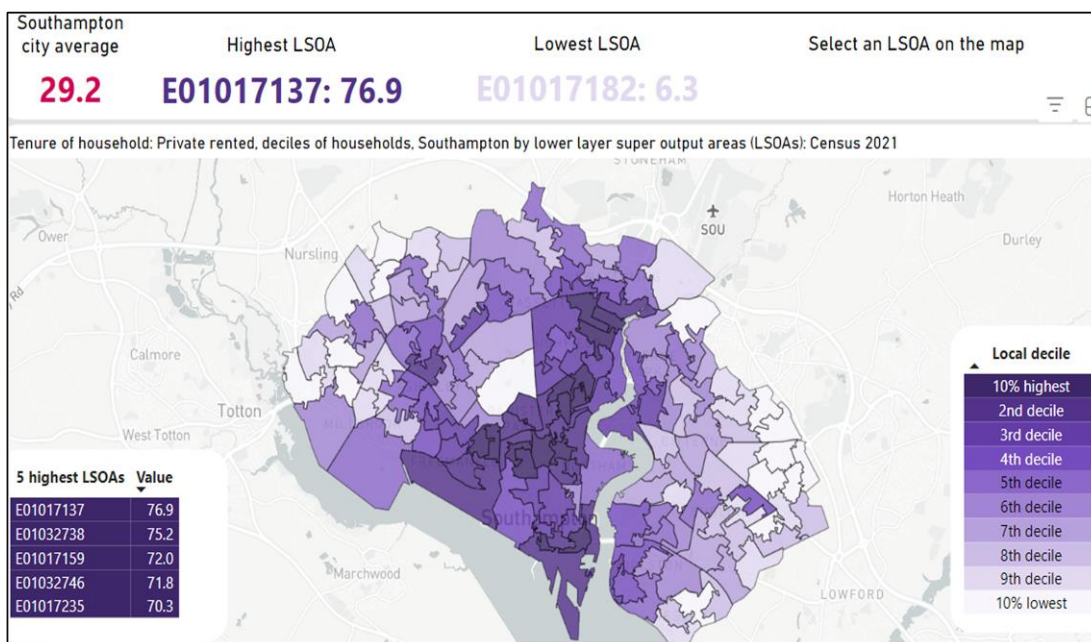
14. The percentage of households in the private rented sector in Southampton is much higher than the national average and is the highest out of Southampton's ONS statistical comparators.

Figure 3 - Tenure of household – Private rented percentage of households, Southampton and ONS Comparators: Census 2021



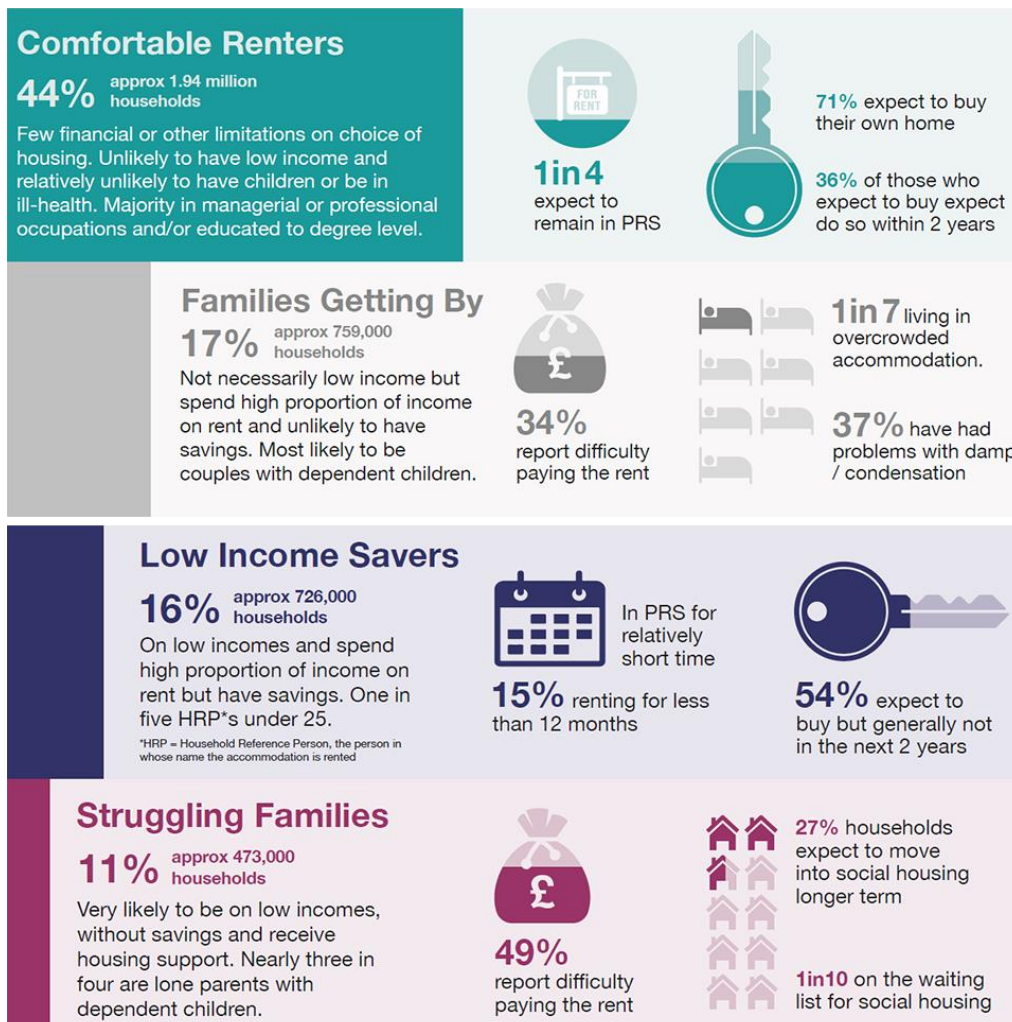
15. The areas of Southampton with the highest percentage of households that are occupied by private renters are located in the central wards of the city, clustered around the inner city and the universities. The highest identified value from the 2021 Census is 76.9% in the Banister and Polygon Ward.

Figure 4 - Tenure of household: Private rented in Southampton



The private rented sector – Tenant profile

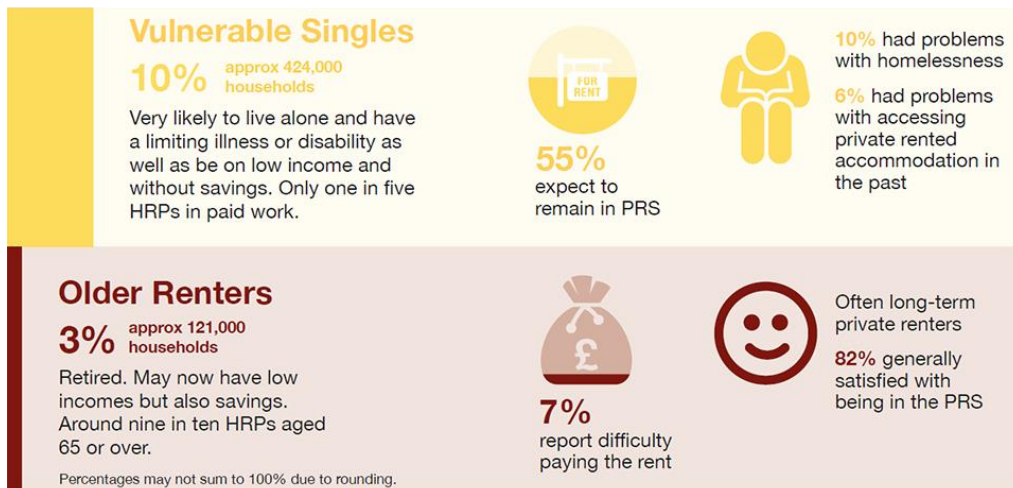
16. Nationally, as more households have been channelled towards private renting, the nature of the sector has changed. Whilst private renters are younger than those in other tenures, in 2020 to 2021, those aged 16 to 34 accounted for 43.5% of private renters in England, with 25 to 34-year-olds the most common age group of private renters at 31%, adults of retirement age made up 8.6% of private renters, this is a 38% increase from 2010/11 to 2020/21.¹²
17. There have been significant increases in private rented households with children, accounting for 30% of households, and the sector provides housing for increasing numbers of lower income households. Finally, more households have settled into the sector for the longer term. In 2022 private renters had lived in their home for 4.4 years on average.¹³
18. At the time of the publication of the White Paper in 2022, the Department for Levelling Up, Housing, & Communities (DLUHC) prepared diagrams which are replicated below, which give an indication of who lives in the private rented sector and under what constraints.¹⁴



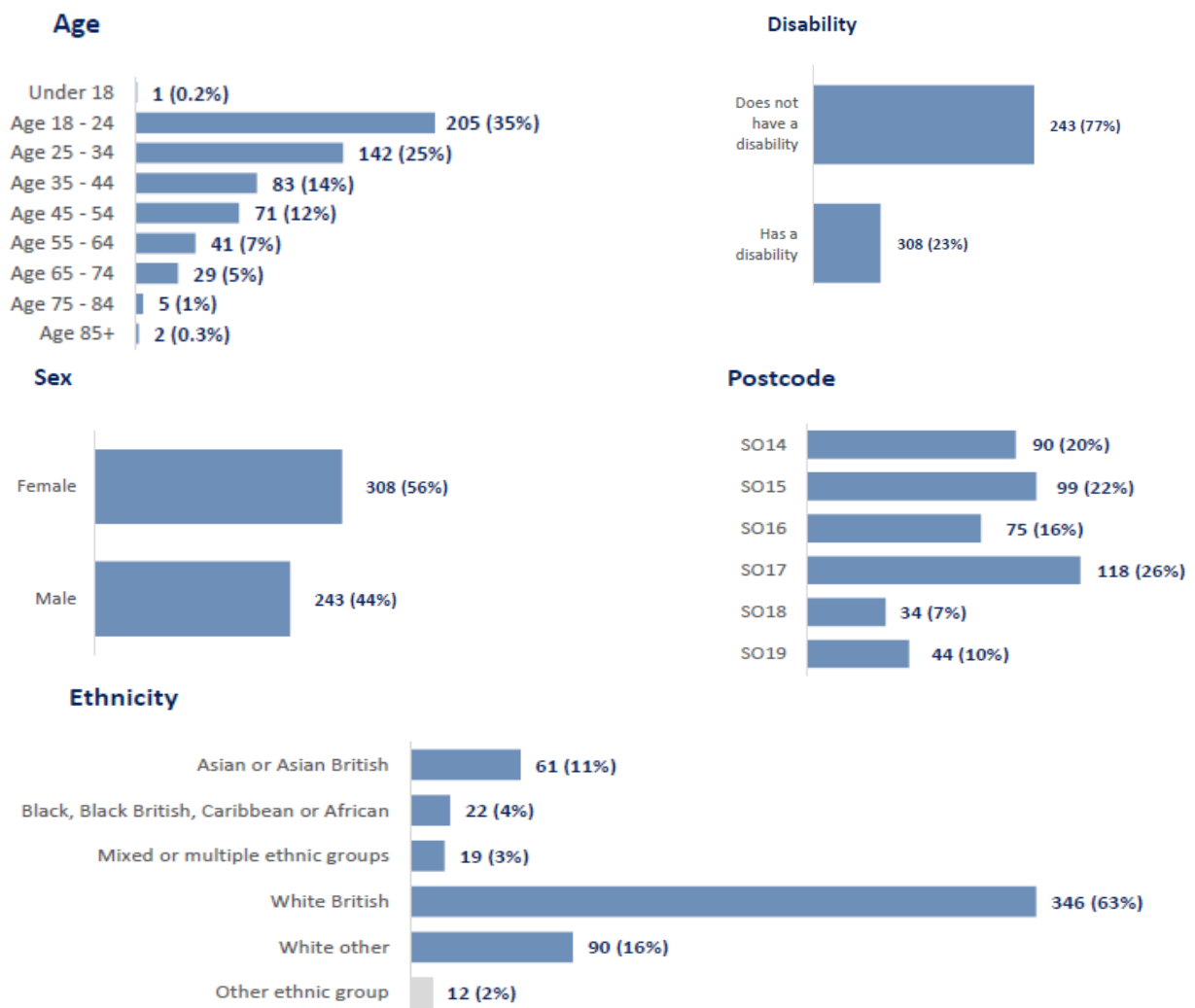
¹² [English Housing Survey 2021 to 2022: private rented sector - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/english-housing-survey-2021-to-2022-private-rented-sector)

¹³ [English Housing Survey 2021 to 2022: private rented sector - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/english-housing-survey-2021-to-2022-private-rented-sector)

¹⁴ [A fairer private rented sector - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/a-fairer-private-rented-sector)

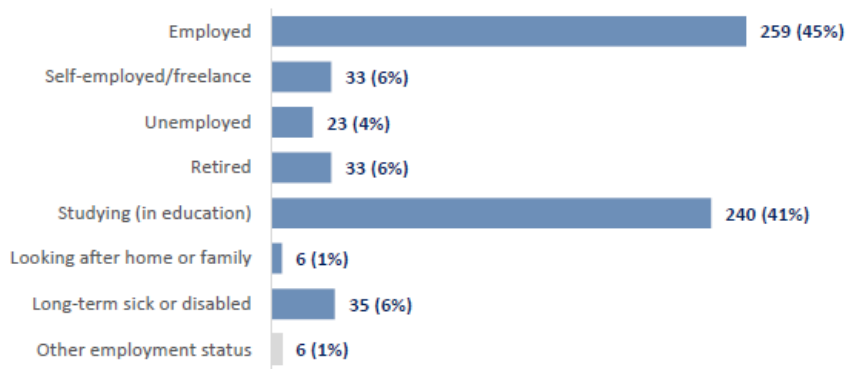


19. This information reflects the national picture. The profile of private renting in Southampton is not known. To help provide the Inquiry Panel with an insight into the private rented sector in the city, a survey of private renters in Southampton was undertaken online between 10/10/23 and 23/10/23 and received 599 responses. The following charts reflect the profile of tenants who responded to the survey:¹⁵

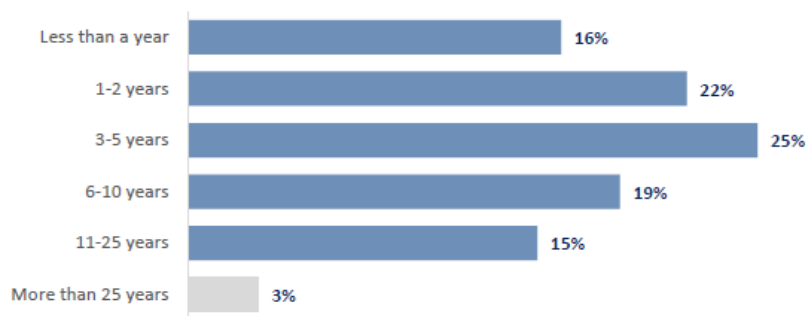


¹⁵ [Southampton's Private Rented Sector Survey - Oct 2023](#)

Employment status



How long have you been renting from private landlords in Southampton?



Key challenges for tenants in the private rented sector

20. The case for change to the private rented sector, outlined in the 2022 Government White Paper - 'A Fairer Private Rented Sector', referenced that:
- 'Everyone deserves to live in a safe and decent home. Most landlords and agents treat their tenants fairly and provide good quality and safe homes. However, this is not universal practice and too many households that rent privately live in poor conditions, paying a large proportion of their income to do so.'*¹⁶
21. Reflecting on the points raised above, the report concluded that:
- 'Collectively, this adds up to a Private Rented Sector that offers the most expensive, least secure, and lowest quality housing to 4.4 million households, including 1.3 million households with children and 382,000 households over 65. This is driving unacceptable outcomes and holding back some of the most deprived parts of the country.'*¹⁷
22. Applying the issues raised in the White Paper, the inquiry was structured around the following key challenges experienced by tenants:
- The affordability of renting in the private rented sector
 - Security, stability and overcrowding in the private rented sector
 - The condition of private rented sector housing
23. Separate meetings looking at each of the challenges were scheduled. In addition, the Panel considered local councils use of enforcement powers to address poor property conditions and management standards in the private rented sector.
24. At each meeting the Panel were provided with a detailed briefing from the Expert Advisers on relevant legislation and good practice. This included the potential impact on outcomes for tenants of the Renters (Reform) Bill, identified at the inaugural meeting of the Inquiry Panel by Conor O'Shea, Policy and Public Affairs Manager at Generation Rent, as being:
- "The biggest opportunity to reform renting for a generation."*

¹⁶ [A fairer private rented sector - GOV.UK \(www.gov.uk\)](https://www.gov.uk) – p23

¹⁷ [A fairer private rented sector - GOV.UK \(www.gov.uk\)](https://www.gov.uk) -p5

'The cost of renting has jumped by 30 percent in just one year. It's just too expensive for me'

'Rents are sky high. Our landlord is selling our property which means we will have to rent elsewhere and the monthly rents are £300 a month more.'

'The rents are so much higher. The minimum wage has increased but the housing benefit rates of earnings has not increased making the vulnerable pay more towards rent.'

'The market has gotten tighter, rents have increased so it is harder to move to a new place and get a decent price.'

'Compared to rents in other areas in the south, rents in Southampton are more affordable.'

'Within the last few weeks I have been given a 35% increase. I simply can't afford it.'

'The worst is the rent increases with no increase to Local Housing Allowance. Financially crippling us and most families.'

'We've gone from paying £900pcm for a 3 bed house to looking at £1300pcm for a 3 bed property in less than 5 years.'

'My landlady increased my rent this month by £245, from £1250 to £1495'

'The price of renting in the city has risen to extortionate levels, especially in the past three years'

'Prices keep rising for students and student finance is not increasing. This means a larger proportion of the student finance is being taken due to accommodation.'

'one of the viewings we went to had 30 people viewing it whereas probably 5 years ago there would only be a handful.'

*Quotes taken from responses to the Southampton Private Rented Sector Survey related to affordability

Affordability of renting in the private rented sector

25. The report to the Inquiry Panel meeting on 21 December 2023, and the accompanying briefing paper from Expert Advisers, Professor Carr and Dr Jordan, both linked below, provide significant detail on the affordability of the private rented sector both nationally, and in Southampton, and the reasons why rent levels have been rising.

[The affordability of private rented housing](#)

[Briefing paper: Affordability of private rented housing](#)

26. Utilising the information in the two reports, and the [evidence](#) presented to the Panel at the meeting, the following summary outlines the key findings as it relates to the affordability of renting in the private rented sector in Southampton.

The cost of renting in Southampton

27. The ONS Private rental market statistics in England from April 2022 to March 2023 identified that the median monthly rent in Southampton was £875¹⁸. This is £50 higher than the national median but £123 lower than the South-East median.
28. Zoopla's data, for the average monthly rents for new lets for January each year, outlines the post pandemic increase in the cost of renting in Southampton.¹⁹ The data comes from Zoopla's property listings, adjusted to reflect differences between asking and actual rents. The average rent figures shown are based on the median of one, two, three and four-bedroom homes every January, adjusted to reflect the mix of private rented homes in each area.

Area	Growth in past year	2020	2021	2022	2023
Southampton	9%	£867	£887	£949	£1,034

Why have rents been rising?

29. Rental costs have been increasing due to a range of demand and supply factors. Demand for rented housing has been driven largely by the growing unaffordability of owner occupation and with persistent undersupply of new housing, particularly social housing.
30. The trade body for estate agents, Propertymark, outlined that rents were increasing due to fewer houses being on the market. This was because many landlords have decided to sell properties because of rising taxes, charges and maintenance costs.²⁰

The impact of rising rents

31. The rise in the cost of renting has resulted in private renting becoming unaffordable to a growing proportion of households in Southampton.

¹⁸ [Private rental market summary statistics in England - Office for National Statistics \(ons.gov.uk\)](#)

¹⁹ [Rent prices: How much have they gone up in your area? - BBC News](#)

²⁰ [Growing share of under-30s pay unaffordable rent - BBC News](#)

32. Analysis of Southampton's Tenants Survey, conducted in October 2023, identified that 60% of respondents were spending over 40% of their monthly income on rent. Indeed, 24% of respondents said that they were spending 60% or more of their income on rent.
33. The Affordable Housing Commission concluded that when rents or purchase costs exceed a third (33%) of household income for those in work, it can lead to financial difficulties, arrears, debts and personal problems. These difficulties become critical where housing costs are 40% or more of household income.²¹
34. Department for Work and Pensions data estimates that, mirroring the national average, 33% of private renters in Southampton were claiming housing benefit (legacy housing benefit or universal credit housing allowance) in June 2022 to help pay the rent.²²
35. In their report 'Cover the Cost', Shelter concludes that low-income private renters are being squeezed out of the private rental market and the severe shortage of social rented homes means that, if private rents are unaffordable to homeless households, they are likely to end up in temporary accommodation.²³
36. As at 29 February 2024 there were 182 households from Southampton in temporary accommodation funded by Southampton City Council. This number has increased significantly since the pandemic.²⁴

Actions proposed to increase the affordability of renting

37. The linked reports from the Scrutiny Manager and Expert Advisers outline a number of actions that have been proposed that could help to make rent more affordable to some tenants. These include the following actions:

Increase in the Local Housing Allowance

38. The autumn statement in November 2023 ended the freeze on housing allowances meaning that Local Housing Allowance will be linked to the lowest 30% of market rents from April 2024 providing an extra £800 per annum support for low income renters.

Renters (Reform) Bill

39. Through the Bill, the Government proposals aim to ensure that rent increases become more predictable. The Bill proposes to:
 - Limit rent increases to once a year
 - Increase the minimum notice landlords must give of a rent increase to 2 months
 - End the use of rent review clauses in tenancy agreements.
40. Existing legislation (s.14 of the Housing Act 1988) already gives tenants an opportunity to refer a rent increase to the First Tier Tribunal in circumstances where the rent requested is above the market rent. The Bill is expected to result in more challenges to rent levels made to the tribunal moving forward.

²¹ [Defining and measuring housing affordability \(nationwidefoundation.org.uk\)](https://nationwidefoundation.org.uk)

²² [Private renters claiming housing benefit by local authority, June 2022 \(dwcdn.net\)](https://dwcdn.net)

²³ [Cover the cost \(ctfassets.net\)](https://ctfassets.net)

²⁴ Figure provided by SCC's Service Lead for Housing Needs & Welfare Support at 29/2/24 meeting of the Inquiry Panel

Rent Control

41. In February 2023 the Mayors of Manchester, Liverpool and London called for an immediate rent freeze and a ban on evictions to be introduced in England to help renters deal with the cost of living crisis.²⁵
42. Subsequently, a number of local leaders in England, including those in London and Bristol, have been calling for Westminster to grant them powers to set rent controls in their own areas.²⁶ This was reiterated in the presentation to the Inquiry Panel on Bristol's Living Rent Commission.²⁷
43. In response to the request in February 2023, Housing Minister - Felicity Buchan, replied: "*The government do not support the introduction of rent controls in the private rental sector.*" She said controls would "*discourage investment, lead to declining property standards and may encourage illegal subletting.*"²⁸
44. In her presentation to the Inquiry Panel on 21st December 2023, when discussing rent control, Professor Carr referenced the:

'Little research on interaction between rent control and the rest of housing market particularly in complex local conditions of the UK'.²⁹

Southampton City Vision Local Plan and the Affordable Housing Framework

45. The draft City Vision Local Plan, the plan that sets out the vision for future development in the city, includes a vision for housing in Southampton that incorporates plans to increase the housing supply by 18,002 dwellings by 2040. Accompanying the draft local plan, the Council's Affordable Housing Framework aims to ensure that more affordable housing is built and will contribute to the target of 8,000 new affordable homes over the plan period.

What actions can be taken in Southampton that will make renting more affordable for tenants?

46. As identified above, a number of initiatives are being delivered nationally that may improve the affordability of rents in Southampton. Evidence on the effectiveness of rent control is not conclusive and the power to set rent controls sit with government, not local authorities, and government have identified their opposition to the policy.
47. Fundamentally, individual cities currently have limited controls over the cost of renting. However, reflecting the link between supply and demand on rent levels, through planning policy, increasing the supply of housing, particularly social and affordable housing, is a key mechanism local authorities can utilise to help improve housing affordability, particularly for low-income households.
48. The link between the loss of social housing and the increase in private sector rent has been recognised by Kate Henderson, Chief Executive of the National Housing Federation, who said:

"The chronic shortage of social housing is having wide-ranging impacts, not only for those becoming homeless and living in poverty and overcrowding, but also in the

²⁵ [#RentFreezeNow open letter | London Renters Union](#)

²⁶ [City mayors call for rent freeze and eviction ban for England's tenants | Housing | The Guardian](#)

²⁷ [Bristol's Living Rent Commission presentation - 21/12/23](#)

²⁸ [City mayors call for rent freeze and eviction ban for England's tenants | Housing | The Guardian](#)

²⁹ [Affordability of private renting \(southampton.gov.uk\)](#)

private rented sector, where increased demand from people who cannot access social housing has pushed up rents and, in turn, house prices.”³⁰

49. The expansion plans of the University of Southampton and Southampton Solent University must be factored into the supply and demand equation. The University of Southampton alone expect an additional 3,000 bed spaces will be required in Southampton’s private rented sector by 2027.³¹
50. Another area where local collective working by partners across the city could help influence local rent levels is by keeping accurate data on market rent levels. Tenants can challenge rent rises where they are above market levels. Data on market rent levels, used to set Local Housing Allowance, is collected by the Valuation Office, but the data is limited. There are opportunities for partners, including Southampton Tenants Union, Student Unions, the University of Southampton and Southampton Solent University to gather local rent information on a database to support the work of the Valuation Office.
51. To improve the affordability of private rented housing in Southampton the following actions are recommended:
 - i. That the final version of Southampton City Vision Local Plan retains the ambitious housing delivery figures for the city, maintains an ambitious policy position for the delivery of affordable housing through major planning applications, and that the Council commits to facilitating the delivery of 8,000 affordable homes by 2040.
 - ii. That partners develop and update a database of market rent levels in Southampton to support the work of the Valuation Office.

³⁰ [Six times more newly homeless families than new social houses, England data shows | Social housing | The Guardian](#)

³¹ [University of Southampton presentation - 18/1/24](#)

'tenancies have become insecure and unaffordable. I am aware of over 20 people I know first hand who have been given no fault evictions in the last 2 yrs so landlords could double the rent. Law offers zero protection to tenants.'

'The price rise and the fact we have no say in the increase, if you disagree with the amount you are issued a section 21.'

'Evictions for rent hikes to bypass tenancy agreements to limit year on year cost increases are really common.'

'Absolutely no protection against any of it, and any attempt to report or improve maintenance just means eviction without reference (which in Southampton with current housing pressure means literally you cannot rent again).'

'lack of stability - our landlord sold our previous flat and we had 2 months to pack up and go, whilst finding new accommodation'

'We were evicted from our previous rental last year after living there for thirteen years, because it was being sold.'

'Landlords can charge whatever they like with no regard for the tenant calling it their home and possibly not being able to afford an increase. There is very little security for the tenant and not many places to rent. Renting isn't always a temporary choice for people. Some rented properties are a home, but a home with no security.'

'I am terrified of asking for repairs. I'm afraid that, if I ask for repairs, the landlord will raise the rent, and I can't afford that.'

'Fear of eviction and/or rent increase.'

*Quotes taken from responses to the Southampton Private Rented Sector Survey related to security and stability

Security, stability and overcrowding in the private rented sector

52. The report to the Inquiry Panel meeting on 29 February 2024, and the accompanying briefing paper from Expert Advisers, Professor Carr and Dr Jordan, both linked below, provide significant detail on security, stability and overcrowding in the private rented sector both nationally, and in Southampton.

[Security, stability and overcrowding in the private rented sector](#)

[Briefing paper - Security, Stability and Overcrowding in Southampton](#)

53. Utilising the information in the two reports, and the [evidence](#) presented to the Panel at the meeting, the following summary outlines the key findings as it relates to security, stability and overcrowding in the private rented sector in Southampton.

Security, stability and overcrowding in Southampton

Security and stability

54. In England the average renter has lived in their home for 4.4 years.³² However, at present, private renters lack effective security of tenure. This is largely because landlords can evict tenants without having to give a reason by using the 'no fault' ground under section 21 of the Housing Act 1988. After receiving a s.21 notice, tenants have two months before their landlord can apply for a court order to evict them.
55. Research by Shelter, the homeless charity, estimates that in the 3 years between April 2019 and April 2022 nearly 230,000 private renters in England had been served with a no-fault eviction notice.³³
56. In reality, the majority of private tenancies are ended by the tenant. In 2021/2022, 77% of private renters voluntarily left their last tenancy, an increase from 73% the previous year. In contrast, only 4% mentioned leaving because their landlord or agent asked them to, a decrease from 6% the previous year.^{34 35}
57. In Southampton, 7% of responders to the Private Rented Sector Survey indicated that they had been served an eviction (Section 21) notice by their landlord in the past 5 years.³⁶ Analysis of case work by Citizens Advice Southampton identified a notable increase in the number of clients contacting Citizens Advice Southampton since 2022 due to a Section 21 eviction notice being served.³⁷

Overcrowding

58. According to the English Household Survey 2022 to 2023³⁸ the overall rate of overcrowding in England in 2022-23 was 3%, with approximately 708,000 households living in overcrowded conditions. Overcrowding was more prevalent in the rented sectors than for owner occupiers. In 2022-23, 1% of owner occupiers

³² [English Housing Survey 2021 to 2022: private rented sector - GOV.UK \(www.gov.uk\)](#)

³³ [Every seven minutes a private renter is served a no-fault eviction notice despite government promise to scrap them three years ago - Shelter England](#)

³⁴ <https://www.gov.uk/government/statistics/english-housing-survey-2021-to-2022-private-rented-sector>

³⁵ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1088486/EHS_20-21_PRS_Report.pdf

³⁶ [Southampton Private Rented Sector Survey](#)

³⁷ [Citizens Advice Southampton - Presentation to 21/12/23 meeting](#)

³⁸ [Chapter 4: Dwelling condition - GOV.UK \(www.gov.uk\)](#)

(148,000 households) were overcrowded compared with 8% of social renters (328,000) and 5% of private renters (232,000).

59. Data from the 2021 Census identified that 8.1% of homes in the private rented sector in Southampton were overcrowded.³⁹ Mirroring the findings from the English Household Survey, Southampton households living in owner occupied accommodation were less likely to be overcrowded than households living in rented accommodation.

The impact of overcrowding and the lack of security of tenure in the private rented sector

Health and wellbeing

60. Co-ordinated by Shelter, in October 2023 a group of 30 charities and non-profit organisations wrote to the Prime Minister urging action to be taken to address the insecurity experienced by tenants in the private rented sector. The letter states:
- ‘Poor and insecure housing makes people physically sick, and has a well-documented, negative impact on their mental health’. It added: ‘It causes social isolation and financial hardship, and traps people in cycles of poverty, struggle and uncertainty that are difficult, sometimes impossible, to break.’⁴⁰*
61. Evidence cited in ‘A Fairer Private Rented Sector’, indicates that children in insecure housing experience worse educational outcomes, reduced levels of teacher commitment and more disrupted friendship groups, than other children.⁴¹ Supporting this finding, a study by Shelter found that ‘almost half (47%) of families with school age children have been forced to move schools as a result of living in temporary accommodation.’⁴²
62. Similarly, according to a government report published in 2007 – ‘Tackling overcrowding in England’⁴³, living in overcrowded accommodation can, both directly and indirectly, have a devastating effect on families. Under-achievement at school can be caused by lack of space for children to do their homework. Absence rates may be higher because of illness associated at least in part with poor living conditions. Older children may spend more time outside the home, on the streets, simply to find privacy and space. Overcrowding may exacerbate stress, depression and in the worst cases domestic violence or breakdown of relationships.

Homelessness

63. The ending of a private rented tenancy is the most common reason for a household being at risk of homelessness and has been recognised by the Government as a ‘significant cause of homelessness.’⁴⁴ In the first quarter of 2023, 32% more households (6,550 households) presented to councils at risk of homelessness after being served with a Section 21 notice, compared to the last quarter of 2019.⁴⁵

³⁹ [Overcrowding and under-occupancy by household characteristics, England and Wales - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)

⁴⁰ [Charities ‘concerned’ over lack of progress with Renters Reform Bill - BBC News](https://www.bbc.com/news/health-67444444)

⁴¹ [Moving Always Moving Report](https://www.childrensociety.org.uk/press-releases/moving-always-moving-report) (The Children’s Society); Kristine von Simson & Janis Umblijs (2021) [Housing conditions and children’s school results: evidence from Norwegian register data](https://doi.org/10.1080/19491247.2020.1814190), International Journal of Housing Policy, 21:3, 346-371, DOI: 10.1080/19491247.2020.1814190. Cited in [A fairer private rented sector - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/a-fairer-private-rented-sector)

⁴² https://england.shelter.org.uk/media/press_release/almost_half_of_children_who_become_homeless_forced_to_move_schools#:~:text=Shelter's%20research%20found%20that%20more.numerous%20times%20at%20short%20notice.

⁴³ [\[ARCHIVED CONTENT\] \(nationalarchives.gov.uk\)](https://www.nationalarchives.gov.uk)

⁴⁴ <https://researchbriefings.files.parliament.uk/documents/SN06856/SN06856.pdf>

⁴⁵ [Tables on homelessness - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/tables/tables-on-homelessness)

64. Statistics for Southampton indicate that the two most frequent reasons for households being threatened by homelessness during 2021/22 were due to family or friends no longer being willing or able to accommodate people, often attributed to overcrowding, and the end of an assured shorthold privately rented tenancy. A similar pattern is also observed for households assessed as homeless.⁴⁶
65. The latest available figures show that, in the second quarter of 2023, 42 households presented to Southampton City Council as being at risk of homelessness after being served with a Section 21 notice.⁴⁷
66. Many households threatened with homelessness end up, where entitled, being accommodated in temporary accommodation. According to the Local Government Association, councils are spending £1.7bn a year renting temporary and often overcrowded accommodation for more than 100,000 households, more than at any time in the past 25 years.⁴⁸
67. As noted earlier in this report, as at 29 February 2024 there were 182 households from Southampton in temporary accommodation funded by the City Council.⁴⁹

It makes it more difficult to challenge poor practice

68. The prospect of being evicted without reason at two months' notice can leave tenants feeling reluctant to challenge poor practice. 'A Fairer Private Rented Sector' quotes the following statistics:⁵⁰
 - In 2019 to 2020, 22% of tenants who wished to complain to their landlord did not do so ([English Housing Survey 2019 to 2020](#))
 - In 2018, Citizens Advice found that if a tenant complained to their local council, they were 5 times more likely to be evicted using Section 21 than those who stayed silent ([Touch and Go, how to protect renters from retaliatory evictions, Citizens Advice, 2018](#)).
69. At the Inquiry Panel meeting on 21st December 2023, representatives from Southampton Tenants Union and Citizens Advice Southampton expressed the fear that some tenants experience about raising concerns with landlords and provided examples where tenants have asked for repairs to be carried out, and the landlord has retaliated by issuing a Section 21 notice.

Actions proposed to increase stability and security in the private rented sector

70. The linked reports from the Scrutiny Manager and Expert Advisers outline a number of actions that have been proposed that could help increase the security and stability for tenants in Southampton (addressing overcrowding will be considered as part of the enforcement section of this report). These include the following actions:

Renters (Reform) Bill

71. As currently drafted, the Bill will abolish Section 21 evictions, which allow landlords to evict tenants without a reason. The Bill introduces three new mandatory grounds for

⁴⁶ <https://data.southampton.gov.uk/media/3zsf4jaw/homeless-needs-assessment-september-2023.pdf>

⁴⁷ [Detailed LA 202306 All Dropdowns Fixed.ods \(live.com\)](#)

⁴⁸ [£1.74 billion spent supporting 104,000 households in temporary accommodation | Local Government Association](#)

⁴⁹ Figure provided by SCC's Service Lead for Housing Needs & Welfare Support at 29/2/24 meeting of the Inquiry Panel

⁵⁰ [A fairer private rented sector - GOV.UK \(www.gov.uk\)](#)

possession, which will enable landlords to regain their properties following the removal of s.21.

72. Alongside the abolition of Section 21, the Renters (Reform) Bill includes plans to transition assured shorthold tenancies to periodic tenancies. This means that in the future those tenancies will no longer have a fixed term (i.e. there will be no set end date) and a tenant will need to provide two months' notice to a landlord to terminate the tenancy and vacate.
73. The end to Section 21 evictions and assured shorthold tenancies, is recognised as being a significant development and is supported by the Local Government Association who believe that this will help to give private rented sector tenants greater security and stability in their home and reduce the number of people facing homelessness due to 'no-fault' evictions or a tenancy ending.⁵¹

Local Authority actions under the homelessness prevention duties

74. The Homelessness Reduction Act 2017 (HRA) has, since 3 April 2018, placed additional duties on authorities in England to work to prevent homelessness for all eligible applicants who are threatened with homelessness within 56 days.
75. Recognising the impact that the ending of private sector tenancies is having on homelessness, and local authority budgets, a number of councils are developing creative approaches to work with landlords to provide support and prevent evictions.
76. DASH (Decent & Safe Homes) is a social enterprise which provides shared services for local authorities across the East Midlands. In 2019, DASH launched Call B4 You Serve (CB4YS), a landlord-focused service encouraging contact as early as possible if a landlord or agent has problems with a tenancy.
77. Around half of referrals to its service come from landlords. The other half come from partner authorities: they refer all Section 21 notices, received by tenants who present as threatened with homelessness, to CB4YS. The remit of the service is to exhaust all tenancy sustainment avenues. If this is not possible, CB4YS seeks to facilitate a positive tenancy end (from both sides), and a planned move for the tenant.
78. In year one, CB4YS received 462 referrals. Landlords did not go on to serve notice in 21% of cases and withdrew notices in 14%. 34% tenants moved to other homes, without a need for either legal action or temporary accommodation. This gives a prevention rate of 69%. 14% of remaining cases received extensive assistance. CB4YS estimates savings to councils of over £1.2 million in homelessness service costs in year one.⁵² Southampton City Council is currently working with DASH to implement the CB4YS scheme in Southampton.
79. Bournemouth, Christchurch and Poole Council provide support and incentives to landlords who can offer affordable rented accommodation for specific local people in need of a home. In return, the Council offer landlords a financial incentive, depending on the property type. The tenant is also offered support to help them to maintain their tenancy helping to increase security and stability.⁵³

⁵¹ [Renters' Reform Bill, Second Reading, House of Commons, 23 October 2023 | Local Government Association](#)

⁵² [Homelessness prevention by DASH | Crisis UK](#)

⁵³ [Grants and assistance for landlord | BCP \(bcpcouncil.gov.uk\)](#)

What actions can be taken in Southampton that will increase security and stability for tenants?

80. As stated by the Government, the proposed abolition of Section 21 and assured shorthold tenancies will *'provide greater security for tenants while retaining the important flexibility that privately rented accommodation offers.'*⁵⁴ These measures should result in tenants having more certainty, stability and confidence to raise issues with landlords without fear of retaliation.
81. However, even with the abolition of s.21 and assured shorthold tenancies, renters will continue to be evicted from private sector accommodation in Southampton under the three new mandatory grounds for possession. The sharp increase in expenditure on temporary accommodation by local authorities in recent years demonstrates that there are, and will continue to be, major cost implications for local authorities that do not take proactive action to improve stability for private tenants.
82. Adopting a proactive approach can help ensure greater stability for private tenants which can in turn lead to better educational and health outcomes for growing numbers of children living in the sector.
83. At the 29 February 2024 Inquiry Panel meeting the Service Lead for Housing Needs and Welfare Support outlined the service's desire to work more with landlords and tenants to sustain tenants in existing private rented accommodation and assist those who need to move to new accommodation. A number of initiatives are being considered, alongside the Call B4 You Serve scheme, including a Landlord Liaison post.
84. To improve the security and stability of tenants in private rented housing in Southampton the following actions are recommended:
 - i. That Southampton City Council develops and embeds a range of creative solutions, including the Call B4 You Serve initiative, to work with landlords and tenants in the private rented sector, at the earliest opportunity, to prevent homelessness.

⁵⁴ [A fairer private rented sector - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

' My new landlady [...] is wonderful and really cares about her tenants and is very prompt on repairs etc. Very reasonable rates of rent and good condition of the property.'

' Increasing rent for decreasing quality of housing.'

'rent has increased but standards have not - paying more rent for the same poor housing conditions.'

' Energy costs have gone up, but landlords not obliged to insulate properties well so you end up spending lots more trying to keep properties warm..'

'my landlord hasn't completed works that need doing. I have a leak in my roof which has been there for 5 years. Mould issues. Freezing in the winter because the window seals are so old and poor.'

' The standard of houses during this time for rent has been shocking.'

'The time it takes for my landlord to repair any maintenance issue I report. It took 9 months to fix a leak in the roof and 10 months to repair broken guttering.'

'I asked my letting agency to fix the damp and mould issue at least 15 times or more in the last 3 years didn't receive any help, roof leaks water when it rains heavily didn't receive any help. This winter is gonna be very difficult for us.'

'Student renting has been getting worse, it seems that landlords openly treat student properties worse because they know its short term/the students are less likely to know how to complain. Student properties are often in horrible condition and when I have reported issues it takes weeks for the letting agent to respond let alone fix it.'

*Quotes taken from responses to the Southampton Private Rented Sector Survey related to housing conditions

The condition of private rented sector housing

85. The report to the Inquiry Panel meeting on 18 January 2024, and the accompanying briefing paper from Expert Advisers, Professor Carr and Dr Jordan, both linked below, provide significant detail on the condition of accommodation in the private rented sector nationally, and, to some extent, in Southampton.

[The condition of private rented housing](#)

[Briefing paper - The regulation of PRS housing conditions](#)

86. Utilising the information in the two reports, and the [evidence](#) presented to the Panel at the meeting, the following summary outlines the key findings as it relates to the condition of housing in the private rented sector in Southampton.

Condition of private rented properties in Southampton

87. The private rented sector has the worst housing conditions in England relative to ownership and social renting. The English Housing Survey (2021 to 2022) estimates that 23% of private rented dwellings in England (around 1 million homes) did not meet the Decent Homes Standard. This compares with 13% of owner-occupied dwellings and 10% of social rented dwellings. It also estimates that 14% of private rented dwellings (approximately 640,000 homes) had at least one Category 1 hazard under the Housing Health and Safety Rating System (HHSRS) and therefore contravened the legal minimum housing condition and safety standard.⁵⁵
88. Private renters generally live in poorer performing homes with regards to energy efficiency compared with social renters. 14% of homes in the private rented sector had, on a scale of A-G, with A being the highest, an Energy Efficiency Rating of E to G. This compares to just 3% of the social rented sector. Despite recent improvements, in the private rented sector 4.9% of the properties fell into bands F and G in 2021. This is below the Minimum Energy Efficiency Standards (MEES) requirement for all properties to reach at least band E.⁵⁶
89. This is a significant factor in the high prevalence of fuel poverty in the sector, with the most recent statistics suggesting that the private rented sector has the highest proportion of households deemed to be living in fuel poverty (24.1%).⁵⁷
90. There is no equivalent up to date information on housing conditions in the private rented sector in Southampton. The Council receives approximately 500 complaints from tenants in the city each year. This indicates there is a problem with substandard housing however it is not possible to establish the extent of that problem from tenant complaints alone. Indeed, individual complaints are likely to understate the scale of the problem because tenants face various barriers to making a complaint, not least the risk, already highlighted, that doing so may expose them to retaliatory eviction or a punitive rent increase.
91. The most reliable source of data on housing conditions is the local authority private housing stock condition survey. This is vitally important in developing a scientific basis for understanding housing conditions and targeting enforcement action in a

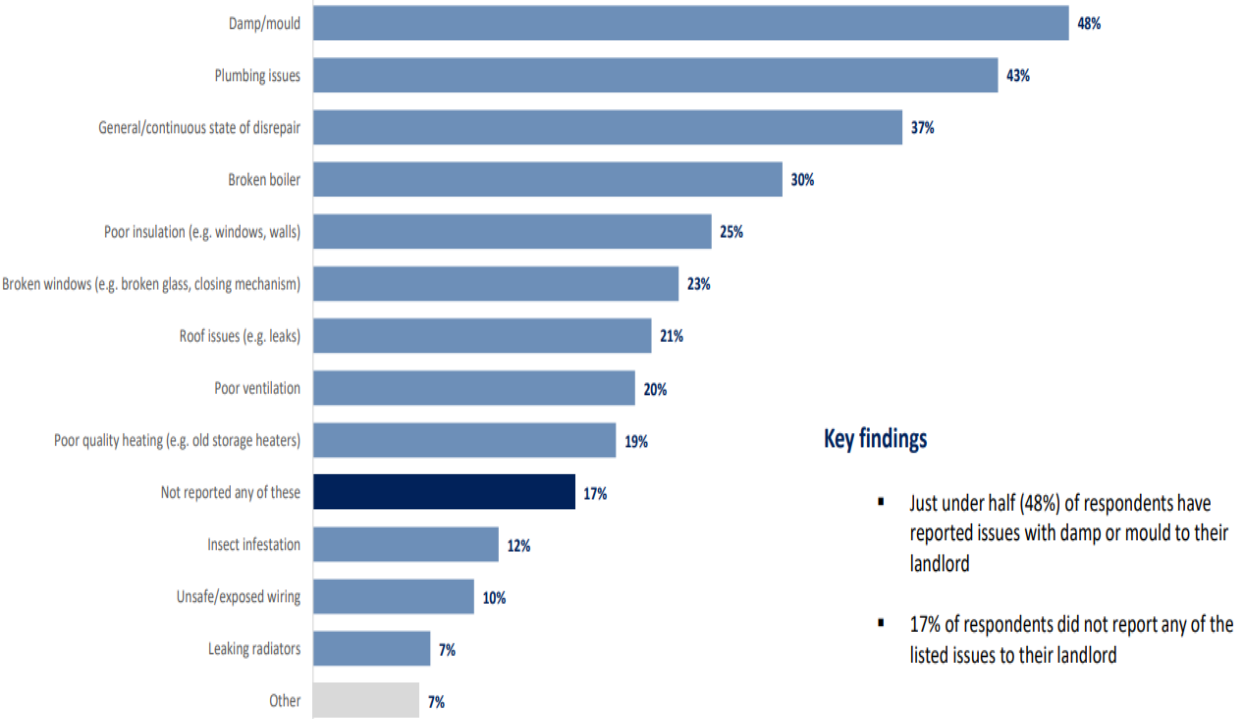
⁵⁵ [English Housing Survey 2021 to 2022: private rented sector - GOV.UK \(www.gov.uk\)](#)

⁵⁶ [English Housing Survey 2021 to 2022: private rented sector - GOV.UK \(www.gov.uk\)](#)

⁵⁷ [Annual Fuel Poverty Statistics LILEE Report 2023 \(2022 data\) \(publishing.service.gov.uk\)](#)

proactive and structured fashion. The most recent Southampton Council housing stock condition survey (2008) found that 38% of all private homes (owned and rented) in Southampton did not meet the Decent Homes Standard while 25% of private rented dwellings had a hazard that is likely to result in harm that needs medical treatment.⁵⁸ The leading causes of failure were poor insulation and heating.

92. The Southampton Tenants Survey asked respondents if they have ever reported problems about the condition of their home to their landlord. The responses are summarised below:



Source – [Southampton Private Rented Sector Survey](#)

93. These findings were echoed by the findings from a snap survey conducted by Southampton Tenants Union for the 18 January 2024 Inquiry Panel meeting.⁵⁹

The impact of poor-quality housing

94. Besides the financial cost associated with heating energy inefficient properties, the Government’s White Paper, ‘A Fairer Private Rented Sector’, links poor quality housing to undermining renters health and wellbeing, affecting educational attainment and productivity, and reducing pride in local areas.⁶⁰

95. The White Paper develops these points by identifying the following:

- Damp and cold homes can make people ill, and cause respiratory conditions. Children in cold homes are twice as likely to suffer from respiratory problems such as asthma and bronchitis.⁶¹

⁵⁸ Southampton City Council, Housing and Health in Southampton Report available at [Appendix.pdf](#) p38. Also see [A3 \(seeda.co.uk\)](#)

⁵⁹ [Minutes - 18/01/24 meeting](#)

⁶⁰ [A fairer private rented sector print.pdf \(publishing.service.gov.uk\)](#)

⁶¹ Quoted in [A fairer private rented sector print.pdf \(publishing.service.gov.uk\)](#) – source: Housing and the health of young children, National Children’s Bureau, 2016

- Homes that overheat in hot summers similarly affect people’s health. In the private rented sector alone, this costs the NHS around £340 million a year.⁶²
- Illness, caused or exacerbated by living in a non-decent home, makes it harder for children to engage and achieve well in school, and adults are less productive at work.
- Visibly dilapidated houses undermine pride in place and create the conditions for crime, drug-use, and antisocial behaviour.

Actions proposed to improve housing conditions in the private rented sector

96. The linked reports from the Scrutiny Manager and Expert Advisers outline a number of actions that have been proposed that could help improve property conditions for tenants in Southampton. These include the following actions:

Energy Efficiency Grant Schemes

97. To help improve energy efficiency levels within the private rented sector a national patchwork of energy efficiency grant schemes has developed, with a variety of measures supported and differing eligibility criteria for renters and landlords. Southampton City Council, with partners, have supported a number of programmes designed to improve the energy efficiency of homes within the private rented sector in Southampton.
98. Now in its 12th year the Southampton Healthy Homes Scheme, delivered in partnership with the Environment Centre, has supported 1000’s of Southampton residents to access grant funding for heating upgrades, insulation, and renewable technologies, help with energy bills and support for those who are vulnerable or on low incomes, including many private sector tenants.
99. In February 2024 Cabinet approved the procurement of a new contract for providing the Southampton Healthy Homes affordable warmth programme up until 2029.⁶³

Renters (Reform) Bill

100. A key target within the ‘A Fairer Private Rented Sector’ report is to reduce the number of non-decent rented homes by 50% by 2030. The Renters (Reform) Bill includes a number of proposals deigned to help meet this target, including:
- Decent Homes Standard in the private rented sector - The Decent Homes Standard is a regulatory standard in the social rented sector but there is no requirement for private rented sector properties to meet any standard of decency. The Renters (Reform) Bill includes a legislative duty on private landlords to meet the Decent Homes Standard, stipulating what tenants should expect from their home, ensuring it is safe, warm and decent. It is hoped that this will raise standards and make sure that all landlords manage their properties effectively, rather than waiting for a renter to complain or a local council to take enforcement action.
 - Property Portal - A new digital Property Portal will provide a single ‘front door’ to help landlords understand, and demonstrate compliance with, their legal requirements. Landlords will be legally required to register their property on

⁶² Quoted in [A fairer private rented sector print.pdf \(publishing.service.gov.uk\)](#) – source: National Audit Office, Regulation of Private Renting 2021

⁶³ [Southampton Healthy Homes – Procurement of a new contract for providing an affordable warmth programme](#)

the portal. It is perceived that the Property Portal will increase local councils' ability to enforce against criminal landlords and it will build on the existing database of Rogue Landlords.

- Property Ombudsman – The Government is proposing to introduce a single government-approved Ombudsman covering all private landlords who rent out property in England, regardless of whether they use an agent. This will ensure that all tenants have access to redress services in any given situation, and that landlords remain accountable for their own conduct and legal responsibilities. The Ombudsman should provide fair, impartial and binding resolution more quickly, cheaper and less adversarial than the courts and encourage landlords to improve substandard properties in the sector.
- Stronger enforcement powers for local councils - Local authorities will be given new enforcement powers to require landlords to make properties decent, with fines up to £30,000 or a banning order in the worse cases. Tenants will also be able to claim up to 24 months' rent back through rent repayment orders up from 12 previously.

What actions can be taken in Southampton that will improve the condition of housing for tenants in Southampton's private rented sector?

101. In their briefing paper to the Inquiry Panel on the regulation of housing conditions in the private rented sector, Professor Carr and Dr Jordan concluded that:

*'The relatively extensive legal framework has proved ineffective to improve standards in the private rented sector. What is required is a culture change. Landlords must understand that proper investment in property is a requirement of being a decent landlord. Local authorities must be proactive in gathering and maintaining meaningful statistics on housing standards and using that data to target enforcement to improve housing conditions. Finally, tenants must be empowered to exercise their rights either through legal aid or through simple court procedures so that they can act for themselves.'*⁶⁴

102. The target to reduce the number of non-decent rented homes by 50% by 2030 is welcome but, without effective enforcement by Southampton City Council, including effective information, advice and guidance for landlords and tenants, there will not be the required improvement in the condition of properties in the private rented sector in the city that tenants have been calling for. Enforcement will be considered in the next section of this report.

⁶⁴ [Briefing paper on the regulation of PRS housing conditions](#)

'I believe that the conditions in rental properties are also declining, as there is no pressure for landlords to carry out maintenance whilst it remains so easy for them to evade any consequences, particularly in 1 year contracts.'

'Lack of willingness for Southampton council to assist with landlord issues.'

'There needs to be a minimum standard for any HMO, and every accommodation should be checked annually or bi-annually, to ensure it meets a minimum standard.'

'Standards have dropped and the council do nothing to hold landlords to account. they feel invulnerable to your action and do as they please.'

'Lack of effective government/local council powers/enforcement'

'Absolutely no protection against any of it'

'I have absolutely no faith in Southampton city council to prevent this from happening.'

*Quotes taken from responses to the Southampton Private Rented Sector Survey related to local authority enforcement of private rented sector regulations

Enforcement of private rented sector housing regulations

103. The report to the Inquiry Panel meeting on 29 February 2024, and the briefing paper from Expert Advisers, Professor Carr and Dr Jordan to the 16 November 2023 meeting, both linked below, provide significant detail on the enforcement of regulations within the private rented sector.

[Southampton City Council's approach to enforcement of the private rented sector](#)

[Briefing paper on local authority regulation of the PRS](#)

104. Utilising the information in the two reports, and the evidence presented to the Panel at the meetings on [18 January 2024](#) and [29 February 2024](#), the following summary outlines the key findings as it relates to the enforcement of private rented sector housing regulations in Southampton.

Role of local authorities

105. The Department for Levelling Up, Housing and Communities (DLUHC) sets the overall policy for the private rented sector and oversees the regulatory framework. Local councils are responsible for regulating the private rented sector in their area and enforcing landlords legal obligations.
106. Legislation requires local authorities to:
- keep housing conditions (including overcrowding) under review
 - take enforcement action where a Category 1 hazard is identified.
107. To fulfil legal duties, local authorities have a wide range of enforcement powers including:
- formal “deterrence-focused” regulation i.e. statutory notices, civil penalty notices (up to £30K fines), banning orders, criminal penalties, and rent repayment orders.
 - other approaches i.e. surveys, licencing, informal actions.
108. As noted in the previous chapter, under the Renters (Reform) Bill local authorities will be given new enforcement powers to require landlords to make properties decent, with fines up to £30,000 or a banning order in the worst cases.
109. Councils will also be given stronger powers to investigate landlords who rent substandard homes. These additional powers will be accompanied by a duty that local housing authorities shall ‘enforce the landlord legislation in its area.’

Barriers to local authority enforcement

110. A study commissioned by DLUHC in 2021 to explore local authority enforcement in the private rented sector, found that the powers and enforcement measures available to local authorities are valuable tools for tackling poor conditions in the private rented sector. However, the findings also identified that local authorities face significant barriers to tackling poor conditions, resulting in an uneven picture of enforcement.⁶⁵

⁶⁵ [Local authority enforcement in the private rented sector: headline report - GOV.UK \(www.gov.uk\)](#)

111. The main barriers identified were:
- Lack of meaningful data about private renting
 - Capacity of local enforcement teams
 - The experience and expertise of enforcement teams
 - Political will, strategic commitment and related support of legal teams
 - Issues relating to the legal framework
112. The study concluded that: *'With some notable exceptions and pockets of good practice, the barriers identified above, and other challenges, appear to leave many enforcement teams operating a reactive, rather than proactive service that is focused on fulfilling statutory duties and targeting only the worst standard properties. Addressing these barriers is likely to result in increased and more effective action to improve conditions and standards in the private rented sector.'*⁶⁶

Southampton City Council's approach to enforcement of the private rented sector

113. In his presentation to the Inquiry Panel, the City Council's Service Manager for Private Sector Housing recognised the barriers identified in the DLUHC commissioned study and identified them as being contributory factors to the approach being undertaken in Southampton.
114. The last private sector housing conditions survey was undertaken in 2008 and, in a city where circa 30,000 households live in the private rented sector, enforcement is undertaken by 10 FTE officers. The Private Sector Housing Team consists of just 3.5 FTE and the HMO (Houses in Multiple Occupation) Licensing Team of 6.5 FTE posts.
115. Resource limitations mean that inspections of properties are reactive, initiated by tenants who have made complaints or raised issues. All Private Sector Housing Service requests are triaged and an inspection is only carried out where a likelihood of significant hazard (Category 1, HHSRS - serious and immediate risk to a person's health and safety) is identified.
116. Perhaps influenced by fear of eviction, only 489 complaints were raised with the Private Sector Housing team in 2022/23. Of the 489 complaints only 88 (18%) led to an inspection in 2022/23.
117. In 2023/24, as of 29 February 2024, 19 enforcement notices had been served by the Private Sector Housing Team, 72 in total since 2019/20. Despite being introduced through the Housing and Planning Act 2016, Southampton City Council has never issued a Civil Penalty Notice.
118. The level of complaints received, and inspections undertaken do not appear to reflect the extent of the problem with housing conditions in Southampton's private rented sector as identified in the Southampton Private Rented Sector Survey, 2008 private sector housing conditions survey, or the presentations made by Southampton Tenants Union at meetings of the Inquiry Panel.
119. The Council is more proactive in its approach to HMOs. All local authorities have a legal requirement to license larger HMOs in their area. This covers all HMOs with 5 or more residents from 2 or more households. There are between 2,300- 2,500

⁶⁶ [Local authority enforcement in the private rented sector: headline report - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/100000/local-authority-enforcement-in-the-private-rented-sector-headline-report.pdf)

'Mandatory HMOs', which require licensing every five years at a cost to the landlord, out of 6,000-7,000 HMOs in Southampton.

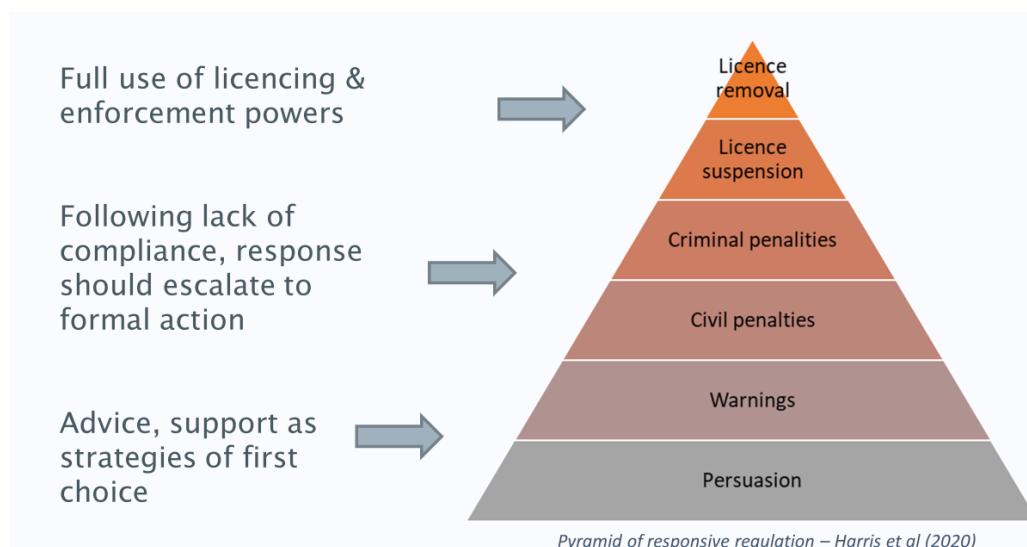
120. Every Mandatory HMO is inspected, either by a member of the HMO licensing team or an accredited independent surveyor, prior to a licence being issued. The inspections assess whether the property meets published HMO standards relating to issues such as room sizes, amenities, fire safety, conditions and property management.
121. Southampton City Council has also operated three additional HMO licensing schemes in certain wards within the city over the past ten years. Additional licensing schemes allow councils to licence smaller HMOs (any HMO with 3 or more persons forming 2 or more households), and 'cluster flats within purpose-built student blocks. Additional HMO licensing schemes can only run for five years and must run on a cost recovery basis funded by a license fee.
122. Schemes have covered the four central wards of Bevois, Bargate, Portswood and Swaythling and also the western wards of Shirley, Freemantle, Bassett and Millbrook. The most recent scheme covering the central wards ended on 30 September 2023.
123. Collectively the Mandatory and Additional Licensing Schemes resulted in approximately 5,000 out of the estimated 6-7,000 HMOs in the city being covered by a license.
124. The Service Manager for Private Sector Housing identified the HMO licensing schemes as being effective tools in managing the condition and impact of HMOs. In Southampton, licensing of HMOs has led to a 75% reduction in complaints from tenants relating to conditions, and compliance with standards has been high. The licensing schemes were supported by Southampton Tenants Union, the University of Southampton and landlord organisations at meetings of the Panel.
125. To maintain standards, the Council is proposing a further additional licensing scheme designation in 2024 to capture the majority of the city's HMOs in the 8 wards where schemes operated previously. Designation would capture between 2,800-3,000 HMOs including all of the Purpose-Built Student accommodation blocks. This proposal was welcomed by the Inquiry Panel.
126. Whilst valuing the more proactive approach to HMOs, the Panel were made aware that circa 20,000 private rented properties in Southampton are not covered by licensing and, that information, advice and guidance for landlords and tenants on the Council's website, that could help to increase understanding of rights, responsibilities, and to identify and promote good practice, is also limited.
127. With the Renters (Reform) Bill likely to result in the biggest shake up in years to private renting, including the Decent Homes Standard being introduced to the private rented sector which Expert Advisers to the Panel expect to double the scope of enforcement in Southampton⁶⁷, and an increase in complaints triggered by the abolition of Section 21, it is likely to result in significantly increased demand on the Council's Private Sector Housing teams limited resources. In the words of the Service Manager for Private Sector Housing at the 29 February 2024 meeting:
"Standards are at risk of falling if enforcement of the sector is not prioritised appropriately."

⁶⁷ [Security, stability and overcrowding presentation - 29/02/24](#)

The value of a proactive approach to enforcement

128. Local authorities can play a significant role in securing a better private rented sector for tenants. Councils have duties to assess housing conditions and have extensive, enforcement powers that can be used to tackle poor conditions in the sector.
129. In their briefing paper to the Panel, Expert Advisers, Professor Carr and Dr Jordan, outlined the values of a proactive approach to enforcement:
- ‘Adopting a proactive and responsive regulatory approach, rather than a reactive enforcement service that responds to individual complaints, can help to enable a local authority to anticipate regulatory changes, establish the case for greater resource from central government, and demonstrate compliance through developing data led regulatory interventions to improve housing conditions.’⁶⁸*
130. Prof Carr and Dr Jordan referenced that the success of a proactive model depends upon local authorities conducting regular housing stock condition surveys. This is vitally important in terms of identifying the extent of substandard housing and developing effective strategies for targeting enforcement to improve housing and health outcomes for tenants.
131. Prof Carr and Dr Jordan used the example of a local authority area where NHS hospital admissions data and Indices of Multiple Deprivation data were mapped onto the housing conditions survey to gain a general idea of where the best and worst quality housing and the tenants most in need of support were located. This data was then used to target enforcement activity and welfare support for tenants.⁶⁹
132. A recent report by the UK Collaborative Centre for Housing Evidence has argued one example of good proactive practice is a responsive regulatory approach.⁷⁰

Figure 5 – Pyramid of responsive regulation



133. In this model, local authorities employ advice, support and assistance as strategies of first choice and this is where most action will take place. Should the landlord fail to comply then the local authority response escalates to more formal action, higher up the pyramid.

⁶⁸ [Briefing paper on the regulation of PRS housing conditions - 18/1/24](#)

⁶⁹ J Harris et al, *Improving compliance in the private rented sector* (UK Collaborative Centre for Housing Evidence, 2020)

⁷⁰ J Harris et al, *Improving compliance in the private rented sector* (UK Collaborative Centre for Housing Evidence, 2020)

Proactive and responsive regulatory approaches

134. There are various examples of local authorities developing proactive and responsive regulatory approaches to enforcement of the private rented sector.

Information, advice and guidance – Exeter City Council

135. The Pyramid of Responsive Regulation has advice and support as the strategies of first choice. As stated when identifying the limitations of Southampton City Council's website, information, advice and guidance is key to increasing landlords and tenants understanding of their rights, responsibilities, and to identify and promote good practice. This will be of increased importance following ratification of the Renters (Reform) Bill and the substantial changes it will introduce.
136. The approach followed by Exeter City Council to educate and inform both landlords and tenants via checklists and training modules is both comprehensive and clear and can be accessed via the links below:

[Private Tenants' Checklist - Exeter City Council](#)

[Landlord Checklist - Exeter City Council](#)

[Landlord training modules - Exeter City Council](#)

Voluntary schemes for landlords

137. A number of local authorities have developed charters or accreditation schemes in partnership with landlords to raise standards within the private rented sector. The Panel were informed of the following innovative approaches:

Good Landlord Charter – Greater Manchester⁷¹

138. Greater Manchester Combined Authority's proposed Good Landlord Charter is a voluntary scheme for landlords who want to commit to higher standards than they are currently required to by law. The scheme represents an instance of good practice in how it was designed with effective participation of landlords associations, tenant unions and other stakeholders which acted as members of the coordinating group.
139. To become a member of the Charter, landlords are required to demonstrate they meet twenty member criteria, which are specific commitments to going beyond the minimum required by law.

Leeds Rental Standard⁷²

140. The Leeds Rental Standard is a badge developed by Leeds City Council that:
- Establishes an overarching minimum standard for privately rented accommodation across the city
 - Aims to bring unity to accreditation
 - Raises the standards in professional and student lets in the city
141. The Leeds Rental Standard operates under the following existing schemes:
- [National Residential Landlords Association Accreditation Scheme](#)

⁷¹ <https://www.greatermanchester-ca.gov.uk/what-we-do/planning-and-housing/good-landlord-charter>

⁷² [Leeds Rental Standard : Home](#)

- [Unipol Code \(unipol.org.uk\)](http://unipol.org.uk)
- [ANUK / Unipol National Code \(for larger student developments\)](#)

142. Leeds City Council supports and partly funds the Leeds Rental Standard scheme in partnership with the other accrediting organisations - Unipol Student Homes and the National Residential Landlords (NRLA).
143. Leeds City Council want the Leeds Rental Standard to result in lighter touch regulation allowing the local authority to concentrate their regulatory resources on those that showed no sign of meeting standards voluntarily.
144. In Southampton landlord accreditation schemes do exist. The NRLA and iHOWZ landlord association, both of which are represented in Southampton, run accreditation schemes. Accredited landlord members are able to demonstrate their knowledge, training, skills and intentions to manage properties and tenancies in line with best practice, helping build their reputation with tenants and Local Authorities.
145. Since 2013 SASSH - Southampton Accreditation Scheme for Student Housing, a scheme run in partnership between the University of Southampton, Southampton Solent University and Southampton City Council has been operating in the city. The purpose of the scheme is to ensure that students have access to a supply of high quality, safe accommodation that is well managed.
146. To advertise a property through the scheme, a landlord must declare that the property meets the required SASSH standards. This is a self-accreditation scheme and relies on landlords making accurate assessments of their property against the SASSH standards.
147. In recent years property inspections have stopped and the scheme has plateaued. The universities are keen to reinvigorate SASSH, re-start property inspections and review standards to ensure that homes meet than the current 'bare minimum' standards.

Selective Licensing

148. Local authorities may introduce a selective licencing scheme to include private rented housing not covered by mandatory licencing under the Housing Act 2004.⁷³ This can be introduced where the local authority believes that an area is one experiencing: low housing demand (or is likely to become such an area), a significant and persistent problem caused by anti-social behaviour, poor housing conditions, high levels of migration, high level of deprivation and high levels of crime. The decision to designate an area as subject to selective licensing for a period of 5 years must be approved by the Secretary of State, should the scheme affect more than 20% of privately rented homes in the local authority area or of the geographical area.

London Brough of Newham⁷⁴

149. 38.5% of households in Newham are in the private rented sector. Research indicates that 52-54% of Newham's residents are renting privately.
150. Newham introduced the country's first large scale selective licensing scheme in 2013 and in 2018 a second scheme was introduced, which included a selective and

⁷³ [Selective licensing in the private rented sector: a guide for local authorities - GOV.UK \(www.gov.uk\)](#)

⁷⁴ [LB Newham - Selective licensing presentation to inquiry Panel - 18/1/24](#)

additional HMO licensing scheme for 19 out of Newham's 20 wards. This represented 42,000 licenses. An unprecedented third selective licensing scheme was confirmed by the Secretary of State in December 2022 to commence in 2023.

151. Objectives of the selective licensing scheme include improving the quality, safety and choice for residents across Newham and to raise housing standards across Newham by penalising landlords who fail to provide homes of suitable quality.
152. A total of 66 officers are employed in Newham's Private Sector Housing Standards Team, funded from license fees. Officers undertake about 800 inspections per month and refer about 100 per month to an enforcement referrals process.
153. Between 2018-22 Newham, out of 26,000 license holders:
 - Banned 84 landlords from running licensing properties
 - Launched almost 2,000 'breach of licence' investigations
 - Issued 342 financial penalty final notices
 - Sent 6,447 enforcement letters to landlords.
154. According to LB Newham's Head of Private Sector Housing Standards, the property licensing schemes enable proactive inspections and have improved housing conditions and ensured healthy housing for occupants by driving up standards and stamping out poor and illegal practices for the benefit of tenants and responsible landlords.⁷⁵
155. The scheme collects and collates data which informs how resources are used to target enforcement action and supports applications for future licensing designations. The licensing schemes help Newham prepare for duties under the Renters (Reform) Bill and demonstrate local housing authority ability to keep housing conditions in the area under review.
156. Newham is also innovative in its approach to providing information, advice and guidance. Newham has produced a landlords pack, a tenants pack, runs landlord forums with the NRLA twice a year, has an e-bulletin for landlords that 18,000 out of 26,000 landlords have signed up to, an up to date and relevant information is posted on the Council's website.

Nottingham City Council⁷⁶

157. Nottingham City Council's selective licensing scheme began in August 2018 and is aimed at tackling poor property conditions, high levels of antisocial behaviour, crime, and deprivation. As of June 2022, the Council's team of 75 officers had received over 29,000 applications. The provision of advice to licence holders and compliance inspections led to approximately 25% of properties being improved.
158. The Council has also had success in finding unlicensed properties and taking enforcement action against owners who don't comply. They have issued 47 Civil Penalty Notices and 13 landlords have been prosecuted for 49 offences at 30 properties, 27 of these relate to selective licensing. This has helped the team to secure 1,305 licence applications from previously unlicensed properties. The scheme

⁷⁵ [LB Newham - Selective licensing presentation to inquiry Panel - 18/1/24](#)

⁷⁶ Case study included in [A fairer private rented sector print.pdf \(publishing.service.gov.uk\)](#) – p51

also led to a reduction in the proportion of privately rented homes with EPC energy rating below 'D' from 25.9% to 15.6%.

159. To support landlords, the Council also offers a lower selective licence fee for accredited landlords through partners Decent and Safe Homes (DASH) and Unipol. This has seen the number of accredited landlords rise from 650 to 1,715 in January 2022. Approximately a third of all individually licensed properties are now accredited, with these landlords letting over 8,300 properties in January 2022, up from 3,917 in 2018.

What actions can be taken in Southampton that will improve conditions and standards for private sector renters through effective enforcement?

160. Southampton City Council's approach to enforcement of the private rented sector is limited in its effectiveness, and predominantly reactive in nature. In summary:
- Partly due to the latest private sector housing conditions survey being undertaken in 2008, there is a lack of meaningful data to identify the extent of substandard housing in the city and to target enforcement activity.
 - More can and needs to be done to advise, support and assist landlords and tenants through effective information, advice and guidance.
 - The voluntary landlord accreditation schemes designed to improve housing conditions in the sector are welcome but disjointed and membership has stagnated.
 - Due to insufficient resources, enforcement powers are under-utilised outside of HMO licensing, resulting in limited redress for tenants living in circa 20,000 homes in the city.
161. The reforms included in the Renters (Reform) Bill will result in additional demands on the under resourced Private Sector Housing team. Unless changes are made, this will challenge the ability of the Council to 'enforce the landlord legislation in its area' and deliver the improvements expected to conditions, overcrowding and standards in Southampton's extensive private rented sector.
162. To improve the conditions and management standards for private sector renters through effective enforcement, the following actions are recommended:

To help target enforcement action and facilitate the future use of available enforcement tools

- i. Commission a private sector housing conditions survey. This is vitally important in developing a scientific basis for understanding housing conditions and targeting enforcement action in a proactive and structured fashion.

To implement the pyramid of responsive regulation approach

- ii. Using examples of best practice, improve the information, advice and guidance provided to landlords and tenants, and utilise landlord forums and other opportunities to build relationships with stakeholders.
- iii. Review, with partners, the current approach to voluntary landlord accreditation in the city with a view to developing a citywide scheme akin to the Leeds Rental Standard or the Good Landlord Charter. Increasing the effectiveness and take up of voluntary accreditation schemes will allow the Council to

concentrate regulatory resources on landlords and agents that show no sign of meeting standards voluntarily.

- iv. Review the new operating and enforcement guidance for local authorities to be published by Government and identify opportunities to utilise the full range of informal and formal enforcement powers available to the Council. The use of Civil Penalty Notices, designating a new HMO additional licensing scheme, and a selective licensing scheme in the city should be considered as part of the review, following the recognised best practice examples provided in this report.
- v. Undertake economic activity modelling to identify the additional resources required to deliver a comprehensive proactive and responsive regulatory approach to enforcement of the private rented sector in Southampton.

To provide transparency to the Council's approach, utilise available expertise, and demonstrate political commitment

- vi. Develop a Private Rented Sector Strategy for the city that articulates Southampton City Council's strategic vision, standards and approach to intervening in Southampton's private rented sector.
- vii. Work with experts from the University of Southampton to help deliver the responsive regulatory approach.

Conclusions and Recommendations

163. A summary of the key evidence presented at each of the inquiry meetings is attached as Appendix 3. All the reports, presentations and minutes from the inquiry meetings can be found here:

[Browse meetings - Scrutiny Inquiry Panel - Scrutiny Inquiry Panel - How do we get a better deal for private sector renters in Southampton? | Southampton City Council](#)

Conclusions

164. In 2022, to tackle the renting crisis in Bristol, the City Council, University of Bristol, and stakeholders launched a Living Rent Commission. Following a lengthy inquiry, Bristol's Living Rent Commission concluded that:
- 'Private renting in the city faces a serious access, affordability and security of tenure crisis, which is impacting the wellbeing and quality of life for people in Bristol and playing a major role in creating homelessness.'*⁷⁷
165. Reflecting the findings from the Private Rented Sector Survey⁷⁸ and feedback presented to the Inquiry Panel by tenants, it is difficult, when considering the situation in Southampton, to arrive at a different conclusion from that reached by Bristol.
166. As rents in Southampton continue to rise, without accompanying improvements to housing quality, and the supply of rental properties tightens, access and affordability continues to be a serious challenge for renters in the city.
167. Whilst recognising that the city contains a diverse range and quality of rented accommodation, and that the following response is not representative of all of the feedback received via the survey, it does reflect a view expressed by a significant number of tenants in Southampton:
- 'Rent has increased but standards have not - paying more rent for the same poor housing conditions.'*
168. The Government White Paper - 'A Fairer Private Rented Sector' identified that nationally the private rented sector offers the most expensive, least secure, and lowest quality housing relative to other tenures.⁷⁹ As Expert Advisers, Professor Carr and Dr Jordan, stated in their final presentation to the Inquiry Panel: *'This inquiry tends to confirm that the problems associated with the private rented sector nationally are equally, if not more, prominent in Southampton.'*⁸⁰
169. There are, however, positive developments that can give renters hope. The Renters (Reform) Bill presents a genuine opportunity to address a number of the challenges experienced by renters in Southampton. The abolition of Section 21, and the transition from assured shorthold tenancies to periodic tenancies should increase security of tenure for renters. The proposals to limit rent increases to once a year, increase the minimum notice landlords must give of a rent increase to 2 months, and end the use of rent review clauses in tenancy agreements should ensure that rent increases become more predictable. Finally, applying the Decent Homes Standard to the private rented sector, the Property Portal, Property Ombudsman and providing

⁷⁷ [The Bristol Living Rent Commission - Bristol One City](#)

⁷⁸ [Southampton Private Renters Survey](#)

⁷⁹ [A fairer private rented sector print.pdf \(publishing.service.gov.uk\)](#)

⁸⁰ [Local authorities and the private rented sector \(southampton.gov.uk\)](#)

local councils with stronger enforcement powers can help work towards meeting the target of reducing the number of non-decent rented homes by 50% by 2030.

170. A number of the desired improvements are however predicated on actions delivered in Southampton by the City Council and partners. Fundamentally, the cost of renting is dependent on a number of demand and supply factors. By increasing the supply of houses, particularly social and affordable housing, it can help to help improve housing affordability, particularly for low-income households. By working effectively with landlords and tenants to prevent evictions it can aid stability. By developing a more proactive approach to enforcement it can improve housing conditions and standards for tenants in Southampton.
171. These actions are not a quick fix and require investment and commitment from the Authority. However, as explained by the Expert Advisers to the Panel, the advantages of the approach described above will result in better outcomes for tenants, the council and the city:

‘Adopting a more proactive regulatory approach involving stock condition surveys, enforcement action at each level of the regulatory pyramid, and supporting tenant relation and homelessness officers preventing evictions and ensuring tenancies continue involves significant initial expense. However, once an integrated proactive approach is up and running, it can reduce costs for the local authority, particularly in terms of expenditure on temporary accommodation. Furthermore, private sector enforcement is self-financing in that fines raised are ring fenced for further enforcement activity. Finally, and most importantly, a proactive approach can help ensure greater stability for private tenants which can in turn lead to better educational and health comes for growing numbers of children living in the sector.’⁸¹

Recommendations

172. In this report recommendations have been identified against each of the key challenges experienced by tenants in the city. In summary, reflecting the key findings and conclusions, the following actions are recommended to get a better deal for the 30,000 households renting in Southampton:

Affordability of renting in the private rented sector

173. To improve the affordability of private rented housing in Southampton the following actions are recommended:
1. That the final version of Southampton City Vision Local Plan retains the ambitious housing delivery figures for the city, maintains an ambitious policy position for the delivery of affordable housing through major planning applications, and that the Council commits to facilitating the delivery of 8,000 affordable homes by 2040.
 2. That partners develop and update a database of market rent levels in Southampton to support the work of the Valuation Office.

Security and stability in the private rented sector

⁸¹ [Briefing paper - Security Stability and Overcrowding.pdf \(southampton.gov.uk\)](#) – p15

174. To improve the security and stability of tenants in private rented housing in Southampton the following actions are recommended:
3. That Southampton City Council develops and embeds a range of creative solutions, including the Call B4 You Serve initiative, to work with landlords and tenants in the private rented sector, at the earliest opportunity, to prevent homelessness.

Housing conditions in the private rented sector

175. To improve the conditions and standards for private sector renters in Southampton through effective enforcement the following actions are recommended:

To help target enforcement action and facilitate the future use of available enforcement tools

4. Commission a private sector housing conditions survey. This is vitally important in developing a scientific basis for understanding housing conditions and targeting enforcement action in a proactive and structured fashion.

To implement the pyramid of responsive regulation approach

5. Using examples of best practice, improve the information, advice and guidance provided to landlords and tenants, and utilise landlord forums and other opportunities to build relationships with stakeholders.
6. Review, with partners, the current approach to voluntary landlord accreditation in the city with a view to developing a citywide scheme akin to the Leeds Rental Standard or the Good Landlord Charter. Increasing the effectiveness and take up of voluntary accreditation schemes will allow the Council to concentrate regulatory resources on landlords and agents that show no sign of meeting standards voluntarily.
7. Review the new operating and enforcement guidance for local authorities to be published by Government and identify opportunities to utilise the full range of informal and formal enforcement powers available to the Council. The use of Civil Penalty Notices, designating a new HMO additional licensing scheme, and a selective licensing scheme in the city should be considered as part of the review, following the recognised best practice examples provided in this report.
8. Undertake economic activity modelling to identify the additional resources required to deliver a comprehensive proactive and responsive regulatory approach to enforcement of the private rented sector in Southampton.

To provide transparency to the Council's approach, utilise available expertise, and demonstrate political commitment

9. Develop a Private Rented Sector Strategy for the city that articulates Southampton City Council's strategic vision, standards and approach to intervening in Southampton's private rented sector.
10. Work with experts from the University of Southampton to help deliver the responsive regulatory approach.

Appendices

Appendix 1 - Inquiry Terms of Reference

Appendix 2 - Inquiry Plan

Appendix 3 - Summary of evidence

Appendix 1 – Inquiry Terms of Reference

How do we get a better deal for private sector renters in Southampton? Scrutiny Inquiry Terms of Reference and Outline Inquiry Plan

1. Scrutiny Panel membership:

Councillor Windle
Councillor Blackman
Councillor Evely
Councillor McEwing
Councillor Powell-Vaughan

2. Purpose:

To identify opportunities to improve outcomes for private sector renters in Southampton.

2. Background:

- According to the English Housing Survey in 2020 to 2021, the Private Rented Sector (PRS) accounted for 4.4 million (19%) households in England, housing over 11 million people. The sector has doubled in size since the early 2000s but the proportion of PRS households has remained stable at around 19% or 20% since 2013 to 2014.
- The Government White Paper, [A Fairer Private Rented Sector](#) published in June 2022 outlined that everyone deserves to live in a safe and decent home and stated that most landlords and agents treat their tenants fairly and provide good quality and safe homes. However, the white paper noted that this is not universal practice and too many of the 4.4 million households that rent privately live in poor conditions, paying a large proportion of their income to do so, with the threat of sudden eviction hanging over them.
- Poor-quality housing undermines renters' health and wellbeing, affects educational attainment and productivity, and reduces pride in local areas.
- In England, despite improvements over the past decade, over a fifth of privately rented homes (21%) are non-decent, and 12% have serious 'Category 1' hazards, which pose an imminent risk to renters' health and safety.
- Private renters spend an average of 31% of their income, including housing support, on rent. In comparison, those buying their home with a mortgage spent 18% of their household income on mortgage payments and social renters paid 27% of their income on rent. The median monthly rent recorded between April 2022 and March 2023 was £825 for England; this is the highest ever recorded.
- More than one fifth of renters (22%) who moved in 2020-2021 did not end their tenancy by choice, including 8% who were asked to leave by their landlord and a further 8% who left because their fixed term ended.

- In Southampton 29.2% of households lived in private rented sector accommodation in 2021 (approximately 30,000). This is the highest out of our ONS comparator cities and has increased from 24.9% in 2011.
- Data published in June 2023 identified that the median monthly rent in Southampton was £875. This is £50 higher than the national median.
- A recent private sector stock condition survey has not been undertaken in Southampton, but the 2008 Southampton City Council Private Sector House Condition Survey found that over 28,000 (38%) of privately owned and rented homes in the city do not meet the Decent Homes Standard.
- More broadly, Southampton is a growing city. The population increased by 5.1%, from just under 236,900 in 2011 to around 248,900 in 2021. There are approximately 30,000 higher education students studying in Southampton and both universities anticipate the number of students studying at the institutions to increase over the coming years. These trends create housing challenges for all tenures as well as concerns about affordability, especially for low income households. For example, the average rent for a three-bedroom property in Southampton is £1,100 per month, while the local housing allowance rate for this type of property is £922 per month.
- Following the white paper, the Government has published the [Renters Reform Bill](#) and it had its first reading in the House of Commons in May 2023. The Bill seeks to level up the Private Rented Sector and rebalance the relationship between tenants and landlords.
- Local councils play a vital role in regulating and enforcing compliance in the Private Rented Sector. A number of innovative practices have been introduced by local authorities in England that have been designed to improve outcomes for private sector renters.

3. Objectives:

- a. To identify the challenges and concerns of private sector renters in Southampton.
- b. To understand existing plans and opportunities to address the identified challenges.
- c. To identify good practice being employed to get a better deal for private sector renters in the UK and beyond.
- d. To identify what initiatives and approaches could work well in Southampton to improve outcomes for private sector renters.

4. Methodology:

- a. Seek the views of residents and stakeholders
- b. Undertake desktop research
- c. Identify best practice

5. Proposed Timetable:

Six meetings between November 2023 and April 2024

Meeting 1: 16 November 2023

- Introduction, context and background
 - The shape of the private rental sector in Southampton
 - Understanding tenants needs and concerns – Including tenants survey
 - Overview of national legislation and policy
 - How the Council and partners seek to manage and oversee the private rental sector in Southampton.

Meeting 2: 21 December 2023

- The cost of renting in Southampton
 - Feedback from tenants and landlords
 - Local and national data
 - National and local policy
 - Alternative approaches / Good practice

Meeting 3: 18 January 2024

- The condition of private sector rental properties
 - Feedback from tenants and landlords
 - Local and national data
 - National and local policy
 - Alternative approaches / Good practice

Meeting 4: 15 February 2024

- Southampton's HMO Licensing Scheme
 - Analysis of the existing HMO licensing scheme in Southampton

Meeting 5: 29 February 2024

- Security, stability and overcrowding
 - Feedback from tenants and landlords
 - Local and national data
 - National and local policy
 - Alternative approaches / Good practice

Meeting 6: 18 April 2024

- Consideration of the final report

Appendix 2 – Inquiry Plan

DATE	MEETING THEME	EVIDENCE PROVIDED BY
16/11/23	Agree terms of reference and introduction, context and background to the inquiry	<ul style="list-style-type: none"> • Conor O’Shea - Policy and Public Affairs Manager, Generation Rent • Phil Tyler and David Carr - Directors, Southampton Tenants Union • Peter Littlewood - Chief Executive, iHOWZ Landlord Association • Samantha Watkins - Senior Policy Officer, NRLA • Professor Helen Carr - Professor of Property law and social justice and Director of the Law School Research Centre, People, Property, Community, University of Southampton • Dr Mark Jordan - Lecturer in Housing law at Southampton Law School and founding member of Law School Research Centre, People, Property, Community, University of Southampton • Steven Hayes-Arter - Service Manager for Private Sector Housing and Port Health, SCC
21/12/23	The affordability of private sector renting	<ul style="list-style-type: none"> • Cllr Tom Renhard - Cabinet Member for Housing Delivery and Homelessness, Bristol City Council • Alfie Thomas - Policy, Strategy and Public Affairs Officer, Bristol City Council • Kirsty Rowlinson - Business Manager, Citizens Advice Southampton • Cecilia Kovacs and Chloe Braddock - Directors, Southampton Tenants Union • Liz Mackenzie - Regional Representative, NRLA • Rogel Bell (South Hampshire Chair) and Phil Watmough (Committee Member) - iHOWZ Landlord Association • Professor Helen Carr - Professor of Property law and social justice and Director of the Law School Research Centre, People, Property, Community, University of Southampton • Polyanne Gouldthorpe – Housing Advisor, Southampton Solent University • Ian Loynes – Chief Executive, Spectrum CIL • Amber Trueman – Strategic Planning Manager, SCC

DATE	MEETING THEME	EVIDENCE PROVIDED BY
		<ul style="list-style-type: none"> • Jonathan Clegg - Managing Director, Hunters Estate and Lettings Agent
18/01/24	The condition of private sector housing	<ul style="list-style-type: none"> • Cllr Shaban Mohammed - Cabinet Member for Housing Management and Modernisation; Housing Needs, Homelessness and the Private Rented Sector, London Borough of Newham • Helen Masterson - Head of Private Sector Housing Standards, London Borough of Newham • Adam Goulden - Chief Executive, the Environment Centre (tEC) • Chloe Braddock and Phil Tyler – Directors, Southampton Tenants Union • Samantha Watkin (Senior Policy Officer) & Liz Mackenzie (Regional Representative) - NRLA • Rogel Bell (South Hampshire Chair) & Phil Watmough (Committee Member) - iHOWZ Landlord Association • Ros Lyon, Head of Occupancy and Residential Customer Services; Dan Cole, Associate Director of Facilities; Kate Fay, Public Affairs Manager for Estates – University of Southampton • Professor Helen Carr - Professor of Property law and social justice and Director of the Law School Research Centre, People, Property, Community, University of Southampton • Dr Mark Jordan - Lecturer in Housing law at Southampton Law School and founding member of Law School Research Centre, People, Property, Community, University of Southampton
15/02/24	Southampton City Council's approach to enforcement of the private rented sector -	Cancelled
29/02/24	Southampton City Council's approach to enforcement of the private	<ul style="list-style-type: none"> • Steven Hayes-Arter - Service Manager for Private Sector Housing & Port Health, SCC • Cecilia Kovacs – Director, Southampton Tenants Union

DATE	MEETING THEME	EVIDENCE PROVIDED BY
	rented sector & Security, stability and overcrowding in the private rented sector	<ul style="list-style-type: none"> • Rogel Bell (South Hampshire Chair) – iHOWZ Landlord Association • Liz Mackenzie – Regional Representative, NRLA • Maria Byrne - Service Lead for Housing Needs & Welfare Support, SCC • Professor Helen Carr - Professor of Property law and social justice and Director of the Law School Research Centre, People, Property, Community, University of Southampton • Dr Mark Jordan - Lecturer in Housing law at Southampton Law School and founding member of Law School Research Centre, People, Property, Community, University of Southampton
18/04/24	Agree final report	

The minutes for each meeting, the evidence submitted to the Scrutiny Inquiry Panel and presentations delivered at each meeting is available at:

[Committee details - Scrutiny Inquiry Panel - How do we get a better deal for private sector renters in Southampton? | Southampton City Council](#)

Appendix 3 – Summary of Evidence

Following each meeting of the Inquiry Panel the Scrutiny Manager provided a summary of the evidence presented to Panel Members. The summaries can be accessed via the following link:

[How do we get a better deal for private sector renters in Southampton? - Summary of evidence](#)

How do we get a better deal for private sector renters in Southampton?

Conclusions and Recommendations

Conclusions

In 2022, to tackle the renting crisis in Bristol, the City Council, University of Bristol, and stakeholders launched a Living Rent Commission. Following a lengthy inquiry, Bristol's Living Rent Commission concluded that:

*'Private renting in the city faces a serious access, affordability and security of tenure crisis, which is impacting the wellbeing and quality of life for people in Bristol and playing a major role in creating homelessness.'*¹

Reflecting the findings from the Private Rented Sector Survey² and feedback presented to the Inquiry Panel by tenants, it is difficult, when considering the situation in Southampton, to arrive at a different conclusion from that reached by Bristol.

As rents in Southampton continue to rise, without accompanying improvements to housing quality, and the supply of rental properties tightens, access and affordability continues to be a serious challenge for renters in the city.

Whilst recognising that the city contains a diverse range and quality of rented accommodation, and that the following response is not representative of all of the feedback received via the survey, it does reflect a view expressed by a significant number of tenants in Southampton:

'Rent has increased but standards have not - paying more rent for the same poor housing conditions.'

The Government White Paper - 'A Fairer Private Rented Sector' identified that nationally the private rented sector offers the most expensive, least secure, and lowest quality housing relative to other tenures.³ As Expert Advisers, Professor Carr and Dr Jordan, stated in their final presentation to the Inquiry Panel: *'This inquiry tends to confirm that the problems associated with the private rented sector nationally are equally, if not more, prominent in Southampton.'*⁴

There are, however, positive developments that can give renters hope. The Renters (Reform) Bill presents a genuine opportunity to address a number of the challenges experienced by renters in Southampton. The abolition of Section 21, and the transition from assured shorthold tenancies to periodic tenancies should increase security of tenure for renters. The proposals to limit rent increases to once a year, increase the minimum notice landlords must give of a rent increase to 2 months, and end the use of rent review clauses in tenancy agreements should ensure that rent increases become more predictable. Finally, applying the Decent Homes Standard to the private rented sector, the Property Portal, Property Ombudsman and providing local councils with stronger enforcement powers can help work towards meeting the target of reducing the number of non-decent rented homes by 50% by 2030.

A number of the desired improvements are however predicated on actions delivered in Southampton by the City Council and partners. Fundamentally, the cost of renting is dependent on a number of demand and supply factors. By increasing the supply of

¹ [The Bristol Living Rent Commission - Bristol One City](#)

² [Southampton Private Renters Survey](#)

³ [A fairer private rented sector print.pdf \(publishing.service.gov.uk\)](#)

⁴ [Local authorities and the private rented sector \(southampton.gov.uk\)](#)

houses, particularly social and affordable housing, it can help to help improve housing affordability, particularly for low-income households. By working effectively with landlords and tenants to prevent evictions it can aid stability. By developing a more proactive approach to enforcement it can improve housing conditions and standards for tenants in Southampton.

These actions are not a quick fix and require investment and commitment from the Authority. However, as explained by the Expert Advisers to the Panel, the advantages of the approach described above will result in better outcomes for tenants, the council and the city:

*'Adopting a more proactive regulatory approach involving stock condition surveys, enforcement action at each level of the regulatory pyramid, and supporting tenant relation and homelessness officers preventing evictions and ensuring tenancies continue involves significant initial expense. However, once an integrated proactive approach is up and running, it can reduce costs for the local authority, particularly in terms of expenditure on temporary accommodation. Furthermore, private sector enforcement is self-financing in that fines raised are ring fenced for further enforcement activity. Finally, and most importantly, a proactive approach can help ensure greater stability for private tenants which can in turn lead to better educational and health comes for growing numbers of children living in the sector.'*⁵

Recommendations

In this report recommendations have been identified against each of the key challenges experienced by tenants in the city. In summary, reflecting the key findings and conclusions, the following actions are recommended to get a better deal for the 30,000 households renting in Southampton:

Affordability of renting in the private rented sector

To improve the affordability of private rented housing in Southampton the following actions are recommended:

1. That the final version of Southampton City Vision Local Plan retains the ambitious housing delivery figures for the city, maintains an ambitious policy position for the delivery of affordable housing through major planning applications, and that the Council commits to facilitating the delivery of 8,000 affordable homes by 2040.
2. That partners develop and update a database of market rent levels in Southampton to support the work of the Valuation Office.

Security and stability in the private rented sector

To improve the security and stability of tenants in private rented housing in Southampton the following actions are recommended:

3. That Southampton City Council develops and embeds a range of creative solutions, including the Call B4 You Serve initiative, to work with landlords and tenants in the private rented sector, at the earliest opportunity, to prevent homelessness.

Housing conditions in the private rented sector

⁵ [Briefing paper - Security Stability and Overcrowding.pdf \(southampton.gov.uk\)](#) – p15

To improve the conditions and standards for private sector renters in Southampton through effective enforcement the following actions are recommended:

To help target enforcement action and facilitate the future use of available enforcement tools

4. Commission a private sector housing conditions survey. This is vitally important in developing a scientific basis for understanding housing conditions and targeting enforcement action in a proactive and structured fashion.

To implement the pyramid of responsive regulation approach

5. Using examples of best practice, improve the information, advice and guidance provided to landlords and tenants, and utilise landlord forums and other opportunities to build relationships with stakeholders.
6. Review, with partners, the current approach to voluntary landlord accreditation in the city with a view to developing a citywide scheme akin to the Leeds Rental Standard or the Good Landlord Charter. Increasing the effectiveness and take up of voluntary accreditation schemes will allow the Council to concentrate regulatory resources on landlords and agents that show no sign of meeting standards voluntarily.
7. Review the new operating and enforcement guidance for local authorities to be published by Government and identify opportunities to utilise the full range of informal and formal enforcement powers available to the Council. The use of Civil Penalty Notices, designating a new HMO additional licensing scheme, and a selective licensing scheme in the city should be considered as part of the review, following the recognised best practice examples provided in this report.
8. Undertake economic activity modelling to identify the additional resources required to deliver a comprehensive proactive and responsive regulatory approach to enforcement of the private rented sector in Southampton.

To provide transparency to the Council's approach, utilise available expertise, and demonstrate political commitment

9. Develop a Private Rented Sector Strategy for the city that articulates Southampton City Council's strategic vision, standards and approach to intervening in Southampton's private rented sector.
10. Work with experts from the University of Southampton to help deliver the responsive regulatory approach.

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Agenda Item 7

DECISION-MAKER:	CABINET		
SUBJECT:	2024/25 FINANCIAL POSITION UPDATE FOR THE PERIOD TO THE END OF MAY 2024		
DATE OF DECISION:	25 JUNE 2024		
REPORT OF:	COUNCILLOR LETTS DEPUTY LEADER AND CABINET MEMBER FOR FINANCE AND CORPORATE SERVICES		
<u>CONTACT DETAILS</u>			
Executive Director	Title:	Executive Director Enabling Services and S151 Officer	
	Name:	Mel Creighton	Tel: 023 8083 3528
	E-mail:	Mel.Creighton@southampton.gov.uk	
Author:	Title:	Director of Finance	
	Name:	Richard Williams	Tel: 023 8083 2936
	E-mail:	Richard.Williams@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY
Not Applicable
BRIEF SUMMARY
This report and appendix provides a summary of the financial position of the council for 2024/25 as at the end of May 2024 and includes information on the development of deficit recovery plans to address areas of forecast overspending.

RECOMMENDATIONS:

	Cabinet is recommended to:
i)	Note the latest forecast financial position as set out in Appendix A.
ii)	Note the development of deficit recovery plans as set out in Appendix A.

REASONS FOR REPORT RECOMMENDATIONS

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

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2.	Not to provide a monthly update on the council's financial position. This is not considered an appropriate course of action.
----	--

DETAIL (including consultation carried out)

	Revenue Monitoring
3.	The forecast financial position of the Council as at the end of May 2024 ('Month 2') is set out at Appendix A.

RESOURCE IMPLICATIONS

<u>Capital/Revenue</u>

4.	The revenue and capital implications are contained in the report.
Property/Other	
5.	None.
LEGAL IMPLICATIONS	
Statutory power to undertake proposals in the report:	
6.	Financial reporting is consistent with the Section 151 Officer's duty to ensure good financial administration within the Council.
Other Legal Implications:	
7.	None.
RISK MANAGEMENT IMPLICATIONS	
8.	Risk management implications are contained in the report.
POLICY FRAMEWORK IMPLICATIONS	
9.	None.

KEY DECISION? No

WARDS/COMMUNITIES AFFECTED:	All
------------------------------------	-----

SUPPORTING DOCUMENTATION

Appendices

A	Financial position update report
---	----------------------------------

Documents In Members' Rooms

1.	None
2.	

Equality Impact Assessment

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

Privacy Impact Assessment

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

Other Background Documents

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

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule
------------------------------	--

	12A allowing document to be Exempt/Confidential (if applicable)
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1.	The 2024/25 Budget and Medium Term Financial Strategy (Council 6 March 2024)	
2.		

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Revenue Monitoring

The forecast outturn at Month 2 is a favourable variance of £3.25M underspent. This is made up of a favourable Directorate forecast of £3.20M and £0.05M in centrally held funding. This compares to the reported Month 1 position which forecast a £1.97M favourable variance.

The main favourable variances are in the following areas:

- Community Wellbeing - package costs including provider uplifts (£2.47M)
- Growth and Prosperity - school travel service (£0.75M) and concessionary fares (£0.32M)
- Children & Learning - children looked after (CLA) (£0.70M)

There are several adverse variances being projected, the main ones being in the following areas:

- Resident Services - Bereavement Services (£0.52M), City Services (£0.23M), and Landscaping Services (£0.20M)
- Growth and Prosperity - Culture and Tourism (£0.29M)

The improvement in the forecast position since Month 1 is largely due to:

- Children & Learning - reduction in the forecast spend in children’s residential placements and independent foster carers that has not been forecast previously as detailed due diligence work was being carried out with the service. This work has been completed hence a positive variance of £0.7M is now forecast. This takes account of the recent increase in the cost of placements and the plateauing of the downward trend in the number of CLA. The number also allows for a c£1M contingency should the numbers fluctuate. Sustained positive variances will be taken to central contingencies at the end of Quarter 1.
- Community Wellbeing - a further improvement in the forecasts for provider uplifts and care package costs to give a favourable variance of £2.47M. This is a further improvement of £0.33M in the forecast position compared to Month 1. This will be monitored closely in the next period to assess the amount that can be taken into central contingencies at the end of Quarter 1.

Exceptional Financial Support (EFS)

All services should continue to aim to under-spend in 2024/25 to minimise the reliance on Exceptional Financial Support (EFS). The annual revenue cost of using borrowing to fund the 2024/25 budget shortfall of £39.28M (via the EFS facility) is £3.56M. If the favourable forecast variance of £3.25M is sustained, the borrowing costs will be £0.29M per annum lower.

Housing Revenue Account (HRA)

The HRA is forecasting a balanced position at Month 2. The Landlord Controlled Heating Account carried a £2.35M deficit into 2024/25, and this is now expected to reduce to £1.32M by year end.

Savings Delivery

The savings targets built into 2024/25 budgets is £24.64M. As savings have been removed from budgets, most are reported as “delivered” (£21.34M). A further £2.33M are “expected to be delivered” mainly in Community Wellbeing pending the outcome of provider uplift negotiations.

At Risk (red savings) are forecast in Children and Learning (various services) and in City Services. Deficit Recovery Plans are being developed to mitigate the savings not expected to be achieved. Low Risk (amber) are being closely monitored.

Deficit Recovery Plans

As part of the Business Planning and Budget Framework agreed by Council in March, Deficit Recovery Plans must be developed in service areas that are projecting adverse variances or where savings delivery is at significant risk. The plans are to address and turnaround the adverse forecast variances.

Deficit Recovery Plans are being developed in the following areas:

- Bereavement Services covering Crematoriums and Coroner’s services (£0.52M)
- City Services - District Operational Teams reflecting savings at risk of non-delivery (£0.23M)
- Landscaping Services - to address forecast under-achievement of income targets (charged to Capital) (£0.20M)
- Culture and Tourism - budget pressures now being forecast (£0.29M)
- Children and Learning - several services based on savings delivery at risk. These include no recourse to public funds, translation services and care leaver accommodation (£0.61M)

Deficit Recovery Plans are required to be completed for inclusion in the MTFS update at the end of Quarter 1.

Dedicated Schools Grant (DSG)

The DSG deficit reduced by £3.99M to £7.11M in 2023/24. A further reduction of £1.20M is currently forecast for 2024/25. Schools are working on their budgets for 2024/25 and, where necessary, deficit recovery plans and plans for use of excess surpluses. In 2023/24 two schools returned to surplus from a deficit position, whereas four schools entered into deficit. In total there are 14 schools in deficit.

Reserves

The General Fund reserve is forecast to be £12.00M at year end 2024/25, and Earmarked Reserves at £35.53M.

Capital Programme

The General Fund capital programme will be reported at the end of Quarter 1



General Fund Position Month 2



	Working Budget 2024/25 £M	Forecast Outturn Month 2 £M	Forecast Variance Month 2 £M			Movement Month 1 to Month 2 £M	
Directorates:							
Children & Learning	61.66	60.93	(0.73)	F	↑	(0.73)	F
Community Wellbeing	97.66	95.15	(2.51)	F	↑	(0.32)	F
Enabling Services	26.13	26.03	(0.10)	F	↑	(0.10)	F
Growth & Prosperity	38.46	37.67	(0.79)	F		0.00	
Resident Services	25.26	26.19	0.94	A	↑	(0.06)	F
Strategy & Performance	4.55	4.55	0.00			0.00	
Total Directorates	253.72	250.52	(3.20)	F	↑	(1.22)	F
Levies & Contributions	0.10	0.10	0.00			0.00	
Contribution to General Fund Balance	1.93	1.93	0.00			0.00	
Capital Asset Management	12.86	12.86	0.00			0.00	
Other Expenditure & Income	9.92	9.92	0.00			0.00	
Net Council Expenditure before EFS	278.52	275.32	(3.20)	F	↑	(1.22)	F
Financed by:							
Council Tax	(120.44)	(120.44)	0.00			0.00	
Business Rates	(54.45)	(54.45)	0.00			0.00	
Non-Specific Government Grants & Other Funding	(64.35)	(64.41)	(0.05)	F	↑	(0.05)	F
Total Funding	(239.24)	(239.30)	(0.05)	F	↑	(0.05)	F
Net Over/(Underspend) before EFS	39.28	36.03	(3.25)	F	↑	(1.27)	F
Exceptional Financial Support (EFS)	(39.28)	(36.03)					
Net Over/(Underspend)	0.00	0.00					

General Fund Month 2 Commentary

Overall Forecast Position is £3.25M underspent, a favourable movement of £1.27M from Month 1

Children & Learning: a forecast underspend of £0.73M. This is a favourable movement of £0.73M from the balanced position reported at Month 1. This is mainly due to a £0.70M favourable variance in Children Looked after, which comprises of £0.32M on residential placements and £0.38M for Independent Foster Carers. This is based on a due diligence exercise on trends from the final quarter of 2023/24. This takes account of the recent increase in the cost of placements and the plateauing of the downward trend in the number of Looked After Children. There is however sufficient contingency to cover this and further fluctuations (up to c£1M), and to still report the favourable variance.

Community Wellbeing: a forecast underspend of £2.51M. This is a favourable movement of £0.33M compared to Month 1. The main component (£2.47M) relates to the projected cost and demand for care packages, allowing for provider uplifts and winter pressures. The assumption behind the forecast underspend is that the positive variances seen in 2023/24 will continue through into 2024/25, after considering known uplifts and pressures. The projection and trends will be closely monitored over the course of the financial year to continually test the veracity of the underspend projection. The remainder of the favourable variance relates to a reduction in community grants of £0.04M.

Enabling Services: a forecast underspend of £0.10M. This comprises a favourable variance of £0.07M due to vacancies in Digital Services and HR, and a £0.03M favourable variance due to Care Director maintenance underspends.

Growth & Prosperity: a forecast underspend of £0.79M. There is a favourable variance of £0.75M on the school travel service due to retendering and route optimisation leading to reduced costs. There is also a favourable variance on concessionary fares of £0.32M based on the new reimbursement rates for operators and expected patronage levels during the year. There are pressures in Culture & Tourism of £0.29M for which a Deficit Recovery Plan is in development.

Resident Services: a forecast overspend of £0.94M, which is a favourable movement of £0.07M compared to Month 1. There is an adverse variance of £0.52M on Bereavement Services due to rising Coroner costs of £0.28M and a pressure on income at the Crematorium of £0.23M. There are at risk/unachievable savings of £0.23M in the District Operating Teams in City Services. Finally, a £0.20M adverse variance in the Landscape service due to income shortfalls on recharges to capital (due to accounting rules on overhead recovery).

Strategy & Performance: a balanced position is forecast.

Children & Learning

Community Wellbeing

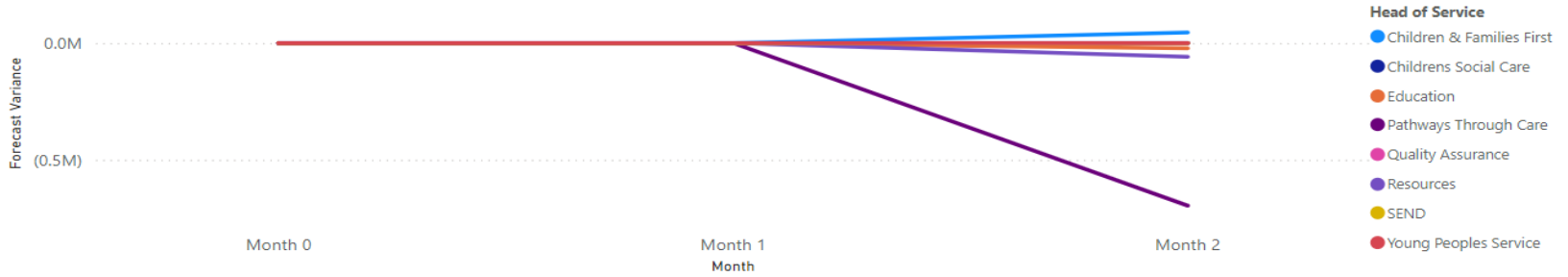
Enabling Services

Growth & Prosperity

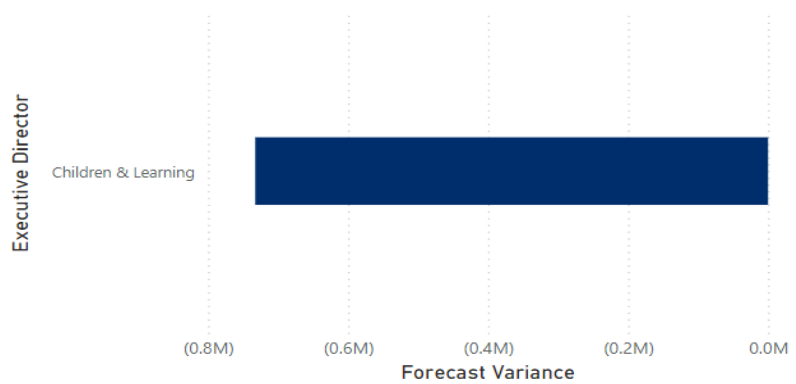
Resident Services

Strategy & Performance

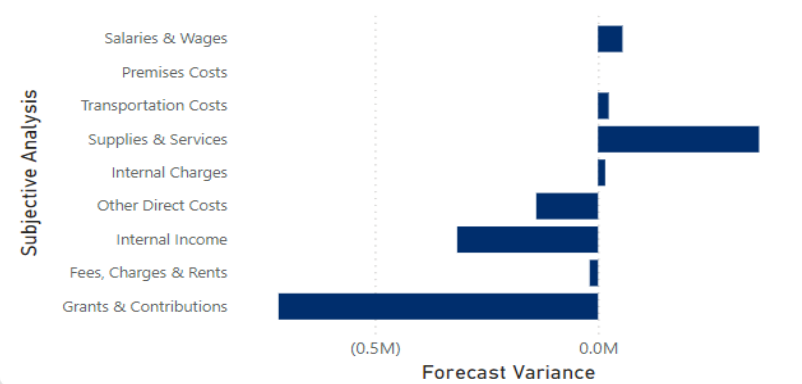
Variance Trend - Children & Learning



Variance to Budget - Children & Learning

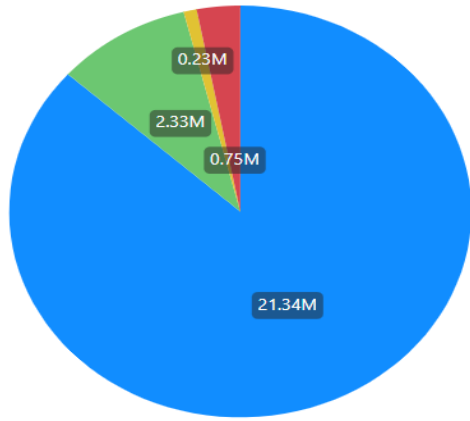


Variance by Subjective Analysis - Children & Learning



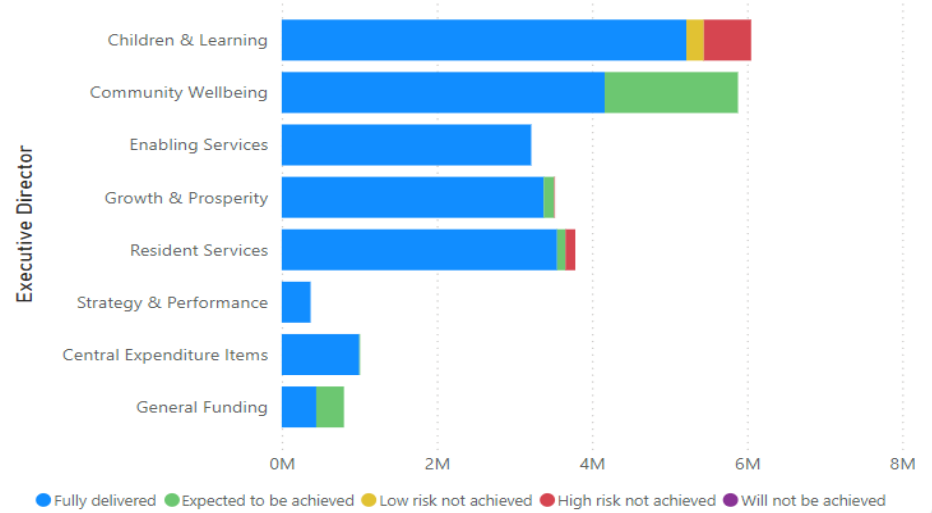


Savings Targets 2024/25 RAG Rated



● Fully delivered ● Expected to be achieved ● Low risk not achieved ● High risk not achieved ● Will not be achieved

Savings Targets per Directorate



Please select a Directorate to drillthrough

Key Issues

The current rate of non-achievement of savings is 3% or £0.75M forecast not to be achieved (Red & Purple). Deficit Recovery Plans are being developed by Children & Learning and by Resident Services in respect of the high risk of non-achievement of savings.



Summary of variances to budget											
Directorate	Energy	Non Achievement of savings	Client Packages and Placement costs	Coroner costs	Additional employee and agency costs	Income loss	Property Investment	School Travel Service	Concessi onary Fares	Other	Total
	£M	£M	£M	£M	£M	£M	£M	£M	£M	£M	£M
Children & Learning	0.00	0.61	-1.00	0.00	-0.02	0.00	0.00	0.00	0.00	-0.32	-0.73
Community Wellbeing	0.00	0.00	-2.47	0.00	0.00	0.00	0.00	0.00	0.00	-0.04	-2.51
Enabling Services	0.00	0.00	0.00	0.00	-0.05	0.00	0.00	0.00	0.00	-0.05	-0.10
Growth & Prosperity	-0.20	0.01	0.00	0.00	0.08	0.08	0.20	-0.75	-0.32	0.11	-0.79
Resident Services	0.00	0.13	0.00	0.28	0.00	0.21	0.00	0.00	0.00	0.32	0.94
Strategy & Performance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Directorates	-0.20	0.75	-3.47	0.28	0.01	0.29	0.20	-0.75	-0.32	0.02	-3.20

There are favourable variances for client packages and placements £3.47M, school travel service £0.75M and concessionary fares £0.32M. The main adverse variances are on non-achievement of savings £0.75M, loss of income £0.29M and Coroner costs £0.28M.



Children & Learning BUDGET MONITORING Period 2 (May)									
CURRENT POSITION	Current Budget 2024/25	Forecast 2024/25	Forecast Variance Month 2	Forecast Variance Month 1	Variance Movement Month 1 to Month 2	Significant Forecast Variance Indicator	Improving ↑ / Deteriorating ↓ Movement	Actual to date	Actual Outturn 2023/24
	£M	£M	£M	£M	£M			£M	£M
Children & Learning	61.66	60.93	0.73 F	0.00 F	0.73 F	Green	↑	75.25	52.84
Service Area									
Care Leavers	1.06	1.06	0.00	0.00	0.00	Green	-	(0.08)	0.98
Children & Families First	1.79	1.84	0.05 A	0.00	0.05 A	Red	↓	(0.56)	2.11
Children Looked After	33.20	32.50	0.70 F	0.00	0.70 F	Green	↑	5.58	32.62
Divisional Management	2.22	2.22	0.00	0.00	0.00	Green	-	0.19	(6.18)
ICU - Children's Services	0.43	0.43	0.00	0.00	0.00	Green	-	(0.05)	0.34
Jigsaw	5.37	5.37	0.00	0.00	0.00	Green	-	0.80	5.10
Legal (Children's)	0.54	0.54	0.00	0.00	0.00	Green	-	0.00	0.29
Quality Assurance Business Unit	2.24	2.24	0.00	0.00	0.00	Green	-	0.37	2.10
Safeguarding	9.05	8.99	0.06 F	0.00	0.06 F	Green	↑	1.45	9.26
Young Peoples Service	2.39	2.39	0.00	0.00	0.00	Green	-	0.38	2.44
Youth Offending	0.80	0.80	0.00	0.00	0.00	Green	-	(0.19)	0.55
	59.10	58.39	0.71 F	0.00	0.71 F	Green	↑	7.89	49.60
Stronger Communities	0.00	0.00	0.00	0.00	0.00	Green	-	0.00	0.07
Education & Learning	0.87	0.85	0.02 F	0.00	0.02 F	Green	↑	(0.47)	0.93
Education - Asset Management	0.84	0.84	0.00	0.00	0.00	Green	-	0.75	1.39
Education - High Needs	0.91	0.91	0.00	0.00	0.00	Green	-	0.51	0.92
	2.62	2.60	0.02 F	0.00	0.02 F	Green	↑	0.59	3.23
DSG Central School Services Block	(0.06)	(0.06)	0.00	0.00	0.00	Green	-	0.06	(0.06)
DSG Early Years Block	0.00	0.00	0.00	0.00	0.00	Green	-	3.60	(0.01)
DSG High Needs Block Education	2.50	2.50	0.00	0.00	0.00	Green	-	0.09	2.54
DSG High Needs Block SEND	(2.50)	(2.50)	0.00	0.00	0.00	Green	-	3.89	(2.54)
DSG Schools Block	0.00	0.00	0.00	0.00	0.00	Green	-	59.13	0.00
	(0.06)	(0.06)	0.00	0.00	0.00	Green	-	66.77	(0.06)
Total Childrens & Learning	61.66	60.93	0.73 F	0.00	0.73 F	Green	↑	75.25	52.84

Children & Learning: a forecast underspend of £0.73M. This is a favourable movement of £0.73M from the balanced position reported at Month 1. This is mainly due to a £0.70M favourable variance in Children Looked after, which comprises of £0.32M on residential placements and £0.38M for Independent Foster Carers. This is based on a due diligence exercise on trends from the final quarter of 2023/24. This takes account of the recent increase in the cost of placements and the plateauing of the downward trend in the number of Looked After Children. There is however sufficient contingency to cover this and further fluctuations (up to c£1M), and to still report the favourable variance.



Community Wellbeing BUDGET MONITORING Period 2 (May)									
CURRENT POSITION	Current Budget 2024/25	Forecast 2024/25	Forecast Variance Month 2	Forecast Variance Month 1	Variance Movement Month 1 to Month 2	Significant Forecast Variance Indicator	Improving ↑ / Deteriorating ↓ Movement	Actual to date	Actual Outturn 2023/24
	£M	£M	£M	£M	£M			£M	£M
Community Wellbeing	97.66	95.15	2.51 F	2.19 F	0.33 F	Green	↑	0.14	79.47
Service Area									
ASC - Living & Ageing well - Cost of care	22.39	22.39	0.00	2.14 F	2.14 A	Green	↓	1.42	23.06
ASC - Living & Ageing well - Resourcing	10.50	10.50	0.00 A	0.00 A	0.00 F	Green	↑	1.76	9.65
ASC - Quality, Assurance & Professional Development	(6.29)	(8.76)	2.47 F	0.00 A	2.47 F	Green	↑	(1.56)	(19.70)
ASC - Whole Life Pathways - Directly Delivered Services	2.32	2.32	0.00 F	0.00 F	0.00 F	Green	↑	0.38	2.27
ASC - Whole Life Pathways - Learning Disabilities Cost of ca	26.39	26.39	0.00	0.00	0.00	Green	-	2.06	24.89
ASC - Whole Life Pathways - Mental Health Cost of care	11.53	11.53	0.00	0.00	0.00	Green	-	1.54	10.90
ASC - Whole Life Pathways - Other Cost of care	7.50	7.50	0.00	0.00 F	0.00 A	Green	↓	1.03	8.05
ASC - Whole Life Pathways - Resourcing	4.25	4.25	0.00 A	0.00 A	0.00 F	Green	↑	0.51	3.54
Community Safety, Alcohol Related Crime, CCTV	0.31	0.31	0.00 F	0.00 F	0.00 A	Green	↓	0.03	0.25
Domestic Violence	0.59	0.59	0.00 A	0.00 A	0.00 A	Green	↓	0.16	0.29
Grants to Voluntary Organisations	0.49	0.45	0.04 F	0.04 F	0.00	Green	-	0.08	0.43
ICU - Provider Relationships	14.89	14.89	0.00 A	0.00 A	0.00 F	Green	↑	(1.69)	14.03
ICU - System Redesign	2.38	2.38	0.00	0.00	0.00	Green	-	(0.27)	1.40
Public Health - Health Improvement	1.89	1.89	0.00	0.00	0.00	Green	-	(0.36)	1.94
Public Health - Health Protection and Surveillance	10.21	10.21	0.00	0.00	0.00	Green	-	(0.17)	9.70
Public Health - Management & Overheads	(16.11)	(16.11)	0.00	0.00	0.00	Green	-	(4.55)	(15.55)
Public Health - Non-ringfenced	0.00	0.00	0.00	0.00	0.00	Green	-	(0.02)	0.19
Public Health - Population Healthcare	4.01	4.01	0.00	0.00	0.00	Green	-	(0.00)	3.91
Stronger Communities	0.43	0.43	0.00 A	0.00 A	0.00 A	Green	↓	(0.21)	0.23
Total Wellbeing & Housing	97.66	95.15	2.51 F	2.19 F	0.33 F	Green	↑	0.14	79.47
Breakdown by overall area:									
Adult Social Care	78.58	79.59	2.47 F	2.14 F	0.33 F	Green	↑	7.14	62.65
ICU	17.27	16.26	0.00 A	0.00 A	0.00 F	Green	↑	(1.96)	15.43
Public Health	0.00	0.00	0.00	0.00	0.00	Green	-	(5.10)	0.19
Stronger Communities	1.81	1.81	0.04 F	0.04 F	0.00 A	Green	↓	0.06	1.21

Community Wellbeing: a forecast underspend of £2.51M.

This is a favourable movement of £0.33M compared to Month 1. The main component (£2.47M) relates to the projected cost and demand for care packages, allowing for provider uplifts and winter pressures. The assumption behind the forecast underspend is that the positive variances seen in 2023/24 will continue through into 2024/25, after considering known uplifts and pressures. The projection and trends will be closely monitored over the course of the financial year to continually test the veracity of the underspend projection. The remainder of the favourable variance relates to a reduction in community grants of £0.04M.

NB Restructuring of budgets within the directorate has resulted in the ASC variance being reported on different lines in months 1 and 2



CURRENT POSITION	Enabling Services BUDGET MONITORING Period 2 (May)								
	Current Budget 2024/25	Forecast 2024/25	Forecast Variance Month 2	Forecast Variance Month 1	Variance Movement Month 1 to Month 2	Significant Forecast Variance Indicator	Improving ↑ / Deteriorating ↓ Movement	Actual to date	Actual Outturn 2023/24
	£M	£M	£M	£M	£M			£M	£M
Enabling Services	26.13	26.03	0.10 F	0.00	0.09 F	Green	↑	15.63	26.74
Service Area									
Accounts Payable	0.60	0.60	0.00	0.00	0.00	Green	↓	0.12	0.51
Accounts Receivable	2.27	2.27	0.00	0.00	0.00	Green	↓	0.38	2.12
Centrally Apportionable Overheads	(7.67)	(7.67)	0.00	0.00	0.00	Green	-	0.00	(7.64)
Corporate Finance	2.28	2.28	0.00	0.00	0.00	Green	↓	0.58	2.89
Corporate Management	1.11	1.11	0.00	0.00	0.00	Green	↓	(0.07)	0.01
Democratic Representation & Management	2.30	2.30	0.00	0.00	0.00	Green	↓	0.36	2.61
Digital Services	11.29	11.21	0.08 F	0.00	0.08 F	Green	↑	4.22	9.82
HR Services	3.39	3.37	0.01 F	0.00	0.01 F	Green	↑	0.58	3.29
Internal Audit	0.24	0.24	0.00	0.00	0.00	Green	↓	0.01	0.27
Land Charges	(0.14)	(0.14)	0.00	0.00	0.00	Green	-	(0.03)	(0.11)
Legal Services & Customer Relations	1.59	1.59	0.00	0.00	0.00	Green	↓	0.45	1.62
Local Taxation & Benefits Services	3.06	3.06	0.00	0.00	0.00	Green	↓	0.57	2.09
Net Housing Benefit Payments	0.00	0.00	0.00	0.00	0.00	Green	-	7.16	0.12
Pension & Redundancy Costs	2.34	2.34	0.00	0.00	0.00	Green	-	(0.08)	5.55
Registration of Electors and Elections Costs	0.53	0.53	0.00	0.00	0.00	Green	↑	0.22	0.69
Risk Management	1.48	1.48	0.00	0.00	0.00	Green	↑	0.87	1.53
Supplier Management Services	1.44	1.44	0.00	0.00	0.00	Green	↓	0.28	1.37
Total Enabling Services	26.13	26.03	0.10 F	0.00	0.09 F	Green	↑	15.63	26.74

Enabling Services: a forecast underspend of £0.10M. This comprises a favourable variance of £0.07M due to vacancies in Digital Services and HR, and a £0.03M favourable variance due to Care Director maintenance underspends.



Growth & Prosperity BUDGET MONITORING Period 2 (May)									
CURRENT POSITION	Current Budget 2024/25	Forecast 2024/25	Forecast Variance Month 2	Forecast Variance Month 1	Variance Movement Month 1 to Month 2	Significant Forecast Variance Indicator	Improving ↑ / Deteriorating ↓ Movement	Actual to date	Actual Outturn 2023/24
	£M	£M	£M	£M	£M			£M	£M
Growth & Prosperity	38.46	37.67	0.79 F	0.79 F	0.00 F	Green	↑	2.41	31.40
Service Area									
Central Repairs & Maintenance	3.01	3.01	0.00	0.00	0.00	Green	-	(0.08)	2.56
City Development	0.76	0.76	0.00	0.00	0.00	Green	-	0.09	0.29
Cultural Services	1.72	1.92	0.19 A	0.19 A	0.00	Red	-	0.10	1.65
Directorate Management	0.22	0.22	0.00	0.00	0.00	Green	-	0.10	0.23
Economic Development	0.20	0.20	0.00	0.00	0.00	Green	-	0.63	0.08
Energy Team	0.13	0.13	0.00	0.00	0.00	Green	-	(0.47)	0.01
Facilities	0.87	0.87	0.00	0.00	0.00	Green	-	0.20	0.91
Flood Risk Management	0.15	0.15	0.00	0.00	0.00	Green	-	(0.01)	0.14
Highways Contracts	10.05	10.05	0.00	0.00	0.00	Green	-	2.57	8.19
Home To School Transport	11.49	10.74	0.75 F	0.75 F	0.00	Green	-	0.75	8.94
Libraries	1.93	2.03	0.09 A	0.09 A	0.00	Red	-	0.41	1.84
Planning	0.39	0.39	0.00	0.00	0.00	Green	-	0.14	0.83
Property Portfolio Management	(6.97)	(6.77)	0.20 A	0.00	0.20 A	Red	↓	(1.49)	(6.55)
Property Services	8.11	7.91	0.20 F	0.00	0.20 F	Green	↑	0.87	7.13
Skills & Employment Support	0.39	0.39	0.00	0.00	0.00	Green	-	(0.52)	0.47
Transportation	5.99	5.66	0.32 F	0.32 F	0.00	Green	-	(0.89)	4.67
Total Growth & Prosperity	38.46	37.67	0.79 F	0.79 F	0.00 F	Green	↑	2.41	31.40

Growth & Prosperity: a forecast underspend of £0.79M.

There is a favourable variance of £0.75M on the school travel service due to retendering and route optimisation leading to reduced costs. There is also a favourable variance on concessionary fares of £0.32M based on the new reimbursement rates for operators and expected patronage levels during the year. There are pressures in Culture & Tourism of £0.29M for which a Deficit Recovery Plan is in development.



Resident Services BUDGET MONITORING Period 2 (May)

CURRENT POSITION	Current Budget 2024/25	Forecast 2024/25	Forecast Variance Month 2	Forecast Variance Month 1	Variance Movement Month 1 to Month 2	Significant Forecast Variance Indicator	Improving ↑ / Deteriorating ↓ Movement	Actual to date	Actual Outturn 2023/24
	£M	£M	£M	£M	£M			£M	£M
Resident Services	25.26	26.19	0.94 A	1.00 A	0.07 F	Red	↑	5.09	23.85
Service Area									
City Services - Commercial Services	0.87	0.87	0.00 F	0.00 F	0.00 A	Green	↓	0.26	0.63
City Services - District Operating Areas	4.90	5.14	0.23 A	0.23 A	0.00	Red	-	1.05	4.97
City Services - Waste Operations	0.54	0.54	0.00 A	0.00 A	0.00 F	Green	↑	0.10	15.58
City Services – Management & Compliance	16.23	16.23	0.00 F	0.01 F	0.01 A	Green	↓	6.45	0.57
CPRES - Bereavement Services	0.13	0.66	0.52 A	0.52 A	0.00	Red	-	(0.11)	0.52
CPRES - Environmental Health & Scientific Services	1.64	1.63	0.01 F	0.00 F	0.01 F	Green	↑	0.05	1.27
CPRES - Licensing	(0.06)	(0.06)	0.00 F	0.00 F	0.00 F	Green	↑	0.07	(0.10)
CPRES - Parking & Itchen Bridge	(9.36)	(9.36)	0.00 F	0.00 F	0.00 F	Green	↑	(1.67)	(9.02)
CPRES - Port Health	(0.53)	(0.53)	0.00 F	0.00 F	0.00 A	Green	↓	(0.24)	(0.44)
CPRES - Private Sector Housing	0.29	0.28	0.01 F	0.00 F	0.01 F	Green	↑	(0.40)	0.30
CPRES - Registration Services	(0.19)	(0.19)	0.00 F	0.05 A	0.05 F	Green	↑	(0.06)	(0.20)
Customer Experience	0.49	0.49	0.00 F	0.00 F	0.00 A	Green	↓	0.09	0.68
Customer Services	3.70	3.70	0.00 A	0.00 A	0.00 A	Green	↓	0.58	3.77
DFG Support	(0.01)	(0.01)	0.00 A	0.00 A	0.00 A	Green	↓	0.08	0.00
Emergency Planning	0.13	0.13	0.00 F	0.00 F	0.00 A	Green	↓	0.05	0.09
Fleet Trading Area	(0.93)	(0.93)	0.00 F	0.00 F	0.00 F	Green	↑	0.01	(1.30)
Green Cities	0.49	0.49	0.00 F	0.00 F	0.00 F	Green	↑	(0.88)	0.39
Health & Safety	0.29	0.29	0.00 A	0.00 A	0.00 A	Green	↓	0.05	0.29
Housing Needs	3.67	3.67	0.00	0.00	0.00	Green	-	(0.55)	3.56
Landscape Trading Area	0.02	0.22	0.20 A	0.20 A	0.00	Red	-	0.16	0.34
Leisure Contracts	2.69	2.69	0.00	0.00	0.00	Green	-	0.23	1.80
Leisure Strategy	0.11	0.11	0.00 A	0.00 A	0.00 F	Green	↑	0.01	0.08
Social Fund & Property	0.18	0.18	0.00	0.00	0.00	Green	-	(0.23)	0.08
Travellers Sites	(0.04)	(0.04)	0.00	0.00	0.00	Green	-	(0.02)	(0.04)
Total Resident Services	25.26	26.19	0.94 A	1.00 A	0.07 F	Red	↑	5.09	23.85

Resident Services: a forecast overspend of £0.94M, which is a favourable movement of £0.07M compared to Month 1. There is an adverse variance of £0.52M on Bereavement Services due to rising Coroner costs of £0.28M and a pressure on income at the Crematorium of £0.23M. There are at risk/unachievable savings of £0.23M in the District Operating Teams in City Services. Finally, a £0.20M adverse variance in the Landscape service due to income shortfalls on recharges to capital (due to accounting rules on overhead recovery).



Strategy & Performance BUDGET MONITORING Period 2 (May)

CURRENT POSITION	Current Budget 2024/25	Forecast 2024/25	Forecast Variance Month 2	Forecast Variance Month 1	Variance Movement Month 1 to Month 2	Significant Forecast Variance Indicator	Improving ↑ / Deteriorating ↓ Movement	Actual to date	Actual Outturn 2023/24
	£M	£M	£M	£M	£M			£M	£M
Strategy & Performance	4.55	4.55	0.00	0.00	0.00	Green	↑	1.29	3.60
Service Area									
Corporate Communications	0.93	0.93	0.00	0.00	0.00	Green	-	0.20	0.73
Data & Intelligence	1.18	1.18	0.00	0.00	0.00	Green	-	0.21	1.11
Projects, Policy & Performance	1.17	1.17	0.00	0.00	0.00	Green	-	0.25	0.99
Strategic Management of the Council	1.26	1.26	0.00	0.00	0.00	Green	↓	0.62	0.78
Total Strategy & Performance	4.55	4.55	0.00	0.00	0.00	Green	↓	1.29	3.60

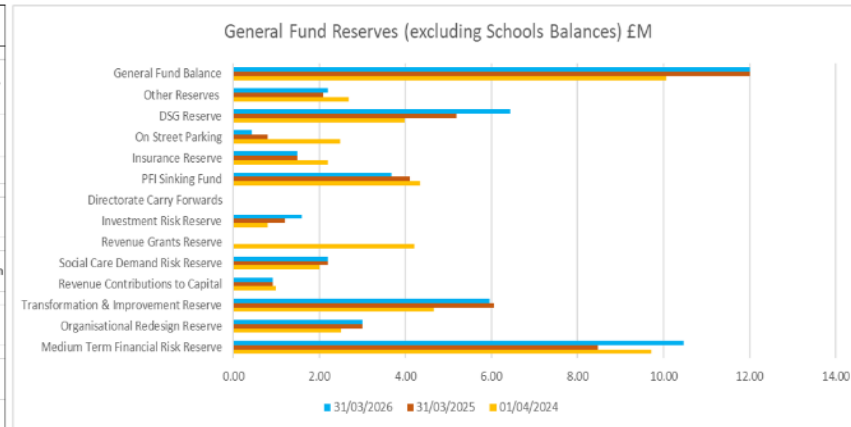
Strategy & Performance: a balanced position is forecast.



General Fund Earmarked Reserves (excluding Schools Balances)



	Balance As At 01/04/2024	Forecast Balance As At 31/03/2025	Forecast Balance As At 31/03/2026	Comments
	£M	£M	£M	
Medium Term Financial Risk Reserve	9.72	6.47	10.47	Monies set aside to mitigate the risks of changes to the funding system, volatility of funding streams, demand pressures and potential for planned savings to be delayed.
Organisational Redesign Reserve	2.50	3.00	3.00	Monies set aside to meet costs of organisational design changes e.g. redundancy costs
Transformation & Improvement Reserve	4.66	6.05	5.96	To support the delivery of the Transformation Programme in 2024/25 and future years.
Revenue Contributions to Capital	1.00	0.92	0.92	
Social Care Demand Risk Reserve	2.00	2.20	2.20	Monies held to mitigate the risks of social care demand pressures, such as rising client numbers and winter pressures
Revenue Grants Reserve	4.21	0.00	0.00	
Investment Risk Reserve	0.60	1.20	1.60	Provides cover for the risk of a loss on the pooled investment fund when the statutory override ends in 2025
Directorate Carry Forwards	0.00	0.00	0.00	
PFI Sinking Fund	4.35	4.11	3.67	Surplus PFI grant held to meet future contract liabilities and other additional costs from the council's PFI arrangements
Insurance Reserve	2.20	1.50	1.50	
On Street Parking	2.46	0.60	0.43	Surplus income from on street parking to be used in future years in accordance with the Road Traffic Regulation Act 1964
DSG Reserve	3.99	5.19	6.44	The reserve holds surpluses on the Dedicated Schools Grant for 2022/23 and 2023/24. An £11.1M cumulative deficit is held in the DSG Adjustment Account in accordance with regulations.
Other Reserves	2.69	2.09	2.20	Includes the Public Health Reserve
Total Earmarked Reserves	40.58	35.53	38.39	
General Fund Balance	10.07	12.00	12.00	
Total GF Reserves (excl. Schools)	50.65	47.53	50.39	



There is a forecast balance of £8.47M on the Medium Term Financial Risk (MTFR) Reserve at the end of 2024/25, assuming the forecast in-year surplus is used to reduce the Exceptional Financial Support requirement and not added to the reserve. An increase in the General Fund Balance to £12.0M was included in the 2024/25 budget.



HOUSING REVENUE ACCOUNT BUDGET MONITORING Period 2 (May)

CURRENT POSITION	Current Budget 2024/25	Forecast 2024/25	Forecast Variance Month 2	Forecast Variance Month 1	Variance Movement Month 1 to Month 2	Significant Forecast Variance Indicator	Improving ↑ / Deteriorating ↓ Movement
	£M	£M	£M	£M	£M	£M	£M
Expenditure							
Responsive & Repairs	18.09	18.09	0.00	0.00	0.00	Green	-
Cyclical Maintenance	6.99	6.99	0.00	0.00	0.00	Green	-
Rents Payable	0.45	0.45	0.00	0.00	0.00	Green	-
Debt Management	0.09	0.09	0.00	0.00	0.00	Green	-
Supervision & Management	29.81	29.81	0.00	0.00	0.00	Green	-
Interest & Principal Repayments	6.46	6.46	0.00	0.00	0.00	Green	-
Depreciation	22.35	22.35	0.00	0.00	0.00	Green	-
Direct Revenue Financing of Capital	0.54	0.54	0.00	0.00	0.00	Green	-
Gross Expenditure	84.78	84.78	0.00	0.00	0.00	Green	-
Income							
Dwelling Rents	(80.29)	(80.29)	0.00	0.00	0.00	Green	-
Other Rents	(1.21)	(1.21)	0.00	0.00	0.00	Green	-
Service Charge Income	(2.53)	(2.53)	0.00	0.00	0.00	Green	-
Leaseholder Service Charges	(1.14)	(1.14)	0.00	0.00	0.00	Green	-
Interest Received	(0.11)	(0.11)	0.00	0.00	0.00	Green	-
Total Income	(85.27)	(85.27)	0.00	0.00	0.00	Green	-
Balances							
Working Balance B/Fwd	(2.58)	(2.58)					
(Surplus)/deficit for year	(0.50)	(0.50)	0.00	0.00	0.00	Green	-
Working Balance C/Fwd	(3.08)	(3.08)					

Landlord Controlled Heating Account

	23/24 Outturn £M	P2 Forecast £M
Balance B/fwd	3.58	2.35
Costs incurred Jan-Mar 23	2.02	0.00
Less accruals 22/23	(2.81)	0.00
Rent collected ytd	(7.57)	(8.02)
Leaseholder contribution	(0.47)	(0.51)
Contribution to bad debt provision	0.20	0.40
Costs incurred YTD	7.39	7.10
Balance C/fwd	2.35	1.32

HRA POSITION: a balanced position is forecast. The landlord-controlled heating account deficit brought forward from 2023/24 is £2.35M, and, based on anticipated costs for 2024/25 and additional income from charge increases, is expected to reduce to £1.32M. Modelling will take place to assess the impact on planned future price setting.



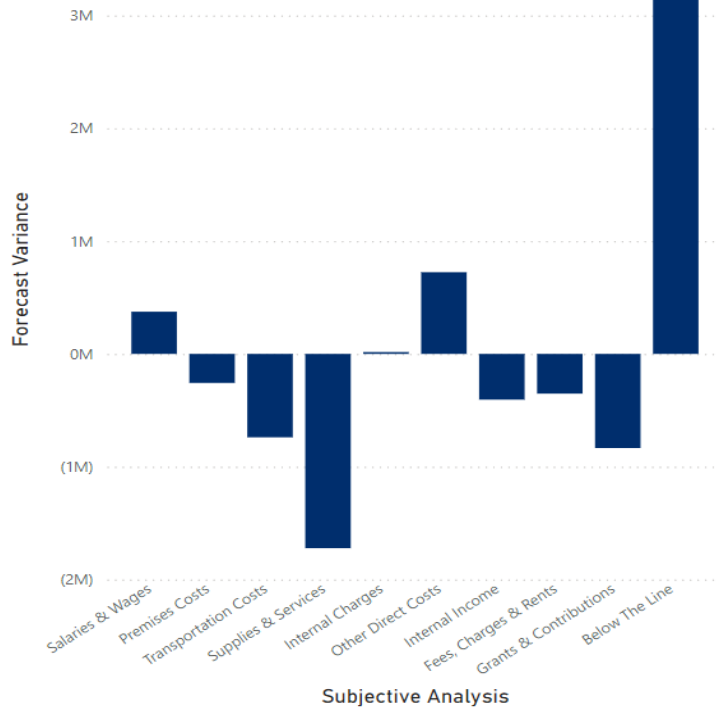
CURRENT POSITION	Current Budget 2024/25	Forecast 2024/25	Forecast Variance Month 2	Forecast Variance Month 1	Variance Movement Month 1 to Month 2	Significant Forecast Variance Indicator	Improving ↑ / Deteriorating ↓ Movement
	£M	£M	£M	£M	£M		
Schools	0.00		0.00		0.00	Green	-
High Needs	0.00	(1.20)	1.20 F		1.20 F	Green	↑
Early Years	0.00		0.00		0.00	Green	-
Central Services	0.00		0.00		0.00	Green	-
In Year Balance	0.00	(1.20)	1.20 F	0.00	1.20 F	Green	↑
Balance B/Fwd held in DSG adjustment reserve	0.00	11.09	11.09 A				
Balance B/Fwd held in DSG usable reserve		(3.99)	3.99 F				
Net DSG deficit B/Fwd		7.11	7.11 A				
Total non General Fund Services	0.00	5.91	5.91 A			Red	

School Balances Table	Outturn 2023/24		
	Deficit	Surplus	Balance
Primary	3.47	(2.31)	1.16
Nos.	12	19	31
%	39%	61%	100%
Secondary	0.00	(5.26)	(5.26)
Nos.	0	6	6
%	0%	100%	100%
Special	1.43	(0.26)	1.16
Nos.	2	3	5
%	40%	60%	100%
Total	4.90	(7.84)	(2.93)
Nos.	14	28	42
%	33%	67%	100%

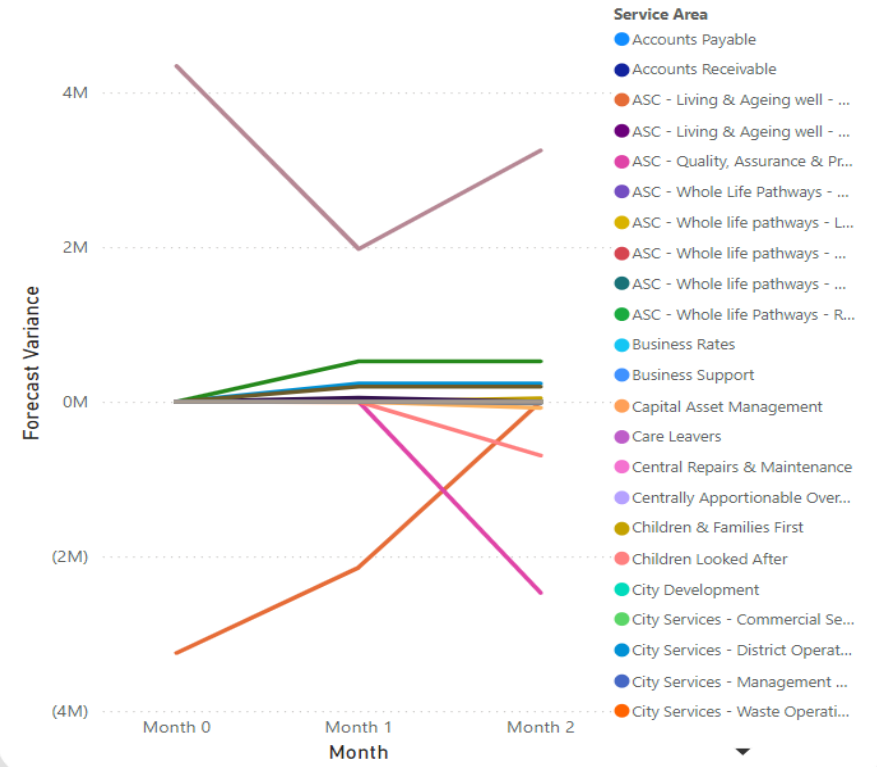
The DSG deficit reduced by £3.99M to £7.11M in 2023/24. A further reduction of £1.20M is currently forecast for 2024/25. Schools are working on their budgets for 2024/25 and where necessary deficit recovery plans and plans for use of excess surpluses. In 2023/24 two schools returned to surplus from a deficit position, whereas four schools entered into deficit. In total there are 14 schools in deficit.

- Adults &...
- Children & Learning
- Compliance & Leisure
- Communities & Safer City
- Economic Development
- Environment & Transport

Variance by Subjective Analysis



Variance Trends





Clear Filters

Portfolio Position Month 2



Adults &...

Children & Learning

Compliance & Leisure

Communities & Safer City

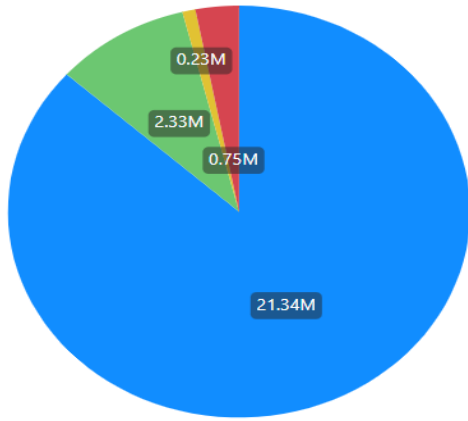
Economic Development

Environment & Transport

Portfolio	Working Budget 2024/25 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Movement Month 1 to Month 2 £'000
▲				
▣ Adults & Health	95,851	93,379	-2,472	-328
▣ Children & Learning	72,352	70,866	-1,486	-733
▣ Compliance & Leisure	4,223	4,734	511	-64
▣ Communities & Safer City	2,790	2,748	-42	0
▣ Economic Development	7,121	7,121	0	0
▣ Environment & Transport	23,561	23,436	-125	6
▣ Finance & Corporate Services	32,664	32,569	-95	-95
▣ Green City & Net Zero	5,396	5,631	235	0
▣ Housing Operations	3,904	3,895	-9	-9
▣ Leader	5,854	6,140	286	0
▣ Central Expenditure Items	24,805	24,805	0	0
▣ General Funding	-239,245	-239,297	-52	-52
▣ Exceptional Financial Support (EFS)	-39,276	-36,027	3,249	1,275
Total	1	1	0	0

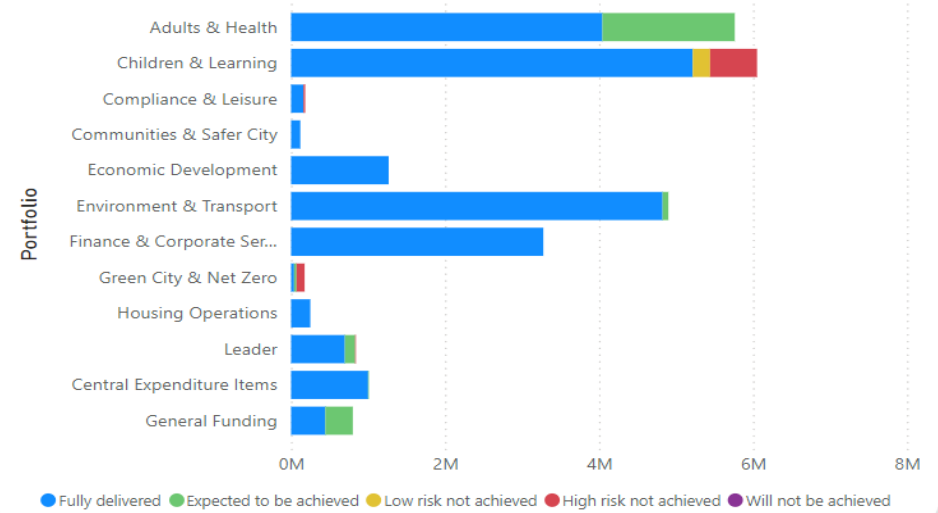


Savings Targets 2024/25 RAG Rated



● Fully delivered
 ● Expected to be achieved
 ● Low risk not achieved
 ● High risk not achieved
 ● Will not be achieved

Savings Targets per Portfolio



Please select a Portfolio to drillthrough

Key Issues

The current rate of non-achievement of savings is 3% or £0.75M forecast not to be achieved (Red & Purple).

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Agenda Item 8

DECISION-MAKER:	CABINET
SUBJECT:	Digital Strategy 2024-2030
DATE OF DECISION:	25 June 2024
REPORT OF:	COUNCILLOR LETTS CABINET MEMBER FOR FINANCE AND CORPORATE SERVICES

<u>CONTACT DETAILS</u>			
Executive Director	Title	Executive Director Enabling Services	
	Name:	Mel Creighton	Tel: 023 8083 3528
	E-mail	Mel.creighton@southampton.gov.uk	
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	E-mail	Gavin.muncaster@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY

None

BRIEF SUMMARY

The 2024-2030 Digital Strategy has been created to set out the Vision, Principles, Priorities and roadmap for Digital services in Southampton City Council over the coming years. The strategy was informed through workshops and interviews with all council directorates, an organisation wide digital maturity assessment, skills and capability assessment and a review of the technology and infrastructure architecture. The paper seeks approval for the adoption of the Digital strategy and associated priorities and roadmap for delivery.

RECOMMENDATIONS:

	(i)	To adopt the 2024-2030 Digital Strategy including the principles, priorities and roadmaps as defined.
	(ii)	To support the alignment of services and projects to the new digital strategy ensuring consistency across the authority and supporting closer working across the wider city and sub-region.

REASONS FOR REPORT RECOMMENDATIONS

1.	<p>Significant progress has been made through the delivery of the current IT Strategy with replacement hardware and infrastructure being delivered and the implementation of modern work-place tools completed. These have provided good IT foundations and allowed us to embed flexible working practices across the authority. However, to maximise the opportunities that new tools such as AI, Automation and greater self-service afford it is important that we move to a more holistic, cross-cutting digital approach to our services. Therefore, the new Digital Strategy 2024-2030 has been created and its adoption will be important if we are to support the delivery of the corporate objectives.</p>
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ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
2.	Continue with the existing IT strategy and not develop a new approach. This was rejected as there is too much of a requirement on the use of digital tools to help deliver better and more affordable services. To deliver the aims of the corporate plan a broader digital strategy is required.
3.	Create new IT strategy. The option of simply evolving the current IT strategy, with focus on IT equipment and infrastructure was rejected as it would not meet the needs of the organisation. The research into the proposed strategy showed that the council is in a strong position in terms of underlying infrastructure and tools and whilst these could continue to be improved it would now allow the step change needed to be a truly digital city.
DETAIL (Including consultation carried out)	
4.	The Digital Strategy was developed over a 9-month period during 2023. Extensive research was carried across all directorates including five digital maturity assessment workshops, two capability review workshops, a review of current and planned governance arrangements, cost modelling of the existing service and a review of the technology and architecture within the organisation.
5.	Investigatory work was considered alongside corporate and directorate plans and priorities when developing the Digital Strategy to ensure tight alignment between corporate and council priorities with those set out in the Digital Strategy.
6.	There has also been close work to ensure that the refreshed Data Strategy and Customer Strategy are fully aligned with each other, supporting the same priorities and with aligned work plans. This will help ensure any digital and technology initiatives and priorities match those required to deliver the Data and customer strategies.
7.	Key themes identified in the revised digital strategy are People & Skills, Organisation & Process and Service Design & Implementation. All are underpinned with a strong focus on architecture and technology.
8.	Within each theme priorities have been defined with the associated roadmap for delivery created. Priorities are grouped based on a 'Now / Next / Later' approach to give the correct order for delivery but with flexibility on timing to be delivered alongside emerging priorities from the transformation programme.
9.	There is a strong focus on good service design, supported by the appropriate design standards and toolkits, to ensure that any digital services created are focussed on the needs of the users whether they be residents, businesses, staff and councillors or partners and organisations across the wider city and sub-region.
10.	With the ever-increasing reliance on the use of digital tools and technologies such as AI, Automation and data and analytics having a robust, cross-cutting digital strategy is essential. Delivery of the strategy will ensure the Council remains at the forefront of modern, digitally enabled, organisations.

11.	Adoption of the new digital strategy will support further steps forward in the delivery of services by the council and ensuring that maximum opportunity and benefit is derived from modern and emerging digital tools.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
12.	Whilst there are no specific revenue and budget requirements from the adoption of this strategy, there are projects that will need to be costed and added to the capital programme or revenue account. Those projects already in train will be aligned to the principles and priorities set out the digital strategy. For example, the transformation projects identified as part of the “Adapt, Grow, Thrive” programme, social care system replacement and consolidation of property asset management solutions have their own business cases with capital/revenue requirements and associated benefits set out there.
13.	There will also need to be a review of the training programme for staff to ensure the workforce digital training and skills are catered for enabling successful implementation.
14.	The digital skills, tools and practices identified in the strategy will enable the delivery of cost reductions and more effective services in all areas across the authority.
<u>Property/Other</u>	
15.	There are no specific property implications however some of the technologies and services noted will mean that corporate properties are connected to digital services as effectively as they can be.
16.	The monitoring of progress for implementation and adoption will be through the transformation board initially. The strategy will be reviewed annually to ensure it is relevant and reflective of new developments in the digital environment.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
17.	Section 111 Local Government Act 1972 and Section 1 Localism Act 2011
<u>Other Legal Implications:</u>	
18.	Any purchasing that is required will be completed via the appropriate procurement route.
RISK MANAGEMENT IMPLICATIONS	
19.	Individual projects related to the delivery of the Digital Strategy would be subject to their own risk management processes as part of the appropriate project delivery or procurement approach.
POLICY FRAMEWORK IMPLICATIONS	
20.	The Digital Strategy, alongside the Data and Customer Strategies will be key strategies for delivering the corporate objectives from 2024-2030

KEY DECISION?	No	
WARDS/COMMUNITIES AFFECTED:	none	
<u>SUPPORTING DOCUMENTATION</u>		
Appendices		
1.	Digital Strategy 2024-2030	
2.	ESIA	
Documents In Members' Rooms		
1.	SOCITM Final Report	
2.	Delivery Roadmap	
Equality Impact Assessment		
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.		Yes
Data Protection Impact Assessment		
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.		No
Other Background Documents		
Other Background documents available for inspection at:		
Title of Background Paper(s)		Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	SOCITM Final Report	
2.	Delivery Roadmap	

SOUTHAMPTON CITY COUNCIL DIGITAL STRATEGY 2024-30

VISION

Our digital vision is to empower our communities to access digitally inclusive services, designed around their needs which support the delivery of our Corporate objectives.

Our people will be given the skills, data and technology needed to deliver the best possible services for our communities and organisation.

We will ensure that every local person, employee, partner organisation, visitor and stakeholder benefit from the opportunities presented by the digital era, to lead Southampton as a digitally enabled city.

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Strategic Principles.....	9
Priorities.....	10
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Target Operating Model.....	15
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Appendix 2 – the transformation roadmap.....	17

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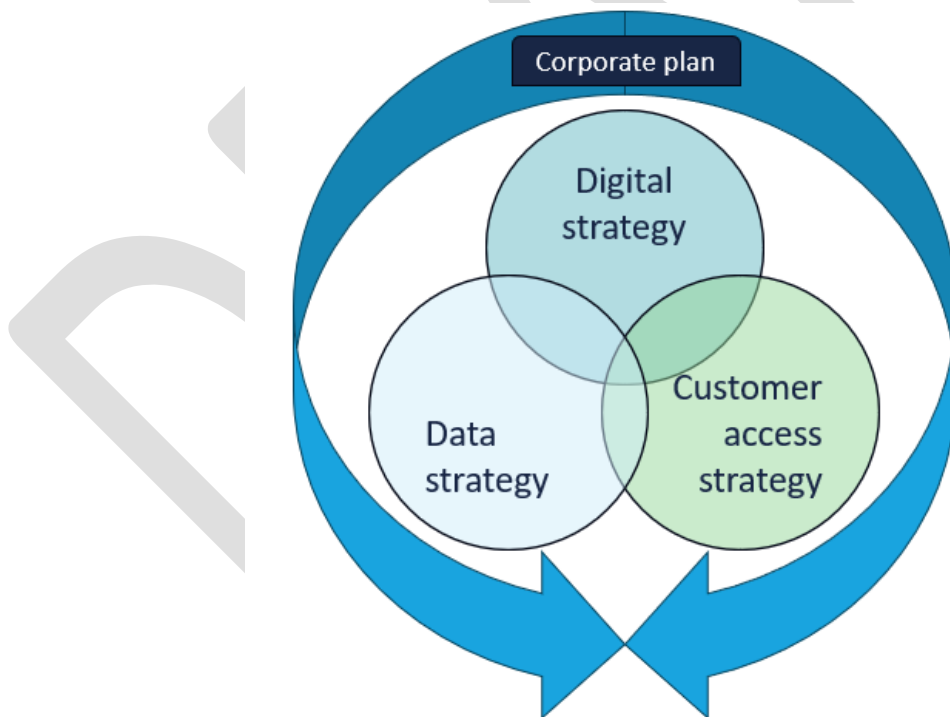
Executive Summary

This digital strategy aims to outline our digital aspiration over the next 6 years as a Council. Digital is a vital part of all services we provide for local people, employees, businesses, partner organisations and stakeholders. This strategy will outline our vision, our drivers for change, our digital principles, our key priorities and how we aim to deliver digital change and improvements.

This strategy is only one part of a wider approach required to ensure that the council delivers digitally enabled and enhanced services. The digital strategy will also be enabled by, and support the delivery of, the data and customer access strategies. Data underpins the design and understanding of flow, customer access helps to understand the needs of the users, both of which will tie in with the digital vision priorities. The customer strategy ensures the focus of the authority on delivering the best services for our customers. Both have been developed alongside the Digital Strategy to ensure they are complementary in supporting the delivery of the corporate objectives and that priorities are aligned.

The current challenges for council budgets resulting from decreased central government funding, increasing demand for services and the cost of living crisis, means the role of digital to reduce costs while maintaining services is crucial. This strategy and associated operating model, will provide a roadmap that will enable the council to do more with less.

Figure 1: Interdependencies of Digital, Data and Customer Access strategies



Facts and Figures



3,600 Users of IT



2,200 Smartphones and 250 Smart Tablets in use.



3,500 Laptops issued



40+ Buildings connected to the corporate network



12 Petabytes of data



1.8m e-mails received in a typical month.



15,000 meetings on teams monthly



18,000 messages sent a month on Teams

DRAFT

Setting the scene

This strategy has been informed by the large amount of digital work currently in progress and the work that has been completed as part of the previous digital strategy. That work focused on building our digital platforms and infrastructure, developing the offer around digital skills for local people and employees, and supporting the digital economy. This has allowed the organisation to move from a traditional desk based fixed workforce to a modern organisation with access to systems and tools from anywhere supporting greater flexibility for the workforce and enabling service changes supporting better services for our residents and businesses.

To build on this strong foundation, we will learn from our previous digital initiatives and assess areas to celebrate and opportunities for improvement. This learning will continue throughout this strategy in line with our digital principles.

Some key achievements from last strategy:

- Implementation of the M365 suite of modern working tools.
- Staff equipped to work flexibly and remotely moving from a traditional desktop based organisation.
- Replacement of legacy telephony and WiFi platforms.
- Improved connectivity to all sites through the implementation of SD-WAN technology.
- Implementation or migration of key systems to modern, cloud-based architectures.
- Significant cost reductions in systems and contracts.
- Development of power platform supporting greater automation and streamlining

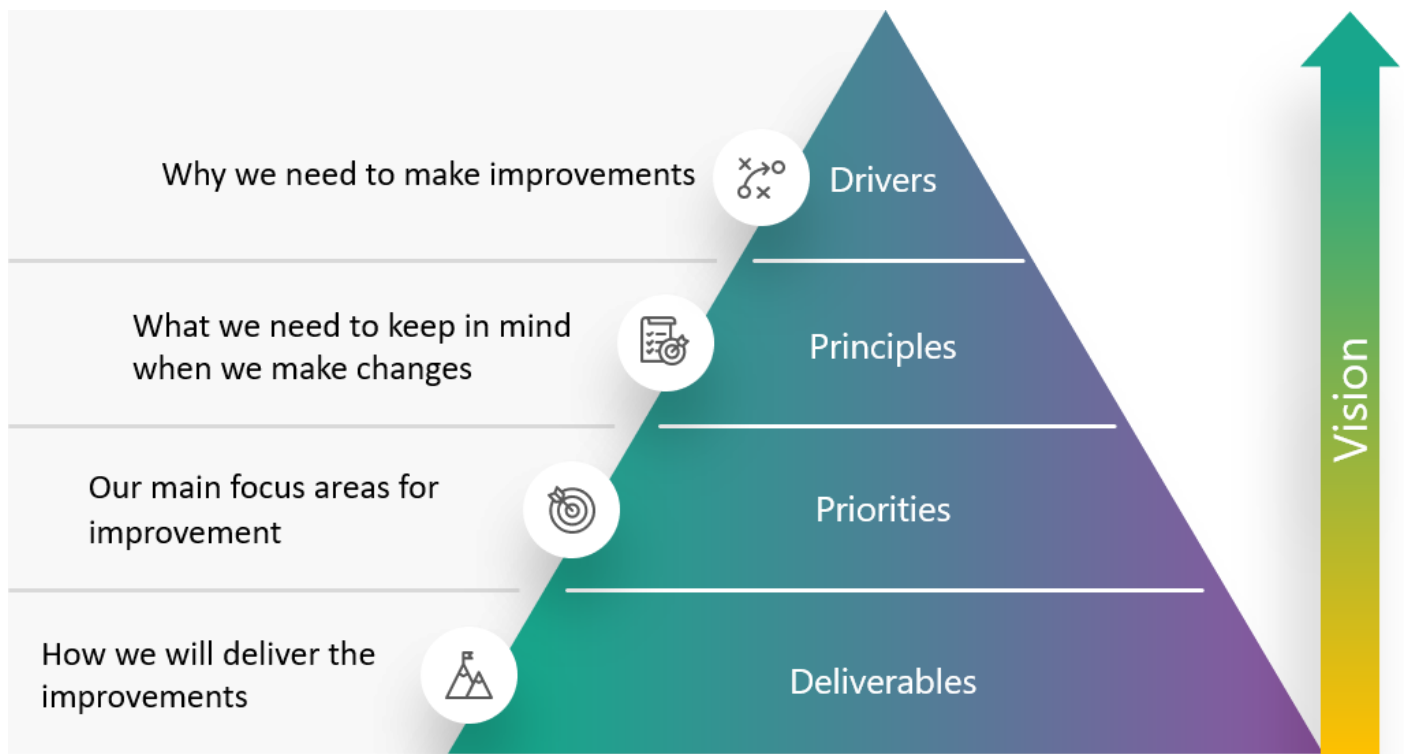
Digital technology is an essential part of everyday life for all of us and we live in a rapidly changing world that is more interconnected than ever. Our communities expect our digital offer to meet their needs whether they live, work in or visit Southampton. To meet these expectations we need to empower and connect our communities, create more efficient processes, and improve services.

In setting the scene we must also consider the future use of AI within the digital realm at Southampton City Council. It is our intention to review and revisit this strategy at regular points and we will then consider the wider picture of AI use within Councils. The innovation and advancement of AI will drive its usability within services. But before allowing the use of AI we would need to be very careful and considerate around how we apply it, introducing a strict use policy and security measures. We would expect to have champions and experts in place amongst all areas of the Council before any programme to use AI was introduced.

We have worked with partner organisations to undertake discovery work within Southampton City Council to understand the current pain points, what works well, ideas for improvement and focus areas for our strategy over the next 6 years (with a halfway point review and refresh). The strategy is based around three key themes which tie together our goals and expected outcomes into tangible deliverables to improve digital services within Southampton City Council and for all who interact with us.

The following sections will explain in more detail the four pillars within the diagram below:

Figure 2: Explaining some of the key elements within our strategy

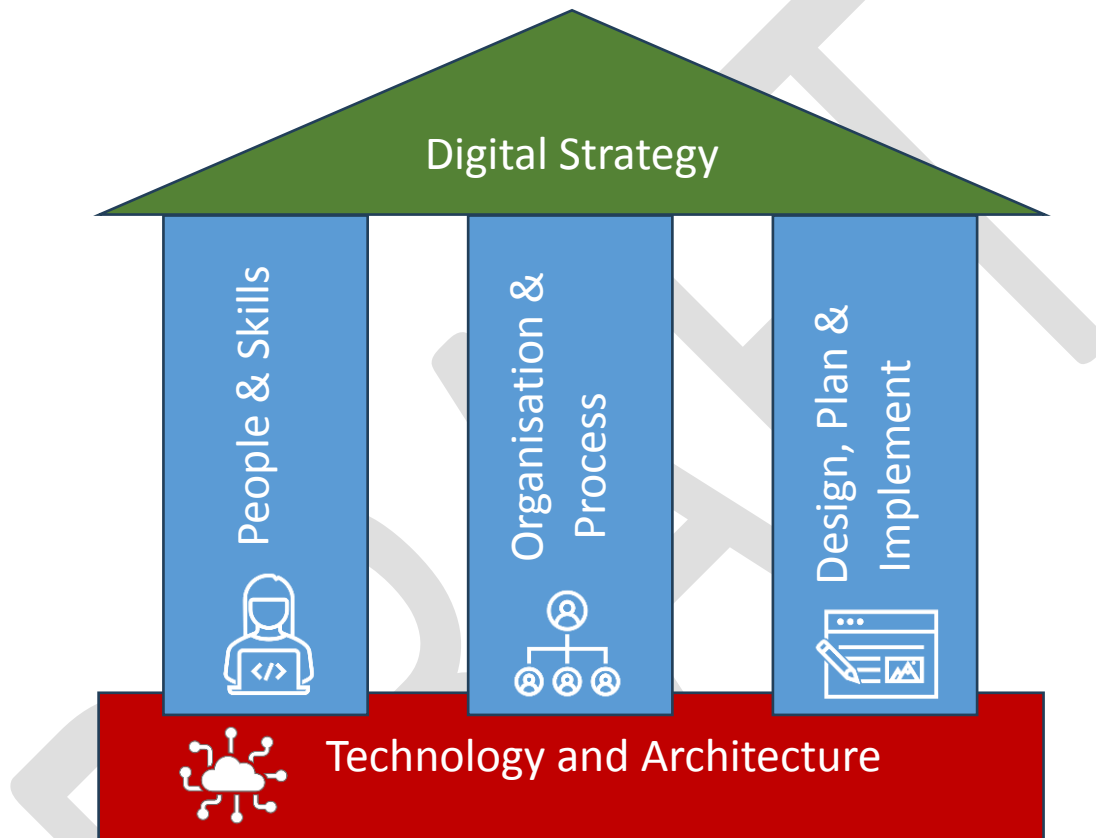


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Themes

Our themes have been developed from the detailed work we undertook with a partner organisation through late 2023 into early 2024. Research was undertaken with staff from multiple directorates to understand our current digital maturity and capabilities. From the research findings, three clear themes emerged for areas in which we can focus our efforts over the next 6 years to make improvements, as seen at the bottom of the diagram, technology and architecture will be an enabling theme for all others.

These themes will help us to categorise and understand our priorities and the activity we need to undertake to achieve the goals within our priorities.



People and skills - Equipping our people with the digital skills and technology required to deliver services effectively and efficiently, ensuring there is a culture of digital innovation and improvement throughout the council, at all levels.

Organisation and process – Ensuring processes are as efficient as possible with the appropriate amount of governance in place to create streamlined and consistently applied principles.

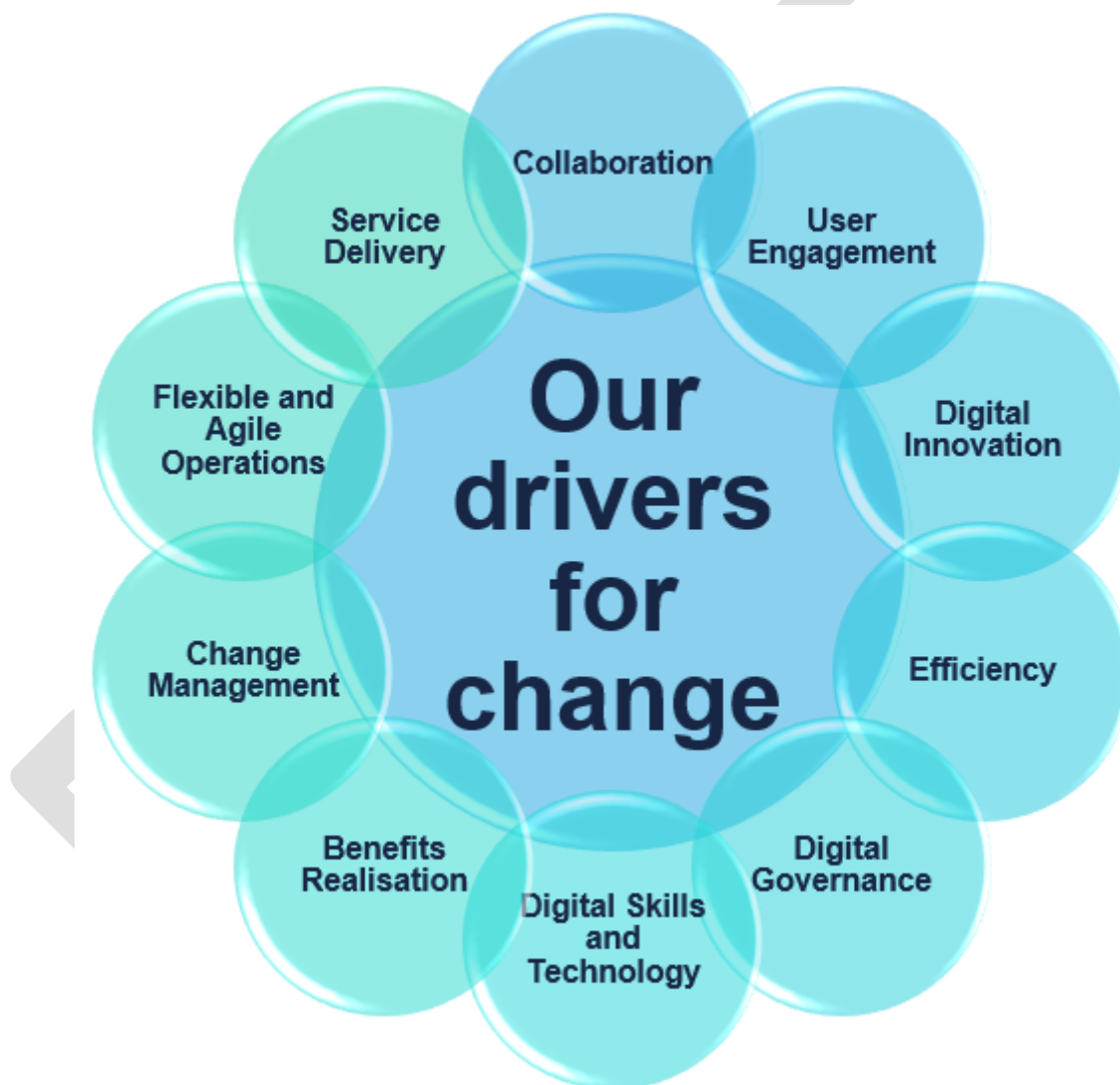
Design, plan and implement – Getting the basics right to engage users and gather requirements to deploy holistic end to end service design, planning and implementation, which ultimately meets users’ needs whilst being as inclusive as possible.

Technology and architecture – Building a technical architecture and roadmap that enables delivery of the key themes and associated benefits, while rationalising the systems landscape, maximising the return on investment and shifting the balance to transformation from BAU.

Strategic drivers

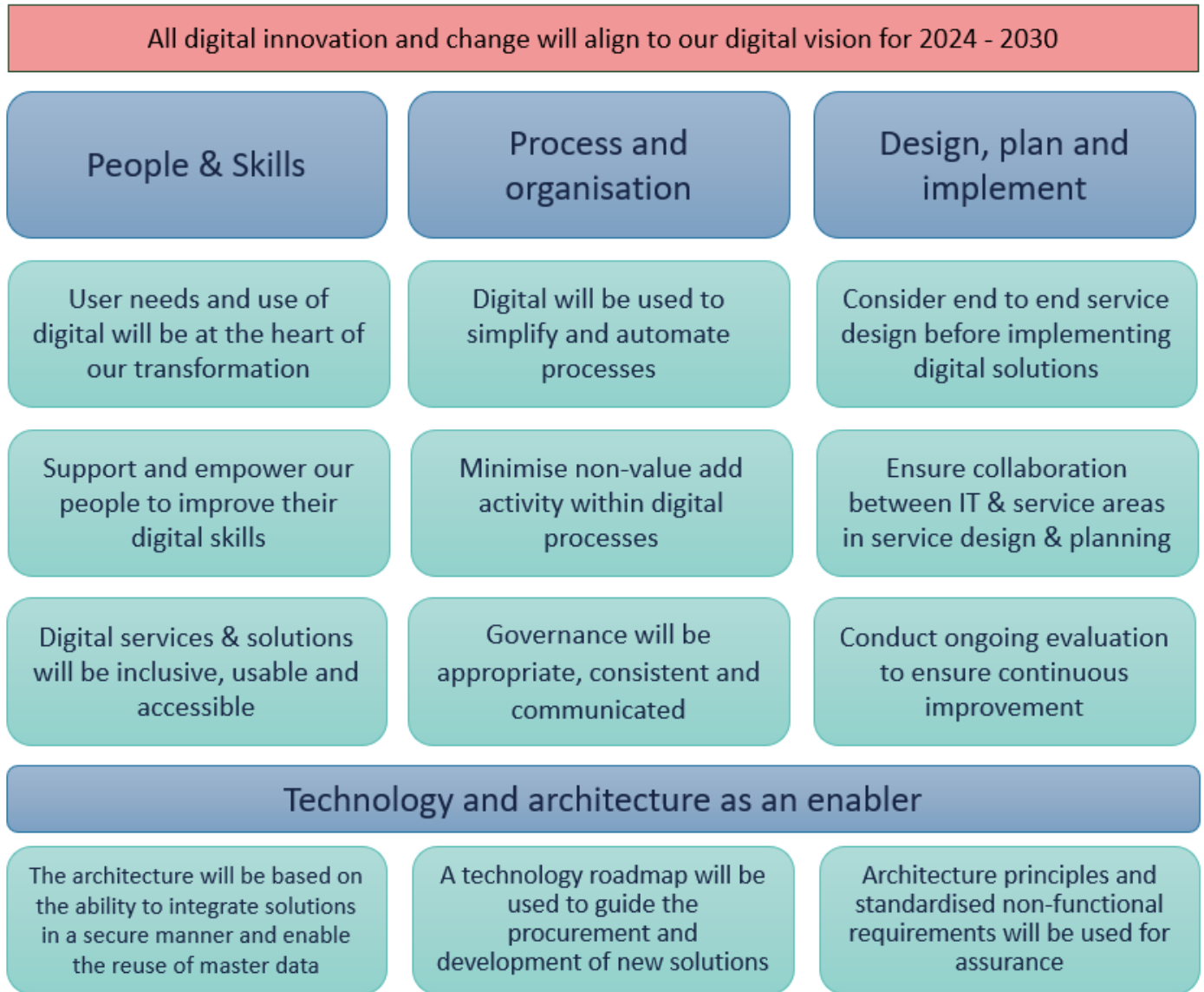
Our strategic drivers underpin and explain not only why digital is so important but also why we need to make improvements now. These key drivers summarise feedback developed with stakeholders from across the whole organisation. They underpin the requirement for a forward looking, holistic and collaborative strategy for digital services at Southampton City Council.

The digital strategy looks to plan improvements which consider our strategic drivers and the use of digital technology to enhance services, streamline operations, and improve overall efficiency. The key drivers we have identified are outlined below. A full description of each driver is available in [appendix 1](#)



Strategic Principles

Our principles will help enable and align activity against the vision and priorities of Southampton's digital strategy. Delivering our digital vision requires a shift, in both cultural and digital practices, therefore we have established overarching digital principles that will help us to keep in mind what our key principles are before implementing any digital change.



Priorities

We have outlined our vision, our drivers for change, our key themes and our digital principles. So how will we actually achieve our vision? What are our main areas of focus for improvement activities over the next 6 years?

Below we have outlined our main priorities per theme. These priorities will enable us to achieve our vision and improve the areas which we know will catapult Southampton City Council even further into being a leading digitally enabled Council for the future.

The list below is not exhaustive but outlines our key high level priorities, actions and benefits. A more detailed list of activity can be found within the transformation roadmap in [appendix 2](#)

Theme - People and skills

Priority	We will...(deliverable)	So that... (the benefit)
Priority 1: Ensure all staff have the right digital skills so that they can perform their work effectively and improve the maturity of key capabilities	Conduct a learning needs analysis to baseline digital skills and gaps within the organisation	We understand the skills gaps that our people have and can implement changes required that are needed to enable them to do their jobs effectively
	Make use of and incentivise cross-functional communities of practice, such as digital champions	We can share best practice knowledge to enhance digital skills and technology utilisation across the organisation and build a more collaborative culture
	Work with HR to integrate a digital skills competency framework into the recruitment process, ensuring it is considered as part of recruitment & staff development	All staff, including new recruits, have the minimum digital skills to do their job effectively and identify new areas for development
Priority 2: Engage internal and external users to understand their digital needs in order to develop user centric digital services	Prioritise user research and ongoing testing, creating a framework to ensure it is applied consistently on all digital projects and seen through to project implementation	Digital change is user centric and our people end up with intuitive and user friendly systems, making them more productive. Local people's needs are understood, ensuring that digital is accessible and user friendly
	Understand user requirements at the outset of any digital change project	IT can collaborate on best possible digital outcomes for users, meaning changes are both best in class & future proofed to maximise investment, efficiencies & increase channel migration
Priority 3: Ensure that all digital changes and skills improvement programmes are sponsored by leadership within service areas	Embed senior sponsorship into digital change initiatives	A digital culture is driven from the top down, to ensure digital is seen as a priority, which removes siloes and maximises benefits through consistency
	Introduce a senior leader digital skills training initiative with representatives from across the organisation	To ensure 'buy in' which is then promoted to services, knowledge sharing from the top down will enable widespread skills improvement that ultimately improves services

	Promote the digital vision and wider strategy amongst leaders for dissemination to teams	We can remove the impression that a vision is tick box exercise, to promote what it is we are actually trying to achieve so we align our activities with purpose to improve digital services as a whole for our people and local people
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Theme - Process and organisation

Priority	We will...(deliverable)	So that... (the benefit)
Priority 4: Improve digital governance processes to ensure there is a clear and consistent approach	Create a new digital governance board structure to enable the monitoring and assurance against the strategy	The strategy is regularly viewed and the priorities are met which ensures current pain points are improved, providing a better service for all
	Promote the digital governance structure to the wider organisation	Users are aware of the process and can easily follow it to achieve their service goals with a consistently applied governance process which removes time waste on incorrect governance routes. Users understand the rationale behind the process and the benefits.
	Establish a set of digital governance principles via a transparent prioritisation matrix	We can easily prioritise projects which will add the most value and are not just for those 'for shout the loudest' enabling us to stop work which does not deliver value and benefits and that work is aligned to strategic objectives
Priority 5: Ensure that processes are as efficient as possible, remove any non-value add activity and create automation where possible	Help services to undertake a process mapping exercise to understand where digital can assist with self-service and automation of processes	Self-service and automation can remove non-value add activity to streamline processes within service areas making processes simpler and more efficient
	Embed a process automation and self-service first principle which is considered when procuring new systems or making digital changes	We can procure the solution which enables the goal of self-service and automation to ensure we are focussed on our priority digital vision for the future
	Ensure we have strong links with the data team & strategy to guide the simplification of processes to make them uniform, to drive consistent data input and that Data is considered in any digital project or procurement	Consistent and simplified processes drives better data quality which ultimately improves decision making across the Council. It also removes singles points of failure which exist when processes have been created and tailored by individuals
Priority 6: Create a combined project and change management process which brings together IT, PMO, Transformation and service areas to ensure that projects are aligned and holistic	Create an organisation wide change process that is well communicated and understood, with clear governance and design principles, that engages IT and other cross functional teams to design and manage change effectively	All projects are considered with a digital lens to ensure that cross functional expertise is applied consistently to all change projects, maximising the benefits of digital

	Create a joined up process whereby IT are always engaged early in procurement to help understand the requirement and alignment to the roadmap	Digital solutions fit the IT architecture and user needs and provide more opportunities for interoperability, ultimately enabling a single source of truth and better user experience
	Improve understanding of Agile as a concept in SCC and ensure capability is there to use Agile as appropriate and embedded in the Digital service as the default approach for new digital projects	Agile methodology when used appropriately can achieve quick results with reduced bureaucracy which can hinder quick and efficient outcomes

Theme - Design, plan and implement

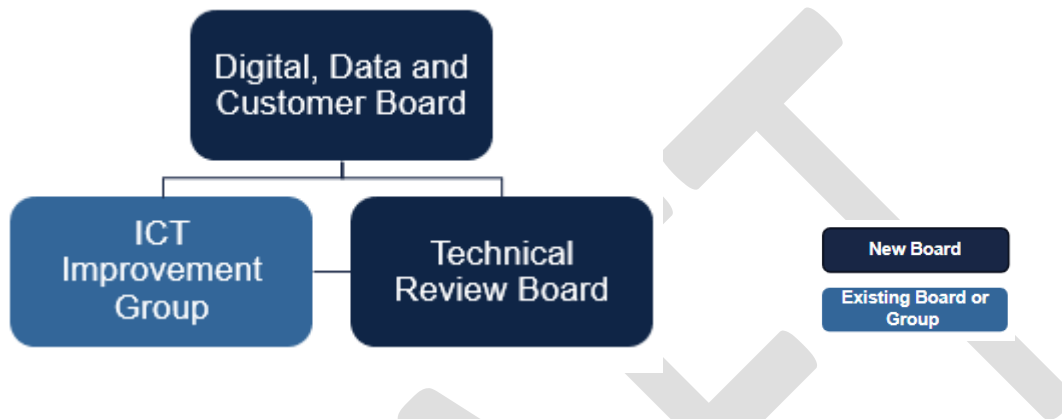
Priority	We will...(deliverable)	So that... (the benefit)
Priority 7: Ensure we have a robust and holistic service design process for digital	Define service design principles and agree the 'SCC way' that is cross-functional and end-to-end. Introducing IT business partnering as standard to key service areas	We have a collaborative approach that ensures departments are aware of each other's priorities, therefore designing solutions and services which provide the best possible solution for users
	Develop a core service design capability that can be used across the organisation, incorporating it into the wider change and project management processes	A specialised service design skill set exists which can maximise efficiencies by leading on and consistently applying service design principles
	Agree a selection of service design tools and use them consistently (user journey mapping, user stories, feedback methods, collaboration tools, prototyping)	Consistent tools will mean consistent outcomes, ensuring users are understood and pain points are addressed
Priority 8: Remove silos and develop cross functional service design and planning	Work with services to ensure that digital is embedded into all service plans	Digital is not an afterthought and will be an enabling tool for services when making their service plans
	Work with service areas on digital elements of service plans to understand the art of the possible, what is available corporately and help quantify potential savings	We can identify the best possible opportunity to help services achieve their service plans, which drives things like automation, productivity and savings
	Incorporate service design elements to understand needs of users when making service plans	User needs are an essential consideration when designing end to end services to ensure that we are not writing service plans without considering what we actually need to achieve for our users in the short and long term
Priority 9: Ensure that project implementation and ongoing improvements are aligned to findings from user research both internal and external	Embed user engagement and research as core to service design and capture the qualitative data	We create an evidence base of why change is needed and the expected benefits
	Ensure that users are continually engaged throughout a digital change	Users feel engaged and can regularly feedback their views to ensure they

	project, create a robust engagement model using change management principles	get a user centred outcome which works well for them, driving positive user experience for our people and local people
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Delivering our strategy

To ensure the successful implementation of our Digital Strategy, there must be clear and effective digital governance. To achieve this, we will establish a Digital, Data and Customer Board who will be responsible for regularly reviewing the strategy and roadmap to ensure the digital priorities and actions are being implemented. They will be responsible for prioritisation and disseminating actions to the ICT Improvement Group (existing) for user feedback and the Technical Review Board (new) to discuss the technical requirements and wider IT architecture. Requests will then be submitted to the relevant change request or project process.



A digital transformation roadmap ([appendix 2](#)) has been developed to provide detailed actions to deliver the priorities within this strategy. This roadmap is split into three timeframes (now, next and later) to help with prioritisation over the lifetime of the strategy, this will also be influenced by the availability of funding, resources and any new council priorities.

The initial actions in the 'now' category will focus on the high priority activities that will have a big impact on delivering the digital vision described in this strategy. Implementing these actions will enable and support the 'next' and 'later' actions, establishing the digital foundations.

The roadmap will be reviewed quarterly by the Digital, Data and Customer Board to oversee the implementation of these actions.

Target Operating Model

The accompanying Target Operating Model will outline the governance, processes and organisational structures needed to deliver the strategy. It will outline the key capabilities that need development to support the strategy and maximise the benefits.

The prioritised list of activities and roadmap will include activities for implementing the Target Operating Model, developing the required capabilities and identify any additional opportunities for delivering benefits.

Challenges

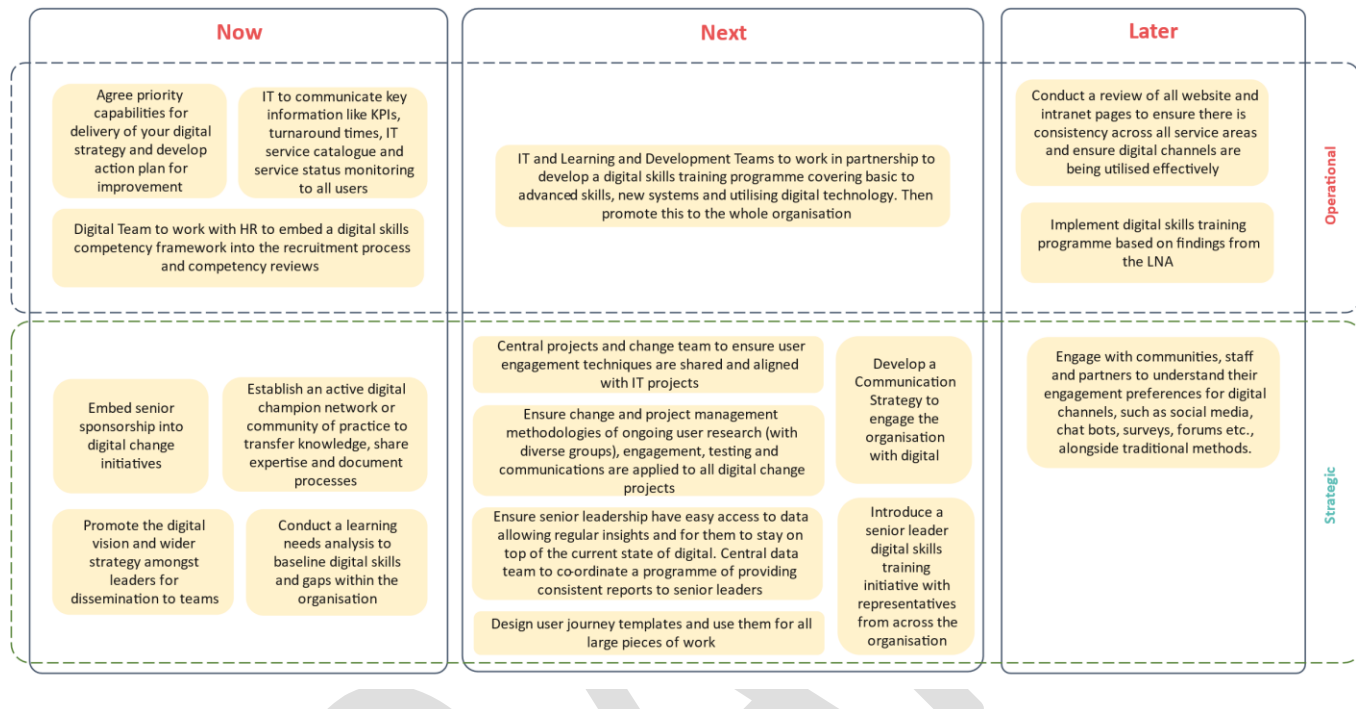
All strategies should be achievable and outline our plan to achieve the aspirations within. However, in the backdrop of modern Council set ups and financial pressures, it should be noted that challenges to deliver will exist and must be mitigated to ensure that the strategy can be achieved.

Challenge	High level mitigation
<ul style="list-style-type: none"> Budget constraints 	<ul style="list-style-type: none"> ✓ An invest to save mentality is needed to drive changes that will ultimately drive savings
<ul style="list-style-type: none"> Changing embedded culture 	<ul style="list-style-type: none"> ✓ Change programmes must outline benefits and engage staff in a positive way to encourage change
<ul style="list-style-type: none"> Lack of leadership 	<ul style="list-style-type: none"> ✓ The strategy must be promoted and driven from the top down to break down silos and create staff 'buy in'
<ul style="list-style-type: none"> Poor data quality 	<ul style="list-style-type: none"> ✓ Processes must be aligned and systems integrated to ensure we have a single source of truth and progress the data strategy
<ul style="list-style-type: none"> Legacy technology 	<ul style="list-style-type: none"> ✓ Old systems within Councils can hinder progress and innovation (linked to budget restraints and culture too), new system must be considered that will ultimately drive a modern, automated and more efficient Council
<ul style="list-style-type: none"> Resource constraints 	<ul style="list-style-type: none"> ✓ Effective prioritisation of work and ensuring that resource requirements for projects are well defined will help ensure the available resource used to effectively
<ul style="list-style-type: none"> Skills gaps 	<ul style="list-style-type: none"> ✓ Staff and users will need to be able to continually improve their digital skills to ensure the best services delivered and full benefits can be realised

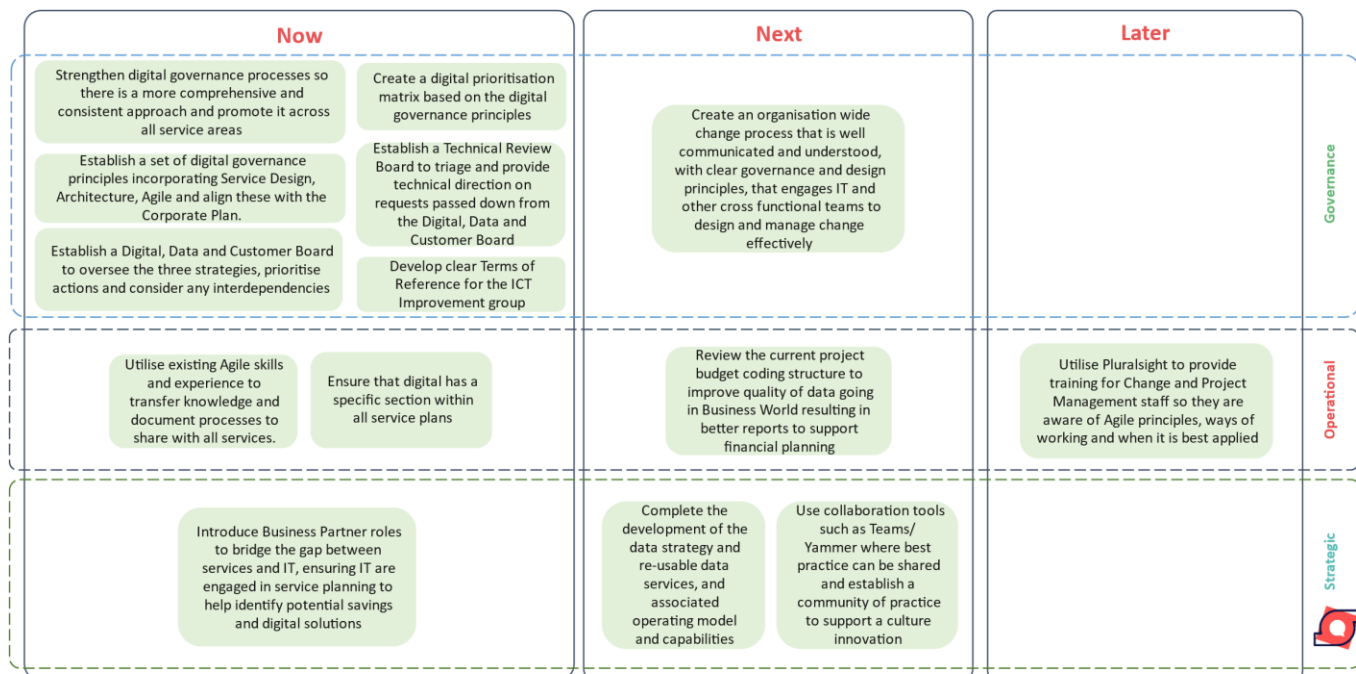
Appendix 1 – Strategic drivers explained

1. **Collaboration:** Southampton wants to access the right skills and knowledge across different service areas when working on digital projects. This is achieved by implementing processes and developing a culture that encourage collaboration between IT, Digital, PMO, Service Design and Transformation teams to utilise skills and expertise to deliver the best digital outcomes. Where required this extends to collaboration with partners and suppliers.
2. **User Engagement:** Being able to properly understand user needs by engaging and incorporating their feedback when designing and developing digital projects, will improve the user experience of the end service. Digital services can provide more channels for services and engaging local people and businesses. Online platforms, social media, and mobile apps can facilitate engagement, feedback, and participation in decision-making processes.
3. **Digital Innovation:** Southampton would like to develop the skills and capacity to identifying innovative digital solutions in a more proactive way, investing in horizon scanning, instead of being reactive to changing markets. Understanding the art of the possible is, potential benefits and having the ability to run proof of concepts can support a roadmap that takes the benefits of new opportunities and meets users expectations, while better managing risk.
4. **Efficiency:** Councils are currently under pressure to reduce costs against a background of increasing demand, 'deliver more with less'. Making use of digital tools and approaches can lead to cost savings through automation, process efficiencies, and reduced reliance on manual intervention. There is a challenge of needing to invest to save, particularly in the technology roadmap, but there are opportunities to do this incrementally, as opportunities arise.
5. **Digital Governance:** There is a need to standardise the approach to all digital projects and requests, with a clear set of digital principles that will inform prioritisation and provide a consistent approach and assess alignment to the agreed digital strategy and technology roadmap.
6. **Digital Skills and Technology:** Investing in equipping all colleagues with the digital tools and skills they need to effectively deliver services and improve processes, providing the best service to our people. Implementing a competency framework as part of staff development and recruitment will help ensure appropriate skills are developed and maintained within the council, that meet the needs of individual service areas.
7. **Benefit Realisation:** Southampton are keen to focus on the benefits and positive impact of digital solutions instead of primarily focusing on cost when procuring new digital tools. This will require collection of data as part of the design process to properly understand current costs, and build in end to end monitoring and measurements from the start, to assess actual benefits and drive continual improvements.
8. **Change Management:** Having a single and well communicated change process, that embeds a range of proven change management methodologies will enable Southampton to effectively implement and maintain change across digital projects. It will support a holistic view of change activities, their priority and how they align to the councils strategic objectives as a result of the digital strategy.
9. **Flexible and Agile Operations:** Digital methods and modern solutions can enable the council to adapt quickly to changing circumstances and evolving needs. Integrated cloud-based solutions, for example, provide more flexibility and scalability and the ability to respond to an ever changing environment.
10. **Service Delivery:** Digital services can improve service delivery by providing more accessible, efficient, and responsive services to local people. Online platforms and digital communication tools can enhance the overall experience for all users and through integration and automation, make them more efficient, reducing failure demand. By strengthening service design to create services that are efficient and user centred, service delivery will be improved.

People and Skills



Process and Organisation



Technology & Architecture

Now	Next	Later	
	Define and recruit to an Enterprise Architect role to develop the EA capability for IT and SCC more widely.	Ensure that governance for new technology is strengthened to include an IT review of integration capability/interoperability (part of the procurement governance)	Governance
<p>Explore the potential benefits of a contract review with Civica and Capita to achieve a more strategic approach</p> <p>Review opportunities to fully exploit the MS365 platform and functionality included with the E5 licensing, look at license profiling to manage costs</p>	<p>Investigate how the CRM can be used to support customer communications and understand their communication preferences alongside recording customer interactions</p> <p>Make better use of the CMDB and the metadata model to understand the application landscape and the relationship with contracts for identification of change opportunities and improved reporting.</p>	<p>Understand and define the As-is architecture, and applications to identify duplication of functionality (with a view to removing duplications) and a roadmap for reduction the number of legacy systems and technical debt</p> <p>Undertake a systems review including contractual arrangements and opportunities to align with the digital strategy</p>	Operational
<p>Create an Integration Strategy, with associated capabilities</p> <p>Review TOM recommendations and incorporate actions into IT service plans</p>	<p>Consider a third-party full analysis of the wider software licence and utilisation landscape to identify areas where more robust licence management could reduce costs.</p> <p>Complete the development of the data strategy and reusable data services, and associated operating model and capabilities</p>	<p>Application rationalisation or improved utilisation:</p> <ul style="list-style-type: none"> - Share Point - Power Platform - Combined use of Academy and Digital360 in Revs and Bens - Asset Management systems - Case Management solutions - Payment solutions 	Strategic

Design, Plan and Implement

Now	Next	Later	
<p>Ensure services are aware of the process for procuring new systems and must engage IT who will inform the best possible solution</p> <p>Create a cross cutting process with IT/Procurement team to ensure IT are consistently engaged at an early stage in all technology/digital procurement, via a set of standard IT and service design principles or active engagement with IT, Transformation and PMO teams</p>			Governance
<p>Develop a core service design capability that can be used across the organisation, with a clear set of design principles that are crossfunctional and end to end</p> <p>Develop a toolkit to ensure that requirements are gathered before the commencement of any procurement. Ensure principles and priorities are included and that services are aware of the need for robust requirement gathering process</p>	<p>Understand internal users need and corporate requirements around financial planning and forecasting and build appropriate reporting tools</p> <p>Create a crossfunctional team to work with the business to explain the art of the possible for digital opportunities, understand the businesses challenges and utilise IT's expertise to identify potential digital solutions</p>		Operational
<p>Create a Service Design Toolkit with a selection of service design tools (user journey mapping, user stories, feedback methods, collaboration tools, prototyping) and use them consistently across all services</p> <p>Embed user engagement and research as core part of Southampton's service design approach to capture qualitative data to inform usercentred design</p>		<p>Build in monitoring and reporting of benefits as part of service design process</p>	Strategic



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.

Name or Brief Description of Proposal	Digital Strategy 2024-2030
Brief Service Profile (including number of customers)	
<p>The Digital Strategy sets out the vision, principles, priorities and roadmap for delivering cross cutting Digital services across the authority through to 2030.</p> <p>Effective service design based around the needs of all users is a central principle to the strategy.</p>	
Summary of Impact and Issues	
<p>There are no impacts or issues identified in the proposal, however the delivery of the strategy opens the possibility for greater access to, and accessibility of services offered by Southampton City Council.</p>	
Potential Positive Impacts	
<p>The programme of work covered by the Digital Strategy 2024-2030 will have positive impacts.</p> <p>These include improved physical access to digital services through enhancement of access in community locations such as libraries for any users who may not have access themselves.</p> <p>New technology investments will allow further improvements on the accessibility of digital services and more channels of access to be developed, and by ensuring that users are at the heart of any service design will help ensure that all users needs are met.</p>	

all of which will help ensure the widest possible access services is possible and helping to reduce the risks of digital exclusion.	
Responsible Service Manager	Gavin Muncaster
Date	24/05/2024
Approved by Senior Manager	
Date	

Potential Impact

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
Age	No issues identified but potential improvements through enablement of improved accessibility options for services.	
Disability	No issues identified but potential improvements through enablement of improved accessibility options for services.	
Gender Reassignment	No issues identified	
Marriage and Civil Partnership	No issues identified	
Pregnancy and Maternity	No issues identified	
Race	No issues identified	
Religion or Belief	No issues identified	
Sex	No issues identified	
Sexual Orientation	No issues identified	
Community Safety	No issues identified but potential improvements through enablement of improved access to services.	
Poverty	No issues identified but potential improvements through enablement of improved access to services.	

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
Health & Wellbeing	No issues identified but potential improvements through enablement of improved access to services.	
Other Significant Impacts		

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DECISION-MAKER:	Cabinet
SUBJECT:	Data Strategy
DATE OF DECISION:	25 June 2024
REPORT OF:	COUNCILLOR LETTS CABINET MEMBER FOR FINANCE & CORPORATE SERVICES

<u>CONTACT DETAILS</u>			
Executive Director	Title	Director of Strategy and Performance	
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	E-mail	dan.king@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY

NOT APPLICABLE

BRIEF SUMMARY

Data is one of the organisations key assets. To maximise the potential benefit from our information, we need to collect it accurately, manage it effectively, re-use it where we can, share it appropriately and ensure that it is adequately protected. Data and the intelligence derived from it are essential in becoming an evidence-informed council and in delivering the transformation required to become a modern and sustainable organisation. The Data and Intelligence Strategy sets out our vision to achieve this. This paper summarises the need for the strategy, it's vision for our data and intelligence, priority areas for action and the process of developing it.

RECOMMENDATIONS:

	(i)	To approve and adopt the 2024-2030 Data & Intelligence Strategy, including the priority action areas, principles and outcomes set out in the strategy
	(ii)	To support the alignment of services and projects to the new Data strategy ensuring consistency across the authority and supporting closer working across the wider city and sub-region.

REASONS FOR REPORT RECOMMENDATIONS

1.	Making best use of our data and intelligence assets will be essential in driving organisational transformation and being an evidence informed organisation, sustainable and fit for the future. The Data & Intelligence Strategy sets out the vision to achieve this.
2.	Southampton City Council does not currently have a Data Strategy despite data being one of our key assets and data-led decision making being central to the delivery of our corporate plan.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
3.	Continue as we are; do not have a specific Data Strategy and do not have a strategic direction for how we manage and make best use of our data assets.
DETAIL (Including consultation carried out)	
4.	Across Southampton City Council (SCC) we use data in our daily working lives as we work to achieve our objectives. Data comes in many forms and is held in a variety of paper and electronic formats (digital and non-digital). Data is fundamental to drive operational activity, undertake financial transactions, engage with our customers, formulate policy, deliver and manage our services and operate internal functions without which SCC simply could not function. Despite this, data is not always recognised as an asset and SCC has not previously had a defined Data and Intelligence Strategy.
5.	<p>Several assessments of SCC (going back to 2015 KPMG report) have found:</p> <ul style="list-style-type: none"> • Not always a clear link made between data and strategic objectives. • Inconsistent approach to performance data and performance management. • Data is often held in ‘silos’ and takes considerable effort to join up • Inefficient manual-based processes • Data use, understanding and skills vary dramatically across SCC • Data infrastructure is not fit for purpose; data stored in numerous systems (approx. 128) – some are poorly understood and support varies - making use of data complicated and time consuming. • Accountable ownership of data and good data management practices are not embedded consistently across the council. This results in poor data quality; decisions being made without supporting evidence and lack of trust in available data. • Lack of some specialist capability and skills
6.	<p>In response to some of these challenges, there has been an ongoing process of successful incremental development undertaken in the Data, Intelligence & Insight service over the last few years. This strategy looks to build upon that work and accelerate the implementation of proven effective working practices alongside the development of new capabilities. Recent improvements include:</p> <ul style="list-style-type: none"> • Established a centralised Data and Intelligence team with the right people and skillsets, although there is further work to be carried out to develop a true centre of excellence. • Performance, strategic analysis and research & insight functions in one team; providing a critical mass of intelligence professionals better able to cross skill and flex to demand pressures. • Principal Analysts posts created that take a business partnering approach to support services use their data more effectively. They also addressed structural, management and resource issues in key areas. • Improved use of more efficient and automated reporting technologies and increased self-serve (Power BI/Southampton Data Observatory).
7.	To maximise the potential benefit from our information, we need to collect it accurately, manage it effectively, re-use it where we can, share it appropriately and ensure that it is adequately protected.

8.	<p>Furthermore, evidence informed decision making is now a core operating principle (as set out in SCC's Corporate Plan 2022-2030), and the Data and Intelligence Strategy will help drive the organisation to a position where SCC is using data and analytics as a much more fundamental part of its decision-making process. This will also help increase transparency and justification in decision making, in turn supporting the principles of democratic decision making.</p>
9.	<p>The Data and Intelligence Strategy is part of a wider approach required to ensure that SCC is at the leading edge of digital and technology enabled and enhanced services. There is strong alignment with the Customer Access Strategy and Digital Strategy, both of which will support the objectives and approach of this strategy.</p>
10.	<p>The strategy has been developed over the last 18 months based on a series of extensive research activities. Desk based policy research was conducted to understand what had been done elsewhere, identify common themes and to establish best practice. This was supplemented by fact finding meetings with local authorities identified as exemplars or further along their data maturity journey. We also completed the LGA Data Maturity Self-Assessment to benchmark our data maturity and to better understand our strengths, weaknesses and gaps. Finally, we conducted a series of 'future basing' workshops, which provided further insight on what data professionals and our wider stakeholders felt was important to address in the strategy.</p>
11.	<p>Based on the above activities, the Southampton City Council Data and Intelligence Strategy sets out the following vision:</p> <p><i>Data is accurate, understood and valued. The right data, intelligence and insight will be made available to the right people at the right time to drive effective, evidence-informed decision making, performance management and future planning.</i></p>
12.	<p>This strategy sets out five priority areas of focus. These are the critical areas of focus that will help us to achieve our vision. They are:</p> <ul style="list-style-type: none"> • Optimised Use of Data and Intelligence - Extract maximum value from our data and intelligence by ensuring it is embedded in the decision-making process at strategic and operational levels. • Data and Intelligence-led Culture - The value of data and intelligence is understood, utilised and embedded at both strategic and operational levels with all staff and elected members routinely using it to help them with their work. • Data Management and Technology - Data management processes and practices are clearly defined, whilst technology is used to drive efficiencies, improve data access and enable data maturity goals. • People and Skills - All staff and elected members are supported to be data literate and advanced data science capabilities exist in house through a centre of excellence model. • Data Governance - Clear data governance is in place, data sharing is easy and compliant, and staff understand their responsibilities, the principles of data security, and the legislation underpinning it.

13.	We need to take action on all areas of focus for the strategy to succeed. Each priority area is reliant on achieving the outcomes within the other areas to achieve its objective. For example, in order to optimise and make best use of our data, we need the right technology to be in place, but also the people with the right skills to exploit it, the right data governance processes to protect it and the right organisational culture to ensure it is used effectively.
14.	A series of specific outcomes and actions are set out under each of the priority areas. Whilst we won't repeat the detail here, it can be read in the accompanying strategy document.
15.	The extensive outcomes in this strategy will necessitate a phased approach to implementation which will be influenced by available funding and resources over the lifetime of the strategy and beyond. It is envisaged that priorities and resources will be allocated based on transformation priorities and specific business cases. The Data and Digital outline business case (OBC) sets out the initial actions, outcomes and resources required to deliver the principles set out in the Data and Digital Strategies. This will be supplemented by a pipeline of work coming from other transformation OBCs.
16.	A Data and Digital Programme Board will be established to oversee the implementation of the strategy, ensuring clear and robust governance and providing clear links into the implementation of the Digital and Customer Strategies. It is anticipated that the board will be chaired at executive level and will agree an implementation programme based on transformation priorities.
17.	<p>Implementation of the strategy should benefit residents in a number of ways.</p> <p>Improvements in the way we record, link, collect, maintain and analyse data should lead to improved decision making, more efficient services and better outcomes for residents. By improving the timeliness of our data, we will be able to respond faster and improve services for residents and other stakeholders. Data analytics will also be used to monitor inequalities between demographic groups (and protected characteristics) to ensure services are appropriately designed and resources can be aligned to need.</p> <p>By improving the way we link (join-up) and manage the quality of data we may be able to avoid residents having to give their details and repeat their experiences on multiple occasions. Data quality should improve and therefore the information we hold on individuals should be more accurate. Improved awareness of the importance of GDPR and how data should be used and protected should improve compliance and potentially reduce data breaches. By improving our processes and the transparency of those processes around our legal and ethical treatment of data we hope to increase resident confidence in the way we use data.</p> <p>Residents and communities will also have better access to information about the city and their communities through the Southampton Data Observatory which will have a range of benefits through greater civic engagement. By publishing this (anonymised) data we will support partner organisations and individuals with an interest in equality issues to have available data to support their own design and delivery of services.</p>

18.	Over the period of this strategy, it is inevitable that technology will change and evolve, shifting the 'art of the possible' and opening-up new opportunities to use our data in new innovative ways. The strategy therefore provides the foundations for understanding and using our data which can be further developed through future iterations.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
19.	There are no specific capital/revenue budget requirements set out within the Data & Intelligence Strategy. However, it is recognised that additional resources may be required to accelerate implementation. Alongside this, there will be a number of transformation projects/programmes that will require data support. Whilst these will align with the principles set out in the strategy, the specific resourcing required to deliver them will be set out in separate business cases through the Adapt, Grow, Thrive Programme.
20.	The benefits of improved access to data and intelligence to drive more effective evidence-based decision making, alongside new technologies to drive automation and self-serve and improved skills and practices set out in the strategy are likely to lead to efficiencies across the council and improved outcomes for residents.
<u>Property/Other</u>	
21.	N/A
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
22.	Section 111 Local Government Act 1972 and Section 1 Localism Act 2011
<u>Other Legal Implications:</u>	
23.	Any purchasing that is required will be completed via the appropriate procurement route.
RISK MANAGEMENT IMPLICATIONS	
24.	Individual projects to deliver the strategy would be subject to their own risk management processes as part of the appropriate project delivery or procurement approach.
POLICY FRAMEWORK IMPLICATIONS	
25.	The Data and Intelligence Strategy, alongside the Digital and Customer Strategies will be key strategies for delivering the corporate objectives from 2024-2030

KEY DECISION?	Yes
WARDS/COMMUNITIES AFFECTED:	none
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Data and Intelligence Strategy 2024-2030

2.	ESIA
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Documents In Members' Rooms

1.	None
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Equality Impact Assessment

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

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

Other Background documents available for inspection at:

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

Name or Brief Description of Proposal	Data & Intelligence Strategy 2024-2030
Brief Service Profile (including number of customers)	
<p>Data is one of the organisations key assets. To maximise the potential benefit from our information, we need to collect it accurately, manage it effectively, re-use it where we can, share it appropriately and ensure that it is adequately protected. Data and the intelligence derived from it are essential in becoming an evidence-informed council and in delivering the transformation required to become a modern and sustainable organisation. The Data and Intelligence Strategy sets out our vision, principles and priorities to achieve this through to 2030.</p>	
Summary of Impact and Issues	
<p>There are no direct impacts or issues identified in the proposed strategy. However, the delivery of the strategy may lead to increasing amounts of personal data being collected, improved scrutiny of data quality and increased access to personal and non-personal data for decision makers. The future use of more advanced analytics, machine learning and Artificial Intelligence (AI) may lead to changes in the way data is used to make decisions about individuals, residents and communities.</p> <p>There is potential that residents and service users are anxious about the amount of data we hold about them and the security of that data. This potential negative impact exists without the strategy changing anything and a range of communications tools and processes are already in place. However, as the programme seeks to raise the profile of the benefits of data and the benefits of sharing data, this has the potential to increase awareness and, in some cases, increase anxiety.</p> <p>Residents and service users may be particularly concerned about the use of Artificial Intelligence (AI) – for example in producing unfair outcomes or reducing</p>	

job opportunities.

There is the potential for increased data breaches due to the data we hold not being managed securely. This potential negative impact exists without the strategy changing anything and is very carefully managed in a range of ways including security measures around the data and staff training. However, given the intention of the Data Strategy is to increase the appropriate movement and sharing of data the potential should be actively considered by the programme.

There is the potential risk of using flawed/incomplete data. Data sets with low quality data, including gaps in the data, may be used to support decisions. This risks decision makers coming to conclusions that may not reflect the full picture. However, this risk is present without the strategy changing anything. By actively surfacing our data and monitoring / addressing data quality issues, this risk should be reduced significantly.

Potential Positive Impacts

The programme of work covered by the Data & Intelligence Strategy will have positive impacts.

Improvements in the way we record, link, collect, maintain and analyse data should lead to improved decision making, more efficient services and better outcomes for residents. By improving the timeliness of our data, we will be able to respond faster, this could particularly support vulnerable groups whose locations can change frequently, including: migrants; refugees; asylum seekers; people on probation; Gypsy, Roma and Traveller communities.

By improving the way we link (join-up) and manage the quality of data we may be able to avoid residents having to give their details and repeat their experiences on multiple occasions.

Data quality should improve and therefore the information we hold on individuals should be more accurate. Improved awareness of the importance of GDPR and how data should be used and protected should improve compliance and potentially reduce data breaches. By improving our processes and the transparency of those processes around our legal and ethical treatment of data we hope to increase resident confidence in the way we use data.

Residents and communities will also have better access to information about the city and their communities through the Southampton Data Observatory which will have a range of benefits through greater civic engagement. By publishing this (anonymised) data we will support partner organisations and individuals with an interest in equality issues to have available data to support their own design and delivery of services.

Data analytics can be used to monitor inequalities between demographic groups (and protected characteristics) to ensure services are appropriately designed and resources can be aligned to need. Also, by improving the data we hold on residents with protected characteristics and vulnerable groups, we will increase our knowledge of residents and service users so that we can monitor equal opportunities/anti-discrimination policies.

Any risks associated with increased collection of (and access to) personal data, will be mitigated through robust compliance with IG and security processes and analytical protocols put in place to ensure data is only accessible to the right people for pre-agreed purposes, and personal data is protected.

Responsible Service Manager	Dan King
Date	28/05/2024
Approved by Senior Manager	
Date	

Potential Impact

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
Age	No specific impacts identified. Although improved recording and use of data will lead to a better understanding of needs / inequalities and more responsive / tailored services.	
Disability	Increased collection, linkage and sharing of data increases risk of disclosure of sensitive personal information. Improved recording and use of data will lead to a better understanding of needs / inequalities and more responsive / tailored services.	IG and data security processes in place. DPIAs completed for all new data related projects to identify and mitigate risks. Enhanced training for analytical staff on IG and disclosure control.
Gender Reassignment	Increased collection, linkage and sharing of data increases risk of disclosure of sensitive personal information. Improved recording and use of data will lead to a better understanding of needs / inequalities and more responsive / tailored services.	IG and data security processes in place. DPIAs completed for all new data related projects to identify and mitigate risks. Enhanced training for analytical staff on IG and disclosure control.
Care experienced	Increased collection, linkage and sharing of data increases risk of disclosure of sensitive personal information. Improved recording and use of data will lead to a better understanding of needs / inequalities and more responsive / tailored services.	IG and data security processes in place. DPIAs completed for all new data related projects to identify and mitigate risks. Enhanced training for analytical staff on IG and disclosure control.

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
Marriage and Civil Partnership	No specific impacts identified. Although improved recording and use of data will lead to a better understanding of needs / inequalities and more responsive / tailored services.	
Pregnancy and Maternity	Increased collection, linkage and sharing of data increases risk of disclosure of sensitive personal information. Improved recording and use of data will lead to a better understanding of needs / inequalities and more responsive / tailored services.	IG and data security processes in place. DPIAs completed for all new data related projects to identify and mitigate risks. Enhanced training for analytical staff on IG and disclosure control.
Race	Increased collection, linkage and sharing of data increases risk of disclosure of sensitive personal information. Improved recording and use of data will lead to a better understanding of needs / inequalities and more responsive / tailored services.	IG and data security processes in place. DPIAs completed for all new data related projects to identify and mitigate risks. Enhanced training for analytical staff on IG and disclosure control.
Religion or Belief	Increased collection, linkage and sharing of data increases risk of disclosure of sensitive personal information. Improved recording and use of data will lead to a better understanding of needs / inequalities and more responsive / tailored services.	IG and data security processes in place. DPIAs completed for all new data related projects to identify and mitigate risks. Enhanced training for analytical staff on IG and disclosure control.
Sex	No specific impacts identified. Although improved recording and use of data will lead to a better understanding of needs / inequalities and more responsive / tailored services.	
Sexual Orientation	Increased collection, linkage and sharing of data increases risk of disclosure of sensitive personal information. Improved recording and use of data will lead to a better understanding of needs / inequalities and more responsive / tailored services.	IG and data security processes in place. DPIAs completed for all new data related projects to identify and mitigate risks. Enhanced training for analytical staff on IG and disclosure control.
Community Safety	No specific impacts identified. Although improved recording and use of data will lead to a better understanding of community needs / inequalities / hotspots and more responsive / targeted services.	

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
Poverty	No specific impacts identified. Although improved recording and use of data will lead to a better understanding of socio-economic needs / inequalities / hotspots and more responsive / targeted services.	
Health & Wellbeing	Increased collection, linkage and sharing of data increases risk of disclosure of sensitive personal information. Improved recording and use of data will lead to a better understanding of needs / inequalities and more responsive / tailored services.	IG and data security processes in place. DPIAs completed for all new data related projects to identify and mitigate risks. Enhanced training for analytical staff on IG and disclosure control.
Other Significant Impacts	No specific impacts identified	

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DECISION-MAKER:	Cabinet
SUBJECT:	St Mary's Woodlands SEND resourced provisions
DATE OF DECISION:	25 June 2024
REPORT OF:	COUNCILLOR WINNING CABINET MEMBER FOR CHILDREN AND LEARNING

<u>CONTACT DETAILS</u>			
Executive Director	Title	Executive Director Wellbeing (Children and Learning)	
	Name:	Robert Henderson	Tel: 023 8083 4899
	E-mail	Robert.henderson@southampton.gov.uk	
Author:	Title	Strategic Manager SEND	
	Name:	Kirsty Relton	Tel: 023 80832059
	E-mail	Kirsty.relton@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY

N/A

BRIEF SUMMARY

Southampton is at capacity with special school places based on current builds, both for secondary and primary cohorts. Consideration has been made of how to manage the existing pressure on the Council in terms of need for more specialist placements and the resources available to the city rather than using high cost out of city placements.

In relation to primary - the unit at St Mary's is proposed to replicate that existing in another primary school in the city. There are no additional costs to the LA to set this up as the school's existing environment can absorb the additional placements.

The unit at Woodlands Secondary School is a new model and requires a capital investment of £250,000. The proposed profile of pupils for placement have no alternative options in the city so pupils placed there going forward would otherwise be placed outside the city in high cost settings, which has implications for both the DSG High Needs and the General Fund as it relates to Home to School Transport.

RECOMMENDATIONS:

	(i)	To approve the spend of £250,000 within the Children's & Learning capital programme to facilitate the opening of a SEND unit for children and Young people with SEMH needs on the site of Woodlands Community College. This unit will accommodate 8 spaces initially.
	(ii)	To approve the opening of a SEND unit for children and young people with moderate learning difficulties and associated speech, language and communication needs. on the site of St Mary's Primary School. This provision is initially to support 8 KS 1 pupils.

REASONS FOR REPORT RECOMMENDATIONS

1. The current position is that Southampton does not have a specialist school for girls with social, emotional & mental health (SEMH) needs in Southampton. These pupils are either currently attending mainstream secondary settings with bespoke support, accessing the Compass pupil referral unit or attending out of city placements at a high cost to the Local Authority. Southampton currently has a provision for boys with the same needs and this provision cannot be expanded to accommodate girls in its existing condition. It is considered that a fully contained unit on the site of a mainstream secondary school can provide an option for a cohort of girls to ensure they have the same opportunities as boys with similar needs.

For girls with Education, Health and Care Plans (EHCP) and SEMH needs the pathway for specialist provision has been in placements outside the city and these come at a cost of a minimum £70,000 per year. The proposed provision is for 8 pupils to be filled over a two year period. Year 1 - 4 pupils and year 2 - 8 pupils. There is the potential for further growth to 12 pupils in the future.

Placements at Woodlands School will support a bridge for pupils to return to mainstream school if appropriate and will also allow girls the benefit of being educated in their local area. These placements will also lead to a reduction in permanent exclusions across the city.

2. There has been an increase in recent years of pupils with complex needs entering reception at primary school and as a result an increase in the pressure on special school placements. Over the last two years places at Springwell School have been increased to support this. Pupils with complex needs have been increasingly placed in our mainstream schools and schools have made accommodations to support this additional level of need. The SEND team have supported this via funded outreach packages. There are, however, some pupils that require something more bespoke and therefore the unit at St Mary's will allow for 8 pupils to be supported in a specialist way. This replicates the model at Mason Moor which opened in September 2023 to support 10 pupils with the same need. There are no set up costs for the unit as this can be offered from the schools existing building due to empty classrooms.

The lack of growth in these placements has led to increases in tribunals for Springwell over the last three years. It has also led to an increase in tribunals for settings in other LA's and therefore children being transported out of the city.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3. Do nothing. In relation to Woodlands, this will result in the LA continuing to incur high costs in relation to out of city placements and girls will not be able to access an appropriate suitable setting in the city. In relation to St Mary's, this will result in a continued failure to meet the needs of a set of pupils that currently cannot be placed due to special school capacities.

DETAIL (Including consultation carried out)	
4.	<p>A full statutory consultation has taken place in relation to both units, this concluded in January 2024.</p> <p>We are proposing to open a unit for 8 pupils with moderate learning difficulties and associated speech language and communication needs and/or autism in St Mary's C of E School. This would be housed within the current school building within its own area with access to its own toilet facilities. It would have access to the main outside space of the school and would be supported by its own team of staff.</p> <p>We are proposing to open a unit for 8 pupils with social, emotional and mental health needs at Woodlands Community College. This would be housed in its own building separate to the main site. It would have access to its own toilet facilities and outdoor space. Pupils in attendance would be supported by a dedicated team of staff in the setting.</p>
5.	£250,000 is approved in the capital programme fund additional SEND units. It is proposed to utilise this existing project to fund the Woodlands Unit, which will support up to 8 secondary age girls in Southampton. The funding is to cover the build of a contained unit on the school site that can provide a contained setting for the pupils.
6.	The set up of the unit at St Mary's has no cost implications attached. The school currently has two empty classrooms that can be utilised to support the set up of the provision.
7.	Both units will accommodate pupils from all areas of the city and all pupils will be assessed for transport to school in line with the home to school transport policy.
8.	Placements at the units will be funded per pupil via the Higher needs budget in line with the funding for other special schools and units in the city.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
9.	The approved capital budget is £250,000, funded by the schools allocation grant, already in the capital programme. This funding is to be made available to Woodlands to cover the cost and set up of the unit. The School will follow usual procurement processes to ensure the project comes in within these costs. The school will be given the responsibility to ensure this comes in within the funding envelope.
10.	The plan for the unit is to provide two classroom spaces that will support growth to 12 pupils however should costs exceed the allocated funding the size will reduce and placements will remain at 8. The cost of the provision is still offset over the 5 year period.
11.	<p>For Woodlands, placements are agreed at a cost per placement of £35,000. Cost only applied once the pupil is in attendance.</p> <p>4 places- £140,000 per academic year 8 places- £280,000 per academic year 12 places-£420,000 per academic year</p>

	For St Mary's the setting will receive £10,000 per placement plus a top up amount for each pupil placed. This equates to an annual amount of £80,000 for 8 places plus a top up of £8048 per pupil placed. This is in line with Springwell School who have a similar cohort of pupil profile.
<u>Property/Other</u>	
12.	Woodlands Community College is a PFI setting and therefore are subject to using specific providers for any work on site.
13.	Woodlands Community College and St Marys Primary School will be responsible for ongoing maintenance of their SEND Units.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
14.	The addition of a special education needs unit at a maintained mainstream school is a 'Prescribed Alteration' within the meaning of the School Standards & Frameworks Act 1998. Proposals must be consulted upon before formal statutory Notices published and a 4 calendar week representation period completed in accordance with the statutory guidance "Making significant changes ('prescribed alterations') to maintained schools – statutory guidance for proposers and decision makers January 2023". Cabinet is required to determine statutory proposals within 2 calendar months of the close of the representation period set out in the Statutory Notice (attached at Appendix X)
15.	The Council, in reaching its decision is required to demonstrate that pupils will not be displaced by the introduction of any new provision and demonstrate how the proposed arrangements will lead to improvements in the standard, quality or range of provision for children, together with how the proposals comply with the Council's duties under s.149 Equalities Act 2010 (the 'Public Sector Equality Duty'. A detailed EISA relating to these proposals is attached at appendix X).
<u>Other Legal Implications:</u>	
16.	Special Educational Needs and Disability Code of Practice: 0-25 Years The Code of Practice provides statutory guidance on duties, policies and procedures relating to Part 3 of the Children and Families Act 2014 and associated regulations and applies to England. It is relevant as all pupils who attend a SEND unit provision have an Education, Health and Care Plan which states the provision required to meet their needs.
RISK MANAGEMENT IMPLICATIONS	
17.	Whilst forecasting for placements has taken place it is possible that the demand for the unit will not meet the allocated placements. The costs of the unit can be covered with just four pupils in attendance and moving into year 2 consideration can be given to make the unit mixed boys and girls which will support with placement pressures at the Polygon School. It is considered that this is low risk.
POLICY FRAMEWORK IMPLICATIONS	

	The provision of this resource base is consistent with the Council's policies and strategies.
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KEY DECISION?	Yes
WARDS/COMMUNITIES AFFECTED:	All
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	ESIA for Woodlands
2.	ESIA for St Mary's
3.	Statutory Notice of Consultation

Documents In Members' Rooms

1.	Consultation Full results summary
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Equality Impact Assessment

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

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

Other Background documents available for inspection at:

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1. Special educational needs and disability code of practice. 0-25 years	SEND Code of Practice January 2015.pdf (publishing.service.gov.uk)

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Equality and Safety Impact Assessment

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

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

Name or Brief Description of Proposal	Woodlands Community School- a SEND Unit for Children and Young people with Social, Emotional and mental health needs.
Brief Service Profile (including number of customers)	
<p>This assessment has been undertaken to support recommendations to add a small building to Woodlands School to create a SEND Unit for Girls with SEMH needs. The numbers and complexity of children with special educational needs and disability (SEND) has been increasing both nationally and locally for the last 15 years. Southampton, in recent years, has seen an increase in the number of pupils with SEMH needs and currently has a Special School provision for boys with this category of need. Currently there is no provision for girls identified as having special educational needs and therefore those that require special schools have to travel outside the city to receive appropriate support. Whilst the needs of the majority of these pupils can be met in mainstream schools, a small number require more specialist provision. This unit will allow for girls to access provision in the city and appropriately have their needs met..</p>	
Summary of Impact and Issues	
<p>Age- Positive Impact The proposal is to create 8 places for girls age 11-16 with SEMH needs. This provision will tailor its support to the needs of these pupils with a specific understanding of the age group.</p> <p>Gender- Positive Impact The unit will be for girls only and therefore whilst there is no positive impact for boys this does provide an equitability for girls as there is no current option available to them locally.</p>	

Disability – Positive impact

This proposal is part of a wider set of reforms which aims to provide a more comprehensive continuum of provision from increased inclusion of children with disabilities in mainstream schools, a specialist offer within a mainstream setting (Mainstream+ options and Resourced Provisions) and increased specialist provision within special schools. This will provide children and families with a greater range of options and enable many children with disabilities to access the wider provision that a mainstream setting can offer.

Ethnicity, religion or belief –Neutral impact

It is not anticipated that this proposal will impact differently on any cohorts of children based on ethnicity, religion or belief.

Geography – Negative impact

Meeting the needs of specific cohorts of children, requiring more specialist provision will be attending a school outside of their immediate catchment area. As a result, most children have to travel to school and are not educated alongside their local community. Whilst the resulting geographical spread of specialist provision will as a result be little changed to the current provision the proposals do not provide the opportunity to reduce the negative impact of children having to travel to school and be educated away from their local community.

Potential Positive Impacts

A wider offer of provision for children with SEND in the city ensure there are suitable options available to all pupils with SEMH needs.

Responsible Service Manager	Kirsty Relton
Date	08/12/2023
Approved by Senior Manager	Tammy Marks
Date	08/12/2023

Potential Impact

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
Age	Drive for increased inclusion will impact on mainstream schools	Inclusion Charter, audit and kite mark to be developed to encourage all

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
		<p>mainstream schools to become more inclusive.</p> <p>Provide enhanced support to mainstream schools to ensure staff have the confidence and competence to manage an increasing complexity of need.</p>
Disability	Increased Inclusion may initially result in discrimination and bullying.	Increased awareness, understanding and exposure to children with a wide range of needs within the context of social model of disability will in time result in greater acceptance of all.
Gender Reassignment	No negative impact identified.	
Care Experienced	No negative impact identified	
Marriage and Civil Partnership	No negative impact identified	
Pregnancy and Maternity	No negative impact identified	
Race	No negative impact identified	
Religion or Belief	No negative impact identified	
Sex	No negative impact identified	
Sexual Orientation	No negative impact identified	
Community Safety	No to the age and type of need being placed in the provision there may initially be some concern around impact on the community.	Support and quality training for staff to be provided in line with SEMH special school.

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
		Appropriate indoor and outdoor space being available to the setting.
Poverty	No negative impact identified	
Health & Wellbeing	No negative impact identified	
Other Significant Impacts	No negative impact identified	

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Equality and Safety Impact Assessment

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

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

Name or Brief Description of Proposal	St Mary’s School- SEND Unit for Children with Moderate Learning difficulties and associated Speech , Language and Communication needs and/or Autism.
Brief Service Profile (including number of customers)	
<p>This assessment has been undertaken to support recommendations to provide additional funding to use existing space in St Mary’s School to develop a Special Unit for Children with moderate learning difficulties. The numbers and complexity of children with special educational needs and disability (SEND) has been increasing both nationally and locally for the last 15 years. Southampton, in recent years, has seen an increase in the number of pupils with complex needs relating to their Learning Needs and Autism. Whilst the needs of the majority of these pupils can be met in mainstream schools, a number require more specialist provision. The city currently has a Springwell, a special school for pupils with complex learning needs which provides a space for those with the most complex level of need. It is, however, the case that more children require access to specialist support and those with Moderate Learning needs are not able to access the spaces available at Springwell. This unit will allow for an additional layer of need to access specialist support where there needs are creating complex barriers to accessing a mainstream classroom.</p>	
Summary of Impact and Issues	
<p>Age- Positive Impact The proposal is to create 8 places age 4-11 in a dedicated space within St Mary C of E primary School for children with Moderate Learning Needs and associated Speech, Language and Communication Needs and/or Autism. This provision will tailor its support to the needs of these pupils with a specific understanding of the age group. Initially this will be restricted to</p>	

pupils 5-7 however as these move through the school the age group will shift with the group.

Gender- Positive Impact

The unit will be co-educational ensuring that girls and boys are treated equally and have the same opportunities.

Disability – Positive impact

This proposal is part of a wider set of reforms which aims to provide a more comprehensive continuum of provision from increased inclusion of children with disabilities in mainstream schools, a specialist offer within a mainstream setting (Mainstream+ options and Resourced Provisions) and increased specialist provision within special schools. This will provide children and families with a greater range of options and enable many children with disabilities to access the wider provision that a mainstream setting can offer.

Ethnicity, religion or belief –Neutral impact

It is not anticipated that this proposal will impact differently on any cohorts of children based on ethnicity, religion or belief.

Geography – Negative impact

Meeting the needs of specific cohorts of children, requiring more specialist provision will be attending a school outside of their immediate catchment area. As a result, most children have to travel to school and are not educated alongside their local community. Whilst the resulting geographical spread of specialist provision will as a result be little changed to the current provision the proposals do not provide the opportunity to reduce the negative impact of children having to travel to school and be educated away from their local community.

Potential Positive Impacts

A wider offer of provision for children with SEND in the city ensure there are suitable options available to all pupils with Moderate Learning Difficulties. This supports parental choice and enables more joined up working with families in the city.

Responsible Service Manager	Kirsty Relton
Date	08/12/2023
Approved by Senior Manager	Tammy Marks
Date	08/12/2023

Potential Impact

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
Age	<p>No increase planned in primary provision</p> <p>Drive for increased inclusion will impact on mainstream schools</p>	<p>Primary numbers should decrease over the next 5-10 years due to falling birth rates.</p> <p>Inclusion Charter, audit and kite mark to be developed to encourage all mainstream schools to become more inclusive.</p> <p>Provide enhanced support to mainstream schools to ensure staff have the confidence and competence to manage an increasing complexity of need.</p>
Disability	<p>Increased Inclusion may initially result in discrimination and bullying.</p>	<p>Increased awareness, understanding and exposure to children with a wide range of needs within the context of social model of disability will in time result in greater acceptance of all.</p>
Gender Reassignment	<p>No negative impact identified.</p>	
Care Experienced	<p>No negative impact identified</p>	
Marriage and Civil Partnership	<p>No negative impact identified</p>	
Pregnancy and Maternity	<p>No negative impact identified</p>	
Race	<p>No negative impact identified</p>	

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
Religion or Belief	No negative impact identified	
Sex	No negative impact identified	
Sexual Orientation	No negative impact identified	
Community Safety	No negative impact identified	
Poverty	No negative impact identified	
Health & Wellbeing	No negative impact identified	
Other Significant Impacts	No negative impact identified	

DRAFT

Consultation on proposed SEND Resourced Provision at St Mary's Primary and Woodlands Community College

Consultation plan and principles

Southampton City Council is committed to consultations of the highest standard, which are meaningful and comply with the following legal standards:

1. Proposals are still at a formative stage (a final decision has not yet been made)
2. There is sufficient information put forward in the proposals to allow 'intelligent consideration'
3. There is adequate time for consideration and response
4. Conscientious consideration must be given to the consultation responses before a decision is made

The Council has a consultation policy which sets out key commitments and principles when undertaking public consultations. This policy applies to all services within the Council and partners and commissioned services undertaking a public consultation on behalf of Southampton City Council.

The following table highlights the actions that will be taken to comply with consultation principles:

Consultation principle	Information / Actions
Proposals are still at a formative stage (a final decision has not yet been made)	<ul style="list-style-type: none"> • None of the proposals being presented in the consultation for feedback have been formally decided on or agreed on. There is scope to influence the proposals. <p><u>Type of consultation</u> (as described in the consultation policy)</p> <ul style="list-style-type: none"> • There is a statutory duty to consult. <p><u>Decision making process</u></p> <ul style="list-style-type: none"> • The relevant Executive Director and Cabinet Member will have oversight of the developments of the proposals. • The consultation will be launched by delegated decision. The delegated decision will be signed by Robert Henderson. <ul style="list-style-type: none"> ○ The list of documents shared for sign off will include: Consultation Plan and Questionnaire; Draft ESIA; and Delegated Decision Notice for signing. • The results of the consultation will inform the final proposals that will be presented to cabinet for a final decision.
There is sufficient information put forward in the proposals to allow 'intelligent consideration'	<p><u>Information put forward</u></p> <ul style="list-style-type: none"> • All public information for consideration on the proposals will be included within one place, a council webpage, to keep it as clear as possible. Everyone can be directed here (including persons who become aware of the consultation via partners) to find everything they need to take part or encourage others to take part. • The content of the page: <ul style="list-style-type: none"> ○ Introduction to the proposals ○ Closing date ○ Signposting to the different routes to provide feedback (e.g. questionnaire) ○ Email address for queries or requests for alternative versions or printed paper copies (yourcity.yoursay@southampton.gov.uk) ○ Links to supplementary materials

- Draft Equality Safety Impact Assessment (ESIA)
- PDF version of the questionnaire for printing

Routes to provide feedback

1. Questionnaire

- Main advertised route for feedback and offered to all consultees as it provides summary information and key points on the proposals and takes respondents through structured feedback.
- **Formats:** Online and paper versions. The PDF paper version can be printed by anyone. Communications about the consultation will advertise that paper copies of the consultation can be requested to be printed at any Southampton council run Library.
- **Question types:**
 - There will be a mixture of quantitative questions and free text questions so that respondents are able to provide detailed feedback.
 - The quantitative questions will be on Likert scales of ‘*Strongly agree*’ to ‘*Strongly disagree*’ when discussing broader priorities or proposals. When asking for opinions on more specific actions or proposals, the scale will be from ‘*Very positive impact*’ to ‘*Very negative impact*’.
 - There will be a section about the respondents asking a range of characteristic and demographic questions. ONS Census wording is used for many of the demographic questions as best practice.
 - There will be an opportunity for businesses or organisations to give permission to be identified in their response or contacted for further information
 - All respondents will be given the opportunity to have a copy of their response sent to them upon completion.
- **Data privacy:** The standard privacy statement for council consultations will be included at the end of the questionnaire. Relevant consent will be gathered if respondents are to be contacted again in relation to their response.

2. **Email or Letter** - Respondents may wish to respond by email. The yourcity.yoursay@southampton.gov.uk email address can be supplied. This is also the place to forward feedback internally and from partners to ensure it is included in the analysis.

3. **Verbal feedback from meetings, calls or events** – particularly useful to record informal conversations from community engagement or stakeholder engagement – as long as the person(s) involved is happy for their points to be shared. All notes can be emailed back to yourcity.yoursay@southampton.gov.uk to ensure they are included in the analysis.

4. **Specific events / focus groups / activities / meetings** – useful to get feedback from targeted stakeholders and those most likely to be impacts by the proposals.

- **Details of the events / meetings:**

- St Marys C of E Primary School, Monday 8th January 2024 3.30-5pm
- Woodlands Community School Thursday 4th January 3.30-5pm

- **Details of the suggested activity(s), how information will be gathered and materials required:**

- Drop in sessions that provide the opportunity to ask questions around the settings and leave formal comments.

- All respondents will also have the main questionnaire advertised to them to ensure they are aware and have the opportunity to provide feedback on all aspects or proposals within the consultation.

There is adequate time for consideration and response

Length of consultation

- Each consultation is looked at individually and the length of appropriate consultation assessed. The length of a consultation is based on various factors, such as guidance, size, scope and impact.
- This consultation will be live for **6 full weeks**. This is deemed an adequate time for consideration and response given the size, scope and impact of the proposals. This allows for 4 weeks during term time.

Consultation timelines

Week commencing	Timetable
04/12/23	Agree final set of consultation materials amongst colleagues involved ready to send for formal sign off by 07/12/23 .
11/12/23	Sign off and permission to launch the consultation by delegated decision from the Director by: 11/12/23 .
	Consultation opens 11/12/23 (Mon) Consultation period - week 1
18/12/23	Consultation period - week 2
25/12/23	Consultation period - week 3
01/01/24	Consultation period - week 4
08/01/24	Consultation period - week 5
15/01/24	Consultation period - week 6 Consultation closes 21/01/2024 (Sun)
22/01/24	Analysis and reporting (Consultation team)
29/01/24	Analysis and reporting (Consultation team)
05/02/24	Analysis and reporting (Consultation team) Summary report available 09/02/24 (Fri)
12/02/24 onwards	Consideration of feedback (Service Area)

Key stakeholders

- The key stakeholders and those most likely to be impacted by the proposals have been identified as:
 - Parents and Carers of children and Young people at St Mary’s and Woodlands School
 - Parents and Carers of children and Young people in the wider area of Southampton
 - Residents in the local Community’s of St Mary’s and Woodlands School
 - Other schools in Southampton
 - The parent carer forum in Southampton City

Promotion and engagement

- Summary of how the consultation will be promoted:
 - Letters to be sent to current parents/carers for each setting
 - Southampton City Council Webpage to access the wider communities.
 - Consultation will be promoted on our social media channels: Facebook, Twitter, NextDoor

	<ul style="list-style-type: none"> ○ Consultation will be promoted in our external bulletins: City News, Your City Your Say • Key stakeholders will be contacted as soon as possible after the launch of the consultation to allow for as much time to consider the proposals and respond. • The research and consultation team will supply updates throughout the consultation period on the total numbers and characteristics.
<p>Conscientious consideration must be given to the consultation responses before a decision is made</p>	<p><u>Collation of feedback</u></p> <ul style="list-style-type: none"> • All emails, letters, notes during meetings with stakeholders, or feedback gathered through activities or events, will be supplied back to the research and consultation team throughout the consultation period ready for analysis. Everything can be emailed to yourcity.yoursay@southampton.gov.uk • Paper copies of the questionnaire or other materials will be collated and input by the research and consultation team with support from the service area if a large number are received. <p><u>Analysis of the results</u></p> <ul style="list-style-type: none"> • The research and consultation team will undertake analysis of the responses. This will include the quantitative analysis of each question and further breakdowns by different demographics and characteristics (where sample sizes allow). The research and consultation team or the service area will also read all free text comments and submissions and then aim to categorise them based upon sentiment and theme. • Results will be supplied in a summary report. This report will simply summarise all consultation feedback and can be used as an appendix to any reports produced by the service area outlining recommendations or decisions as a result of the consultation. <p><u>Consideration of the feedback</u></p> <ul style="list-style-type: none"> • The Service area will consider the consultation feedback once provided and make any amendments or subsequent recommendations. However, it is important to be mindful that consultation is not a vote. Decisions makers will consider what has been said in a consultation period alongside other information when making a decision. • To assist with consideration, the service area will aim to complete a written response to the feedback.

Consultation webpage

Title of webpage:

Proposed SEND Resourced Provision at St Mary's C of E Primary and Woodlands Community College Consultation

Shortened web link (if applicable):

www.southampton.gov.uk/SEN-Unit-Consultation

Wording of page:

Southampton City Council is consulting on proposals to open two SEND Units in mainstream Schools in Southampton.

The first would be placed in St Mary's C of E Primary school. The unit would provide 8 places to primary pupils that have Moderate Learning Difficulties with associated Speech, Language and Communication needs and/or Autism.

The second would be placed at Woodlands Community College. It would provide 8 places to secondary pupils that have Social, Emotional and Mental Health needs.

Pupils placed in both units will have Education, Health and Care Plans and may come from any area of Southampton City to attend the setting.

We would like to hear your thoughts on the proposals and any impacts or alternative suggestions you would like us to consider. Now is your opportunity to have your say.

Please complete the following questionnaire to read more about the proposals and to give us your views: [*insert survey link TBC*](#)

The consultation closes Sunday 21 January 2024.

You can also email your consultation feedback or queries to yourcity.yoursay@southampton.gov.uk

Paper copies of the questionnaire can be requested to be printed at Southampton Libraries or printed yourselves by downloading the paper version in additional information below.

Additional information:

Paper version of the questionnaire [\(LINK TO PDF TBC\)](#)

Frequently asked questions (FAQs) [\(Link to PDF\)](#)

Consultation questionnaire

Background

Southampton City has diverse special school offer that needs to grow in order to meet the changing and growing needs of the population. We are proposing that this growth happens alongside the mainstream school offer in the city in the form of Special SEND units.

Southampton City Council is therefore consulting on proposals to open two SEND Units in mainstream Schools in Southampton.

The first would be placed in St Mary's C of E Primary school. The unit would provide 8 places to primary pupils that have Moderate Learning Difficulties with associated Speech, Language and Communication needs and/or Autism.

The second would be placed at Woodlands Community College. It would provide 8 places to secondary pupils that have Social, Emotional and Mental Health needs.

Pupils placed in both units will have Education, Health and Care Plans and may come from any area of Southampton City to attend the setting.

Proposals for St Marys Primary School

We are proposing to open a unit for 8 pupils with moderate learning difficulties and associated speech language and communication needs and/or autism in St Mary's C of E School. This would be housed within the current school building within its own area with access to its own toilet facilities. It would have access to the main outside space of the school and would be supported by its own team of staff.

Q. To what extent do you agree or disagree with the proposed unit for St Mary's C of E School?

- Strongly agree
- Agree
- Neither
- Disagree
- Strongly disagree

Q. What impact do you feel this may have on you, your family or the wider community?

- A very positive impact
- A fairly positive impact
- No impact at all
- A fairly negative impact
- A very negative impact
- Don't know

Q. If you disagree, or have any comments, impacts, suggestions or alternatives you feel we should consider, please provide details:

Proposals for Woodlands Community College

We are proposing to open a unit for 8 pupils with social, emotional and mental health needs at Woodlands Community College. This would be housed in its own building separate to the main site. It would have access to its own toilet facilities and outdoor space. Pupils in attendance would be supported by a dedicated team of staff in the setting.

Q. To what extent do you agree or disagree with the proposed unit for Woodlands Community College?

- Strongly agree
- Agree
- Neither
- Disagree
- Strongly disagree

Q. What impact do you feel this may have on you, your family or the wider community?

- A very positive impact
- A fairly positive impact
- No impact at all
- A fairly negative impact
- A very negative impact
- Don't know

Q. If you disagree, or have any comments, impacts, suggestions or alternatives you feel we should consider, please provide details:

About you

Q. Which of the following describe your interest in the consultation? (Tick all that apply)

- Parents and carers of children and young people at St Mary's Primary School or Woodlands Community College
- Parents and carers of children and young people with an Education, Health and Care Plan
- As a resident of Southampton
- As a resident elsewhere
- As someone who works, visits or studies in Southampton
- As a private business
- As a public sector organisation
- As a third sector organisation (Voluntary groups, Community groups, Charities)
- As an employee of Southampton City Council
- As a political member
- Other, please specify:

Q. (Individuals only) What is your postcode? (This is used for geographical analysis only and will not be used to contact or identify you)

Q. (Individuals only) What is your sex?

- Female
- Male
- Prefer not to say

Q. (Individuals only) Is the gender you identify with the same as your sex registered at birth?

- Yes
- No
- Prefer not to say

If no, please write in gender identity:

Q. (Individuals only) What is your age?

- Under 18
- 18 – 24
- 25 – 34
- 35 – 44
- 45 – 54
- 55 – 64
- 65 – 74
- 75 +
- Prefer not to say

Q. (Individuals only) How would you describe your ethnic group?

- Asian / Asian British
- Black / African / Caribbean / Black British
- Mixed or Multiple ethnic groups
- White British
- White Other
- Other ethnic group
- Prefer not to say

Q. (Individuals only) Do you have any physical or mental health conditions or illnesses lasting or expected to last 12 months or more?

- Yes
- No
- Prefer not to say

If yes, do any of your conditions or illnesses reduce your ability to carry out day-to-day activities?

- Yes, a lot
- Yes, a little
- Not at all
- Prefer not to say

Businesses and organisations

Q. (Businesses and organisations only) Can the name of your business or organisation be attributed to your response?

- Yes
- No

Q. (Businesses and organisations only) Can we contact you about your response to this consultation

- Yes
- No

Q. (Businesses and organisations only) If yes, please provide us with the following details:

- Business or organisation name:
- Contact name:
- Contact email:

What happens next?

The consultation closes on Sunday 21 January 2024. After this date, all feedback will be analysed and considered before a final decision is made.

Q. Would you like to be emailed a copy of your response to this consultation?

- Yes
- No

Q. If yes, please provide the following details. This will only be used to send you a copy of your response.

Name:
Email:

Thank you for your time, please click submit to complete the survey.

The information collected about you during this survey will only be used for the purposes of research. We may use it to contact you about this. We will only share your information with other organisations or council departments if we need to. We may also share it to prevent, investigate or prosecute criminal offences, or as the law otherwise allows. Please be aware that any comments given on this form may be published in the report. However, the council will endeavour to remove any references that could identify individuals or organisations. Our Privacy Policy (<http://www.southampton.gov.uk/privacy>) explains how we handle your personal data, and we can provide a copy if you are unable to access the Internet.

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DECISION-MAKER:	Cabinet
SUBJECT:	Chapel Riverside Development
DATE OF DECISION:	25 June 2024
REPORT OF:	CABINET MEMBER FOR ECONOMIC DEVELOPMENT

<u>CONTACT DETAILS</u>		
	Title	Chief Executive
	Name:	Andrew Travers
	E-mail:	Andrew.travers@southampton.gov.uk
Author:	Title	Executive Director Growth and Prosperity
	Name:	Nawaz Khan
	E-mail:	Nawaz.khan@southampton.gov.uk

STATEMENT OF CONFIDENTIALITY

Appendix 1 and 2 of this report contain information deemed to be exempt from general publication based on Category 3 of Paragraph 10.4 of the Council's Access to Information Procedure Rules. This includes details of commercial terms which have not yet been agreed between parties and which if disclosed, could put the Council or other parties at a commercial disadvantage.

BRIEF SUMMARY

The report advises Cabinet of the way forward for progressing the Chapel Riverside Development since Inland Homes (the developer) entered administration. The recommended way forward, novating the development agreement, is the fastest option to re-start the delivery of this key regeneration site.

RECOMMENDATIONS:

	(i)	To approve the novation of the Chapel Riverside Development Agreement to a new developer.
	(ii)	To delegate authority to the Chief Executive following consultation with the Leader, Executive Director Corporate Services, Executive Director for Growth and Prosperity and Director of Legal & Governance to progress with the novation of the agreement to the preferred party (Developer A) as set out in Appendix 1.

REASONS FOR REPORT RECOMMENDATIONS

1.	The Chapel Riverside development has stopped as the developer, Inland Homes has entered administration. Various elements of the scheme are incomplete, including the storm water 'Caisson' tank and there are a number of planning breaches due to delivery ceasing. As the freehold landowner, the Council aims to support the re-commencement of the Chapel Riverside development as soon as possible in line with its vision for the City's growth and to rectify the planning breaches. There is an existing development agreement in
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	place which facilitates the delivery of the remaining phases of the scheme and therefore a new development agreement is not required to complete the development as the Council originally intended.
2.	Following a marketing process conducted by the Administrators, other developers have expressed interest in completing the unfinished components of the scheme and advancing the remaining phases of the project in line with the development agreement. Allowing a novation of the agreement would enable a new developer to take forward the development according to the terms outlined in the existing agreement between the Council and Inland Homes. Further details of the marketing process undertaken by Inland and the Administrators to identify a suitable new developer is set out at Appendix 1 – Marketing Report and Next Steps.
3.	Inland Homes through their administrators have the ability to novate the agreement, which represents the quickest path toward securing a new developer to undertake the project. This approach is also beneficial as it ensures a comprehensive exchange of information between all involved parties. The process requires the Administrators to source and appoint a new contractor in accordance with the conditions set out in Regulation 72(1)(d)(ii) of the Public Contract Regulations 2025. The Council must be satisfied that they have undertaken the relevant process to comply with the Regulations but must not play a part in the selection of the new contractor in its own right. Legal and procurement advice has been sought from the outset, and SCC officers are satisfied that this option is compliant with procurement regulations.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
4.	<ul style="list-style-type: none"> Do Nothing. Choosing to take no action means the site will remain unfinished. Since Inland Homes is in administration, they can't complete the development. Without support from the Council to transfer the agreement, the site could stay empty for an indefinite period. This would mean the issues of the site, relating to odours from the open storm tanks will persist as the new tanks will not be completed. Other planning conditions will also remain uncompleted.
5.	<ul style="list-style-type: none"> Terminate the Development Agreement. Terminating the agreement with Inland Homes is an option given insolvency is statutory grounds for termination. The Council would be required to reimburse reasonable costs to the developer (up to 100%). The costs the developer has incurred in the site could be substantial and likely to be more than any losses the Council could attempt to claim as a result of the insolvency. This option would require the Council reconsidering how to finish the project which could include the Council restarting the process of finding a new developer through a marketing/ procurement process. The use of an accelerated process under Reg 32 of the PCRs was reviewed in relation to this option to speed up this route, however advice on this matter established that there would likely not be a case for the Council to use an accelerated route and therefore a full procurement process to procure a new development agreement would be required. The Council would incur additional costs in setting up a new development agreement, would be responsible for managing a vacant construction site and would incur further delays before any work could begin on the site to complete the scheme. It is not considered necessary to terminate the agreement and

	then re-procure a new development agreement to complete the development, therefore this option has been discounted at present.
DETAIL (Including consultation carried out)	
6.	The Chapel Riverside development is a key regeneration project for the City. The Councils' roles as landowner and Planning Authority are central to the delivery of this development, which includes a Development Agreement with Inland Homes (entered into in 2016) along with various planning conditions and agreements associated with the planning permission for the development.
7.	A Development Agreement with Inland Homes was entered into in November 2016 after an OJEU procurement process. Existing planning conditions, S106 agreements, CIL obligations, and S278 agreements are in place in relation to planning permissions for the various phases and are monitored by the Council as Planning Authority.
8.	The redevelopment of Chapel Riverside comprises 5 phases of works. Phases 1-3 are substantially complete, this includes 204 residential flats (in occupation), 2 small commercial units, a new river wall and riverside walkway. The one outstanding element of phase 3 is the completion of a new underground stormwater storage tank (the caisson) and the demolition of three existing above-ground stormwater settlement tanks. Planning permission for phases 4 and 5 includes a further 316 flats, 5,418sq.m of commercial floorspace, the remainder of the riverside walkway and a new public square. The planning permission has been implemented by the construction of some minor initial drainage works. This keeps the permission 'live' and capable of being fully implemented at any point. That said, the completion of the caisson and the demolition of the existing wastewater storage tanks is needed before the rest of the site can be developed.
9.	Financial difficulties at Inland Homes led to the appointment of Administrators FRP in October 2023. Council officers have worked alongside Inland and the Administrators to identify options for the Administrators to pursue to help continue the delivery of the scheme.
10.	A confidential marketing exercise was undertaken by the Administrators, following consultation with Council officers, to establish interest from other developers in delivering the project via a novation of the Development Agreement. This marketing process has recently concluded and demonstrates that there is interest from other developers in continuing the development as per the terms of the original Development Agreement. Full details of the marketing process and outcomes are set out at Appendix 1 – Marketing Report.
11.	The new developer will need to meet the same terms of the existing Development Agreement and satisfy the selection criteria set out in the original developer selection process. They will be expected to rectify outstanding planning matters as well as delivering the incomplete infrastructure elements of the scheme.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
12.	There are no direct capital/revenue implications from the novation of the agreement as the Administrators have funded the marketing exercise and the Administrators will cover a capital level of the council's legal fees subject to the

	completion of the novation. It is expected that the cap will be sufficient to complete the novation but there is a risk that if complications arise during the process then there will be legal fees that will need to be covered by the council. This should be able to be funded through existing budgets earmarked for the development.
13.	. The estimated council tax and business rates receipts for phases 4 and 5 of the development are not currently built into income forecasts in the Medium Term Financial Strategy. Therefore there is no adverse impact on the existing MTFs from any delays in completion of the scheme. The estimated council tax receipts from phases 4 and 5, at 2024/25 rates, are estimated to be £0.35M. Based on the revised delivery timeline these will not be expected to be fully received until 2029/30. The council share of business rate income, again based on 2024/25 rates, is estimated to be £0.04M and the commercial space is likely to be completed after the residential.
14.	The novation enables the planning obligations from the original development agreement to be realised, albeit over a longer timeframe. This includes Community Infrastructure Levy contributions and Section 106 contributions for site specific highways works, Solent Disturbance Mitigation Programme, affordable housing, carbon management, play space and public art. The expected receipt from these items is in the region of £3.2M.
<u>Property/Other</u>	
15.	The land is owned freehold by the Council and is subject to a development agreement which allows the development of the site in phases.
16.	The Council will need to closely monitor the project and commercial arrangements related thereto, so a continued 'development management' resource will be needed on this project.
17.	Once a new developer has taken on the project, they will re-engage with SCC as Planning Authority to rectify outstanding planning breaches.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
18.	The Council powers to promote this development are Section 123 Local Government Act 1972 and Section 1 Localism Act 2011.
19.	Regulation 72(d)(ii) of the Public Contracts Regulations 2015 allows for situations where a new contractor replaces the one to which the contract was originally awarded as a consequence of insolvency. This is permitted on the basis that the new contractor fulfils the criteria for qualitative selection initially established, provided that this does not entail other substantial modifications to the contract.
20.	In order to novate the Agreement on the basis set out in this report the Council must be satisfied that the Administrators (not the Council) have complied with the requirements of Regulation 72(1)(d)(ii) of the Public Contract Regulations 2025.
<u>Other Legal Implications:</u>	
21.	Not applicable.
RISK MANAGEMENT IMPLICATIONS	

22.	The Council is not taking any active participation in the re-development and (apart from timing of the projected revenue & capital receipts) no financial risks are involved.
23.	The Council must be satisfied that the Administrators have conducted the selection process in accordance with Regulation 72 (as set out above) in order to novate the Development Agreement. If the Administrators have not complied with Reg.72 in full, there is a risk of challenge to the legitimacy of the Novation under the Public Contracts Regulations 2015.
24.	This scheme is subject to uncontrollable economic events which is normal for schemes with a long delivery timetable.
POLICY FRAMEWORK IMPLICATIONS	
25.	The remaining phase of the scheme have implemented planning permission ref: 19/01875/FUL.
	This scheme supports many of the Council's strategic objectives around housing, environment, sustainability, Green City and economic development. The emerging Southampton Renaissance master planning work also recognises this site's potential to contribute to a vision for the City's future prosperity. The development proposals are consistent with the key growth and regeneration ambitions for the City.

KEY DECISION?	Yes
WARDS/COMMUNITIES AFFECTED:	Bargate
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Confidential: Marketing Report and Next Steps
2.	Confidential: Track Record

Documents In Members' Rooms

1.	None
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Equality Impact Assessment

Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	No
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Data Protection Impact Assessment

Do the implications/subject of the report require a Data Protection Im Assessment (DPIA) to be carried out.	No
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Other Background Documents

Other Background documents available for inspection at:

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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1.	<u>Decision - *Chapel Riverside - appointment development partner Southampton Council</u>	
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Document is Confidential

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