

CABINET

**Monday, 4th July, 2011
at 5.00 pm**

Committee Rooms 1 and 2

This meeting is open to the public

Members

Councillor Smith, Leader of the Council
Councillor Moulton, Cabinet Member for Children's
Services and Learning
Councillor Baillie, Cabinet Member for Housing
Councillor Fitzhenry, Cabinet Member for
Environment and Transport
Councillor Hannides, Cabinet Member for
Resources, Leisure and Culture
Councillor White, Cabinet Member for Adult Social
Care and Health

(QUORUM – 2)

Contacts

Cabinet Administrator
Judy Cordell
Tel: 023 8083 2766
Email: judy.cordell@southampton.gov.uk

Director of Economic Development
Dawn Baxendale
Tel: 023 8091 7713
Email: dawn.baxendale@southampton.gov.uk

BACKGROUND AND RELEVANT INFORMATION

The Role of the Executive

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

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

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

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

Decisions to be discussed or taken that are key

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.

Southampton City Council's Six Priorities

- Providing good value, high quality services
- Getting the City working
- Investing in education and training
- Keeping people safe
- Keeping the City clean and green
- Looking after people

Procedure / Public Representations

Reports for decision by the Cabinet (Part A of the agenda) or by individual Cabinet Members (Part B of the agenda). Interested members of the public may, with the consent of the Cabinet Chair or the individual Cabinet Member as appropriate, make representations thereon.

Smoking policy – The Council operates a no-smoking policy in all civic buildings.

Mobile Telephones – Please turn off your mobile telephone whilst in the meeting.

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.

Access – Access is available for disabled people. Please contact the Cabinet Administrator who will help to make any necessary arrangements.

Municipal Year Dates (Mondays)

2011	2012
6 June	16 January
4 July	6 February
1 August	13 February
5 September	12 March
26 September	16 April
24 October	
21 November	
19 December	

CONDUCT OF MEETING

TERMS OF REFERENCE

The terms of reference of the Cabinet, and its Executive Members, are set out in Part 3 of the Council's Constitution.

BUSINESS TO BE DISCUSSED

Only those items listed on the attached agenda may be considered at this meeting.

RULES OF PROCEDURE

The meeting is governed by the Executive Procedure Rules as set out in Part 4 of the Council's Constitution.

QUORUM

The minimum number of appointed Members required to be in attendance to hold the meeting is 2.

DISCLOSURE OF INTERESTS

Members are required to disclose, in accordance with the Members' Code of Conduct, **both** the existence **and** nature of any "personal" or "prejudicial" interests they may have in relation to matters for consideration on this Agenda.

PERSONAL INTERESTS

A Member must regard himself or herself as having a personal interest in any matter:

- (i) if the matter relates to an interest in the Member's register of interests; or
- (ii) if a decision upon a matter might reasonably be regarded as affecting to a greater extent than other Council Tax payers, ratepayers and inhabitants of the District, the wellbeing or financial position of himself or herself, a relative or a friend or:-
 - (a) any employment or business carried on by such person;
 - (b) any person who employs or has appointed such a person, any firm in which such a person is a partner, or any company of which such a person is a director;
 - (c) any corporate body in which such a person has a beneficial interest in a class of securities exceeding the nominal value of £5,000; or
 - (d) any body listed in Article 14(a) to (e) in which such a person holds a position of general control or management.

A Member must disclose a personal interest.

Cont/...

Prejudicial Interests

Having identified a personal interest, a Member must consider whether a member of the public with knowledge of the relevant facts would reasonably think that the interest was so significant and particular that it could prejudice that Member's judgement of the public interest. If that is the case, the interest must be regarded as "prejudicial" and the Member must disclose the interest and withdraw from the meeting room during discussion on the item.

It should be noted that a prejudicial interest may apply to part or the whole of an item.

Where there are a series of inter-related financial or resource matters, with a limited resource available, under consideration a prejudicial interest in one matter relating to that resource may lead to a member being excluded from considering the other matters relating to that same limited resource.

There are some limited exceptions.

Note: Members are encouraged to seek advice from the Monitoring Officer or his staff in Democratic Services if they have any problems or concerns in relation to the above.

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

Agendas and papers are now available via the Council's Website

1 APOLOGIES

To receive any apologies.

2 DISCLOSURE OF PERSONAL AND PREJUDICIAL INTERESTS

In accordance with the Local Government Act, 2000, and the Council's Code of Conduct adopted on 16th May, 2007, Members to disclose any personal or prejudicial interests in any matter included on the agenda for this meeting.

NOTE: Members are reminded that, where applicable, they must complete the appropriate form recording details of any such interests and hand it to the Democratic Support Officer

EXECUTIVE BUSINESS

3 STATEMENT FROM THE LEADER

4 RECORD OF THE PREVIOUS DECISION MAKING

Record of the decision making held on 6th June 2011, attached.

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

There are no matters referred for reconsideration.

6 REPORTS FROM OVERVIEW AND SCRUTINY COMMITTEES (IF ANY)

To consider the received the inquiry reports of the Council's Scrutiny Panels

a Primary School Educational Attainment for Children with Special Needs Inquiry

Report of the Chair of Scrutiny Panel A detailing the Panel's inquiry into primary school educational attainment for children with special needs, attached.

b Patient Safety in Acute Care Inquiry

Report of the Chair of Scrutiny Panel B detailing the Panel's inquiry into patient safety in acute care inquiry, attached.

- c Cruise industry scrutiny inquiry - how can cruise ship passenger spend be increased?

Report of the Chair Of Scrutiny Panel C detailing the Panel's inquiry into the Cruise Industry in Southampton. attached.

7 EXECUTIVE APPOINTMENTS

To deal with any executive appointments, as required.

ITEMS FOR DECISION BY CABINET MEMBER

8 SCHOOLS DEFICIT BUDGETS 2011/12

Report of the Assistant Director for Children's Services and Learning seeking approval for the deficit budgets for various schools for the 2011- 2012 municipal year, attached.

ITEMS FOR DECISION BY CABINET

9 PARTNERSHIP FOR URBAN SOUTH HAMPSHIRE (PUSH): REVISION TO CONSTITUTIONAL ARRANGEMENTS

Report of the Director for Corporate Services seeking approval for a revision to the constitutional arrangements for the Partnership for Urban Southampton Hampshire, attached.

10 HOUSING STRATEGY 2011-2015 AND THE HOUSING REVENUE ACCOUNT BUSINESS PLAN 2011 - 2041

Report of the Cabinet Member for Housing seeking approval for the Housing Strategy 2011-2015 and the Housing Revenue Account Business Plan 2011-2041, attached.

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

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

Confidential Appendices 3 and 4 contains information deemed to be exempt from general publication by virtue of Category 3 of paragraph 10.4 of the Council's Access to Information Procedure Rules as contained in the constitution. The appendices include details of a proposed transaction which, if disclosed prior to entering into a contract, could put the Council at a commercial disadvantage in the future. In applying the public interest test it is not considered appropriate to make public offers made as this could lead to a revision of bids. Therefore, publication of this information could be to the Council's financial detriment.

12 ESTATE REGENERATION PROGRAMME - NEXT PHASE

Report of the Cabinet Member for Housing providing an update in respect of the estate regeneration programme and seeking approval for the next steps required to expand the programme into delivery of phase 3 projects, attached.

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

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

Appendix 1 of this report is not for publication by virtue of category 3 (financial and business affairs of the Authority) of paragraph 10.4 of the Council's Access to Information Procedure Rules as contained in the Council's Constitution. It is not in the public interest to disclose this information as the appendix contains details of the financial assumptions, revenue and capital estimates related to the project which could, if made available to the public or commercial sector in advance of competitive tender invitations, influence the tender process, prejudice negotiations with potential contractors and result in the Authority not obtaining best value in procuring the services necessary to deliver the project.

14 DELIVERY OF AN INTELLIGENT TRANSPORT SYSTEM AND COMMUNITY SAFETY CLOSED CIRCUIT TELEVISION SERVICES

Report of the Leader of the Council seeking approval to commence a procurement process for the potential future delivery of the Council's Intelligent Transport System and Community Safety Closed Circuit Television following the completion of an Outline Business Case examining the potential relocation to the City Depot, attached.

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

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

Confidential Appendix 2 to this report contains 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. The appendix includes details of a proposed transaction which, if disclosed prior to entering into a contract, could put the Council at a commercial disadvantage. In applying the public interest test it is not considered appropriate to publish this information as it could influence bids for a property which may be to the Council's financial detriment.

16 DISPOSAL OF 2-8 QUEENSWAY

Report of the Cabinet Member for Resources Leisure and Culture seeking approval for the sale of land at 2-8 Queensway, attached.

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

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

The Confidential Appendix contains 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. The appendix includes details of a proposed transaction which, if disclosed prior to entering into a Legal contract, could put the Council at a commercial disadvantage. In applying the public interest test it is not considered appropriate to make public the bids received as this could lead to a revision of bids and, in the event of the transaction failing to complete, prejudice re-tendering of the property, therefore reducing the amount receivable by the Council

18 EAST STREET CENTRE - RESTRUCTURE OF GROUND LEASE TO FACILITATE REDEVELOPMENT

Report of the Cabinet Member for Resources, Leisure and Culture seeking approval for the restructure of ground lease at the Eat Street Centre, attached.

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

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

The Confidential Appendix contains 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. The appendix includes details of a proposed transaction which, if disclosed prior to entering into a Legal contract, could put the Council or other parties at a commercial disadvantage

20 SOLENT SKY MUSEUM - PROPOSALS FOR RE-LOCATION OF SERFCA AND USE OF VACATED SPACE.

Report of the Cabinet Member for Resources, Leisure and Culture seeking approval for the use of vacated space caused by the re-location of SERFCA, attached.

FRIDAY, 24 JUNE 2011

HEAD OF LEGAL AND DEMOCRATIC SERVICES

This page is intentionally left blank

Agenda Item 4

EXECUTIVE DECISION MAKING

RECORD OF THE DECISION MAKING HELD ON 6 JUNE 2011

Present:

Councillor Moulton	-	Cabinet Member for Children's Services and Learning
Councillor Baillie	-	Cabinet Member for Housing
Councillor Fitzhenry	-	Cabinet Member for Environment and Transport
Councillor Hannides	-	Cabinet Member for Resources, Leisure and Culture
Councillor White	-	Cabinet Member for Adult Social Care and Health

Apologies: Councillor Smith

1. EXECUTIVE APPOINTMENTS

On consideration of the report of the Director of Corporate Services seeking approval of the executive appointments for the 2011/12 Municipal Year as set out in the Register were approved with the following amendments:

A02 – Adoption and Performance Panel 2 – remove Councillor Parnell, set to vacant for the time being.

A17 – Southampton International Airport Consultative Committee – remove ex-Councillor Slade and replace with Councillor Turner.

D18 – Southampton Record Series – appoint Councillors Pope and Vinson.

G06 – Southampton Admissions Forum – appoint Councillor Parnell.

2. PERFORMANCE MONITORING FOR 2010/11 CORPORATE PLAN

On consideration of the report of the Director of Economic Development detailing the progress made at the end of 2010/2011 financial year against the targets and commitments contained within the 2010/11 Corporate Plan, Cabinet noted and approved the report.

3. SHORT BREAKS FOR DISABLED CHILDREN - ELIGIBILITY CRITERIA

DECISION MADE: (Ref CAB 11/12 6545)

On consideration of the report of the Head of Safeguarding seeking approval for the implementation of the new short breaks eligibility criteria 'tool' from the 1st July 2011 and having taken note of recommendations received from Overview and Scrutiny Management Committee, the Cabinet Member for Children's Services and Learning agreed to approve the implementation of the new short breaks eligibility criteria.

4. RESPONSE TO THE SCRUTINY ENQUIRY INTO THE KNOWLEDGE ECONOMY

DECISION MADE: (Ref CAB 11/12 6550)

On consideration of the report of the Leader of the Council seeking approval for a response to the recommendations contained within the Scrutiny Panel's report on the Inquiry into the Knowledge Economy in Southampton, Cabinet agreed:

- (i) To approve the responses to the recommendations as detailed in Appendix 1.
- (ii) That the role of co-ordinating actions of various relevant departments within the Council and securing participation of external organisations and the private sector be delegated to the Director of Economic Development.
- (iii) To delegate authority to the Director of Economic Development to negotiate and look to other departments for supporting resources with regard to prioritising and implementing these recommendations.

5. CHILDREN'S SERVICES AND LEARNING CAPITAL PROGRAMME 2011/12

DECISION MADE: (Ref CAB 11/12 6389)

On consideration of the report of the Cabinet Member for Children's Services and Learning detailing proposals for the distribution of available resources within the Children's Services and Learning Capital Programme for 2011/12, Cabinet agreed:

- (i) Subject to complying with Financial and Contract Procedure Rules, to delegate authority to the Executive Director of Children's Services and Learning, following consultation with the Cabinet Member for Children's Services and Learning, to do anything necessary to give effect to the recommendations in this report.
- (ii) To add, in accordance with Financial Procedure Rules, a sum of £3,474,600 to the Children's Services and Learning Capital Programme, funded from Capital Maintenance Grant, for the following schemes:
 - £1,353,000 Special school estate;
 - £1,000,000 Pupil Referral Unit;
 - £400,000 School Solar Power Installation;
 - £200,000 Health and Safety;
 - £100,000 Asbestos Management; and
 - £421,600 School Capital Maintenance.
- (iii) To vire, in accordance with the Financial Procedure Rules, a sum of £5,147,000 from the 14-19 Diplomas, SEN and Disabilities budget to the following schemes:
 - £4,500,000 Secondary School estate; and
 - £647,000 Special School estate.
- (iv) To approve, in accordance with the Financial Procedure Rules, capital expenditure of £1,121,600 from the Children's Services and Learning Capital Programme, for the following projects:

- £400,000 School Solar Power Installation;
 - £200,000 Health and Safety;
 - £100,000 Asbestos Management; and
 - £421,600 School Capital Maintenance.
- (v) To delegate authority to the Executive Director for Children’s Services and Learning in consultation with the Director of Corporate Services, following consultation with the Cabinet Members for Children’s Services and Resources to take any action necessary to facilitate the use and occupation of the Former Millbrook Community School site for the provision of children’s services, including services ancillary to those functions, subject to compliance with any statutory requirements. This delegation shall include, but is not limited to, the power to grant or acquire property and contractual interests in the site to deliver such services.
- (vi) To note that further reports requesting approval to spend will be brought back to Cabinet presenting detailed proposals for the Secondary and Special Estates and investment in the Pupil Referral Unit.

6. RESPONSE TO HIGHWAYS APPROACH TO ASSET MANAGEMENT INQUIRY

DECISION MADE: (Ref CAB 11/12 6546)

On consideration of the report of the Cabinet Member for Environment and Transport seeking approval for a response to the recommendations contained within the Scrutiny Panel’s report on the Highways Approach to Asset Management Inquiry, Cabinet agreed to approve the responses set out in Appendix 1 to the report.

7. SOUTHAMPTON LOW CARBON CITY STRATEGY AND DELIVERY PLAN

DECISION MADE: (Ref CAB 11/12 6376)

On consideration of the report of the Cabinet Member for Environment and Transport seeking approval to adopt the Low Carbon City Strategy and its associated Delivery Plan and having taken into consideration recommendations from Overview and Scrutiny Management Committee, Cabinet agreed the following modified decision:

In accordance with S.2 Local Government Act 2000 and having had regard to the provisions of the Community Strategy (City of Southampton Strategy):

- (i) To approve the proposed Low Carbon City Strategy, as set out in Appendix 2, to provide a framework from which to base future decisions and policies.
- (ii) To endorse the proposed Low Carbon City Delivery Plan, as set out in Appendix 3, to ensure that the City Council and its identified strategic partners deliver against key actions in support of the Strategy objectives and in particular to ensure, where appropriate, that incentives to maximise Feed in Tariff benefits are in place by the end of the current financial year.
- (iii) To delegate authority to the Head of Planning and Sustainability to make any minor changes to the Strategy and Delivery Plan following consultation with the Cabinet Member for Environment and Transport.

- (iv) To delegate authority to the Head of Planning and Sustainability following consultation with the Cabinet Member for Environment and Transport to take all necessary steps to consult upon and approve updates to the Delivery Plan every 3 years.

8. MILLBROOK TRADING ESTATE - FREEHOLD INVESTMENT DISPOSAL

DECISION MADE: (Ref CAB 11/12 6259)

On consideration of the report of the Cabinet Member for Resources, Leisure and Culture seeking approval for the sale of the Council's freehold investment of Millbrook Trading Estate following marketing by way of an informal tender process, Cabinet agreed:

- (i) To approve the sale of the freehold investment in the Millbrook Trading Estate to the recommended bidder as set out in Confidential Appendix 2 and to delegate authority to Head of Property and Procurement to negotiate final terms and to accept the next best bid in the event of the selected bidder not proceeding and to continue such process as necessary.
- (ii) That the Head of Legal and Democratic be authorised to enter into any legal documentation necessary in respect of the sale.
- (iii) To note that the capital receipt will be used to reduce the current funding deficit in the capital programme.

9. DISPOSAL OF SITE OF FORMER NETLEY COURT SCHOOL

DECISION MADE: (Ref CAB 11/12 6548)

On consideration of the report of the Cabinet Member for Resources, Leisure and Culture seeking approval for the sale of land at the former Netley Court School site to a preferred bidder following the marketing of the property, Cabinet agreed:

- (i) To approve the sale of the former Netley Court School site to the recommended bidder as set out in Confidential Appendix 2 and to delegate authority to Head of Property and Procurement to negotiate final terms and to accept the next best bid in the event of the selected bidder not proceeding and to continue such process as necessary.
- (ii) That the Head of Legal and Democratic be authorised to enter into any legal documentation necessary in respect of the sale.

DECISION-MAKER:	CABINET
SUBJECT:	PRIMARY SCHOOL EDUCATIONAL ATTAINMENT FOR CHILDREN WITH SPECIAL NEEDS INQUIRY
DATE OF DECISION:	4 JULY 2011
REPORT OF:	CHAIR OF SCRUTINY PANEL A
STATEMENT OF CONFIDENTIALITY	
None	

BRIEF SUMMARY

From October 2010 to March 2011 Scrutiny Panel A undertook an Inquiry looking at Primary School Educational Attainment for Children with Special Needs, including ADHD. The Overview and Scrutiny Management Committee (OSMC) considered the final draft of the Inquiry report on 2nd June 2011 and approved it for submission to the Executive. The Scrutiny Inquiry report contains 7 recommendations which are summarised on page 4 of the report. The recommendations are directed towards improved cross agency working between the City Council, the Children and Young People's Trust, Southampton primary schools and the Primary Care Trust. The Cabinet needs to formally respond to the relevant recommendations within two months to meet the requirements in the Council's constitution.

RECOMMENDATIONS:

- (i) To receive the report of Scrutiny Panel A on Primary School Educational Attainment for Children with Special Needs, including ADHD.
- (ii) To develop a formal response to the recommendations contained within the report, including an action plan detailing how the Executive will take forward any accepted recommendations.

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 Overview and Scrutiny Management Committee, and to submit a formal response to the recommendations contained within them within two months of their receipt.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2. None.

DETAIL (Including consultation carried out)

3. Panel A undertook the Primary School Educational Attainment for Children with Special Needs, including ADHD Inquiry over 4 meetings between October 2010 and March 2011.
4. In undertaking the Inquiry the Panel received evidence from the Head of School Standards, Principal Officer for Prevention and Inclusion, and Southampton NHS and PCT. A number of head teachers from Basset Green Primary School, Hardmoor Early Years Centre, Highfield CE Primary, Mason Moor, and Springwell Special School gave evidence to the Panel.

5. In addition, the Chair of Southampton ADHD Awareness / Support group and Through Parent Partnership (Mencap) reported to the Panel.
6. At the final meeting on 3rd March 2011, the Panel agreed 6 recommendations contained within the Inquiry report attached at Appendix 1. A summary of the meetings and evidence is included in Appendix 4 and 5 of the attached report.
7. The Overview and Scrutiny Management Committee considered the report on 2 June 2011 and requested that the following was added:
An extra bullet point to **Recommendation 1**: “Commit to collecting, collating and co-ordinating performance information.”

New **Recommendation 3**: Undertake research into the rise in the attainment gap in Southampton between SEN/Non SEN at Key Stage 2 in 2009.
8. The Executive needs to consider Panel A’s including OSMC’s additional recommendations and 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. A composite report detailing the response from the Executive and each of the agencies who have recommendations directed towards them in the Inquiry Report will be brought back to Cabinet in due course.

RESOURCE IMPLICATIONS

Capital/Revenue

9. The recommendations from this inquiry do not have any significant additional financial implications on the Council and its partners. The Panel believe that the majority of recommendations within the report could be progressed by re-focussing council officer and partner’s time and existing work programmes.
10. In practice any future resource implications arising from this review will be dependent upon whether, and how, each of the individual recommendations within the Inquiry report are progressed by the Executive and the partners they are directed towards. More detailed work will need to be undertaken by the Executive in considering its response to each of the relevant recommendations set out in the Inquiry report.

Property/Other

11. None

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

12. The duty to undertake overview and scrutiny is set out in Section 21 of the Local Government Act 2000 and the Local Government and Public Involvement in Health Act 2007.

Other Legal Implications:

13. None.

POLICY FRAMEWORK IMPLICATIONS

14. None.

AUTHOR:	Name:	Dorota Goble	Tel:	023 8083 3317
	E-mail:	dorota.goble@southampton.gov.uk		

KEY DECISION? No

WARDS/COMMUNITIES AFFECTED:	None directly as a result of this report.
------------------------------------	---

SUPPORTING DOCUMENTATION

Non-confidential appendices are in the Members' Rooms and can be accessed on-line

Appendices

1.	Primary School Educational Attainment for Children with Special Needs Inquiry – Final Report
----	--

Documents In Members' Rooms

	None
--	------

Integrated Impact Assessment

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

Other Background Documents

Integrated 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)
None	

--	--

This page is intentionally left blank

DECISION-MAKER:	CABINET
SUBJECT:	PATIENT SAFETY IN ACUTE CARE INQUIRY
DATE OF DECISION:	4 JULY 2011
REPORT OF:	CHAIR OF SCRUTINY PANEL B
STATEMENT OF CONFIDENTIALITY	
None	

BRIEF SUMMARY

From July 2010 to April 2011 Scrutiny Panel B undertook an Inquiry looking at Patient Safety in Acute Care. The Overview and Scrutiny Management Committee (OSMC) considered the final draft of the Inquiry report on 2nd June 2011 and approved it for submission to the Executive. The Scrutiny Inquiry report contains 10 recommendations which are summarised on page 11 of the report. The recommendations are directed towards the relevant Health and Social Care organisations in the City including the City Council, Southampton University Hospital Trust, NHS Southampton. The Cabinet needs to formally respond to the relevant recommendations within two months to meet the requirements in the Council's constitution.

RECOMMENDATIONS:

- (i) To receive the report of Scrutiny Panel B on Patient Safety in Acute Care;
- (ii) To develop a formal response to the relevant recommendations contained within the report, including an action plan detailing how the Executive proposes to take forward any accepted recommendations.

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 Overview and Scrutiny Management Committee, and to submit a formal response to the recommendations contained within them within two months of their receipt.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2. None.

DETAIL (Including consultation carried out)

3. Panel B undertook the Patient Safety in Acute Care Inquiry over 3 evidence gathering meetings between July and September 2010 and agreed, at a meeting on 21th April 2011, 10 recommendations contained within the Inquiry report attached at Appendix 1.
4. In undertaking the Inquiry the Panel received evidence from Southampton University Hospitals Trust, NHS Southampton and the Council. A summary of the meetings is including in appendix 2 of the attached report.
5. Given the topic of the Inquiry the report's recommendations are directed

towards health and social care provider and commissioning organisations across the City, The report will be sent to all relevant organisations for information and response.

6. The Executive needs to consider the Scrutiny Panel’s relevant 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. A composite report detailing the response from the Executive and each of the agencies who have recommendations directed towards them in the Inquiry Report will be brought back to Cabinet in due course.

RESOURCE IMPLICATIONS

Capital/Revenue

7. The majority of the recommendations from this inquiry do not have any significant additional financial implications on the Council and its partners. Where there are costs associated with recommendations it is predicted that they would result in savings that could be used to fund them, however in some case further research is recommended to confirm this is the case. The Panel believe that the majority of recommendations within the report could be progressed by re-focussing council officer and partner’s time and existing work programmes.
8. In practice any future resource implications arising from this review will be dependent upon whether, and how, each of the individual recommendations within the Inquiry report are progressed by the Executive and the partners they are directed towards. More detailed work will need to be undertaken by the Executive in considering its response to each of the relevant recommendations set out in the Inquiry report.

Property/Other

9. None

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

10. The duty to undertake overview and scrutiny is set out in Section 21 of the Local Government Act 2000 and the Local Government and Public Involvement in Health Act 2007.

Other Legal Implications:

11. None.

POLICY FRAMEWORK IMPLICATIONS

12. None.

AUTHOR:	Name:	Caronwen Rees	Tel:	023 8083 2524
	E-mail:	Caronwen.rees@southampton.gov.uk		

KEY DECISION? No **WARDS/COMMUNITIES AFFECTED:** None

--	--

SUPPORTING DOCUMENTATION

Non-confidential appendices are in the Members' Rooms and can be accessed on-line

Appendices

1.	Patient Safety in Acute Care – Final Report
----	---

Documents In Members' Rooms

	None
--	------

Integrated Impact Assessment

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

Other Background Documents

Integrated 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)

	None	
--	------	--

This page is intentionally left blank

DECISION-MAKER:	CABINET
SUBJECT:	CRUISE INDUSTRY SCRUTINY INQUIRY – HOW CAN CRUISE SHIP PASSENGER SPEND BE INCREASED?
DATE OF DECISION:	4 JULY 2011
REPORT OF:	CHAIR OF SCRUTINY PANEL C
STATEMENT OF CONFIDENTIALITY	
N/A	

BRIEF SUMMARY

From January to May 2011, Scrutiny Panel C undertook an Inquiry looking at how cruise ship passenger spend in Southampton can be increased. The Overview and Scrutiny Management Committee (OSMC) considered the final draft of the Inquiry report on 2nd June 2011 and approved it for submission to the Executive. The Scrutiny Inquiry report contains 11 recommendations which have been highlighted in Appendix 1. The Cabinet needs to formally respond to these recommendations within two months to meet the requirements in the Council's constitution.

RECOMMENDATIONS:

- (i) To receive the attached Scrutiny Inquiry report on increasing cruise ship passenger spend in Southampton;
- (ii) To develop a formal response to the recommendations contained within it, including an action plan detailing how the Executive proposes to take forward any of the recommendations contained in the report.

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 Overview and Scrutiny Management Committee and to submit a formal response to the recommendations contained within them within two months of their receipt.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2. None

DETAIL (Including consultation carried out)

3. The Panel undertook the Inquiry over 4 meetings between January and April 2011 and agreed, at a meeting on 12th May 2011, the 11 recommendations contained within the Inquiry report attached at Appendix 2.
4. Scrutiny Panel C received evidence from a variety of organisations, individuals and officers from Southampton City Council. A list of witnesses who provided evidence to the Inquiry is shown within Appendix 2.
5. Evidence gathered throughout the Inquiry led the Scrutiny Panel to conclude that:-
 - the cruise industry is a significant and growing contributor to the local economy and that collectively, Southampton needs to do what it can to maintain and grow the City's prominent position within the UK cruise

market at a time when other ports are seeking to develop their cruise operations;

- Southampton has enough to offer cruise passengers to keep them in the City for a period prior to a cruise; and
 - there is scope to increase cruise passenger spend in Southampton.
6. Six key areas where opportunities exist to increase cruise passenger, and cruise related spend in Southampton were identified. To help the City take advantage of the opportunities identified the Scrutiny Panel approved 11 recommendations.
7. The Executive needs to consider the Scrutiny Panel's 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

Capital/Revenue

8. A number of the recommendations within the appended report could be progressed by re-focussing Council officer and partner's time and existing work programmes.
9. In practice, any future resource implications arising from this review will be dependent upon whether and how, each of the individual recommendations within the Inquiry report are 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.

Property/Other

10. None

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

11. The duty to undertake overview and scrutiny is set out in Section 21 of the Local Government Act 2000 and the Local Government and Public Involvement in Health Act 2007.

Other Legal Implications:

12. None

POLICY FRAMEWORK IMPLICATIONS

13. The proposals contained within the appended report are in accordance with the Council's Policy Framework.

AUTHOR:	Name:	Mark Pirnie	Tel:	023 8083 3886
	E-mail:	mark.pirnie@southampton.gov.uk		

KEY DECISION? Yes/No No

WARDS/COMMUNITIES AFFECTED:	None directly as a result of this report.
------------------------------------	---

SUPPORTING DOCUMENTATION

Non-confidential appendices are in the Members' Rooms and can be accessed on-line

Appendices

1.	Cruise Industry Inquiry - Summary of Recommendations
2.	Cruise Industry Inquiry – How can cruise ship passenger spend in Southampton be increased? Final report of Scrutiny Panel C

Documents In Members' Rooms

None

Integrated Impact Assessment

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

Other Background Documents

Integrated 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)

None	
------	--

This page is intentionally left blank

Agenda Item 8

DECISION-MAKER:	CABINET MEMBER FOR CHILDREN'S SERVICES AND LEARNING
SUBJECT:	SCHOOLS DEFICIT BUDGETS 2011/12
DATE OF DECISION:	4 JULY 2011
REPORT OF:	ASSISTANT DIRECTOR CHILDREN'S SERVICES AND LEARNING
STATEMENT OF CONFIDENTIALITY	
None	

BRIEF SUMMARY

The Southampton Scheme for Financing schools, made in accordance with the Schools Standards and Framework Act 1998, allows for schools to set deficit budgets in accordance with Department for Education rules. As part of the Southampton scheme, schools can request a deficit budget for which Cabinet Member approval must be given. Four schools have requested to set a deficit budget in 2011/12.

RECOMMENDATIONS:

- (i) That the deficit budgets for the following schools for 2011/12 be approved:

	Years in Deficit	Deficit
Ludlow Junior School	1	£19,000
Chamberlayne College of the Arts	3	£57,000
St George Catholic VA College	5	£37,000
Vermont School	9	£42,000
Total Requested		£155,000

- (ii) That unless the school can demonstrate at a meeting in September that their recovery plan is achievable, notice will be given that a deficit application in 2012/13 will not be supported.
- (iii) To note that the approval of the above deficits does not confirm the Council's acceptance of the management of the overall financial position in relation to the schools in question, or in any way limit or remove the Council's power to undertake intervention action in schools in accordance with the Scheme for Financing Schools or otherwise, as provided for under the Education Acts.
- (iv) To delegate Authority to the Director of Children's Services and Learning, following consultation with the Head of Finance and the Cabinet Member for Children's Services, to take any intervention action necessary under the Scheme for Financing Schools or otherwise as provided for in the Education Acts, to secure to good management and governance of Southampton schools or to

otherwise address the financial or performance management of maintained schools in Southampton.

REASONS FOR REPORT RECOMMENDATIONS

1. Approval of the recommendation will allow schools to adjust to changes in pupil numbers without making significant cuts in staffing or other costs and without detrimentally affecting standards.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2. The alternative is not to allow any deficit budgets. This would have a detrimental effect on school standards and would not allow some schools time to adjust to changes in pupil numbers or make the required changes to staffing structures.

DETAIL (Including consultation carried out)

3. The Dedicated Schools Grant (DSG) funds the majority of education provision and is based on the number of pupils in schools in January each year. Overall pupil numbers in January 2011 had increased by 1.8% over the previous year, mainly in the early years and primary sectors due to rising birth rates. Numbers in the secondary sector continue to decline but at a slower rate compared to previous years, a fall of 1.8% year on year. This directly affects the level of funding that individual schools receive in their budget share.
4. Southampton City Council's Scheme for Financing Schools (approved May 2010) gives the responsible Cabinet Member the power to approve applications by schools to set a deficit budget. There are a number of conditions which have to be met:
 - the deficit for any one school should not exceed £150,000;
 - the total of the deficits approved should not exceed the value of 40% of the aggregate of surplus schools balances;
 - a deficit should not last beyond five years; and
 - the school should have a plan for moving out of deficit.
5. A strategic discussion has taken place between the head teacher of each school requesting a deficit, a representative of the governing body and the Head of Standards, Children's Services and Learning. Finance officers were in attendance to advise both parties.
6. A deficit is only recommended for approval by officers where it is clear that a school needs time to adjust its staffing structure without jeopardising standards. The school must have a robust three year plan for repayment. All schools with deficit budgets receive regular monitoring visits and support from the Children Services and Learning Schools Finance Team.
7. Meetings will be held at the start of the next academic year with the schools who are seeking approval to set a deficit budget for 2011/12. They will be required to demonstrate that they are still on target to return to a balanced financial position as set out in their three year recovery plan. If progress is not being achieved, then formal notice will be given that a deficit application in 2012/13 will not be supported.

Ludlow Junior School – Deficit requested £19,000

8. Last year the school restructured its teaching staff. During this process there was an exceptionally high level of absence. As a consequence, expenditure on supply cover was significantly more than budgeted, such that the school ended the financial year 2010/11 with an unapproved deficit of £28,000. Staff are now more settled and turnover is expected to reduce. The governing body considered remodelling year groups rather than set a deficit but felt this would compromise standards and attainment. The school has asked to set a deficit budget of £19,000 in 2011/12, returning to a balanced financial position in 2012/13. Over the coming months the Children's Services and Learning Schools Finance Team will work with the school on improving financial monitoring procedures and challenge by governors.

Chamberlayne College for the Arts – Deficit requested £57,000

9. The school was given approval to set a deficit budget in 2010/11 of £65,000 but ended the year with a deficit of £136,000. This overspend was mainly due to unexpected staff sickness and staff not moving on as anticipated. Other areas of expenditure were managed well. Pupil numbers have fallen in recent years and the school has taken advantage of natural wastage to reduce the number of teaching and support staff wherever possible. The school expects to move back to a balanced budget in 2012/13.
10. In order to give adequate assurance that the school will remain within the deficit now requested, the school has been asked to provide copies of the financial monitoring reports presented termly to governors, along with the minutes from those meetings, to set up monthly finance meetings with the Chair of the Strategy Committee and to undertake a full revision of the budget at the start of the academic year in September, which will then be shared with the Children's Services and Learning Schools Finance Team.

St Georges Catholic VA College – Deficit requested £37,000

11. The college has worked hard over the past year to address the deficit. Although originally budgeting for a deficit of £90,000 in 2010/11, they ended the financial year with a surplus of £57,100. This was due to savings in employee costs caused by vacancies and maternity leave and from unexpected additional income. The college has recently completed a full staffing restructure which will take effect from September. The financial impact of this restructure will be noticeable in 2012/13 although some pay safeguarding arrangements will continue into 2014/15. The college expects to be back in a balanced position by the end of the financial year 2013/14. Approval of this deficit will allow the school to continue to improve attainment which is being reflected in increasing pupil numbers, rising from 423 in January 2009 to an anticipated 481 in September 2011.

Vermont School – Deficit requested £42,000

12. At the end of 2010/11, the school had a deficit of £102,000 compared to an approved deficit of £72,000. This was due to higher staffing costs and less income than expected. Other areas of expenditure were managed well in the last year. The school now have a staffing structure that is considered

appropriate for the needs of the pupils and has presented a budget which includes more realistic estimates of income. The school's Finance Committee meets monthly to monitor the financial position of the school. The school has been asked to submit copies of the financial monitoring reports and the minutes from those meetings so that the local authority is assured that the budget is achieved. The school plans to return to a balanced position in 2012/13.

RESOURCE IMPLICATIONS

Capital/Revenue

13. The financial implications for the individual schools are as shown in the table above. The deficits overall are funded by the total level of schools' revenue balances, £5.3m as at the end of 2010/11.

Property/Other

14. No immediate property implications have been identified as a result of this report. It is possible that deficit budgets may impact on the schools' ability to meet the cost of repairs. As part of contingency planning a clear policy needs developing, in consultation with relevant parties, to meet this possibility and ensure stable financial management.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

15. The Scheme for Financing Schools, made in accordance with the Schools Standards and Frameworks Act 1998, makes provision for schools setting deficit budgets in accordance with Department for Education rules.

Other Legal Implications:

16. None

POLICY FRAMEWORK IMPLICATIONS

17. The proposals set out in the report are consistent with the strategies and policy objectives set out in the Children and Young People's Plan (CYPP). The targets for improvement in school performance set out in the CYPP would be harder for schools to meet if they were not permitted to set deficit budgets as they would have to make significant cuts to expenditure in the current year, which would inevitably entail the reduction of teaching staff.

AUTHOR:	Name:	Carolyn Worthy	Tel:	023 8083 4346
	E-mail:	Carolyn.worthy@southampton.gov.uk		

KEY DECISION? Yes

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

SUPPORTING DOCUMENTATION

Non-confidential appendices are in the Members' Rooms and can be accessed on-line

Appendices

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

Documents In Members' Rooms

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

Integrated Impact Assessment

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

Other Background Documents

Integrated 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.	Southampton City Council's Scheme for Financing Schools	
----	---	--

This page is intentionally left blank

Agenda Item 9

DECISION-MAKER:	CABINET
SUBJECT:	PARTNERSHIP FOR URBAN SOUTH HAMPSHIRE (PUSH): REVISION TO CONSTITUTIONAL ARRANGEMENTS
DATE OF DECISION:	4 JULY 2011
REPORT OF:	DIRECTOR OF CORPORATE SERVICES
STATEMENT OF CONFIDENTIALITY	
None	

BRIEF SUMMARY

The purpose of this paper is to seek approval to revise the constitutional arrangements relating to the Partnership for Urban South Hampshire (PUSH). These changes have already been considered by the PUSH Joint Committee and have been approved. Each of the constituent local authorities is now being asked to consider a report recommending that they support these changes.

RECOMMENDATIONS:

- (i) That the revised constitutional arrangements relating to PUSH appended to this report, be approved.
- (ii) That the Director of Corporate Services be given delegated authority to take any other action necessary in terms of any other changes or amendments to the PUSH constitution to give effect to the content of this report.

REASONS FOR REPORT RECOMMENDATIONS

1. This is to ensure that the constitutional arrangements for PUSH are fit for purpose and are up to date.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2. None.

DETAIL (Including consultation carried out)

3. This report was shared and consulted upon with all the constituent local authorities contained in PUSH and was also considered by the PUSH Joint Committee which is constituted of all the Leaders of the all the local authorities in PUSH. All endorsed the proposals set out in this report.
4. The current partnership arrangements commenced in November 2007 with the confirmation of the Joint Committee as the decision-making body. The PUSH joint agreement introducing this and other constitutional arrangements was completed on the 15th August 2008 after it had been signed by all the participating authorities.
5. The organisational structure of PUSH has developed further over time in the light of experience in operating the partnership and evolving needs. PUSH governance arrangements were approved by the Joint Committee on 18th November 2008 and revised financial protocols have improved the governance of budget and financial management and transactions.

6. It is now appropriate to review and revise the constitutional arrangements for a number of reasons:
 - a. Isle of Wight Council has joined PUSH;
 - b. New Forest District Council has left PUSH;
 - c. the Local Enterprise Partnership (LEP) has been created and the governance arrangements for the LEP and the inter-relationship between the LEP and PUSH need to be taken into account.
7. The PUSH Joint Committee also recommended that the right of veto to Hampshire, Portsmouth and Southampton (which would have been extended to the Isle of Wight) should be removed.
8. It should also be noted that the financial model contained in the joint agreement setting out the contribution to be made by each of the partner local authorities has been amended to keep the existing level of contribution for 2011/12. This will be amended and updated in the light of further work to be undertaken for the next financial year.

PUSH Joint Committee

9. The Joint Committee, constituted of all the leaders of all the local authorities constituting PUSH, endorse and support the arrangements set out in this report leading to the proposed constitutional changes. However, the constitution of PUSH requires that each of the individual local authorities gives its approval to any changes in the constitution before they can be given effect to.

RESOURCE IMPLICATIONS

Capital/Revenue

10. None

Property/Other

11. None

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

12. PUSH is constituted under the Local Government Acts 1972 and 2000. The joint arrangements entered into, which include the terms of reference for the Joint Committee as well as the Overview and Scrutiny Joint Committee will require amendment by virtue of this report, if it is endorsed by the City Council and all the other constituent local authorities comprising PUSH. That will be dealt with by a revised legal agreement prepared by the Director of Corporate Services on behalf of PUSH.

Other Legal Implications:

13. None.

POLICY FRAMEWORK IMPLICATIONS

14. None.

AUTHOR:	Name:	Mark Heath	Tel:	023 8083 2371
	E-mail:	mark.heath@southampton.gov.uk		

KEY DECISION? Yes/No No

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

SUPPORTING DOCUMENTATION

Non-confidential appendices are in the Members' Rooms and can be accessed on-line

Appendices

1.	Revised PUSH Joint Agreement
----	------------------------------

Documents In Members' Rooms

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

Integrated Impact Assessment

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

Other Background Documents

Integrated 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.		
----	--	--

This page is intentionally left blank

DECISION-MAKER:	CABINET COUNCIL
SUBJECT:	HOUSING STRATEGY 2011-2015 AND HOUSING REVENUE ACCOUNT BUSINESS PLAN 2011 -2041
DATE OF DECISION:	4 JULY 2011 13 JULY 2011
REPORT OF:	CABINET MEMBER FOR HOUSING
STATEMENT OF CONFIDENTIALITY	
N/A	

BRIEF SUMMARY

The Southampton Housing Strategy 2011 - 2015 and Housing Revenue Account Business Plan 2011 – 2041, which form part of the Council's policy framework, are due for renewal.

RECOMMENDATIONS:

Cabinet

- (i) To consider the draft Housing Strategy (incorporating the Private Housing Renewal Strategy) and HRA Business Plan and make any recommendations to Council that are considered appropriate.
- (ii) Subject to the Council decision below, to delegate authority to the Head of Housing Solutions to approve specific policies for the giving of assistance in accordance with the Private Housing Renewal Strategy, following consultation with the Cabinet Member for Housing, the Head of Legal and Democratic Services and the Senior Manager, Finance.

Council

- (i) To approve the draft revised Housing Strategy (incorporating the Private Housing Renewal Strategy) and HRA Business Plan.
- (ii) To delegate authority to the Head of Housing Solutions to make final amendments to the Housing Strategy 2011 - 2015
- (iii) To delegate authority to the Head of Decent Homes to make final amendments to the Housing Revenue Account Business Plan 2011 – 2041.

REASONS FOR REPORT RECOMMENDATIONS

1. The Southampton Housing Strategy 2011 – 2015 and Housing Revenue Account Business Plan 2011 – 2041 which form part of the Council's policy framework, are due for renewal. Following the preparation of a housing issues paper which was considered by Cabinet on 20th December 2010 and OSCM on 20th January 2011 a revised Housing Strategy 2011 – 2015 and a framework for the Housing Revenue Account Business Plan 2011 – 2041 have now been produced. The Housing Strategy incorporates the Private Housing Renewal Strategy 2011-2015.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2. Not to produce the documents at all. The documents now require updating in accordance with their original timeframe. The Housing Strategy details the way in which the Council and its partners will provide decent homes which are fit for the needs of Southampton's exciting future. As the city's largest landlord the HRA Business Plan *Investment in our Homes, Investment in our Neighbourhoods*, details plans to improve the quality of life for more than 17,000 households in the city.

DETAIL (Including consultation carried out)

3. Housing is the foundation for a good quality life. The right mix of housing is important for a prosperous economy both to meet local needs in the city and keep wealthier residents in the city; this in turn will have socio- benefits such as improving school performance and contributing to making Southampton a more prosperous, safer, greener, healthier place to live.
4. The Housing Strategy 2011 – 15 is an overarching strategy which sets out the council's priorities to meet local housing needs and aspirations thereby contributing to the overall long-term aim to improve the quality of life for all citizens in Southampton. The Housing Strategy 2011 – 15 is an overarching strategy which sets out the council's priorities to meet local housing needs and aspirations thereby contributing to the overall long-term aim to improve the quality of life for all citizens in Southampton. The priorities are:
 - Maximising Homes for the City
 - Improving Homes – Transforming Neighbourhoods
 - Extra Support for those who need it
5. The Housing Revenue Account Business Plan sets out plans for the council's HRA housing stock over a 5 year period within a 30-year timeframe to enable the council to track progress against the decent homes standard and respond to longer term investment needs.
6. The new Housing Strategy and Housing Revenue Account Business Plan documents will be web based document embedded with key facts and information. Short Executive summaries of each document will be printed.
7. Development of the Housing Strategy is driven through the city's Housing Partnership which is a multi-tenure forum which brings together representatives from the housing (and housing related) sectors. A Housing Strategy group with representation across the council has also shaped and developed the strategy holistically. Consultation has taken place with tenant and resident groups, key stakeholders and partners of the Council who have been able to feed in priorities to further develop the action plan to ensure services are shaped and delivered accordingly.
8. The Housing Revenue Account Business Plan is being established through tenant consultation with the Tenant's Capital Group of tenants and the Tenants Federation. The Tenant's Capital Group provide on-going consultation to define priorities for capital-spend for public sector housing. The priorities for the plan have also been considered at the Tenants Conference on 14th May 2011.

9. The Housing Strategy incorporates the Private Housing Renewal Strategy, which sets out how the council will improve private housing, taking into account local needs and priorities. This has been subject to an additional consultation with landlords' representatives, home owners and other stakeholders.

RESOURCE IMPLICATIONS

Capital/Revenue

10. The capital issues that need to be considered in the Housing Strategy and HRA business plan are set out in the Resource Issues section of the documents.
11. The revenue issues that need to be considered in updating the Housing Strategy and HRA business plan are set out in the Resource Issues section of the documents. The cost of producing and publishing the Strategy and Business Plan is included in the relevant Housing General Fund and HRA budgets.

Property/Other

12. None

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

13. The Housing Act 2004 places numerous new requirements on local authorities. The draft Strategy and Business Plan evidences the Council's approach to complying with this, and other, housing legislation.

Other Legal Implications:

14. There are no other legal implications to consider at this stage.

POLICY FRAMEWORK IMPLICATIONS

15. The Southampton Housing Strategy 2011 - 2015 and Housing Revenue Account Business Plan 2011 – 2041 will form part of the Policy Framework following formal adoption by Full Council in due course.
16. A Housing Issues Paper was presented at OSMC on 20th January 2011. The Southampton Housing Strategy 2011-2015 was presented to OSCM on 30th June 2011.

AUTHOR:	Name:	Barbara Compton	Tel:	023 8083 2155
	E-mail:	barbara.compton@southampton.gov.uk		

KEY DECISION? Yes **WARDS/COMMUNITIES AFFECTED:** All

SUPPORTING DOCUMENTATION

Non-confidential appendices are in the Members' Rooms and can be accessed on-line

Appendices

1.	Executive Summaries of Housing Strategy 2011 – 2015
2.	Executive Summaries of Housing Revenue Account Business Plan 2011 - 2041

Documents In Members' Rooms

1.	Housing Strategy Context Paper 2011 - 2015 and Acton Plan
----	---

Integrated Impact Assessment

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

Other Background Documents

Integrated Impact Assessment and Other Background documents available for inspection at: <I:\Corporate Management\Strategy\Housing Strategy 2011-15\G1 - IIA STAGE 1 QUICK ASSESSMENT.doc>

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.	http://www.southampton.gov.uk/Images/housing%20strategy%202007%2011_tcm46-199356.pdf Current Housing Strategy	
2.	http://www.southampton.gov.uk/living/housing/housingpolicies/HRABP.doc Current HRA Business Plan	

DECISION-MAKER:	CABINET
SUBJECT:	ESTATE REGENERATION PROGRAMME – NEXT PHASE
DATE OF DECISION:	4 JULY 2011
REPORT OF:	CABINET MEMBER FOR HOUSING

STATEMENT OF CONFIDENTIALITY

Confidential Appendices 3 and 4 contains information deemed to be exempt from general publication by virtue of Category 3 of paragraph 10.4 of the Council's Access to Information Procedure Rules as contained in the Constitution.

The appendices include details of a proposed transaction which, if disclosed prior to entering into a contract, could put the Council at a commercial disadvantage in the future. In applying the public interest test it is not considered appropriate to make public offers made as this could lead to a revision of bids. Therefore, publication of this information could be to the Council's financial detriment.

BRIEF SUMMARY

Southampton City Council has embarked on a major estate regeneration programme which has an essential part in the wider commitment of delivering growth and tackling economic deprivation and social disadvantage on Southampton's Council estates

Estate Regeneration is also identified as a key component in delivering the City wide priority of sustained economic growth, contributing to the objective to deliver new homes and additional jobs.

This paper provides an update on progress with the programme and sets out proposals to expand the programme into the next phase.

RECOMMENDATIONS:

Weston

- (i) Approve in principle the redevelopment of a site at Weston, shown edged red at Appendix 1, comprising the three blocks listed below:
 - 1-20 Kingsclere Close, 1-7 Wallace Road, 70-80 Weston Lane (evens only)
Comprising 20 flats and maisonettes, 10 commercial units including Weston Local Housing Office and Weston Library, garages, sheds, service yards and other open areas.
 - 1-32 Sombourne House, Weston Lane
Comprising 32 flats and maisonettes, garages, sheds, service yards and other open areas.
 - 1-14 Ashton House, Kingsclere Avenue
Comprising 14 flats and maisonettes, garages, sheds, service yards and other open areas.
- (ii) To approve the service of Initial Demolition Notices on secure tenants at the three estate regeneration sites listed in (i) above under the provisions of the Housing Act 1985.
- (iii) To implement the adopted Decant Policy in relation to the sites listed in (i).

- (iv) To delegate authority to the Head of Property and Procurement to negotiate and acquire by agreement any legal interests or rights held in respect of the properties listed in (i) above, not held by the Council, using such acquisition powers as the Head of Legal and Democratic Services advises. In each case subject to confirmation from Capita, acting as independent valuers, that the price represents the appropriate Market Value.
- (v) To amend the phasing of the expenditure in the HRA capital programme as set out below and to approve, for the purposes of Finance Procedure Rules, capital spending of £500,000 in 2011/12, £1,000,000 in 2012/13 and £454,000 in 2013/2014 on the Weston estate regeneration proposals in this report.
- (vi) To delegate authority to the Director for Economic Development in consultation with the Senior Manager for Finance to accept, in accordance with Finance Procedure Rules, any grant funding towards the costs of the redevelopment of the Weston estate regeneration site listed in (i) above.
- (vii) Approve the establishment of a project group in relation to the possible redevelopment of the site at Weston, with a remit to:-
 - a) continue consultation and dialogue with local residents and other stakeholders including those living in affected properties and with other interested parties; and
 - b) work with the local community and other potential partners to prepare a development brief.
- (viii) To delegate authority to the Director for Economic Development to finalise and approve the development brief following consultation with the Cabinet Member responsible, Head of Legal and Democratic Services, Senior Manager for Finance, Head of Planning and Sustainability, and Head of Property and Procurement.
- (ix) To delegate authority to the Director for Economic Development to approve the choice of procurement route which she considers to be most appropriate to seek a development partner following consultation with the Cabinet Member responsible, Head of Legal and Democratic Services, Senior Manager for Finance and Head of Property and Procurement, and to proceed with such procurement activity up to the stage of appointing a preferred bidder for which further authority from Cabinet will need to be obtained.
- (x) To report back to Cabinet the outcome of the procurement activity referred to in (ix) above as appropriate and seek further authority from Cabinet to proceed and appoint a preferred bidder based upon the results of that procurement activity.

Townhill Park

To delegate authority to the Director for Economic Development, following consultation with the Cabinet Member responsible, to commence a programme of consultation and engagement with

residents and stakeholders at Townhill Park and to appoint consultants to prepare a Regeneration Framework document.

- (xi) To approve for the purposes of Finance Procedure Rules, capital spending of £200,000 in 2011/12, on the Regeneration Framework for Townhill Park and associated fees and costs, provision for which exists in the HRA capital programme.

Property Acquisition

- (xii) To delegate authority to Head of Property and Procurement following receipt of advice from Capita, to negotiate and acquire by agreement any legal interests or rights in the properties listed at Confidential Appendix 3 and 4 and not held by the Council using such acquisition powers as the Head of Legal and Democratic Services advises.
- (xiv) To delegate authority to the Head of Legal and Democratic Services to enter into any legal documentation necessary in respect of the purchase or acquisition of rights and to undertake any ancillary action in connection therewith.
- (xv) To hold any acquired properties in accordance with the acquisition powers pending future regeneration.
- (xvi) To reduce the uncommitted provision in the 2011/12 HRA capital programme for "Other site assembly costs" by the sum specified in Confidential Appendix 3 and to add a scheme to the 2011/12 HRA capital programme for the "Acquisition of properties" for the same value
- (xvii) To approve in accordance with Finance Procedure Rules, expenditure in 2011/2012 in the sum set out in the Confidential Appendix 3 for the acquisition of properties.

REASONS FOR REPORT RECOMMENDATIONS

Weston

1. Regeneration is supported by the community.
2. Regeneration will address known maintenance issues.
3. Regeneration will provide the opportunity to tackle some of the socio economic challenges in the area.
4. Redevelopment provides the opportunity to deliver improved modern local facilities to meet the needs of residents. Redevelopment will provide a mixed tenure environment and good quality accommodation, together with significant improvements in the public and private realm on site, to ensure a cohesive and sustainable community.

Townhill Park

5. Producing an estate wide Regeneration Framework for Townhill Park will provide a strategic direction and overview for the long term future of the estate. This will enable co-ordinated and focused delivery.

6. Townhill Park is an area of the City with the greatest potential for housing gain, contributing to city wide priority of economic growth. It is therefore considered appropriate to adopt the strategic framework approach first on this estate.

Property Acquisition

7. In November 2008, Cabinet delegated authority to the Executive Director of Neighbourhoods following consultation with the Cabinet Member responsible, to commence a programme of consultation and engagement with residents and stakeholders on a series of sites in order to identify a programme of sites for redevelopment. This included Weston and the area subject to the property acquisition
8. The reasons for the acquisition are set out in the Confidential Appendix 3.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

9. The updated Housing Strategy 2011-15 and Housing Revenue Account Business Plan 2011-2041 to be presented to Cabinet on 4th July 2011 (and Council on 13th July 2011) confirm estate regeneration as a key priority for the Council.
10. This report proposes the delivery of the next projects within a programme of Estate Regeneration. The option of doing nothing would not achieve the Council's objectives of creating successful communities on our estates.

Weston

11. The option of doing nothing would result in significant repairs and maintenance work being required. The cost to the Council of this is currently estimated at £2.25M, excluding any works required to the commercial units, which will be a significant additional cost. It is considered that the cost/benefits approach of regeneration outweigh the cost/benefits of continuous maintenance.
12. Furthermore, there has been considerable community consultation with local tenants and residents at Weston which has raised community hopes and expectations.

Townhill Park

13. The option of doing nothing would result in a lack of strategic direction for the future of the area and a lost opportunity to meet the Council's objectives of economic growth.

Property Acquisition

14. As outlined in the Confidential Appendix 3 and 4, the property being acquired is in a strategic position for regeneration. The current occupational terms are coming to an end, meaning acquisition at this time could be easier and more cost effective than at a later date. The option of doing nothing is therefore not considered to be appropriate.

DETAIL (Including consultation carried out)

Core Principles of the Estate Regeneration Programme

15. The Estate Regeneration Programme is a key component in delivering the City wide priority of sustained economic growth. The programme is also key to tackling economic deprivation and social disadvantage on Southampton's Council estates.
16. The objective of the estate regeneration programme is to create successful communities on our estates where people will want to live in the future. Communities will be comprised of people of different ages and backgrounds, where work is normal for all who are able to. Homes and public spaces will be designed to provide safe and secure environments and local people will take an active involvement in ensuring the success of the community.
17. The outline principles of the programme are :
 - Taking a comprehensive approach to renewal in order to transform neighbourhoods into places where people want to live for years to come.
 - Maximising the number of new homes, including family homes, as part of the re-development.
 - Promoting mixed communities made up of affordable and private homes.
 - Involving local people in developing and designing their community for the long term.
 - Providing shops and community facilities where needed and practicable.

Current Progress

18. Phase 1 – Hinkler Parade, £16M - Pilot Project is now well underway, with the first homes in Phase 1 sold, first phase of affordable homes being allocated and shops in the process of being handed over to the new tenants.
Phase 2 – 4 sites, £30-40M project - A preferred developer has been selected for 3 out of the 4 sites with planning applications due to be submitted, an alternative solution for remaining site is being developed.
Local Authority New Build, £9M Project - The first phase sites are complete and occupied in March/ April 2011. The second phase is on schedule to complete March 2012.

In total the current estates regeneration programme is set to deliver over 400 new homes, community facilities and retail units across 13 sites in the City. Links have been established to promote social and economic regeneration. For example on Hinkler Parade, over 25% of the workforce constructing the project are local people and this project will support new business start-ups.

Phase Three of Estate Regeneration

Weston – The Case for Regeneration

19. Southampton City Council is the largest landlord in the South East of England with over 17,000 properties let to tenants and leaseholders. The

Housing Revenue Account Business Plan 2011-2041 'Investment in our Homes, Investment in our Neighbourhoods' provides a long term plan for managing and improving the Council's own housing stock to contribute to the overall progression of wider corporate and city-wide goals. Information has been compiled on the condition of the City's housing stock to plan and prioritise immediate programmes and the investment strategy in this plan.

20. As part of business planning process to manage Council housing assets some retail parades and associated blocks in the City such as in Weston, have been identified as requiring a more comprehensive estate regeneration approach.
21. In March 2010, a walkway collapsed at Kingsclere Close. The Council were found not to be at fault. Residents later submitted a petition in April 2010 to request the regeneration of the block. The poor condition of the roof at Somborne House has necessitated an emergency decant for properties along the top floor.
22. Detailed assessment has been made by the Decent Homes service of the condition of the property affected and surrounding homes, and an estimate of investment costs required in the blocks. Over the next 10 year period, this is estimated to be over £1.4M.
23. Further investment is also required to bring the properties at Somborne House to a suitable standard, beyond the costs outlined for the ten year period. These works include renewal of a collapsed drain, cavity wall insulation, demolition of the garages and re-surfacing of the car park and other refurbishment works which altogether, adds £813,000 to the costs outlined above. This would increase the projected costs from £1,437,788 to £2,250,788, excluding maintenance of the retail units, which will be an additional cost not yet estimated.

24.

Block	Cost	Year built	Number residential units	Units sold
1-20 Kingsclere Close	£338,162	1959	20	2
1-32 Somborne House	£833,058	1965	32	3
1-14 Ashton House	£266,568	1965	14	2
10 Year Period	£1,437,788*			
Additional works	£813,000*			
TOTAL	£2,250,788*			
* Excludes required maintenance of the retail units, which will be an additional cost, not yet estimated.				

25. The site includes ten commercial units, four of which operate as retail uses, five operate as community uses and services including the Library and local housing office and there is one vacant unit.

Unit Name	Address
Weston Wines & Grocery	7 Wallace Road
Library	6 Wallace Road
Parochial Church Council of the Ecclesiastical Parish of Holy Trinity Weston – trading as “Lighthouse” - Community Drop-In	5 Wallace Road
Pets Love Us - Pet Shop	4 Wallace Road
Chamberlayne College for the Arts - Neighbourhood Learning Centre	3 Wallace Road
Hampshire & Isle Of Wight Youth Options	2 Wallace Road
Co-Op Food Store	80 Weston Lane & 1 Wallace Road
Vacant	78 Weston Lane
Forbuoys	74-76 Weston Lane
Weston Local Housing Office	70-72 Weston Lane

26. Residents have advised as part of the consultation that they consider the commercial units do not provide the range of goods to meet their needs. Investment in the existing retail units to provide modern facilities would be an additional cost to the Council.
27. An outline principle of the estate regeneration programme is also to provide modern shops and community facilities where needed and practicable. The site is defined as a Local Centre in the Local Plan Review. Redevelopment of the site provides the opportunity to deliver a better designed development that maximises the footprint of the site and provides improved modern local facilities to meet the needs of residents.
28. Weston is an area which has some of the greatest levels of deprivation in the City. In the Indices of Deprivation (IMD) 2010, the lower super output area that includes most of the tower blocks at International Way, is the third most deprived in the City overall. Deprivation indicators which combine to form this high score include higher levels of unemployment, lower income levels and lower levels of education skills and training in comparison to other areas of the City. The area is considered to be isolated with a lack of accessibility to employment. Regeneration of this area will focus, not only on the physical regeneration but on tackling the wider socio economic issues in order to deliver real lasting change in the area.

29. Further collaborative work across Council departments will also continue to maximise potential construction related training and apprenticeship opportunities from any redevelopment.
30. Regeneration is supported by the local community and it is considered that the cost/benefits of regeneration outweigh the cost/benefits of continuous maintenance.

Townhill Park – The Case for Regeneration

31. In 2009, Terence O'Rourke consultants were commissioned by the Council to identify capacity to accommodate renewal and housing growth across the Council's housing estates to 2026. Focusing on the city wide priority of sustained economic growth, and the Core Strategy target of delivering over 16,000 new homes; the capacity study recommended that to maximise housing growth through estate regeneration, the Council would need to focus on those sites which offered the most potential for housing gain (net increase on the existing properties). The Capacity Study identified Townhill Park as an area with the greatest potential for housing gain, with significant potential to grow in numbers of homes by 36.5%
32. Terence O'Rourke recommended that an estate wide vision and masterplan, referred to as a Regeneration Framework, is prepared in order to strategically link building homes with wider initiatives. This would include wide consultation on proposals for the area. This Regeneration Framework would assist the Council and its partners to strategically plan for appropriate change, rather than continue with small scale initiatives which generally have an impact only in their immediate vicinity.
33. The Capacity Study identified that, whilst the development potential at Townhill Park was the greatest, the actual number of residents displaced by the decanting process would be the least, when compared with other estates in the City with development potential. This would obviously be a significant benefit to residents on the estate, and mean the least amount of negative impact upon them.
34. Decanting at Townhill Park, as opposed to other estates, also has the potential to result in a significantly less impact on the Council's finances. An estate wide strategy would allow for phased decanting and disposals which should also enable later capital receipts to fund the Council's enabling costs.

Consultation – Estate Regeneration Programme

35. Consultation has been undertaken with a range of bodies in the development of the estate regeneration programme. Nationally, this includes the Homes and Communities Agency and Sub Regionally, the Partnership for Urban South Hampshire (PUSH). The cross-party Estate Regeneration Stakeholder Group, on which the Federation of Southampton Tenants and Residents is represented and which includes trade union representation, is playing an important advisory role in the programme. They have been consulted on the proposals for Weston and Townhill Park in this report. Due to the confidential nature, the property acquisition has not been discussed.

Consultation – Weston

36. Within the Council, consultation has involved a range of Council officers through the Estate Regeneration Renewal Group, Estate Regeneration Programme Board, the Estate Regeneration Stakeholder Group and more widely across the Council. Officers in Estate Regeneration have worked jointly with officers in Decent Homes to undertake initial cost benefit analysis on the Weston residential blocks. Some of the shop units at Weston accommodate existing Council services and there will an ongoing programme of consultation with staff as more detailed redevelopment plans are prepared.
37. As with Phase Two estate regeneration projects, an extensive programme of consultation has been adopted as regards to the site at Weston. This has included follow-up visits to Council tenants by the Tenant Liaison Officers after initial letters were sent out, drop-in events in late March 2011 for the residential and commercial tenants most closely affected by the proposals, where they could speak to officers on an individual basis and discuss any concerns or aspirations they had. A further drop in consultation for the wider public and two design festival drop-in consultation events led by an independent facilitator took place in late May / early June 2011. The latter events were promoted by a local leaflet drop to residents in the Weston area and posters and leaflets being distributed to the shops. In total approximately 2,700 leaflets were distributed. This is to ensure that residents on site and those living in the surrounding neighbourhoods have been able to give their views on the proposals for redevelopment which will then be incorporated in the production of a development brief for the area.
38. To date public consultation has been on the whole supportive of redevelopment at Weston Shopping Parade. The re-provision of local shops on community facilities is considered very important as there are issues of isolation and poor accessibility in the area. Proposals coming forward will need to ensure continuity of key services. Appendix 2 contains a summary of the public consultation and responses prepared by Solent Centre for Architecture and Design.

Consultation – Townhill Park

39. A leaflet was distributed to all residents in March 2011, advising of proposals to prepare a regeneration framework for Townhill Park. The feedback to date has generally been supportive of the proposals.
40. Formal consultation with residents will commence in late summer of 2011, once consultants have been appointed to deliver the Framework.

Consultation – Property Acquisition

41. To date there has been no public consultation as regards to the proposed acquisition, due to the confidential nature. Subject to contract and without prejudice negotiations have however been ongoing with the freeholder.

Next Steps

42. Should Cabinet approve the report recommendations, the next steps in delivering these projects will include:

Weston:

- (i) Inform the affected residents and begin to serve the initial demolition notices
- (ii) Inform the wider community of the Cabinet decision
- (iii) Begin a process of decanting existing Council tenants and acquisition of properties
- (iv) Undertake feasibility studies and options appraisals to determine the optimum scheme possible which aims to meet the aspirations for the site and is viable and deliverable.
- (v) Seek out funding opportunities for the project
- (vi) Investigate procurement options for effectively seeking a developer for the site and report back to the Director for Economic Development and Cabinet Member responsible the preferred procurement route(s).
- (vii) Report back to the Director for Economic Development and Cabinet Member responsible the proposals in the development brief and the proposed procurement strategy and seek approval to procure a developer.
- (viii) Once a preferred developer is selected from the procurement exercise, to report back to Cabinet to approve a recommendation to appoint and to enter into an appropriate form of contract with the preferred developer. If no developer is preferred report to Cabinet to consider appropriate next steps.

Townhill Park:

- (ix) Appoint consultants to deliver the Regeneration Framework for Townhill Park
- (x) Begin community consultation
- (xi) Report back Cabinet with the completed Regeneration Framework as appropriate.

Property Acquisition:

- (xii) Proceed to reach an agreement with the present owner on the acquisition of the property highlighted at Confidential Appendix 4 and acquire the property with vacant possession once agreement is reached.
- (xiii) Let out the property short term, awaiting wider regeneration proposals to develop.

RESOURCE IMPLICATIONS

Capital/Revenue

Finance – Capital

Weston

43. A provisional budget based upon regeneration proceeding has been prepared. This forecast is based on estimates of the costs for relocations and the Council's enabling costs and forecasts total capital spending of £1.955M. The HRA capital programme approved by council in February makes provision for this spending, phased as £5,000 in 2010/11, £975,000 in

2011/12 and £975,000 in 2012/13. There was an under-spend of £4,000 in 2010/11 and the HRA outturn report due to be considered by Council on 13 July proposes that this slippage is added to the budget for 2011/12. The latest estimate of the phasing of the capital expenditure is £500,000 in 2011/12, £1,000,000 in 2012/13 and £454,000 in 2013/14. It is proposed that the capital programme is amended to incorporate this latest assessment and that the scheme is approved on this basis.

44. As with previous estate regeneration schemes it is the intention to seek to recoup this outlay from a combination of grants and capital receipts so that there is no net capital cost to the HRA. It has always been accepted that there would be the need for short term funding from the HRA because the expenditure is always incurred before the capital receipt / grant is available. This will also be the case at Weston.
45. However, at the present time it is not possible to assess whether it will be possible to fully recover the initial capital outlay. The potential to obtain a capital receipt is dependent on the final development brief that is approved for the site. Research into the options for redevelopment of the site and their feasibility is currently being undertaken by Capita. It is also not possible at the current time to assess what level of support will be available from the Homes and Communities Agency (HCA) and what form this might take. This is because the HCA are currently in the process of negotiating contracts with Registered Providers, the outcome of which will not be known until late July.
46. This means that there is a risk of there being a net capital cost to the HRA. The implications of this would need to be incorporated in the budget process for 2012/13 and subsequent years.
47. The research being undertaken by Capita will assess the commercial viability of the redevelopment. If, following marketing, it transpires that market conditions are such that the project cannot be delivered and provide best consideration for the Council's land then a report will be made to Cabinet to consider appropriate next steps.

Townhill Park

48. The HRA capital programme approved by Council in February 2011 included £20M for a major estate regeneration scheme. There was a total provision of £1.47M across 2010/11 and 2011/12 to meet initial costs. The £200,000 proposed spending on the masterplanning work and associated fees and costs can therefore be funded from this provision.

Property Acquisition

49. It is legally possible to charge the acquisition of these properties to the HRA (see paragraph 63 below) and the HRA capital programme approved by Council in February made a total provision of £560,000 in 2011/12 for all site assembly costs.
50. The expected costs of acquiring the property can be contained within this budget for 2011/12 so it is therefore proposed to allocate some of the budget provision from 2011/12 in order to fund the acquisition of the properties. The sum involved is set out in Confidential Appendix 3.

Finance – Revenue

51. The revenue budgets approved by council in February also made allowance for the revenue impact of the scheme at Weston. The loss in income from dwellings, shops etc. is approximately £223,000 in a full year. The annual revenue savings are approximately £48,000 and the saving on capital expenditure equates to approximately £181,000 pa for the next 10 years, although most of this would need to be spent in the next few years.
52. The revenue costs associated with the capital spending on the Regeneration Framework for Townhill Park and the property acquisition were also allowed for in the budget report. The costs of implementing the proposals in the Regeneration Framework will need to be assessed when firm proposals are available. Consultants will be tasked with producing a financial model and viable solutions. The other revenue implications of the proposed property acquisition will not be significant. There is likely to be modest income from letting out the acquired property on a short term basis but there will also be ongoing maintenance costs etc. Both will be accounted for in the HRA.

Property/Other

Property

53. This paper covers potential property disposals at a Council owned site, which also has some local Council services including the Weston Library and Weston Local Housing Office. Consultation has been undertaken with service managers in respect of any future proposals and will continue to ensure that they coalesce with the proposals that are being developed for the Weston Local Housing Office to merge with Peartree Local Housing Office and be re-provided from community facilities at Centenary Quay within the new Centenary Quay Library.
54. Lettings of shops on Council estates are categorised as “social property” which recognises that the prime purpose for holding this type of property, and the way in which it is managed, is to support the service and community. The case for regeneration sets out the opportunities to provide modern retail units to serve the future requirements of the community
55. The commercial tenants will be compensated in accordance with statutory valuation procedures which will be specific to each tenant. The Estates Regeneration Team has produced and distributed information leaflets for residential tenants and property owners which set out their statutory compensation arrangements.
56. Consent to dispose of the sites, once a developer is secured, will require Cabinet approval. The Council’s Strategic Services Partner, Capita, is acting as the Council’s property advisors inputting into these projects.

Property Acquisition

57. This report seeks authority to acquire, where terms can be agreed, parcels of land which it would be desirable to incorporate within the potential regeneration sites now where Cabinet has given approval for consultation with residents to ensure these opportunities are not missed. These properties may be let out on

a short term basis providing the Council with a fairly modest rental income pending site redevelopment. Care would be taken not to enter into any letting agreements that would result in the tenants obtaining security of tenure.

Other – Procurement

58. The Council's Contract Procedures Rules govern the Council's procurement of goods, services and works. These rules reflect European and UK Law. For Weston and Townhill Park options for procurement which are compliant with the Council's Contract Procedure Rules will be further investigated.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

59. The Council has powers under the Housing Acts, Section 2 Local Government Act 2000, Landlord and Tenant legislation and the Town and Country Planning Act 1990 to undertake the estate regeneration proposals.
60. The Council also has powers under the Housing Acts 1985 and 1996, the Land Compensation Act 1973 (as amended) and the Planning and Compulsory Purchase Act 2004 to agree and to undertake the decanting of Council tenants to progress the scheme.
61. If approval is given in principle to the redevelopment of the site at Weston it is prudent to serve Initial Demolition Notices on existing secure tenants in the affected areas. This will have the effect of releasing the council from its obligations under the Housing Act 1985 to complete sales in respect of any existing or new Right to Buy (RTB) applications. The Initial Demolition Notice therefore suspends all existing claims and any new ones made will also be suspended.
62. In order to extinguish the RTB completely, a Final Demolition Notice (FDN) has to be served on any remaining secure tenants within five years of the service of the Initial Demolition Notice at which time the council must have concrete arrangements in place to purchase property which is not in its ownership.
63. Section 17 Housing Act 1985 permits the purchase of the properties by the HRA for land acquisition housing purposes as the land is likely to be required for housing purposes within the next 10 years. There are also powers of acquisition in section 227 of the Town and Country Planning act 1990 to acquire land by agreement where the land is required for planning purposes.

Other Legal Implications:

64. If acquisition cannot be achieved by agreement then authority will be sought to compulsory purchase the properties the subject of this report when the preferred developer is appointed.

POLICY FRAMEWORK IMPLICATIONS

65. The Housing Strategy 2007-2011 and HRA Business Plan 2007-2037 agreed by Council in March 2007, set out the strategic direction and priorities for housing in the City which includes a priority to promote neighbourhood renewal. The updated Housing Strategy 2011-15 and Housing Revenue

Account Business Plan 2011-2041 to be presented to Cabinet on 4th July 2011 (and Council on 13th July 2011) confirm estate regeneration as a key priority for the council. The associated Decent Homes in Decent Neighbourhoods investment programme includes a number of transformational projects that will improve the condition of homes, the appearance of our estates and work towards creating more homes and mixed communities.

The proposals in this report will contribute towards the achievement of these objectives.

AUTHOR:	Name:	Amanda Douglass Estate Regeneration Manager	Tel:	023 8083 3368
	E-mail:	Amanda.douglass@southampton.gov.uk		
KEY DECISION?	Yes	WARDS/COMMUNITIES AFFECTED:	Woolston, Bitterne Park and Harefield wards.	

SUPPORTING DOCUMENTATION

Non-confidential appendices are in the Members' Rooms and can be accessed on-line

- 1 Site Plan, Weston
- 2 Summary of Consultation, Weston
- 3 CONFIDENTIAL Property Acquisition
- 4 CONFIDENTIAL Site Plan, Property Acquisition

Documents In Members' Rooms

1.	Overview and Scrutiny Report – 30 th June
----	--

Integrated Impact Assessment

Do the implications/subject of the report require an Integrated Impact Assessment (IIA) to be carried out.	Yes
--	-----

Other Background Documents

Integrated Impact Assessment and Other Background documents available for inspection at: Members' Rooms

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

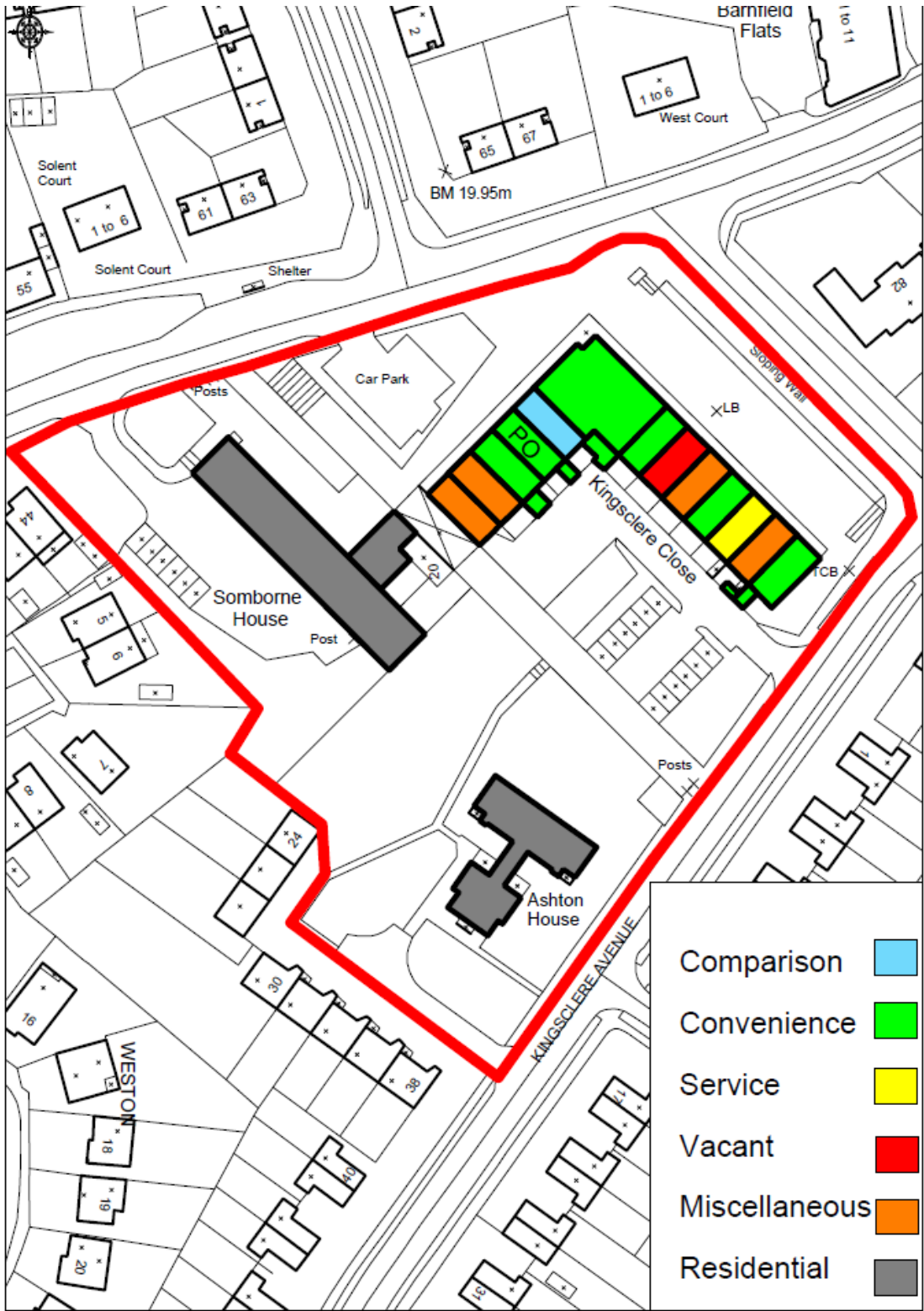
1.	None	
----	------	--

Agenda Item 12

Appendix 1

Appendix 1 – Plan of the Site at Weston

The boundary is indicative



This page is intentionally left blank

Document is Confidential

This page is intentionally left blank

Agenda Item 12

by virtue of paragraph number 3 of the Council's Access to information Procedure Rules

Appendix 4

Document is Confidential

This page is intentionally left blank

DECISION-MAKER:	CABINET
SUBJECT:	DELIVERY OF INTELLIGENT TRANSPORT SYSTEM AND COMMUNITY SAFETY CLOSED CIRCUIT TELEVISION SERVICES
DATE OF DECISION:	4 JULY 2011
REPORT OF:	LEADER OF THE COUNCIL

STATEMENT OF CONFIDENTIALITY

Appendix 1 of this report is not for publication by virtue of category 3 (financial and business affairs of the Authority) of paragraph 10.4 of the Council's Access to Information Procedure Rules as contained in the Council's Constitution.

It is not in the public interest to disclose this information as the appendix contains details of the financial assumptions, revenue and capital estimates related to the project which could, if made available to the public or commercial sector in advance of competitive tender invitations, influence the tender process, prejudice negotiations with potential contractors and result in the Authority not obtaining best value in procuring the services necessary to deliver the project.

BRIEF SUMMARY

A review of the Council's Intelligent Transport System service (ITS) and Public Safety CCTV service concluded that for strategic, operational and financial reasons these services should be co-located. The review determined that on balance a private sector partnership would provide the most suitable and sustainable way of achieving this objective.

This report therefore seeks approval from Cabinet to commence a procurement process to select a private sector partner to relocate the Council's Intelligent Transport System ("ROMANSE") and Public Safety CCTV services, preferably to the City Depot, and to operate and maintain these services for up to a 15 year period.

RECOMMENDATIONS:

- (i) To commence a competitive dialogue procurement process to select a private sector service provider to relocate the Council's Intelligent Transport Systems and Public Safety CCTV services and to maintain and operate the services for a period of up to 15 years as set out in this report and Appendix 1.
- (ii) To delegate authority to the Director of Environment, following consultation with the Leader of the Council, Head of Legal and Democratic Services, the Head of Finance and Director of Corporate Services, to take any necessary action to give effect to recommendation (i) above, including but not limited to undertaking any and all necessary procurement activities in compliance with Contract Procedure Rules, and consulting upon and implementing all necessary service, staffing and organisational structure changes necessary to implement the project.

REASONS FOR REPORT RECOMMENDATIONS

1. A recent review of the Council’s ITS and CCTV services culminating in the Outline Business Case (OBC), attached as Appendix 1 concluded that these services should be co-located, preferably to the Council’s City Depot site, and transferred to a private sector partner in order to: continue to deliver these services which benefit the City economically; secure the required level of investment in the services and deliver efficiency savings.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 2 The following options were considered:
 - Do Minimum
 - Co-locate by the Council
 - Co-locate with Private Sector Partner (PSP)
- 3 On balance the considered view is that tendering the services on the competitive market will drive down the cost of relocation (through innovation and risk transfer) and ensure service levels are protected to a greater degree than if delivered internally.
- 4 A PSP provides the opportunity for the private sector to build a service based on the need to deliver key outcomes and outputs which benefit the customer. New technology, wider infrastructure support and innovative ways of working can all be brought to bear by the private sector which is harder for the Council to lever in.

DETAIL

- 5 The Intelligent Transport System service (ITS) is currently based in third party premises at Town Quay. The service manages traffic and travel information and transport management systems such as traffic signals and variable message signs. The Public Safety CCTV service is similarly currently based at St Mary’s Football Stadium. The service proactively monitors and manages the City’s CCTV network as well as providing the virtual help point for the Council’s multi-story car-parks.
- 6 The review identified a number of synergies between the two service areas as well as opportunities for them to work more closely together. It is anticipated that the recommended option will therefore provide the following benefits:-

Strategic Benefits	Operational Benefits
<ul style="list-style-type: none"> • Retention of key services which are important to the economic well being of the City • Services brought into the City Council’s property portfolio • Security of tenure and protection from rent increases • Control over accommodation costs • Enhanced ability to provide strategic command base in emergencies. 	<ul style="list-style-type: none"> • Significant space rationalisation • Accommodation costs savings • Renewal/modernisation of assets (e.g. new technology) • Improved sustainability/reduced carbon footprint of service • Shared Communications and infrastructure • Shared Control room supervision

Strategic Benefits	Operational Benefits
<ul style="list-style-type: none"> Opportunity for further integration/joint working with other City Depot services in the future 	<ul style="list-style-type: none"> Enhanced joint working between service areas Improved commercial offering - more attractive, diverse offering to other organisations

- 7 In order to realise these benefits this project will:-
- select a private sector partner to relocate ROMANSE and CCTV from Town Quay and St Mary's respectively to a new, modern and upgraded control room, preferably at City Depot, with new, upgraded and modern technology (e.g. an interactive video display wall) and provide operational synergies between the services.
 - reduce the revenue/operation expenditure of the two services
 - secure value for money for local residents and business by ensuring that service outputs and outcomes are set at an appropriate level within the available financial envelope.
 - place the customer first by focussing on the core service purpose(s), value-added functions and outputs and outcomes.
- 8 The scope of this project covers all tasks and functions which are currently delivered by the Council's ITS service and Community Safety/Crime Prevention CCTV service. In addition through the procurement process the Council will seek to establish the benefit, or not, of including the Council's Housing Concierge Service within the partnership.
- 9 Following approval of a partnership approach by Cabinet the outline timetable for this project would be as follows:-

Milestone	Date
PQQ complete and bidders shortlisted for dialogue	21 st July
Commence Dialogue/Issue Invitation to Submit Outline Solutions (ISOS)	22 nd July 2011
Cabinet Approval to close dialogue and call for final tender	January 2012
Close Dialogue & Call for Final Tender (CFT) Issued	January 2012
CFT evaluation complete and Preferred Bidder identified	March 2012
Contract Formed	April 2012
Mobilisation complete	September 2012
Service Commencement	September 2012

10. The achievement of a contract award in April 2012 will be heavily dependent upon the Council committing an appropriate level of resources to this project as well as the level of market engagement. The outline timetable set out above therefore enables members to confirm whether they wish to proceed with a partnership approach at key milestones during the project's progress in the Autumn and in January 2012. This will ensure that value for money is secured for local residents by balancing the achievement of key milestones against the need for a robust and deliverable contract being formed.
11. Members, Senior Officers, Trade Unions, Staff, key partners and stakeholders have been initially consulted on this project and offered the opportunity to comment. Trade Unions and staff will be regularly consulted throughout the project and at key project milestones set out above.

RESOURCE IMPLICATIONS

Capital/Revenue

12. The implementation of a partnership approach to secure the co-location of the services will require approximately £270,000 of revenue to meet the estimated project support costs. This expenditure will be met from the Efficiency Fund. The Outline Business Case attached at Appendix 1 demonstrates that this investment should be paid back as a result of the proposed tendering process and that a higher level of efficiencies should be secured over the lifetime of the contract than if the in house option is pursued.

Property/Other

13. This project would require the Council to vacate third party premises at Southampton FC St Mary's and Town Quay. Space has been made available at City Depot for the services. The project timetable has been structured to coincide with key dates in existing leases.
14. It is expected that the Transfer of Undertakings, (Protection of Employment) Regulations 2006 (TUPE) will apply. Any staff working in the services immediately prior to service commencement would therefore transfer on the Terms and Conditions in place at that time. Currently, approximately 19 staff would be eligible for transfer. However, this number will depend upon the final scope of the services to be provided and any efficiency measures unrelated to this project, which occur in the interim period.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

15. Procurement of goods and services necessary to implement this project will be undertaken in accordance with the Council's Contract Procedure Rules and the Public Contracts Regulations 2006.
16. The power to enter into contracts for the delivery of a Council function is contained in s1 of the Local Government (Contracts) Act 1997 and s.111 Local Government Act 1972 (power to do anything calculated to facilitate, ancillary to or conducive to the discharge of a primary function). Regard must be had to the Part 1 (Best Value) provisions of the Local Government Act 1999, the National Procurement Strategy and public procurement law including the Public Contracts Regulations 2006.

- 17 Part II (Contracting Out) of the Deregulation and Contracting Out Act 1994 is the primary legislation which allows a Minister to make an Order enabling certain statutory functions to be carried out by persons on behalf of the local authority.

Other Legal Implications:

- 18 The Council will remain the Data Controller for the purposes of the capture, storage and use of all CCTV images, including primary and third party access rights to those images. If the Service is outsourced, any contractor will be acting as Data Processor on behalf of the Council and will be required, as part of the contractual arrangements, to fully adopt and comply with the Council's existing Data Protection and CCTV use policies in this regard.
- 19 The use of CCTV is strictly controlled and monitored to ensure the Council meets it's duties under the Data Protection Act 1998, the Human Rights Act 1998 and the Regulation of Investigatory Powers Act 2001 and to ensure that Subject and Statutory access requests are dealt with in accordance with the legal requirements. There have been a number of high profile cases of breach of the Data Protection Principles in England arising from the use and misuse of CCTV and as such, this service area is considered a high risk area in terms of need for control, monitoring and regulation of access and use. Statutory liability for the use of cameras will remain with the Council regardless of contract provision and therefore it will be necessary to ensure contractual arrangements include strict co-operation and compliance provisions along with appropriate levels of indemnity in favour of the Council in relation to the consequences of breach of any of the relevant Acts (whether intentional or otherwise).

POLICY FRAMEWORK IMPLICATIONS

- 20 The services will continue to be delivered in line with the Council's existing Policy Framework.

AUTHOR:	Name:	Nick Johnson	Tel:	023 8083 2613
	E-mail:	Nick.johnson@southampton.gov.uk		

KEY DECISION? Yes

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

SUPPORTING DOCUMENTATION

Non-confidential appendices are in the Members' Rooms and can be accessed on-line

Appendices

1.	Outline Business Case - Confidential
----	--------------------------------------

Documents In Members' Rooms

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

Integrated Impact Assessment

Do the implications/subject of the report require an Integrated Impact Assessment (IIA) to be carried out.	Yes
--	-----

Other Background Documents

Integrated Impact Assessment and Other Background documents available for inspection at: Included with PID, also available from Highways Infrastructure Services, 5th Floor, One Guildhall Square

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	
----	------	--

Document is Confidential

This page is intentionally left blank

DECISION-MAKER:	CABINET
SUBJECT:	DISPOSAL OF 2-8 QUEENSWAY
DATE OF DECISION:	4 JULY 2011
REPORT OF:	CABINET MEMBER FOR RESOURCES, LEISURE AND CULTURE

STATEMENT OF CONFIDENTIALITY

Confidential Appendix 2 to this report contains 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. The appendix includes details of a proposed transaction which, if disclosed prior to entering into a contract, could put the Council at a commercial disadvantage. In applying the public interest test it is not considered appropriate to publish this information as it could influence bids for a property which may be to the Council's financial detriment.

BRIEF SUMMARY

This report seeks authority for the sale of the Council's freehold interest of 2-8 Queensway jointly with the long leaseholder's interest. The property is currently unutilised and the sale offers the opportunity to realise a capital receipt and contribute to the regeneration of the Fruit and Vegetable Market area

RECOMMENDATIONS:

- (i) To approve the principle of the sale of the Council's freehold interest jointly with the long leasehold interest, and
- (ii) To delegate authority to the Head of Property and Procurement to approve the preferred tender, agree the terms of the sale and carry out all ancillary matters to dispose of the site.
- (iii) To note that the capital receipt will be used to reduce the current funding deficit in the capital programme

REASONS FOR REPORT RECOMMENDATIONS

1. To facilitate the redevelopment of a vacant unattractive city centre property thereby delivering significant environmental improvements and the promotion of the regeneration of the area.
2. To realise a significant capital receipt.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3. Sell the Council's freehold interest in isolation. Without the simultaneous sale of the long leasehold interest, vacant possession cannot be offered, which is essential to allow redevelopment.
4. Do nothing. While the property produces a rental income for the Council and could be held for sale at a later date, it is a vacant and prominent property that is unlikely to be improved in the near future. The opportunity for a joint sale may not present itself again in the near future.

DETAIL (Including consultation carried out)

5. 2-8 Queensway comprises the former New Yorks Nightclub and McCluskeys Bar. The bar and nightclub ceased trading several years ago and are currently unlicensed. Southampton City Council is the freehold owner of the property which is let under 3 ground leases, one of which expires in 2055 and two in 2120.
6. The property lies within the “Fruit and Vegetable Market” area of the Old Town which is now in need of investment to match the architectural and working heritage of the Old Town. The draft Fruit and Vegetable Market Development Brief produced in 2008 identifies the subject property as suitable for residential development.
7. Negotiations with the long leaseholder, Mindfulglance Ltd, have taken place relating to a joint sale of the freehold and the long leasehold interest in the interests of delivering a capital receipt and kick starting the regeneration of the Fruit and Vegetable Market area. Agreement has been reached between the City Council and Mindfulglance Ltd for the joint marketing of the property and the sale of the freehold and leasehold interests simultaneously. This will allow the sale of the freehold interest with vacant possession thereby providing the opportunity for redevelopment and maximising site value through the release of “marriage value” (the additional value created by the merger of the freehold and leasehold values over their existing values). The terms of the agreement are set out in the confidential Appendix 2.
8. Whilst agreement has been reached with Mindfulglance Ltd as to the structure of the joint sale, the City Council can withdraw from the arrangement at any time, as may Mindfulglance Ltd.
9. The property is being offered for sale by informal tender. The selected purchaser will be required to submit an application for detailed planning permission for their proposed scheme and completion of the sale will be conditional on the selected purchaser obtaining such planning permission.
10. Approval is sought to delegate authority to the Head of Property and Procurement to approve the acceptance of the selected tender for the property and to negotiate the terms of the land sale conditional on planning permission being obtained.

RESOURCE IMPLICATIONS

Capital/Revenue

11. The sale will realise a capital receipt to the General Fund as set out in the confidential Appendix 2.
12. The disposal will result in a £12,160 pa loss of income per annum to the Resources Portfolio Investment Property Account. This loss of income has not been built into the 2011/12 or subsequent approved estimates. As completion is subject to obtaining planning permission, it is expected that the sale will not complete until 2012/13 financial year.

Property/Other

13. The opportunity for significant increase in rental income from these properties is limited. The sale allows the opportunity to realise marriage value and to promote the regeneration of the Fruit and Vegetable Market area of the Old Town.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

14. The relevant power of disposal is Section 123 of the Local Government Act 1972.

Other Legal Implications:

15. n/a

POLICY FRAMEWORK IMPLICATIONS

16. The disposal of a council property for a capital receipt supports the Councils capital programme.

AUTHOR:	Name:	Neville Payne	Tel:	023 8083 2594
	E-mail:	neville.payne@southampton.gov.uk		

KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:	Bargate
------------------------------------	---------

SUPPORTING DOCUMENTATION

Non-confidential appendices are in the Members' Rooms and can be accessed on-line

Appendices

1.	Site Plan
2.	Confidential

Documents In Members' Rooms

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

Integrated Impact Assessment

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

Other Background Documents

Integrated 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	
----	------	--

This page is intentionally left blank

Document is Confidential

This page is intentionally left blank

DECISION-MAKER:	CABINET
SUBJECT:	EAST STREET CENTRE – RESTRUCTURE OF GROUND LEASE TO FACILITATE REDEVELOPMENT
DATE OF DECISION:	4 JULY 2011
REPORT OF:	HEAD OF PROPERTY AND PROCUREMENT

STATEMENT OF CONFIDENTIALITY

The Confidential Appendix contains 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. The appendix includes details of a proposed transaction which, if disclosed prior to entering into a Legal contract, could put the Council at a commercial disadvantage. In applying the public interest test it is not considered appropriate to make public the bids received as this could lead to a revision of bids and, in the event of the transaction failing to complete, prejudice re-tendering of the property, therefore reducing the amount receivable by the Council

BRIEF SUMMARY

This report seeks authority to restructure the head lease of the East Street Centre. This will facilitate redevelopment, including the demolition of the existing shopping centre and car park, replacing it with a supermarket and decked car park. Capital House, the adjoining office block and the public house remain, and may be part of a future development. The restructured lease will be put on modern lease terms, increasing the minimum base rent, increase review pattern, and enhance the yield by the addition of the supermarket.

RECOMMENDATIONS:

- (i) To approve the terms for the surrender and renewal of the East Street Centre Headlease as set out in the Confidential Appendix.
- (ii) That the Solicitor to the Council be authorised to enter into any legal documentation necessary in respect of the variations.

REASONS FOR REPORT RECOMMENDATIONS

1. To facilitate a significant regeneration project. The demolition of the shopping centre and car park will open up East Street, recreating the link to St Marys Street. This will deliver significant environmental improvements.
2. A new Morrison’s Supermarket will not only bring a much needed additional supermarket to the City Centre, but will create 350 jobs. With Debenhams it will create an anchor to this part of the city, increasing footfall and improving the prospects of businesses in East Street.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

4. Rejecting the proposal was considered, but this is an opportunity that may not present itself again for some time to bring regeneration to this part of the City Centre.
5. Selling the freehold was considered, but in the current market the level of receipt would not be acceptable. It was considered preferable to promote a redevelopment by way of lease and benefit from improved long term income.

DETAIL (Including consultation carried out)

6. The Council own the freehold of the East Street Centre which is let on a 99 year lease to Arcadian Estates. The lease includes the Shopping Centre, Car Park, Capital House and a Public House. A redevelopment is proposed by Arcadian who has requested revised terms for the head lease. Negotiations have taken place and the principal terms proposed are set out in the Confidential Appendix. The attached plan no V3149 identifies the existing lease boundaries, whilst indicating additional land required, and land released by the proposal.
7. The scheme proposals include the demolition of the shops and car park, replacing it with a 58,000 sq ft supermarket with a 280 space car park on the upper floors. Morrisons have signed a conditional pre let agreement with Arcadian Estates for the food store. Neither Capital House, nor the Public House is part of this phase of development. Demolition of the shops and car park, reprovision of the office car parking and new Public realm, will be works undertaken by the developer as part of the scheme.
8. The development will result a link being reopened between East Street and St Marys Street. The new supermarket will be accessed off this link. There will be other environmental, public realm and highways improvements associated with the scheme. Morrisons will be creating 350 jobs, and the s106 agreement will include a training provision. A Morrisons store and Debenhams will provide a strong anchor to East Street and will result in an increase in footfall.
9. A replacement car park of 280 spaces will be provided above the supermarket, and it will be managed initially by the Council as a shoppers car park, which will be principally be used by Morrisons customers although other users will not be restricted from use. A new lease will include appropriate clauses relating to the future management of the car park. There will be the loss of Public Car Park at Lime Street although there is alternative long stay provision at College Street and Eastgate Street Car Parks.
10. Work will start on the preparation of a Planning Application following approval of terms to restructure the lease. It is anticipated the Planning Application be made later this year, with an anticipated planning decision early 2012, followed by a road closure application. Start on site is schedule for late 2012. The development period will be 18 months with an anticipated opening date of spring 2014.

RESOURCE IMPLICATIONS

Capital/Revenue

11. Implications are to be included in the confidential appendix

Property/Other

12. A lease restructure will improve the value of the Councils property interest. The lease to the Lime Street Car Park will be surrendered, and whilst there will be a loss of income, this will be balanced by the removal of a future obligation to undertake significant structural repairs as identified in the confidential appendix and income from managing the car park.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

14. The site comprises a number of legal titles. Some of the titles are held under the Housing Act 1933 whilst the remainder will be under the Local Government Act 1972. It is proposed that all those interests not held under Local Government Act powers be appropriated to those powers. The disposal will then be under section 123 Local Government Act 1972.

Other Legal Implications:

15. The Traffic Regulation Order will need to be removed to permit the closure of the Public Car Park.

POLICY FRAMEWORK IMPLICATIONS

16. The proposals are in accordance with the Councils Policy Framework.

AUTHOR:	Name:	Paul Mansbridge	Tel:	023 80832635
	E-mail:	Paul.mansbridge@southampton.gov.uk		

KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:	Bargate
------------------------------------	---------

SUPPORTING DOCUMENTATION

Non-confidential appendices are in the Members' Rooms and can be accessed on-line

Appendices

1.	Plan V3149
2.	Confidential appendix

Documents In Members' Rooms

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

Integrated Impact Assessment

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

Other Background Documents

Integrated 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	
----	------	--

This page is intentionally left blank

Document is Confidential

This page is intentionally left blank

DECISION-MAKER:	CABINET
SUBJECT:	SOLENT SKY MUSEUM – PROPOSALS FOR RELOCATION OF SERFCA AND USE OF VACATED SPACE
DATE OF DECISION:	4 JULY 2011
REPORT OF:	HEAD OF LEISURE AND CULTURE AND THE HEAD OF PROPERTY AND PROCUREMENT

STATEMENT OF CONFIDENTIALITY

The Confidential Appendix contains 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. The appendix includes details of a proposed transaction which, if disclosed prior to entering into a Legal contract, could put the Council or other parties at a commercial disadvantage.

BRIEF SUMMARY

This report seeks Cabinet approval to the terms provisionally agreed with the South East Reserve Forces Cadet Association (SERFCA) for the surrender of their accommodation at the Solent Sky Museum. Cabinet authority will enable SERFCA to progress proposals for selecting a suitable alternative site for re-location of the squadron.

Consent is also sought to a change in the terms of the lease of the premises to the Museum.

RECOMMENDATIONS:

- (i) To approve the surrender of the SERFCA accommodation at Solent Sky on the terms set out in this report.
- (ii) To approve the changes in the proposed lease terms of the Museum as outlined in this report; and
 - To delete the existing scheme in the Leisure and Culture capital programme for repairs to the Museum,
 - To add to the Leisure and Culture capital programme a new scheme for £240,000 in 2011/12 for a capital grant to the Museum towards the costs of the repairs; and
 - To approve, in accordance with Finance Procedure Rules, spending of £240,000 in 2011/12.
- (iii) To approve the grant of a lease of the whole premises to the Trustees of the Solent Sky Museum on the terms set out in this report and to delegate to the Head of Property and Procurement authority to undertake all such ancillary acts to complete the lease.

REASONS FOR REPORT RECOMMENDATIONS

1. The terms of surrender are recommended to enable SERFCA to re-locate and the long awaited completion of the lease to take place.

2. The lease of the additional space to the Museum will ensure additional liability for financial outgoings does not fall on the Council.
3. The agreement also has the benefits as set out in the attached appendix.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

4. Not to agree terms for the re-location of SERFCA – however, this would make it more difficult to re-develop the site when the Museum re-locates.
5. Not to make the vacated space available to the Museum – however, this gives more risk of financial loss to the Council in having to bear empty property rates.
6. The 3rd alternative option is set out in the confidential appendix attached.

DETAIL (Including consultation carried out)

7. The Council constructed the Hall of Aviation (now the Solent Sky Museum) in 1984. Since that date, this 3 storey building has been occupied by the Museum and SERFCA.
8. It was originally proposed that the Museum would take a 40 year lease of the whole premises from the Council from 25 May 1984 and sub-let part to SERFCA for the same term (less 3 days). Due to disputes over repairs and break clauses, the lease and sub-lease have never been completed.
9. The Museum space covers an area of approx. 1000 sq m. It has ancillary offices of 250 sq m. The area occupied by SERFCA provides offices of 616 sq m with parking.
10. SERFCA have been rationalising their services for some time and have now made a proposal to move out of the building if terms can be agreed with the Council and a suitable alternative site identified for the squadron. The Museum has been considering relocating for a number of years. Planning for a sustainable re-location is at an early stage with a 5 year target for the scheme to be implemented. Once the whole building is vacated, the site could be sold by the Council for redevelopment.
11. Upon taking occupation, SERFCA paid a capital contribution to the Council. This has since been held in a joint bank account pending completion of the leases.
12. The terms provisionally agreed with SERFCA are as follows: –
 - (i) SERFCA would require a capital contribution of the sum set out in the confidential appendix towards its relocation. This can be provided from the holding account. The remaining amount would be released to the Council.
 - (ii) The relocation and surrender would take place by July 2012
 - (iii) The proposal will be legally documented asap at which stage the funding would be released to both parties. SERFCA to remain in the premises under a lease agreement until their relocation.

- (iv) The SERFCA accommodation to be handed back to the Council in its existing condition with neither party being obliged to undertake any further work.
 - (v) SERFCA to remove the aerial structure and plane parts from the site but to leave the rifle range in situ 'as is' but decontaminated of lead by SERFCA.
 - (vi) All utility bills and rates to be covered by SERFCA until they vacate.
13. The space occupied by SERFCA is in a good condition and if vacated could possibly be let for the short term on the open market until redevelopment takes place.
 14. The accommodation could be let on the open market by the Council at the estimated rent shown in the confidential appendix. However, finding a tenant could prove difficult due to the current surplus of office accommodation on the market at present. The short term nature of any tenancy would also deter prospective tenants. There is a possibility that the premises would remain vacant and the Council would become liable for rates on the vacant space totalling approximately £6,500 pa.
 15. The Museum Trustees are keen to retain possession of the whole premises. In doing so, the Museum would have the option of utilising the extra space itself or sub-letting all or part of the additional space. The Museum has advised they are keen to utilise the additional accommodation for Museum purposes whether for restoring, archiving or office purposes. The Museum has the advantage of charity status which will enable it to obtain relief on the payment of rates.
 16. The previously agreed lease terms with the Museum Trustees mean that they only pay a rent of £1200pa to the Council. This will increase in line with the RPI from 2016 onwards. The Museum are also bound to pay a maintenance rent of £3120pa and profit rent – however, both of these sums are only payable if the Museum makes a profit which has not been achievable in the past.
 17. The building is in need of substantial works totalling over £475,000 (December 2008 prices). External repairs which are the Council's responsibility, comprise the majority of these works with most urgent works totalling over £235,000 excluding fees, contingency and VAT. Once the agreed sum is released to SERFCA, approximately £240,000 will remain which could be used towards repairs. The Council and Museum would need to consider how the released funds can be best utilised to provide for repairs at the building whilst bearing in mind the Museum's wishes to relocate. In addition, the Council would need to make provision for any future costs that might arise until the building is vacated.
 18. Although the Museum will be unable to pay a rent for the additional accommodation, it has proposed a change in the repairing responsibilities under the lease which will make the Trustees fully responsible for repairs. It is proposed that the remaining sum in the holding account of approximately £240,000 be released to SERFCA to enable them to undertake the most

urgent and necessary works. An agreed programme of works for the necessary repairs from a health and safety point of view will be agreed with the Museum who will then be able to programme remaining works as necessary in line with the repairing obligations under their lease.

19. These proposals will finally allow the lease of the Museum to be completed. It will take some months for SERFCA to arrange a re-location, therefore there will be an under lease to SERFCA to allow them to occupy until July 2012. The re-location of SERFCA will provide more flexibility with regards to the redevelopment of the site in the future. The proposals ensure the Council is not left with the liability of paying for empty rates costs and other outgoings on the building if a temporary tenant cannot be found for this accommodation, and they ensure the Council's liability in respect of repairs for the building is met.

RESOURCE IMPLICATIONS

Capital/Revenue

20. The proposals mean the Council retains its current rental income from the Museum of £1,200 pa and would also be liable to receive a profit rent if this ever arose. However, once the lease is signed, the Museum would not be liable to pay the £3,120 towards the repairs as they would have taken on all responsibility for those repairs. In theory, SERFCA were also due to contribute £1,560pa towards repairs but this has never been paid as the lease has not been signed. This liability would cease when they move out.
21. The sum currently held in the joint bank account has been ear-marked for many years for necessary works to the Museum and is not able to be used for any other purposes. The proposals to pay a sum to SERFCA and the remaining balance of approximately £240,000 to the Museum, in exchange for them taking on all repairs obligations, will use all the funds in this account and enable it to be closed. Payments will not be made until all necessary legal documentation has been signed.
22. There are no VAT implications in respect of surrender of the lease or the payment of a capital contribution to the Museum towards the repairs.
23. The Leisure and Culture capital programme approved by Council in February 2011, included a scheme for £319,000 for repairs to Solent Sky Museum. This scheme is no longer needed and can be deleted from the programme and a new scheme for £240,000 for a grant to Solent Sky museum added in its place.

Property/Other

24. The payment to SERFCA is considered reasonable in order to obtain vacant possession of this accommodation. In the main, the sum can be seen as a partial refund of the capital contribution originally made by SERFCA as they have only occupied for 28 years of the 40 years originally proposed. Whilst the payment is slightly more than would be proportionally due, this can be seen as reasonable given the benefit to the Council in obtaining possession of the accommodation which would make future re-development more straightforward. The cost to the Council over previous years in trying to agree the lease terms with SERFCA and the Museum trustees, has been significant

and this is an ideal opportunity to help unlock the position and to smooth the way for the eventual re-location of the Museum.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

25. Any surrender of the existing interest in the premises by SERFCA would be a private arrangement made between the Council and SERFCA under contract law and pursuant to the provisions of Section 120 Local Government Act 1972.

With reference to the proposal to let the Museum at less than market rent - the Local Government Act 1972 General Disposal Consent (England) 2003 enables the Council to dispose of land for less than its full market value where the undervalue (ie the value being foregone in the transaction) does not exceed £2 million without the need for obtaining specific consent to the transaction from the Secretary of State. However, in reaching any decision to dispose of land at an undervalue, Members must;-

- (i) take into account their general accountability and fiduciary duty to local people;
- (ii) consider that such disposal will help secure the promotion or improvement of the social economic or environmental well being of the area;
- (iii) have regard to the transaction in the context of the Community Strategy;
- (iv) comply with all normal and prudent commercial practices;
- (v) have clear and realistic professional valuation advice available to verify the actual amount of the undervalue; and
- (vi) comply with EU State Aid Rules. (This proposal complies with EU State Aid Rules).

Other Legal Implications:

26. None

27. The proposals in this report are consistent with the Council Policy Framework Plans

AUTHOR:	Name:	Sharon Bishop	Tel:	023 80832754
	E-mail:	sharon.bishop@southampton.gov.uk		

KEY DECISION? No

WARDS/COMMUNITIES AFFECTED:	Bargate
------------------------------------	---------

SUPPORTING DOCUMENTATION

Non-confidential appendices are in the Members' Rooms and can be accessed on-line

Appendices

1.	Confidential Appendix
----	-----------------------

Documents In Members' Rooms

1.	N/A
----	-----

Integrated Impact Assessment

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

Other Background Documents

Integrated 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.	N/A	
----	-----	--

TO BE DETACHED BY DEMOCRATIC SERVICES

REPORT MONITORING FORM

THIS FORM MUST BE COMPLETED FOR ALL REPORTS!

PLEASE ENSURE YOU COMPLETE THE SECTIONS HIGHLIGHTED IN YELLOW NEAR THE END OF THIS FORM.

DATE OF DECISION:	4 July 2011
DECISION MAKER:	Cabinet
SUBJECT/TITLE OF REPORT:	SOLENT SKY MUSEUM – PROPOSALS FOR SURRENDER OF ACCOMMODATION BY SERFCA AND LEASE OF ADDITIONAL SPACE TO MUSEUM TRUSTEES

KEY DECISION? [TYPE YES, NO or N/A]

DATE PROPOSAL INCLUDED IN FORWARD PLAN:

REGULATION 15 EXCEPTION? [TYPE YES, NO or N/A]

Date notification given to Scrutiny:

REGULATION 16 URGENCY? [TYPE YES, NO or N/A]

Date agreement of Scrutiny obtained:

OTHER LEGAL IMPLICATIONS: Paragraph number/comment:

Human Rights Act 1998:

Race Relations Act 1976 (as amended):

Disability Discrimination Act 1995

Crime & Disorder Act 1998(specifically s.17 duty):

Proceeds of Crime Act 2002(Money Laundering):

Freedom of Information Act 2000:

European "State Aid" Guidance:

Para 25

POLICY FRAMEWORK PLANS:

Annual Library Plan Adult Learning Plan

Best Value Performance Plan 14-19 Strategy

Community Strategy (Including Local Agenda 21 Strategy) Economic Development Strategy

Children & Young Peoples Plan (CYPP) Health and Well-Being Strategy

Plan & Strategies which together comprise the Development Plan Crime & Disorder Reduction Strategy

Youth Justice Plan Local Transport Plan

Medium Term Plan Economic Development

Housing Strategy (inc HRA Business Plan)

KEY AREAS TO BE ADDRESSED/CONSIDERED:

Organisational Development/Human Resources Issues

Report Tracking

VERSION NUMBER:

DATE LAST AMENDED:

AMENDED BY:

08 June 2011
SB

PEOPLE WHO HAVE BEEN CONSULTED IN THE PREPARATION OF THE REPORT

Authors who fail to carry out adequate consultation resulting in deferral will be required to provide reasons.

Name	Departments that MUST be consulted	Date consultation Issued	Date comments Received
Mark Heath	Legal Services	13 June 2011	13 June 2011
Kim Day	Democratic Services	13 June 2011	13 June 2011
Andy Lowe	Financial Services	14 June 2011	
Andrew Elliot	Property and Procurement Services	06 June 2011	06 June 2011
Sarah Dennis	If the proposal within the report touch on any staffing or IT resource issues consultation will also include the Head of Organisational Development and IT		

Others who have been consulted:

Name	Division/Portfolio	Date consultation Issued	Date comments Received
Paul Barber	Legal Services	27 May 2011	07 June 2011
Rodger Hawkyard	Property and Procurement Services	27 May 2011	2 June 2011
David Singleton	Financial Services	27 May 2011	6 June 2011
Mike Harris	Leisure Services	27 May 2011	27 May 2011
Nicky Turner	Financial Services	27 May 2011	07 June 2011

Approval by Executive Member:

Name: Date:

Approval by Level 1 Manager:

Name: Date:

Approval by Executive Director/ Policy Coordinator:

Name: Date:

FOR DEMOCRATIC SERVICES USE ONLY:

DATE AND TIME REPORT RECEIVED: Date Time:

LEGAL CLEARANCE: [TYPE YES or NO]

Name: Richard Ivory

FINANCIAL CLEARANCE: [TYPE YES or NO]

Name:

POLICY CLEARANCE: [TYPE YES or NO]

Name:

This page is intentionally left blank

Document is Confidential

This page is intentionally left blank