

Public Document Pack

CABINET

Monday, 15th February, 2010
Traffic Regulation Orders to
commence at 2.00 pm
Executive Business to commence
from 5. 00 pm

Council Chamber, Civic Centre

This meeting is open to the public

Members

Councillor Samuels (Leader)
Councillor Dean, Cabinet Member for Environment
and Transport
Councillor Hannides, Cabinet Member for Leisure,
Culture and Heritage
Councillor Moulton, Cabinet Member for Resources
and Workforce Planning
Councillor Smith, Cabinet Member for Economic
Development
Councillor White, Cabinet Member for Adult Social
Care and Health
Councillor Williams, P, Cabinet Member for
Housing and Local Services
Councillor Holmes, Cabinet Member for Children's
Services and Learning
Councillor Walker, Cabinet Member for
Safeguarding Children and Youth Services

(QUORUM – 3)

Contacts

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

Assistant Chief Executive (Strategy)
Joy Wilmot-Palmer
Tel. 023 8083 4428
Email: joy.wilmot-palmer@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 (£200,000 or more)
- impact on two or more wards
- impact on an identifiable community

Decisions to be discussed or taken that are key

decisions are denoted by a key symbol (🔑) on the agenda.

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)

2009	2010
01 June	18 January
29 June	1 February
7 July	15 February
27 July	15 March
10 August	19 April
07 September	
28 September	
26 October	
23 November	
21 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 3.

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

TRAFFIC REGULATION ORDER: STARTING AT 2.00 PM

3 PROPOSALS FOR PERMIT PARKING IN VERMONT CLOSE AND TALBOT CLOSE IN BASSETT (TRO)

Report of the Head of Parking Services detailing objections to the design of the permit parking scheme and permit entitlement with a view to determining whether the scheme is implemented as proposed or withdrawn, attached

EXECUTIVE BUSINESS: STARTING AT 5.00 PM

4 STATEMENT FROM THE LEADER

5 RECORD OF THE PREVIOUS DECISION MAKING

Record of the decision making meetings held on 18 January 2010 and 1 February 2010, attached.

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

There are no matters referred for reconsideration.

7 REPORTS FROM OVERVIEW AND SCRUTINY COMMITTEES (IF ANY)

There are no items for consideration

8 EXECUTIVE APPOINTMENTS

To deal with any executive appointments, as required.

MONITORING REPORTS

9 HOUSING REVENUE ACCOUNT REVENUE MONITORING FOR THE PERIOD TO THE END OF DECEMBER 2009

Report of the Cabinet Member for Housing and Local Services detailing the revenue financial position for the Housing Revenue Account (HRA) for the 6 months to the end of December 2009, attached.

10 CORPORATE FINANCIAL GENERAL FUND CAPITAL MONITORING FOR THE PERIOD TO THE END OF DECEMBER 2009

Report of the Cabinet Member for Resources and Workforce Planning detailing the General Fund capital financial position for the Authority for the 6 months to the end of December 2009, attached

11 3RD QUARTER BUDGET AND PERFORMANCE MONITORING FOR 2009/10

Report of the Assistant Chief Executive (Strategy) and the Executive Director of Resources detailing summarises the General Fund revenue financial position for the Authority for the 6 months to the end of December 2009, attached

ITEMS FOR DECISION BY CABINET MEMBER

12 APPROVAL OF MODERNISATION PROJECT EXPENDITURE FOR FAIRISLE JUNIOR SCHOOL

Report of the Head of Infrastructure and Capital Projects seeking approval for modernisation project expenditure for Fairisle Junior School, attached.

ITEMS FOR DECISION BY CABINET

13 CONCESSIONARY FARES SCHEME 2010/11

Report of the Cabinet Member for Environment and Transport seeking approval of the reimbursement rates to bus operators for the Council's concessionary travel scheme, attached.

14 LOCAL AUTHORITY 'NEW BUILD' SCHEME APPROVAL

Report of the Cabinet Member for Housing and Local Services, seeking approval to accept grant award and approve expenditure on this Capital Scheme, attached.

15 IMPACT OF THE APPRENTICESHIPS, SKILLS, CHILDREN AND LEARNING ACT

Report of the Cabinet Member for Young People and Skills, detailing the Apprenticeships, Skills, Children and Learning Act, following Royal Assent in November 2009, attached.

16 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 item no:17

Annex 1 of Appendix 1 is not for publication by virtue of categories 3 (financial and business affairs) 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 annex contains confidential and commercially sensitive financial information which would prejudice the Council's ability to operate in a commercial environment and obtain best value in procurement processes

17 NEWLANDS PRIMARY SCHOOL REBUILD

Report of the Cabinet Member for Children's Services and Learning seeking approval to spend up to the agreed budget for the construction of a new 2 form entry primary school, attached.

18 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 item no:19

Appendices 2, 3 and 4 of this report are not for publication by virtue of Categories 3 and 4 of paragraph 10.4 of the Council's Access to Information Procedure Rules as contained in the Council's Constitution. It is not considered to be in the public interest to disclose this information because the Appendices contain confidential and commercially sensitive information which would impact on the integrity of a commercial procurement process and the Council's ability to achieve 'Best value' in line with its statutory duties.

19 SELECTION OF PARTNERS FOR SPORT AND RECREATION PARTNERSHIP

Report of the Cabinet Member for Leisure, Culture and Heritage seeking approval

20 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 Item no: 21

Confidential Appendix 1 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 the future. In applying the public interest test it is not considered appropriate to make public offers received as this could lead to a revision of bids and, in the event of the transaction failing to complete, prejudice re-marketing of the property, therefore reducing the amount receivable by the Council.

21 SALE OF LAND AT TOWN DEPOT ADJACENT TO AMERICAN WHARF

Report of the Cabinet Member for Resources and Workforce Management approval for the sale of land at Town Depot, attached.

22 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 Item No:23:

Appendices 2, 4, 5 and 6 of this report are not for publication by virtue of categories 3 (financial and business affairs), and 7A (obligation of Confidentiality) 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 appendices contain confidential and commercially sensitive information supplied by the bidders to the procurement. This information has been supplied during the course of a strictly regulated procurement process which included provision for transparency and openness where appropriate. It would prejudice the Council's ability to operate in a commercial environment and obtain best value in procurement negotiations and would prejudice the Council's commercial relationships with third parties if they believed the Council would not honour any obligation of confidentiality.

23 HIGHWAYS SERVICE PARTNERSHIP - APPROVAL TO CALL FOR FINAL TENDER

Report of the Cabinet Member for Environment and Transport, providing an update on the progress of procurement of a long term Highways service partnership together with a business case and requesting delegated authority to close competitive dialogue and call for final tenders, attached.

24 SOUTHAMPTON'S 2010 LOCAL AREA AGREEMENT REFRESH

Report of the Leader seeking approval to Southampton's 2010 Local Area Agreement Refresh, attached.

Friday, 5 February 2010

SOLICITOR TO THE COUNCIL

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Agenda Item 3

DECISION-MAKER:	CABINET		
SUBJECT:	PROPOSALS FOR PERMIT PARKING IN VERMONT CLOSE AND TALBOT CLOSE IN BASSETT		
DATE OF DECISION:	15 FEBRUARY 2010		
REPORT OF:	HEAD OF HIGHWAYS AND PARKING		
AUTHOR:	Name:	Graham Muir	Tel: 023 8083 2337
	E-mail:	graham.muir@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY

N/A

SUMMARY

A Traffic Regulation Order was proposed on 31st July 2009 to introduce a permit parking scheme in Vermont Close and Talbot Close to address commuter parking. These proposals were revised to allow temporary parking permits to be issued to visitors to Red Lodge Community Pool (RLCP) for the planned period of construction work at Great Oaks School. An objection to these revised proposals was then received from a resident of The Firs, Talbot Close, together with a sustained objection from RLCP and an objection from the Chair of Southampton City Scout Council. Following a period of extended public consultation the matter is now being brought to Cabinet of the Council for a decision.

RECOMMENDATIONS:

- (i) That the Cabinet consider and determine the objections to the design of the proposed parking scheme as advertised in Vermont Close/Talbot Close and the objection to the revised proposal to allow Special permits to be issued to visitors to RLCP for the duration of construction work at Great Oaks School.
- (ii) That the Cabinet defer any decision on any further consultation over the extent of limited waiting restrictions or the period of operation of the permit parking scheme (if approved) for a period of 3-6 months to establish whether a satisfactory long term arrangement can be made for parking provision for visitors to Red Lodge Community Pool off the highway.

REASONS FOR REPORT RECOMMENDATIONS

1. To fulfil the Council's obligation to consult upon proposals and consider objections
2. To enable the permit parking scheme as designed and advertised to be introduced if the objections are not upheld. The officers' view is that this scheme design should be approved to restrict commuter parking in Vermont Close and Talbot Close to the benefit of residents. This should also be approved without further delay to avoid increased conflict over the limited on-street parking available in this vicinity.

3. To enable Special Permits to be issued in exceptional circumstances. The officer's view is that this is appropriate for RLCP during the period of construction work at Great Oaks School, as the remaining school car parking facilities are not available during school hours.
4. To allow more detailed consideration of a long term parking provision for RLCP visitors off the highway, before deciding whether further proposals to increase the level of short stay (e.g. 2 Hour parking) parking should be made.

CONSULTATION

5. Following requests from residents for permit parking restrictions the proposed design of the scheme arose from a number of surveys and correspondence with residents from March to June 2009.
6. The permit parking scheme was advertised in the Daily Echo and on street notices on 31st July 2009 with a 21 day public consultation period
7. The period for consultation was further extended until 12th December 2009 in correspondence to residents and objectors date 9th November 2009

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

8. The two sections of *permit parking only* with approved signing from the Department for Transport (DfT) cannot be amended to include a period of limited waiting. This is because the Traffic Signs Manual specifically states that this signing (without road markings) may only be used where parking is *solely for permit holders*.
9. Amending the entire scheme to 2 hour limited waiting except permit holders, was considered but rejected. This was previously put forward to residents (see Map at Appendix 2) and proved unacceptable on the basis of the amount of No Waiting at Any Time parking restrictions that would be required (as any parking places of this type would require road markings).
10. Extending the public consultation further to consider any alternative scheme design was considered and rejected at this stage. Given the level of commuter parking, it would appear to be in the interest of residents and RLCP for the scheme to be implemented now as currently proposed and to defer any further possible amendments until more detailed consideration of off-highway parking provision had been considered.

DETAIL

11. Vermont Close has been subject to an increasing level of commuter parking. It is causing considerable concern to residents as it can obstruct visibility and turning space at the junction with Talbot Close and Winchester Road, together with restricting parking for visitors to residents. In response the Traffic Management team conducted a number of surveys of residents over the design of a prospective permit parking scheme from March to June 2009.
12. The scheme that appeared to best reflect the views of residents was then formally proposed in July 2009 (see Map at Appendix 3). This scheme design included two sections of signing only permit holder parking in order to maximise the available area for resident parking. The signing for the scheme required DfT approval (received in October 2009).

13. In response to the Public Notice an objection was received from RLCP (see Appendix 1) over concerns in respect of the impact of the scheme on their visitors. Any decision on the objection was delayed until 5th October to allow the Traffic Management team and RLCP to better understand and quantify the problem. Following a meeting on site to consider how their concerns could be overcome RLCP then submitted a revised objection on 3rd October (see Appendix1).
14. The RLCP primary concerns over parking were
 - The loss of day time parking during the period of construction work at the Great Oaks School when the parking currently used by their visitors on the school site would be closed
 - Reassurance over the long term parking provision and arrangements for visitors following the construction work at Great Oaks School
 - That the provision of limited waiting (40m around 8 cars, subject to availability) within the scheme design was inadequate.
 - That the provision of visitor permits on a day by day basis (as a temporary measure during the construction period) would not meet their requirements for ease of use by customers.
15. In the absence of a resolution to matters off the highway and with limited scope for resolution on the highway, the Traffic Management team wrote to RLCP and the residents with revised proposals that would allow the issue of Special Permits to visitors to Red Lodge Community Pool for use within 75m of the pool (see Appendix 4) for the duration of the construction work.
16. An objection was received from Mr L Vincent (see Appendix 1). The resident objected on the grounds that non-resident vehicle owners would be extremely unlikely to admit liability to any damage caused to resident's vehicles or their property. The resident requested:
 - reassurance that the Council would accept all liability for any damage caused or for any issues arising from obstruction to emergency services
 - that any RLCP visitor vehicles parking outside of 75m parking area would be fined and removed immediately.
17. A continued objection was received from RLCP on the basis that the proposed 2 Hour parking bay was totally inadequate. In their view the proposed temporary allocation of Special Permits would be difficult to administer and would not address the situation in the post construction period (since at the time of writing the RLCP had not received any further advice or confirmation of a formal agreement for long term parking on the school site, as discussed with the School and the Project Manager. The RLCP requested:
 - The scheme design is amended to 2 Hour Limited Waiting or Permit parking where parking is allowed
 - The operational period for the scheme is amended to 8am to 4pm (instead of 8am – 6pm).
18. A further objection was received from Dr Veronica Radford, Chair of Southampton City Scout Council stating that the provision for short term parking for the Scout Group and RLCP was inadequate and requested:

- The Council be mindful that having been established for more than 30 years numerous generations of local children and adults have benefitted from and continue to take part in the swimming pool and Scout Group and to take seriously their responsibility towards these people by helping to protect and support these resources
- That the 2 Hour parking restriction be extended to the whole of Vermont Close.

19. **Officers Comments – Non resident parking issues and liability**

As the No Waiting at Any Time restrictions and 75m ruling would limit the area of non-resident parking there is no indication that there should be any particular risk of damage to resident vehicles or property. The Council would not however be able to accept liability for any incidents or damage arising in Vermont Close caused by non Council vehicles. Whilst our enforcement staff have been very effective in Bassett in securing compliance with parking restrictions, we are also unable to guarantee response times. Overall whilst appreciating the residents concern the RLCP provides an important service to the community and during school hours there is no alternative we have been able to identify to provide parking for their visitors other than in Vermont Close.

20. **Officers Comments – Scheme Design**

The plan at Appendix 2 shows an entire scheme design with 2 Hour Limited Waiting except Permit Parking which was not progressed. From a comparison with the proposed scheme at Appendix 3 the reduction in the amount of on-street parking is significant. This arises from the requirement for bays within standard resident parking schemes to have marked parking bays, where stricter parking standards within the Highway Code need to be applied. This design was not acceptable to residents as it could not meet their needs for on-street parking and could not therefore possibly accommodate a further substantive level of on-street parking for non-resident visitors.

21. The signing only permit parking scheme does not have such strict constraints on the areas of permitted parking, but require specific approval by the DfT which stipulates the parking places should be solely for use by permit holders.

22. Whilst there may be scope for amending a section of permit parking opposite the garages in Vermont Close (the northernmost parking area highlighted in Appendix 4) to allow 2 Hour or Visitor parking it is not recommended that is considered further at this stage since:

- The main issue appears to be parking provision off the highway and this needs to be further investigated to establish whether a long term arrangement can be made to provide this facility.
- Any amendment to the scheme restrictions would require further consultation and potentially approval by the DfT. This associated delay would not appear to be in the interest of any parties.
- At present the scheme is proposed to operate 8am to 6pm, Monday to Friday. Though reduced hours of operation may benefit the communities concerned, as above this should await further consideration of the provision of parking off the highway.

23. Office Comments Overall

The scheme was designed to deter commuter parking in line with the Councils parking policy on promoting sustainable travel. It is also Council practice to support community services. The revised proposals to allow temporary Special permits for RLCP during the construction period would appear appropriate in these challenging circumstances.

24. As the provision of temporary Special Permits does involve an administrative overhead for the RLCP and an additional cost to the Council it is not recommended as a long term solution. Any alternative amendment to the overall scheme design should however await further consideration as to scope for providing for a long term parking arrangements off the highway. The Cabinet will however wish to make their considerations and decision on what is substantively a community issue.

FINANCIAL/RESOURCE IMPLICATIONS

Capital

25. N/A

Revenue

26. The cost of the TRO, consultation, road signing and permit issue is estimated to cost £5,000, which can be met from the Environment and Transport portfolio.
27. An additional cost of £500 has been budgeted within the Environment and Transport portfolio for provision of Special Permits.

Property

28. N/A

Other (Children's Services and Learning)

29. Great Oaks School have offered to allow the Red Lodge Community Pool the facility for their customers to park in the school car park outside school hours (excepting if the school requires the car park for its own use eg an evening performance or parents' evening). The school has offered this facility on the condition that the pool grants them a discount on the swimming sessions the school purchases. The pool management have yet to respond to the school's offer

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

30. The Road Traffic Regulation Act 1984 permits the introduction of the parking restrictions as set out in this report in accordance with a statutory consultation procedure set down in the Act and associated secondary legislation.

Other Legal Implications:

31. In preparing and determining the proposals set out in this report the Council is required to have regard to the provisions of Equalities legislation, the Human Rights Act 1988 and s.17 Crime and Disorder Act 1998 (the duty to have regard to the need to remove or reduce crime and disorder in the area). It is considered that the proposals set out in this report are proportionate having regard to the wider needs of the area.

POLICY FRAMEWORK IMPLICATIONS

32. The proposals in this report are consistent with the Local Transport Plan 2006-11 policy on promoting sustainable travel and the Strategic Parking Policy

SUPPORTING DOCUMENTATION

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

Appendices

1.	Letters/Emails from objectors with responses from Traffic Management
2.	Map showing a possible standard parking scheme in Vermont Close / Talbot Close with 2 Hour Limited Waiting except Permit Holders which was rejected on the grounds of the loss of on-street parking
3.	Map showing proposed parking scheme with two sections of signed only permit only parking and a standard 2 Hour Limited Waiting except Permit Holder parking bay.
4.	Map showing area where 75m limit would apply for holders of Special Permits

Documents In Members’ Rooms

1.	N/A
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Background Documents

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
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Background documents available for inspection at:

FORWARD PLAN No:

KEY DECISION?

NO

WARDS/COMMUNITIES AFFECTED:	Bassett
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Objection correspondence to the revised parking proposals for Vermont/Talbot Close

Appendix 1

**Highways and Parking
Network Management**
Southampton City Council
45 Castle Way,
Southampton SO14 2PD

Direct Dial: (023) 8083 2337
Email: graham.muir@southampton.gov.uk
Please ask for Graham Muir

Fax: 023 8083 3981
Our Ref: HP/NM/GM/CC18/

The Occupier
Vermont Close, Talbot Close & The Firs (Talbot Close)

9th November 2009

Dear Sir / Madam,

Parking Restrictions Vermont Close, Talbot Close and The Firs (Talbot Close)

Further to my letter of 18th June, I am writing to update residents as to the status of the proposed parking restrictions in Vermont Close, Talbot Close and The Firs (Talbot Close). At the end of October we received technical approval from the Department for Transport for the signing for the scheme. There is however an issue arising from the planned work at the Great Oaks School which we are seeking to address. We understand that this construction work will temporarily reduce the parking available on the school site for around 40 weeks. As a consequence, during school times visitors to the Red Lodge Community Pool (RLCP) will no longer be able to use parking in the Great Oaks School.

As it is Council policy to support community services, we have been considering how we can assist RLCP during the construction period, whilst still balancing the interests of residents. There would appear to be no benefit to residents or RLCP in delaying the introduction of the scheme, as this could lead to a higher level of conflicting demand for on-street parking between residents, visitors, commuters and contractors.

Having exhausted the scope for parking in the short term off the highway, we are now proposing to amend the draft Traffic Regulation Order to allow permits to be issued to visitors to Red Lodge Community Pool. In order however to limit the impact on residents, these permits would be restricted for use within 75m of the Red Lodge Community Pool. This would restrict their visitors to any available parking in the proposed parking bay in Vermont Close and the area opposite the garages further north along Vermont Close. There would be no change to resident's entitlement to park in these areas. Whilst this is not an ideal solution for residents or for visitors to the Red Lodge Community, we view this as the only practical option, if the pool is to remain in operation.

Whilst we would hope that you will find this amendment to the draft Traffic Regulation Order acceptable but if, for any reason you do not, and you wish to object to the proposal to allow permits to be issued to RLCP, you have right to do so. Your objection would then be placed before the Council's Cabinet for consideration and a decision (unless the proposal is withdrawn). **Should you wish to make an objection in this way, please write to me stating your reasons for doing so and making sure your letter reaches me no later than 12th December 2009.** Please note that in the event you wish to make an objection and request that it be considered by the Council's Cabinet body, any future correspondence may be included within a Cabinet report accessible by the public or be subject to disclosure under Freedom of Information legislation.

Yours faithfully

Graham Muir

Graham Muir,
Traffic Engineer, Traffic Management

If you would like this letter sent to you in another format or language, please contact the number at the top of this letter.

Muir, Graham

From: Marion Vincent [vincentmaz.1951@yahoo.com]

Sent: 23 November 2009 17:43

To: Muir, Graham

Subject: Car Parking, on Vermont Close, Talbot Close and The Firs (Talbot Close) SO16 7NF

Dear Sir,

I refer to your letter dated 9th November 2009 regarding your intention to allow casual parking in the above areas that would be detrimental to the Residents.

I object to these proposals on the grounds that should any damage be caused to any of the Properties and the Owners vehicles it is extremely unlikely that the casual visitor to the pool will admit liability for the damage caused. If you go ahead with these proposal can you assure the Residents that the Council will accept all liability for any damage caused. It will also mean at times that the residents or their visitors will be unable to park their vehicles close to their properties. I would also want your assurance that if any casual visitor parked inside your proposed 75 metre zone they would if you are informed be dealt with by means of parking fine and/or having the vehicle removed by immediately no matter of the time of day by yourselves.

When the refuse collectors come every week they already face great difficulties in gaining access and should access for the Emergency services be restricted by this decision of yours again I would want to know if the Council will accept full liability.

Whilst I sympathise with the Councils dilemma over the planned repairs I feel it is not in the best interests of the residents of the above locations.

Please re-consider your proposals in light of these objections,

I await your reply

Mr L Vincent
5 The Firs



Red Lodge
Community
Pool

Red Lodge Community Pool Ltd,
Vermont Close,
Winchester Road
Southampton SO16 7LT
☎ 023 8076 8209
www.redlodgeswim.com

“A charity run by the community for the community”

Mr Mark R Heath
Solicitor to the Council
Southbrook Rise
4-8 Millbrook Road East
Southampton
SO15 1YG

13th August 2009.

Dear Mr Heath

Ref: City Of Southampton (Bassett, Highfield and Hampton Park) Residents' Parking Scheme Amdt. No.3 Order 2009

We are writing to object to the proposal of the residents' parking scheme in Vermont Close, Bassett.
We had not received an early notification of this prior to the official notice appearing in the Daily Echo 31.07.09.

This pool was originally built in 1980 and Southampton City Council had control and still own the building.
In April 2000 it became Red Lodge Community Pool and is being run as a charity and an independent organisation which is now established as a very successful community enterprise, the result of a lot of hard work on behalf of the volunteer committee and professional paid staff. This proposal will affect it considerably.

The proposed permit parking and the very limited parking area allowed for two hour parking will:

- **deter many of our pool users because the amount of 2hour parking will be so restricted , and there will be no alternative available when this is full.**
- **drastically reduce the space available for families to park for swimming, dropping off and collecting their children from swimming lessons, birthday parties and fun swim sessions, many of whom need over 2hours parking.**
- **inconvenience the parents who arrive with pushchairs for the parent and baby sessions, the more elderly and our weekly community groups.**
- **cause particular problems for visiting school groups, playgroups and our disabled persons who arrive by mini bus and up till now have had a guaranteed place to park in the playground.**

We have just installed new boilers at great cost, ready for the winter period and have carried out a vast amount of work internally, as it is only now we have built up enough funds to enable us to do this.

If we should loose our clients because of the parking restrictions, it could become impossible to keep the community pool open.

We would appreciate a response to this letter.

Yours sincerely,

Colin Norris, Chairperson. Peter Davis. Penny Cooper.

cc. email: councillor.a.samuels@southampton.gov.uk
cc. email: councillor.j.hannides@southampton.gov.uk
cc. email: councillor.e.mizon@southampton.gov.uk

Red Lodge Community Pool Limited Registered Office: Vermont Close, Winchester Road, Southampton SO16 7LT
Registered Charity Number: 1084564
Company Number 3927198

Directors: C.Norris P.Davis P.Cooper Company Secretary: P. Cooper

**Highways and Parking
Network Management**
Southampton City Council
45 Castle Way
Southampton SO14 2PD

Direct Dial: (023) 8083 2337
Email: graham.muir@southampton.gov.uk
Please ask for Graham Muir

Fax: 023 8083 3981
Our Ref: HP/NM/GM/CC18/

Colin Norris Chairperson
Peter Davis, Penny Cooper
Red Lodge Community Pool Ltd
Vermont Close
Bassett
Southampton
SO16 7LT

3rd September 2009

Dear Colin Norris, Penny Cooper and Peter Davis

Re: Bassett, Highfield and Hampton Park Residents Parking Scheme Amdt 3 09

Thank you for your letter of 13th August objecting to the proposed permit parking scheme in Vermont Close.

The scheme is primarily intended to deter long stay commuter parking and to restrict parking in the vicinity of the junctions. From our observations we were not aware of a significant level of visitors to the Red Lodge Community Pool parking in Vermont Close during the period (8am to 6pm, Monday to Friday) the permit scheme would operate. As we also understand there are plans to extend the parking and pick-up/drop facilities at the Great Oaks School, the Traffic Management team will delay its decision on your objection until 5th October to enable further time for consideration of the matter.

In the interim any further indication you may be able to provide on how many vehicles might be affected and at what time of day, would be appreciated. There may also be benefit in your organisation clarifying with Great Oaks School whether the expansion of their parking facilities could assist your visitors.

If you require any further information please contact me, otherwise I have enclosed a map of the proposed restrictions as this can be more informative than the description on the public notice

Yours sincerely,

Graham Muir

Graham Muir,
Traffic Engineer, Traffic Management

Muir, Graham

From: Pete & Tina Davis [pandtdavis@yahoo.co.uk]
Sent: 03 October 2009 00:33
To: Muir, Graham
Cc: Samuels, Alec (Cllr); Hannides, John (Cllr); Colin Micheal Norris; colin m Norris; Penny Cooper; Red Lodge Pool; Hards, Richard; Hall, Thomas; Laidler, Andrew
Subject: Vermont Close Proposed Residents Parking Scheme: Red Lodge Community Pool

To:Southampton City Council
Parking Control Department
Civic Centre
Southampton

Red Lodge Community Pool Ltd
Vermont Close
Bassett
Southampton SO16 7LT
2nd October 2009

For the attention of Mr Graham Muir

Dear Mr Muir,
re: Vermont Close, Talbot Close etc Residents Parking Scheme Order 2009

I write to inform you that our management committee decided at its meeting on Thursday 1st October 2009 that our letter of objection to the above lodged with you in August must still stand.

We find we are unable to withdraw our objection for the following reasons:

1. There is not enough short-term, open or publicly accessible parking available for our users within the scheme as it stands. The short stretch of 2 hour parking for 7 or possibly 8 cars by the green is inadequate to cover our needs during the day. An extra 6 or 7 2 hour spaces designated opposite the garages would be the minimum acceptable to us as was discussed between us at our meeting on site. These would also have to be permanent.
2. The possibility of being granted no more than 8 parking permits in lieu of these extra spaces being created is also inadequate and is entirely impractical for most of our users and would present us with unacceptable administrative difficulties.. Many users would have to park, come into the pool to collect a permit and return it to their vehicles and then come back into the pool. This would be difficult for individuals but for a parent with children, usually quite young, would be impossible to manage. We do not offer creche or child minding facilities nor is the office manned at all times for permits to be issued or received and re-issued.

As you are aware we were promised that a meeting would be arranged to discuss our parking problems and the Health and Safety concerns around the impending construction works which you had expressed a wish to attend. It is unfortunate that this could not be convened before your 5th October deadline as a satisfactory solution might have been found to allow us to withdraw our objection.

We have gathered further information as you suggested on the (approximate) numbers of vehicles attending the pool over the three main periods of use during weekdays:

Day	9am - 12:30pm	12:30 - 3:30pm	3:30 - 6:0pm
Monday	12	6	30
Tuesday	10	6	30

Wednesday	8	6	15
Thursday	8	8	30
Friday	6	4	20

As you appreciate everything that is being planned and what is already going on around us will serve to discourage our users coming to the pool. As all this is likely to seriously affect our business we feel we need to be assured that a satisfactory solution can be found for us to manage in the short term, over the next year, as well as over the longer term of the 11 years of the remainder our lease. We therefore felt that we have no choice but to sustain our objection to the residents parking scheme as proposed.

Yours sincerely

Peter Davis
Director

for and on behalf of the Red Lodge Community Pool directors and Management Committee

**Highways and Parking
Network Management**
Southampton City Council
45 Castle Way
Southampton SO14 2PD

Direct Dial: (023) 8083 2337
Email: graham.muir@southampton.gov.uk
Please ask for Graham Muir

Fax: 023 8083 3981
Our Ref: HP/NM/GM/CC18/

Colin Norris Chairperson
Peter Davis, Penny Cooper
Red Lodge Community Pool Ltd
Vermont Close
Bassett
Southampton
SO16 7LT

9th November 2009

Dear Colin Norris, Penny Cooper and Peter Davis

Re: Bassett, Highfield and Hampton Park Residents Parking Scheme Amdt 3 09

Thank you for your email of 3rd October confirming your objection to the proposed permit parking scheme in Vermont Close. I also recognise from our discussions and copies of your correspondence with Richard Hards that you have been working to address a range of issues arising from the construction work at Great Oaks School including arranging alternative parking where possible. I am sorry if this has not yet been as productive as may have been expected.

As we now have received technical authorisation from the Department for Transport for the signing for the proposed parking permit scheme in Vermont Close, we now need to establish whether we have an acceptable resolution to parking provision for visitors to Red Lodge Community Pool on the highway. Otherwise the matter will need to be taken to the Cabinet of the Council for a decision.

Taking into account your objection that the proposed 2 hour limited waiting parking bay, would be significantly short of the capacity you may require and that your regular visitors would need have permits issued in advance we are now intending to amend the draft Traffic Regulation Order as follows:

- To allow parking permits to be issued for specified periods for named individuals or parties (e.g. schools) for the purpose of visiting Red Lodge Community Pool only.
- For these permits to be limited to within 75m of the pool. This would effectively restrict visitors to any available parking in the proposed parking bay in Vermont Close and the area opposite the garages further north along Vermont Close, as we have discussed. The pool visitors could then be supplied with a map to highlight the permitted areas of parking.

It is intended that this arrangement would only apply for the period of construction work.

Whilst I appreciate there may be outstanding issues off the highway and this amendment to the draft Traffic Regulation Order but may not meet all your needs, I hope that you will find it acceptable, if for any reason you do not, and you still wish to object, you have right to do so. Your objection would then be placed before the Council's Cabinet for consideration and a decision (unless the proposal is withdrawn). **Should you wish to make an objection in this way, please write to me stating your reasons for doing so and making sure your letter reaches me no later than 12th December 2009.**

Please note that in the event you still wish to make an objection and request that it be considered by the Council's Cabinet body, any future correspondence may be included within a Cabinet report accessible by the public or be subject to disclosure under Freedom of Information legislation.

If you require any further information please contact me.

Yours sincerely,

Graham Muir

Graham Muir,
Traffic Engineer, Traffic Management



Red Lodge

Community

Pool

Red Lodge Community Pool Ltd,
Vermont Close,
Winchester Road
Southampton SO16 7LT
☎ 023 8076 8209
www.redlodge-swim.com

“A charity run by the community for the community”

To: Mr Graham Muir
Highways and Parking
Network Management
Southampton City Council
45 Castle Way
Southampton SO14 2PD

Manager : Alan Ayles
Please reply to: Peter Davis
direct line No: 0238076 9594
mobile: 07715 550445

11th December 2009

Dear Mr Muir,

Re: Bassett, Highfield and Hamptun Park Residents Parking Scheme Amdt 3 09

Thank you for your letter of 9th November 2009 asking for a response to your offer to provide temporary permits instead of the extra 2 hour parking spaces we wish to see.

The management committee and directors have carefully considered this and have concluded that our objection as per our email of 3rd October 2009 must still stand for the following reasons:

2 Hour Parking

The proposed 2 hour parking bay is totally inadequate for the number of visitors we have during the day. These spaces could easily be taken up by others, including residents' cars so we could be left with no spaces available at all. We would then have literally nowhere else to go.

Ideally, we would prefer to see the whole area of the close designated “2 hour parking or permit holders only”, except, of course, those parts which need to be no-parking. This would still prevent the commuter parking which is the main object of the scheme. It would also be mutually beneficial to both our users and residents' visitors as well as to other visitors.

On a further matter it would help considerably if the “end of period” times could be brought forward from 6:0pm to 4:0pm.

Permits

Permits are difficult to administer and will stop prospective patrons from making that crucial initial visit to the pool. They are a far from ideal solution for us.

As the permits on offer would be a temporary measure to compensate for not having the additional parking above, and would be designed to be available only for the duration of the construction period we will be back in the position of having insufficient parking again in August or September 2010.

Car Parking Post-Construction

We have not yet received confirmation of the arrangements agreed with Great Oaks School Headmaster, at the meeting which you attended, to use their newly refurbished car park again from September 2010.

continued over

As we have no guarantees of any permanent solution to our parking problem in the longer term we regret that we have no alternative but to continue with our objection.

Thank you for your kind assistance in helping try to resolve this issue. Please let us know if there is anything further you need from us.

Yours sincerely,

Peter Davis
Director

Red Lodge Community Pool

Copies to: Colin Norris Chairman
Penny Cooper Director
Cllr John Hannides
Cllr Alec Samuels

Muir, Graham

From: Veronica Radford [veronica.radford@virgin.net]
Sent: 11 December 2009 15:10
To: Muir, Graham
Subject: Objection to proposed parking restrictions in Vermont Close

Dear Sir

I write as a local resident and on behalf of 7th Bassett Scout Group to object to the proposed parking restrictions in Vermont Close, Bassett.

I understand that it is proposed to introduce Residents Parking only throughout and reduce public parking to just 6 spaces with a maximum 2 hour period.

While I appreciate there is a problem with prolonged commuter and student parking on the road I ask the Council to consider the impact on the two community run activities which are accessed from Vermont Close, mainly the Redlodge Community Swimming Pool and the 7th Bassett Scout Group.

Both these activities are run by volunteers from the local community and have been established for more than 30 years. They offer vital opportunities for children and adults alike, from a citywide catchment area, to take part in swimming and scouting activities. It is completely unacceptable that the Council should introduce parking restrictions that will be detrimental to these precious resources.

Both the swimming pool and scout group require parents to bring their children to swimming activities and scout meetings and therefore need short term parking which would be less than 2 hours. The current parking provision is not adequate for the numbers of users to be accommodated, particularly at peak times of swimming lessons and the beginning and end of scout meetings. Furthermore I understand that building works are proposed in the neighbouring school which will make the whole situation worse.

I therefore ask that the 2 hour parking restriction be extended to the whole of Vermont Close. This simple solution would stop the nuisance of commuter and student parking but allow necessary flexibility so that the community can continue to park for the short time it takes to bring children to and from swimming and scouting.

I ask the Council to be mindful that numerous generations of local children and adults have benefited from and continue to take part in the swimming pool and scout group and to take very seriously their responsibility towards these people by helping to protect and support these resources.

Yours sincerely

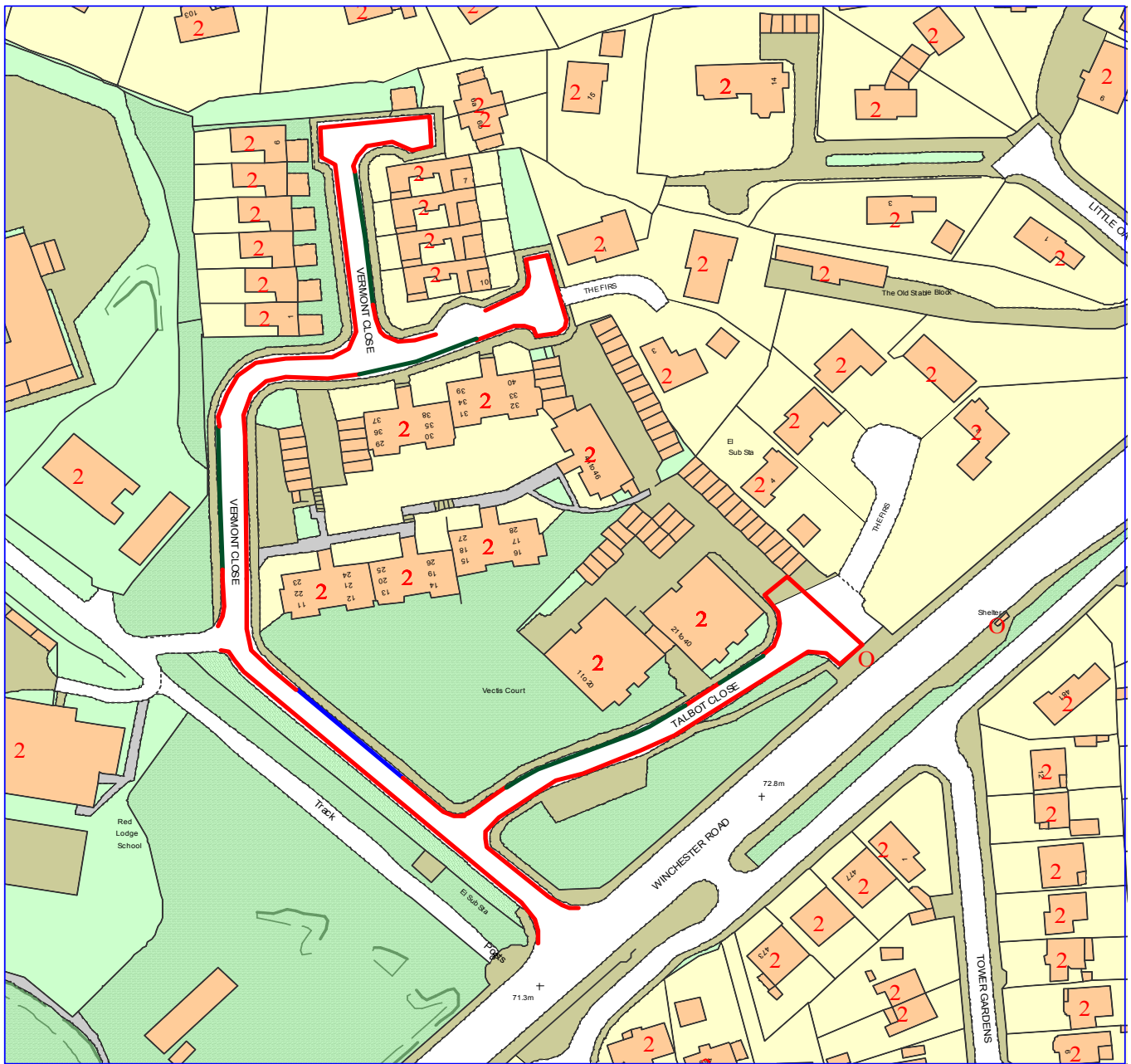
Dr Veronica Radford

Chair, Southampton City Scout Council





5 Redhill, Bassett, Southampton SO16 7BN


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Appendix 2
 Map showing a possible design for a standard permit scheme in Vermont/Talbot Close
 With 2 Hour Limited Waiting Except Permit Holders which was not acceptable to the residents.

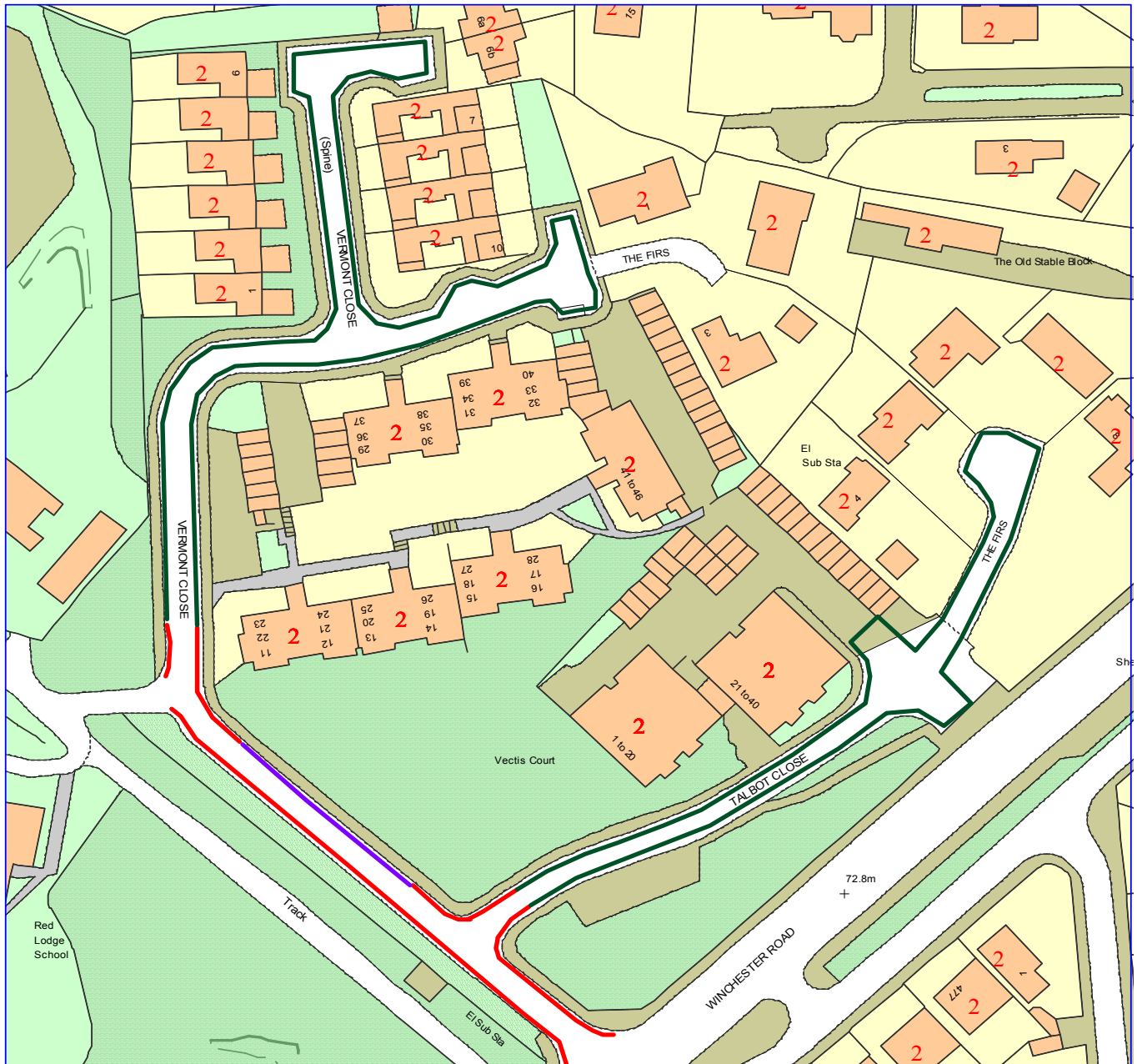


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Key  Proposed No Waiting at Any Time parking restrictions  Proposed 2 Hour Limited Waiting, 8am to 6pm, Mon to Fri, except Permit Holders (No return to same street same day)  Proposed 30 minute Limited Waiting, 8am to 6pm, Sun to Sat (No return within 30 minutes)	 NORTH
--	--

	Mick Bishop Head of Highways and Parking 45 Castle Way Southampton, SO14 2PD	Drawn by: Graham Muir
	Drawing Title Map showing proposed parking restrictions in Talbot Close and Vermont Close	Date: 22/4/09
		Scale: 1:1250 Plan No: GMBVCTC2

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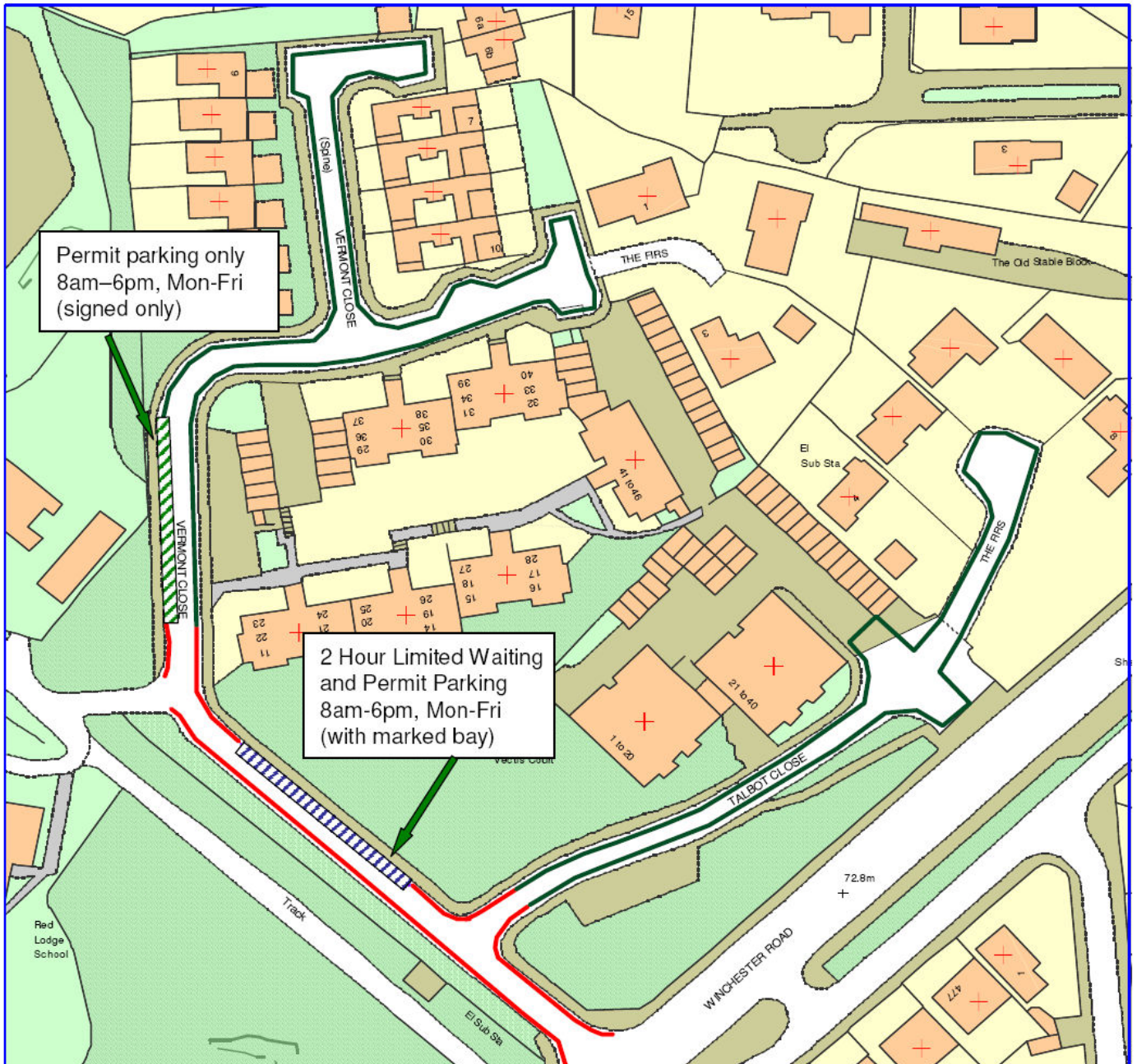
Key  Proposed Permit Parking only 8am to 6pm, Mon to Fri, (signed only)  Proposed No Waiting at Any Time parking restrictions  Proposed 2 Hour Limited Waiting 8am to 6pm, Mon to Fri (No return within 2 Hours) Except Permit Holders	 NORTH
---	--





Mick Bishop Head of Highways and Parking 45 Castle Way Southampton, SO14 2PD	Drawn by: Graham Muir
Drawing Title Map showing proposed parking restrictions in the vicinity of Vermont and Talbot Close	Date: 8/6/2009
	Scale: 1:1000
	Plan No: GMBVCTC3


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Map showing proposed Special Permit Parking area in Vermont/Talbot Close. Appendix 4



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Key  Proposed Permit Parking only 8am to 6pm, Mon to Fri, (signed only)  Proposed No Waiting at Any Time parking restrictions  Proposed 2 Hour Limited Waiting 8am to 6pm, Mon to Fri (No return within 2 Hours) Except Permit Holders	 NORTH
---	--

	Mick Bishop Head of Highways and Parking 45 Castle Way Southampton, SO14 2PD	Drawn by: Graham Muir
	Drawing Title Map showing proposed parking restrictions in the vicinity of Vermont and Talbot Close	Date: 8/6/2009
		Scale: 1:1000 Plan No: GMBVCTC3

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EXECUTIVE DECISION MAKING

RECORD OF THE DECISION MAKING HELD ON 18th JANUARY 2010

Present:

Councillor Samuels	-	Leader of the Council
Councillor White	-	Adult social Care and Health
Councillor Holmes	-	Children's Services and Learning
Councillor Smith	-	Economic Development
Councillor Dean	-	Environment and Transport
Councillor Williams	-	Housing and Local Services
Councillor Hannides	-	Leisure, Culture and Heritage
Councillor Moulton	-	Resources and Workforce Planning
Councillor Walker	-	Safeguarding Children and Youth Services

123. RECORD OF THE PREVIOUS DECISION MAKING

The record of the Executive decision making held on 21st December 2009 were received and noted as a correct record.

124. IMPLEMENTING PROPOSALS TO SPEND DEPARTMENT OF HEALTH 'COMMON ASSESSMENT FRAMEWORK' GRANT FUNDING

DECISION MADE: (Ref: CAB 09/10 1911)

On consideration of the report of the Cabinet Member for Adult Social Care and Health seeking approval to accept the grant received from the Department of Health for the development of a joint health and social care assessment system and commitments to the Health and Adult Social Care Capital Programme, the decision maker made the following decision:-

- (i) To accept, in accordance with Financial Procedure Rules, the capital grant of £3.062m awarded by the Department of Health (DoH) for development of a joint health and social care assessment system.
- (ii) To add, in accordance with financial procedure rules, £3.062 to the Adult Social Care and Health Capital Programme to fund a new scheme, Common Assessment Framework to be entirely funded from the DoH grant award.
- (iii) To approve, in accordance with financial procedure rules and subject to recommendation (iv) of this report, capital expenditure of £3.062 for the completion of a Common Assessment Framework to be funded entirely from the DoH grant award.
- (iv) To delegate to the Executive Director of Health and Adult Social Care, after consultation with Cabinet Member for Adult Social Care and Health and the Head of Financial Services and IT, any consequent decision regarding the development and implementation of a specific spending plan for this project.

125. RESPONSE TO THE SCRUTINY INQUIRY INTO THE CHILDREN'S ANNUAL PERFORMANCE ASSESSMENT

DECISION MADE (CAB 09/10 1934)

On consideration of the report of the Cabinet Member for Children's Services and Learning regarding the Cabinet's response to the Scrutiny Inquiry into the Children's Annual Performance Assessment, the decision-maker made the following decision:

- (i) To approve the Cabinet's responses as set out in Appendix 1
- (ii) To delegate, within existing budget provisions, authority to the Executive Director of Children's Services and Learning, following consultation with the Cabinet Member for Children's Services, as appropriate, to take further decisions in relation to recommendations where further investigation is required.

126. ADOPTION OF A CORPORATE CARBON REDUCTION POLICY

DECISION MADE (CAB 09/10 1766)

On consideration of the report of the Cabinet Member for Environment and Transport seeking approval in respect of a Corporate Reduction Policy, the decision-maker made the following decision:

- (i) To adopt the Corporate Carbon Reduction Policy and Action Plan to ensure the Council can meet its obligations under the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme and manage energy effectively within Council operated buildings.
- (ii) That an annual report be brought back to Cabinet outlining the progress in delivery of the Action Plan against the targets, together with recommendations for further improvements.

NOTE: Report modified and approved at paragraphs 6 and 7.

127. FUNDING FLEXIBILITIES FOR TRANSPORT INITIATIVES

DECISION MADE (CAB 09/10 2182)

On consideration of the report of the Cabinet Member for Environment and Transport seeking approval to utilise Local Transport Plan Capital Funding for revenue activities and the implementation of a funding swap between Local Transport Plan Capital Funding with On Street Car Parking Revenue Funding, the decision-maker made the following decision:

- (i) To agree to the principle of swapping Local Transport Plan capital funding with On Street Car Parking Account revenue funding in order to fund transport studies and initiatives.
- (ii) To approve the addition to Environment and Transport Portfolio's revenue estimates of a Transport Initiatives Feasibility Study budget of up to £195,000 in 2009/10 and up to £500,000 in 2010/11, funded by contributions from the On Street Car Parking Account.

128. DISPOSAL OF LAND FOR AN AFFORDABLE HOUSING SCHEME IN DERBY ROAD

Deferred.

129. DETERMINING PROPOSALS TO ESTABLISH NEW SPECIAL EDUCATIONAL NEEDS LEARNING CENTRES AT SIX SECONDARY SCHOOLS

DECISION MADE: (CAB 09/10 1935)

On consideration of the report of the Head of Infrastructure and Capital Projects, detailing considerations linked to the development of Special Education Needs provision within Southampton Secondary Schools, the decision-maker made the following decision:-

- (i) To note the outcome of statutory consultation as set out in Appendix 1 of this report and the associated documents in the Members' Rooms.
- (ii) To approve the following statutory proposals for changes to SEN provision in the city's secondary schools:
 - (a) Chamberlayne College for the Arts (Foundation School): To add a 12 place Physical Learning Difficulties Centre for boys and girls aged 11 to 16 from 1st September 2013.
 - (b) Upper Shirley High School (Foundation School): To add a 12 place Visual Impairment Learning Centre for boys and girls aged 11 to 16 from 1st September 2013.
 - (c) St George Catholic College (Voluntary Aided School): To add a 10 place Learning Difficulties Learning Centre for boys aged 11 to 16 from 1st September 2013.
 - (d) Cantell Maths and Computing College (Community School): To change the type of existing SEN provision from providing 20 places for pupils with Specific Learning Difficulties to providing 10 places for pupils with a range of Learning Difficulties from 1st September 2011. The resultant Learning Centre will provide places for boys and girls aged 11 to 16 years.

To approve the following modified proposals:

- (e) Bitterne Park School (Community School): To add a 15 place Autistic Spectrum Disorder Learning Centre for boys and girls aged 11 to 18 years from 1st September 2013 (modified age range). Bitterne Park will have acquired a Sixth Form by September 2013, so the change in age range from 11 – 16 as originally published for the Learning Centre to 11 – 18 reflects this.
- (f) The Sholing Technology College (Community School): To add a 10 place Behavioural, Emotional and Social Difficulties Support Learning Centre for vulnerable pupils for boys and girls aged 11 to 16 from 1st September 2015 (modified unit name). Previously referred to in the 7 September 2009 Report as a Nurture Learning Centre and in statutory notices as a Learning centre for emotionally vulnerable pupils.

- (iii) To delegate authority to the Executive Director of Children's Services and Learning, following consultation with the Cabinet Member for Children's Services, to do anything necessary to give effect to the recommendations in this report.
- (iv) To delegate authority to the Solicitor to the Council to take any action necessary to comply with the requirements of the School Standards and frameworks Act 1998 and associated legislation, and compliance with statutory representation procedures, to give effect to the recommendations in this report.

EXECUTIVE DECISION MAKING**RECORD OF THE DECISION MAKING HELD ON 1st FEBRUARY 2010****Present:**

Councillor Samuels	-	Leader of the Council
Councillor White	-	Adult social Care and Health
Councillor Holmes	-	Children's Services and Learning
Councillor Smith	-	Economic Development
Councillor Dean	-	Environment and Transport
Councillor Williams	-	Housing and Local Services
Councillor Hannides	-	Leisure, Culture and Heritage
Councillor Moulton	-	Resources and Workforce Planning
Councillor Walker	-	Safeguarding Children and Youth Services

130. **EXCLUSION OF THE PRESS AND PUBLIC**

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

131. **GENERAL FUND CAPITAL PROGRAMME – 2010/11 TO 2012/13****DECISION MADE (CAB 09/10 1697)**

On consideration of the report of the Cabinet Member for Resources and Workforce Planning seeking approval to recommend to Council that the updated Capital Programme the decision-maker recommended the following:

- (i) Approve the revised General Fund Capital Programme and use of resources;
- (ii) Add an additional £2.0M to the Resources and Workforce Planning programme for Repairs and Maintenance backlog to be funded by unsupported borrowing;
- (iii) Add an additional £270,000 to the Adult Social Care and Health programme for essential Health and Safety works and equipment replacement at Care Homes to be funded by unsupported borrowing;
- (iv) Add an additional £2.660M to the Environment and Transport programme for the replacement of the cremators to be funded by £1.742M of unsupported borrowing and £918,000 of direct revenue financing both of which are funded from increased cremation charges;
- (v) Add an additional £312,000 to the Economic Development programme for feasibility studies and programme management to be funded by unsupported borrowing;

- (vi) Adds £13.585M to the Leisure Culture and Heritage Capital Programme for the balance of funding for the Heritage Centre Scheme the funding for which is explained in this report;
- (vii) Notes the transfer of £1.7M from the programmed maintenance budget to the ASAP Accommodation project in order to better co-ordinate works throughout the Civic Centre; and
- (viii) Approves the over programming of £7.1M as detailed in paragraph 11.

132. GENERAL FUND REVENUE BUDGET 2010/11 TO 2012/13

DECISION MADE (CAB 09/10 1698)

On consideration of the report of the Cabinet Member for Resources and Workforce Planning seeking approval to recommend to Council that the updated Revenue Budget, the decision-maker recommended the following:

- (i) To note the position on the estimated outturn and revised budget for 2009/10 as set out in paragraphs 4 to 9
- (ii) To approve £250,000 in 2009/10 for highway maintenance following the severe weather conditions at the start of this year, to be met from savings in the overall general fund budget in 2009/10.
- (iii) To note the position on the forecast roll forward budget for 2010/11 as set out in paragraphs 10 to 16.
- (iv) To delegate authority to Policy Coordinators following consultation with the relevant Cabinet Members to implement any changes to fees and charges that are part of the approved general fund budget.
- (v) To note and approve the arrangements made by the Leader, in accordance with the Local Government Act 2000, for the Cabinet Member for Resources and Workforce Planning to have responsibility for financial management and budgetary policies and strategies, and that the Cabinet Member for Resources and Workforce Planning will, in accordance with the Budget & Policy Framework Rules as set out in the Council's Constitution, be authorised accordingly to finalise the Executive's proposals in respect of the Budget for 2010/11, in consultation with the Leader, for submission to Full Council on 17th February 2010.

Recommends that Full Council

- (vi) To note the Consultation process that was followed outlined in Appendix 1.
- (vii) Approves the revised estimate for 2009/10 as set out in Appendix 2.
- (viii) To note the position on the forecast roll forward budget for 2010/11 as set out in paragraphs 10 to 16.
- (ix) To approve the Invest to Save Bids set out in Appendix 3.
- (x) To approve the revenue pressures, revenue developments and revenue bids as set out in Appendices 4, 5 and 6.

- (xi) To approve the efficiencies, income and service reductions as set out in Appendix 7.
- (xii) To approve the General Fund Revenue Budget as set out in Appendix 8 which assumes a council tax increase of 2.50%.
- (xiii) To delegate authority to the Chief Financial Officer (CFO) to action all budget changes arising from the approved pressures, bids, efficiencies, income and service reductions and incorporate any other approved amendments into the General Fund estimates.
- (xiv) To note that after taking these items into account, there is an estimated General Fund balance of £4.5M at the end of 2012/13 as detailed in paragraph 36.
- (xv) To delegate authority to the Executive Director of Resources in consultation with the Solicitor to the Council to do anything necessary to give effect to the recommendations in this report.
- (xvi) To set the Budget Requirement for 2010/11 at £183,269,600.
- (xvii) To note the estimates of precepts on the Council Tax collection fund for 2010/11 as set out in Appendix 10.
- (xviii) To note the Medium Term Forecast as set out in Appendix 11.
- (xix) To authorises the Chief Executive and Chief Officers to pursue the development of the options for efficiencies, income and service reductions as set out in Appendix 7 for the financial years 2011/12 and 2012/13 and continue to develop options to close the remaining projected gaps in those years in line with the proposed Efficiency Strategy.
- (xx) To approve a further £250,000 in 2009/10 for highway maintenance following the severe weather conditions at the start of this year, to be met from savings in the overall general fund budget in 2009/10.
- (xxi) To approve the Efficiency Strategy attached in Appendix 12.

133. HOUSING REVENUE ACCOUNT BUDGET REPORT

DECISION MADE (CAB 09/10 1690)

On consideration of the report of the Cabinet Member for Housing and Local Services seeking approval of the Housing Revenue Account budget proposals to be recommended to the budget setting Council meeting on 17th February 2010 the decision-maker recommended the following:

- (i) To thank Tenant Association Representatives for their input to the capital and revenue budget setting process and to note their views as set out in this report.
- (ii) To agree that, with effect from the 5th April 2010, the current average weekly dwelling rent figure of £63.57 should increase by 2.45%, which equates to an average increase of £1.56 per week, and to approve the following to calculate this increase:

- That the percentage reduction applied to all dwelling rents should be 0.9%, equivalent to a reduction of £0.57 per week
- That the revised phased introduction of the Government's Rent Restructuring regime should be followed, giving an increase in average rent levels of 2.96% (£1.88 per week)
- That the final step should be a further increase in average rent levels of 0.39% (£0.25 per week) for the caps and limits adjustment and,

to note that:

- The total percentage increase in individual rents will vary according to the restructured rent of their property in 2012/13.
- (iii) To agree that there is no increase in the charges for garages and parking spaces for 2010/11.
- (iv) To agree that there is no increase in tenants service charges for 2010/11.
- (v) To approve the Housing Revenue Account Revenue Estimates as set out in the attached Appendix 1.
- (vi) To approve the revised Housing Revenue Account Capital Programme set out in Appendix 2 which includes total spending of £82.214M on work that meets the definition of "affordable housing".
- (vii) To approve the use of resources to fund the HRA Capital Programme as shown in Appendix 3, including the following use of unsupported (prudential) borrowing:
- £2.150M to support the overall programme (unchanged from the report in September 2009)
 - £3.356M to fund the new build programme that is not funded from HCA grant
 - £2.600M to fund the digital TV proposals if this is more cost effectively purchased rather than leased
 - £0.870M to fund the estate regeneration programme pending the receipt of capital receipts from sale of the sites and
 - £3.100M of short term borrowing to sustain the programme in 2010/11, which can be repaid by the end of 2012/13.
- (viii) To note that, because the final HRA subsidy papers have not yet been received from the Government, it may be necessary for either:
- The Cabinet Member for Housing and Local Services to move changes to the recommendations in this report at Council if there is a material difference between the final subsidy papers and the draft subsidy papers that have been used in compiling these estimates; or

- For Council to agree to delegate to the Executive Director for Neighbourhoods, in consultation with the Executive Director for Resources and following consultation with the Cabinet Member for Housing and Local Services, authority to make changes to the recommendations in this report if the final subsidy papers have not been received by the time of the Council meeting and there is a material difference between the final subsidy papers and the draft subsidy papers that have been used in compiling these estimates.
- (ix) To note the savings that have been made in the budget process, as set out in paragraphs 13 to 15.
- (x) To note that rental income and service charge payments will be paid by tenants over a 48 week period.
- (xi) To note that the overall shortfall in resources of £2.561M to fund the capital programme is within the tolerances set by the Executive Director for Resources in the approved Medium Term Financial Strategy and that plans are in place to close this gap as set out in paragraph 31.
- (xii) To delegate to the Executive Director for Resources, following consultation with the Cabinet Members for Housing and Local Services and Resources and Workforce Planning, the Executive Director for Neighbourhoods and the Solicitor to the Council, authority to determine the Council's response to the "buy-out" offer for Reform of Council Housing Finance if the response is required in such a period that it is not possible to submit a report to Council.

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Agenda Item 9

DECISION-MAKER:	CABINET		
SUBJECT:	HOUSING REVENUE ACCOUNT REVENUE MONITORING FOR THE PERIOD TO THE END OF DECEMBER 2009		
DATE OF DECISION:	15 FEBRUARY 2009		
REPORT OF:	CABINET MEMBER FOR HOUSING & LOCAL SERVICES		
AUTHOR:	Name:	KARL SMITH	Tel: 023 8083 2785
	E-mail:	Karl.smith@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY

NOT APPLICABLE

SUMMARY

This report summarises the revenue financial position for the Housing Revenue Account (HRA) for the 9 months to the end of December 2009. The 2 main issues are savings on Supervision and Management and an increase in subsidy paid to CLG due to falling interest rates.

RECOMMENDATIONS:

- (i) Note the current HRA revenue budget monitoring position for 2009/10 as at Period 9 (December).

REASONS FOR REPORT RECOMMENDATIONS

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

CONSULTATION

2. Heads of Service and Budget Holders and the Executive Director have been consulted in preparing the reasons for variations contained in the report.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3. Not applicable.

DETAIL

4. This report sets out to advise Cabinet of the HRA revenue budget monitoring position to the end of period 9 (December 2009) and to highlight any significant issues.
5. The HRA records all the income and expenditure associated with the provision and management of Council owned homes in the City. This account funds a significant range of services to over 18,000 Southampton tenants and leaseholders and their families. This includes housing management, repairs and improvements, welfare advice, sheltered housing services, neighbourhood wardens and contributes to bringing all Council properties up to the decent homes standard.

Budget position 2009/10

6. The approved budget shown in appendix 1 reflects the changes in the level of dwelling rents and subsidy payment resulting from the governments 3.1% limit on rent increases, and the successful bid to Government to bring forward £2.42M of the Major Repairs Allowance from 2010/11 into the current financial year.
7. It also reflects the use of the £1,187,000 additional balances at the end of 2008/09. £968,900 has been made available to the capital programme through increasing Direct Revenue Financing, and £218,100 has been added to the External Decorations element within Programme Repairs, as approved by Council on 15th July 2009.
8. The approved HRA expenditure budget for the year is therefore, £60,672,500 and the income budget is £59,485,500, giving an overall deficit budget of £1,187,000. This deficit would be funded by a draw from balances, following which HRA balances would be at their target level of £1.2M.
9. There is no longer an adverse variance within responsive repairs. There are savings on responsive repairs due to average costs being at the level anticipated and number of jobs being lower than expected. This is offset however by a significantly higher level of void properties than anticipated with average cost being marginally lower than expected.

10. Summary of Variances

11. The table below shows the major variances.

Activity	Variance £000	A/F
Supervision and Management – Housing Management	452.7	F
Interest Rate Changes	395.0	A
Contingency	191.2	F
Dwelling Rents	150.1	A
Garages, Shops and Parking Rents	100.2	A
Tenants Service Charge Income	72.0	A

12. A full explanation of these variances is given in the following paragraphs. Issues not previously reported to Cabinet are the significant savings detailed in paragraph 13 and the position on the contingency, paragraph 15.

Supervision & Management – Housing Management and Leaseholder Service Charge Income

13. There has been a change in the provider of leaseholder insurances. The estimated cost was £220,000 based on the previous provider, and the actual charge for 2009/10 is £140,000. This will reduce the cost to leaseholders and therefore the income received, this has been offset by an increase in charges due to higher revenue major works this year.

14. Significant savings have been realised from:
- Sheltered housing utility costs (£104,000);
 - Concierge running costs, mainly staffing and maintenance costs (£102,000);
 - Sheltered housing staffing and associated costs (£88,000); and
 - Staff savings from vacancies in the policy team (£122,000).
15. There is also a saving of £54,700 on budgets relating to the implementation of the sheltered housing review. This offsets lower than expected income from the new service charges for sheltered housing (see paragraph 19 below).

Interest Rate Changes

16. Interest rates have decreased sharply and therefore the HRA financing costs have reduced by £1.915M. However the reduction in interest rates has reduced the amount of subsidy that can be claimed for Capital Financing Costs, which has increased the amount of subsidy that is paid to CLG this year by £2.310M. In overall terms therefore the reduction in interest rates has caused an adverse variance of £395,000.

Contingency

17. The contingency position has been deleted as it is no longer required.

Dwelling Rents

18. There is a decrease in the number of properties sold under Right to Buy, however there is a higher level of void properties than expected. Voids have increased due to the number of properties removed for development in Estate Regeneration as well as number of bedsit conversions at Kinloss Court.

Garage, Parking and Shop Rents

19. Significant reduction in the income received from Shopping Parades. This is mainly due to the current economic climate and regeneration of Hinkler Parade.

Interest Received

20. As the level of interest rates have decreased sharply, the amount of interest the HRA receives from the cash balances that it holds will also decrease.

Tenants Service Charge Income

21. There is a reduction in income of £17,000 from service charges related to the Electronic Concierge. In addition, the support assessments for tenants in sheltered housing took longer than expected to complete. Income from the new service charges for sheltered housing is therefore £54,700 lower than expected but this has been offset by savings made in other budgets relating to the implementation of the sheltered housing review.

FINANCIAL/RESOURCE IMPLICATIONS

Capital

22. None

Revenue

23. Contained in the detail of this report

Property

24. Not applicable

Other

25. Not applicable

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

26. Financial reporting is consistent with the Chief Financial Officer’s duty to ensure good financial administration within the Council.

Other Legal Implications:

27. Not applicable

POLICY FRAMEWORK IMPLICATIONS

28. Not applicable

SUPPORTING DOCUMENTATION

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

Appendices

1.	HRA Revenue Summary Report
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Documents In Members’ Rooms

1.	None
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Background Documents

Title of Background Paper(s)

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

1.	None	
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Background documents available for inspection at: Not Applicable

KEY DECISION? No

WARDS/COMMUNITIES AFFECTED:	None
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TOTAL COST SUMMARY REPORT

PERIOD: DECEMBER 2009 (200909)

PORTFOLIO: Housing Revenue Account (HRA)

	Approved Budget	Latest Agreed Budget	Forecast Outturn	Forecast Variance	Forecast Variance
	£000s (a)	£000s (b)	£000s (f)	£000s (f - b = g)	% (g / b = h)
Rents Payable - Housing Solutions	6.0	6.0	6.0	0.0	0%
Rents Payable - Housing Management	85.8	85.8	85.8	0.0	0%
Total Rents Payable	91.8	91.8	91.8	0.0	0%
Supervision & Management - Decent Homes	1,512.6	1,525.7	1,525.7	0.0	0%
Supervision & Management - Directors Office	1,591.0	1,579.9	1,595.8	15.9 A	1% A
Supervision & Management - Housing Solutions	949.4	949.4	949.4	0.0	0%
Supervision & Management - Estate Regeneration	119.0	117.0	134.3	17.3 A	15% A
Supervision & Management - Housing Management	12,854.8	12,833.6	12,380.9	452.7 F	4% F
Total Supervision & Management	17,026.8	17,005.6	16,586.1	419.5 F	2% F
Capital Financing Costs	3,749.1	3,749.1	1,834.5	1,914.6 F	51% F
Contingency	92.5	191.2	0.0	191.2 F	100% F
Debt Management	46.6	46.6	46.6	0.0	0%
Direct Revenue Financing	6,193.7	7,262.6	7,157.3	105.3 F	1% F
Housing Subsidy	4,097.1	1,677.1	3,986.7	2,309.6 A	138% A
Major Repairs Allowance	12,641.2	15,061.2	15,061.2	0.0	0%
Programme Repairs	5,306.4	5,411.4	5,417.1	5.7 A	0% A
Responsive Repairs	10,175.9	10,175.9	10,175.9	0.0	0%
Total Expenditure	59,421.1	60,672.5	60,357.2	315.3 F	1% F
Dwelling Rents	(56,324.2)	(56,324.2)	(56,174.1)	150.1 A	0% A
Garages, Shops, etc.	(1,400.2)	(1,400.2)	(1,300.0)	100.2 A	7% A
Interest Received	(101.6)	(101.6)	(90.8)	10.8 A	11% A
Tenants Service Charges	(1,017.8)	(1,082.2)	(1,010.2)	72.0 A	7% A
Leaseholder Service Charge Income	(577.3)	(577.3)	(595.1)	17.8 F	3% F
Total Income	(59,421.1)	(59,485.5)	(59,170.2)	315.3 A	1% A
Net Cost of Portfolio	0.0	1,187.0	1,187.0	0.0 F	0% F
Working Balance B/Fwd		(2,387.0)	(2,387.0)	0.0	
Net Cost to Portfolio		1,187.0	1,187.0	0.0 F	
Working Balance C/Fwd		(1,200.0)	(1,200.0)	0.0 F	

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Agenda Item 10

DECISION-MAKER:	CABINET		
SUBJECT:	CORPORATE FINANCIAL GENERAL FUND CAPITAL MONITORING FOR THE PERIOD TO THE END OF DECEMBER 2009		
DATE OF DECISION:	15 FEBRUARY 2010		
REPORT OF:	CABINET MEMBER FOR RESOURCES AND WORKFORCE PLANNING		
AUTHOR:	Name:	ANDREW LOWE	Tel: 023 8083 2049
	E-mail:	Andrew.Lowe@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY

NOT APPLICABLE

SUMMARY

This report summarises the General Fund capital financial position for the Authority for the nine months to the end of December 2009, and highlights any key issues by Portfolio which need to be brought to the attention of Cabinet.

RECOMMENDATIONS:

It is recommended that Cabinet:

- (i) Note the current General Fund capital budget monitoring position for 2009/10 as at Period 9 (December), which is an in-year under spend of **£751,000** of which just over £1.0M is slippage.
- (ii) Note the current General Fund capital budget monitoring position for the overall programme which is a forecast over spend for all schemes of **£460,000**.
- (iii) Note the action plans in place, where applicable, to ensure capital expenditure remains within allocated budgets.

REASONS FOR REPORT RECOMMENDATIONS

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

CONSULTATION

2. Heads of Service, Budget Holders and Executive Director's have been consulted in preparing the reasons for variations contained in the financial appendices.

This report will also be made available to all Scrutiny Panels.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3. Not applicable.

DETAIL

4. Financial Summary

Appendix 1 sets out a high level summary for the General Fund showing the overall forecast outturn position for the Council is an under spend of **£751,000** in the current year and an overall forecast programme over spend for all schemes of **£460,000**. This is summarised below:

Portfolio	Budget 2009/10 £000's	Forecast Outturn Variance £000's	Forecast Outturn Variance %	Forecast Scheme Variance £000's	See Appendix
Adult Social Care & Health	1,862.0	0.0	0.0	0.0	
Children's Services	20,131.0	111.0 A	0.6 A	498.0 A	2
Economic Development	8,334.0	0.0	0.0	0.0	
Environment & Transport	20,130.0	650.0 F	3.2 F	36.0 F	3
Housing & Local Services	6,824.0	4.0 F	0.1 F	2.0 F	4
Leisure Culture & Heritage	4,088.0	0.0	0.0	0.0	
Resources & Workforce Planning	3,715.0	208.0 F	5.6 F	0.0	5
Portfolio Total	65,084.0	751.0 F	1.2 F	460.0 A	

The Key issues affecting each relevant Portfolio are set out in Appendices 2 to 5, as per the table above.

5. **Key Issues**

There are a number of schemes where a material variance is being forecast, the most significant of which are highlighted in the tables overleaf. The adverse variances are noted in the first table, and at this point in the year there are no significant favourable variances to report:

Key Adverse Scheme Variances

Portfolio	Key Issue	Forecast Adverse £000's	See Appendix & Reference
Children's Services	<u>Learning Futures</u> – Rectification work on modular buildings has resulted in a potential over spend on the overall scheme	498.0	App 2 – CS 1

6. **Slippage**

There are a small number of schemes where there is significant slippage forecast in the year. These schemes are highlighted in the table below with further explanation provided in appendices 2 – 5.

Portfolio	Scheme	Forecast Slippage 2009/10 £000's	See Appendix & Reference
Children's Services	<u>Early Years & Children's Centre Phase 3</u> – Children's centres phase three is progressing more slowly than planned	277.0	App 2 – CS 2
Environment & Transport	<u>Principal Roads</u> – There are unavoidable delays to the start of two projects.	259.0	App 3 – E&T 1
Environment & Transport	<u>Unclassified Roads</u> – Works have been reprogrammed to minimise disruption.	179.0	App 3 – E&T 2
Environment & Transport	<u>Multi-Storey Car Park (MSCP) 10 Year Maintenance Programme</u> – There is a need to re-phase expenditure on two lift projects.	115.0	App 3 – E&T 3
Resources & Workforce Planning	R&M Backlog – Slippage due to revised phasing of works.	208.0	App 5 – Res 1

The above schemes account for just over £1.0M of the forecast in year under spend of £751,000, and this slippage is partially offset by an in year over spend on Learning Futures within the Children's Services Portfolio of £278,000.

7. **Capital Programme Management**

It should be noted that this report currently focuses on the financial monitoring of the Capital Programme and does not seek to assess the overall effectiveness of delivery of the programme, for example, with regard to outcomes and timeliness.

In the past, there have been issues with regard to delivery of schemes in the light of which a review of project management within the Council has been undertaken and, in addition, work is ongoing to specifically review and develop Capital Programme management and monitoring.

Once implemented these developments will enable monitoring in the future to include an assessment of all facets affecting the delivery of the Capital Programme.

FINANCIAL/RESOURCE IMPLICATIONS

Capital

8. Contained in the report.

Revenue

9. None.

Property

10. Not applicable.

Other

11. Not applicable.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

12. Financial reporting is consistent with the Chief Financial Officer's duty to ensure good financial administration within the Council.

Other Legal Implications:

13. Not applicable.

POLICY FRAMEWORK IMPLICATIONS

14. Not applicable.

SUPPORTING DOCUMENTATION

Appendices

1.	General Fund Summary
2.	Children's Services Portfolio
3.	Environment & Transport Portfolio
4.	Housing & Local Services Portfolio
5.	Resources & Workforce Planning Portfolio

Documents In Members' Rooms

1.	None
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Background Documents

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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1.	None.	
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Background documents available for inspection at: Not applicable

KEY DECISION? No

WARDS/COMMUNITIES AFFECTED: None

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CAPITAL MONITORING INFORMATION TO THE END OF PERIOD 9 DECEMBER 2009

Portfolio	Budget 2009/10 £000's	Forecast 2009/10 £000's	Variation 2009/10 £000's	Scheme Budget £000's	Scheme Forecast £000's	Scheme Variation £000's
General Fund						
Adult Social Care & Health	1,862	1,862	0	7,233	7,233	0
Children's Services	20,131	20,242	111 A	91,479	91,977	498 A
Economic Development	8,334	8,334	0	26,351	26,351	0
Environment & Transport	20,130	19,480	650 F	60,128	60,092	36 F
Housing & Local Services	6,824	6,820	4 F	24,542	24,540	2 F
Leader's Portfolio	0	0	0	0	0	0
Leisure Culture & Heritage	4,088	4,088	0	30,852	30,852	0
Resources & Workforce Planning	3,715	3,507	208 F	32,505	32,505	0
General Fund Total	65,084	64,333	751 F	273,090	273,550	460 A

Legend

A = Adverse (Over Spend)

F = Favourable (Under Spend)

CHILDREN'S SERVICES PORTFOLIO

KEY ISSUES – MONTH 9

The forecast spend for the year is **£20,242,000**. This can be compared with the budgeted figure for 2009/10 of **£20,131,000** resulting in an over spend of **£111,000**, which represents a percentage over spend against budget of **0.6%**.

The forecast total scheme spend is **£91,977,000**. This can be compared with the budgeted scheme spend of **£91,479,000**, resulting in an over spend of **£498,000** which represents a percentage over spend against budget of **0.5%**.

CORPORATE ISSUES FOR THE PORTFOLIO – SIGNIFICANT OVERSPEND OR UNDERSPEND

CS 1 – Learning Futures (forecast adverse current year variance £278,000 and forecast adverse scheme variance £428,000)

Rectification work on modular buildings has resulted in a potential over spend on the overall scheme of £428,000

Serious structural concerns over the modular buildings constructed at three sites were raised by Capita Symonds who recommended rectification work be carried out at a cost to the Council to make the buildings fit for use.

The Council has employed a Barrister to formulate the Council's case to recover the costs of making the buildings compliant from the modular buildings provider.

The forecast is however currently based on the assumption that no additional money will be recovered from, or paid to the contractor.

MAJOR ITEMS of SLIPPAGE

CS 2 – Early Years & Children's Centre – Phase 3 (forecast favourable current year variance £277,000 and no scheme variance)

Children's centres phase three is progressing more slowly than planned, with forecast slippage in 2009/10 of £277,000

Year one Early Years and Children's Centres projects are now being implemented and all year two feasibilities have been received and are now beginning to be implemented. Some projects will commence in 2009/10 but the work will be completed in 2010/11 leading to slippage into the next financial year.

ENVIRONMENT & TRANSPORT PORTFOLIO

KEY ISSUES – MONTH 9

The forecast spend for the year is **£19,480,000**. This can be compared with the budgeted figure for 2009/10 of **£20,130,000**, resulting in an under spend in the current year of **£650,000** which represents a percentage under spend against the annual budget of **3.2%**.

The forecast total scheme spend is **£60,092,000**. This can be compared with the budgeted scheme spend of **£60,128,000**, resulting in an under spend of **£36,000**, which represents a percentage under spend against budget of less than **0.1%**.

CORPORATE ISSUES FOR THE PORTFOLIO – SIGNIFICANT OVER OR UNDER SPEND

There are no CORPORATE issues for the Portfolio at this stage.

MAJOR ITEMS of SLIPPAGE

E&T 1 – Principal Roads (forecast favourable current year variance £259,000)

There are unavoidable delays to the start of two projects.

The favourable variance on Principal Roads is mainly due to slippage on two projects. Survey work at Redbridge Road has highlighted that a more detailed investigation is needed to ensure that the correct construction is undertaken. This has delayed the start of the works and resulted in slippage of £140,000 to 2010/11. The recent adverse weather has also delayed the start on site at Dorset Street, resulting in slippage of £130,000. It is anticipated that this work will now start in April 2010.

E&T 2 – Unclassified Roads (forecast favourable current year variance £179,000)

Works have been reprogrammed to minimise disruption.

The favourable variance on Unclassified Roads is due to slippage. Works at Cheriton Road, totalling £144,000, have been reprogrammed for April 2010 to follow the completion of Gas Board works, which have been delayed by adverse weather conditions. The High Street outstanding works of £30,000 will now be delivered in conjunction with the Holy Rood Project in a co-ordinated approach to minimise disruption to the area.

E&T 3 – Multi-Storey Car Park (MSCP) 10 Year Maintenance Programme (forecast favourable current year variance £115,000)

There is a need to re-phase expenditure on two lift projects.

There will be a three month delay in the start of work on the West Park and Grosvenor Square MSCP lift projects, which are programmed for delivery in 2010/11. Additional time has been required to conclude tendering and contractual issues, resulting in slippage of £115,000.

HOUSING & LOCAL SERVICES PORTFOLIO

KEY ISSUES – MONTH 9

The forecast spend for the year is **£6,820,000**. This can be compared with the budgeted figure for 2009/10 of **£6,824,000** resulting in an under spend of **£4,000** which represents a percentage under spend against budget of **0.1%**.

The forecast total scheme spend is **£24,540,000**. This can be compared with the budgeted scheme spend of **£24,542,000**, resulting in an under spend of **£2,000** which represents a percentage under spend against budget of **0.0%**.

CORPORATE ISSUES FOR THE PORTFOLIO – SIGNIFICANT OVER OR UNDER SPEND

There are no CORPORATE issues for the Portfolio at this stage.

MAJOR ITEMS of SLIPPAGE

There are no MAJOR ITEMS of SLIPPAGE for the Portfolio at this stage.

RESOURCES AND WORKFORCE PLANNING PORTFOLIO

KEY ISSUES – MONTH 9

The forecast spend for the year is **£3,507,000**. This can be compared with the budgeted figure for 2009/10 of **£3,715,000** resulting in an under spend of **£208,000**, which represents a percentage under spend against budget of **5.6%**.

The forecast total scheme spend is **£32,505,000**. This can be compared with the budgeted scheme spend of **£32,505,000**, resulting in a **nil** variance, which represents a percentage variance against budget of **0.0%**..

CORPORATE ISSUES FOR THE PORTFOLIO – SIGNIFICANT OVERSPEND OR UNDERSPEND

There are no CORPORATE issues for the Portfolio at this stage.

MAJOR ITEMS of SLIPPAGE

RES 1 – R&M Backlog (forecast favourable current year variance £208,000 and no scheme variance)

Slippage due to revised phasing of works

A review and re-prioritisation of projects within the budget due to wider budget pressures has now taken place and this is reflected in the revised budget figures for Month 9, to be presented to Council in February as part of the Capital Programme update.

The current favourable forecast reflects expenditure on three schemes to be slipped into the next financial year, due to revised phasing of works.

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DECISION-MAKER: CABINET

SUBJECT: 3RD QUARTER FINANCIAL AND PERFORMANCE MONITORING FOR 2009/10

DATE OF DECISION: 15 FEBRUARY 2010

REPORT OF: ASSISTANT CHIEF EXECUTIVE (STRATEGY) AND THE EXECUTIVE DIRECTOR OF RESOURCES

AUTHOR: Name: SUKI SITARAM AND ANDY LOWE Tel: 023 8083 4428 or 023 8083 2049

E-mail: Suki.Sitaram@southampton.gov.uk, or Andy.Lowe@southampton.gov.uk

STATEMENT OF CONFIDENTIALITY

None.

SUMMARY

This report summarises the General Fund revenue financial position for the Authority for the nine months to the end of December 2009 and highlights any key issues by Portfolio which need to be brought to Members' attention. In addition, it provides an analysis compiled on an exceptions basis, at the end of December 2009 (Quarter 3), against the targets and commitments contained within the 2009/10 Corporate Improvement Plan.

It therefore only highlights areas of under performance at the end of December 2009 (Quarter 3) against the key performance measures set out in the Corporate Improvement Plan (CIP) or where the Chief Financial Officer considers that there are key financial issues which need to be highlighted to Members. The key variances in financial and performance information are presented alongside each other to underline the pivotal relationship between expenditure and service delivery and to highlight to Members any areas of concern where further action may be required.

Full copies of the detailed financial and performance monitoring information for each Portfolio are available in Members' Rooms or are available on request from the report authors.

RECOMMENDATIONS:

- (i) Note the current General Fund revenue budget monitoring position for 2009/10 as at Month 9 (December), which is a forecast under spend at year end of **£288,200** against the budget approved by Council on 18th February 2009 as detailed in Appendix 1.
- (ii) Note that this includes an assumed increase in the budget for highway maintenance in 2009/10 by £500,000 in order to help address the deterioration in the road network following the severe weather conditions experienced in the early part of the year. Due to the virement limits, a maximum of £250,000 will initially be approved by Cabinet on 1st February, with a recommendation to Full Council on 17th February to approve a further £250,000 for this purpose. Any funds not utilised in the current year will be carried forward into 2010/11.
- (iii) Note that the baseline forecast over spend for Portfolios is £3,726,000.

- (iv) Note that the Risk Fund totals just under £4.3M, and that the estimated draw at Month 9 is £3,520,700 to cover expenditure which is included within the baseline forecast portfolio over spend of £3,726,000. At this stage of the year, it has been prudently assumed that a further draw of £350,000 may be required in 2009/10 which will result in an overall forecast favourable variance on the Risk Fund of £393,500.
- (v) Note that the Revenue Development Fund now totals £2.4M following the allocation of a further £447,400 so far in 2009/10 to Portfolios and £200,000 to increase the Contingency. At this stage of the year it has been prudently assumed that the remainder of the Fund will be fully utilised.
- (vi) Note that £25,000 of the contingency will be used to replace the windows at the Cobbett Road library as outlined in paragraph 16.
- (vii) Note that it has been assumed that the contingency of £250,000 will be fully utilised by the end of 2009/10.
- (viii) Note the forecast includes an approved carry forward for Central Repairs & Maintenance as agreed by Full Council.
- (ix) Note the addition of £1.5M to the Interest Equalisation Reserve from the savings achieved as a result of debt restructuring as approved by Council on 18th February 2009.
- (x) Note the performance to date with regard to the delivery of the agreed savings proposals approved for 2009/10 and detailed in Appendix 3.
- (xi) Note the performance against the financial health indicators detailed in Appendix 4.
- (xii) Note the performance outlined in the Quarterly Treasury Management Report attached as Appendix 5.
- (xiii) Note that 77% of the Performance Indicators that are the responsibility of the council compared to 69% at the end of September 2009 and 86% of the Commitments set out in the 2009/10 Corporate Improvement Plan are reported to be on target at the end of December 2009, maintaining the performance at the end of September 2009.

REASONS FOR REPORT RECOMMENDATIONS

1. To ensure that responsibilities for the overall financial management of the Council's resources are appropriately fulfilled.
2. This report also provides an opportunity for Cabinet to collectively review the 3rd quarter performance results for all improvement measures contained within the 2009/10 Corporate Improvement Plan and to initiate further action where required.

CONSULTATION

3. The Chief Officers' Management Team considered the 3rd quarter's budget and performance monitoring information outlined in this report at its meeting on 26th January 2010. Heads of Service and Budget Holders and Executive Directors have been consulted in preparing the reasons for variations contained in the financial appendices. Discussions have also taken place with service managers and Heads of Service through Directorate Management Teams. In addition the financial and performance monitoring information for each Portfolio which is summarised in this report will be considered by the Overview and Scrutiny Management Committee.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

4. No alternative options are relevant as the Chief Financial Officer has a statutory duty to report financial monitoring to Cabinet.

DETAIL

Overall Financial Summary

5. Appendix 1 sets out a high level financial summary for the General Fund, and shows that the overall forecast outturn position for the Council is an under spend of **£288,200**, as shown below:

	Forecast Outturn Variance £000's	Forecast Outturn Variance %
Baseline Portfolio Total	3,726.0 A	2.2 A
Draw From Risk Fund	3,520.7 F	
Portfolio Total	205.3 A	0.1 A
Other General Fund Expenditure	2,250.0 F	
Risk Fund	393.5 F	
Approved Carry Forwards	150.0 A	
Contrib'n to Interest Equalisation Reserve	1,500.0 A	
Highways Maintenance	500.0 A	
Net Total General Fund	288.2 F	0.2 F

The above forecast includes an assumed increase in the budget for highway maintenance in 2009/10 by £500,000 in order to help address the deterioration in the road network following the severe weather conditions experienced in the early part of the year. Due to the virement limits, a maximum of £250,000 can initially be approved by Cabinet on 1st February, with a recommendation to Full Council on 17th February to approve a further £250,000 for this purpose. Any funds not utilised in the current year will be carried forward into 2010/11.

6. As shown in the above table, the forecast portfolio revenue outturn on net controllable spend for the end of the year compared to the working budget is an over spend of £205,300 and this is analysed below:

Portfolio	Baseline Forecast Outturn Variance £000's	Remedial Portfolio Action £000's	Risk Fund Items £000's	Forecast Outturn Variance	
				£000's	%
Adult Social Care & Health	984.6 A	0.0	150.0 F	834.6 A	1.7
Children's Services	1,951.1 A	0.0	1,341.8 F	609.3 A	2.4
Economic Development	6.1 F	0.0	0.0	6.1 F	0.2
Environment & Transport	1,432.6 A	0.0	1,874.7 F	442.1 F	1.8
Housing & Local Services	60.8 F	0.0	0.0	60.8 F	0.5
Leader's Portfolio	21.1 F	0.0	0.0	21.1 F	0.4
Leisure Culture & Heritage	9.5 A	0.0	0.0	9.5 A	0.1
Resources & Workforce Planning	313.8 F	0.0	154.2 F	468.0 F	1.3
Young People & Skills	250.0 F	0.0	0.0	250.0 F	6.1
Portfolio Total	3,726.0 A	0.0	3,520.7 F	205.3 A	0.1

The key issues affecting each Portfolio are shown in paragraph 26, with further detail provided in Appendix 2.

Remedial Portfolio Action

7. At Month 6 Children's Services Portfolio and the Young People & Skills Portfolio, identified remedial action to the value of £972,300 which is now reflected in the Portfolio position. Other Portfolios have highlighted further remedial action to manage a number of the corporate issues and the financial impact of this is included in the above forecast position.

Other General Fund Expenditure

8. The favourable variance of £2.25M (before a contribution of £1.5M is made to the Interest Equalisation Reserve) relates to two items:
- Net Housing Benefit Payments (£750,000) – This is due to the increased income achieved from the improved recovery rate on overpayments.
 - Capital Financing Charges (£1.5M) – This is due to a reduction in net interest payable achieved through the debt restructuring undertaken at the end of January 2009 and outlined in the Annual Treasury Management Strategy report approved by Council on 18th February 2009.

Risk Fund

9. As last year, potential pressures that may arise during 2009/10 relating to volatile areas of expenditure and income, are being managed through the Risk Fund. A sum of £3,066,000 was initially included in the budget to cover these pressures and will be taken into account during the year as evidence is provided to substantiate the additional expenditure against the specific items identified.
10. Since the initial budget was set a further £1.2M has been added to the Risk Fund, (see paragraph 11 below), bringing the total amount available up to just under £4.3M.
11. Employee budgets initially included an allowance for the pay award of 2.25% over and above the 2008/09 award. However, the pay award for 2009/10 has been agreed at an average of 1.05%. The over provision, which totals £1.2M, has been removed from Portfolio budgets and transferred to the Risk Fund. This will enable accurate salary monitoring to be undertaken for the remainder of the year whilst also recognising the risks inherent due to the economic climate.
12. At Month 9, it is estimated that pressures within portfolios will require the allocation of £3,520,700 from the Risk Fund (as shown in the table below) leaving a balance of £743,500:

Portfolio	Service Activity	£000's
Adult Social Care & Health	Learning Disability Services	150.0
Children's Services	Multi Agency Resource Panel and Out of City	1,341.8
Environment & Transport	Income impacted by the economic climate – Off Street Car Parking	1,010.7
Environment & Transport	Income impacted by the economic climate - Development Control	397.0
Environment & Transport	Income impacted by the economic climate – Bus Shelter Contract	350.0
Environment & Transport	Bereavement Services	117.0
Resources & Workforce Planning	Income impacted by the economic climate – Sponsorship Income	154.2
Portfolio Draw From Risk Fund		3,520.7

13. At this stage of the year, it has been assumed that a further draw of £350,000 may be required in 2009/10 which will result in an overall forecast favourable variance on

the Risk Fund of £393,500.

Revenue Development Fund

14. The majority of the revenue developments are complex strategic projects around which there are uncertainties in relation to timing and speed of progress. Consequently, it was agreed that funding for revenue developments be placed into a Revenue Development Fund to enable the Council to retain flexibility in funding. Further, it was agreed that approval to release this funding, making adjustments between schemes and in the timing as required, be delegated to the Executive Director of Resources following consultation with the Cabinet Member for Resources and Workforce Planning.
15. The Revenue Development Fund, which originally stood at £4,042,000, now totals £2,433,000 following the allocation of a further £447,400 so far in 2009/10 to Portfolios and £200,000 to increase the Contingency. The funding allocated is shown below:

Portfolio	Service Activity	£000's
Children's Services	Safeguarding Children	191.5
Environment & Transport	Street Lighting PFI	255.9
Funding Allocated From the Revenue Development Fund		447.4

It has been assumed that the Fund will be fully utilised.

Contingency

16. The contingency was originally set at £250,000 and of this £200,000 has been allocated to fund approved expenditure as at Month 9. In the light of the economic climate an increase of £200,000 was approved to bring the contingency back up to £250,000, funded from the Revenue Development Fund
- It is proposed to use £25,000 of the contingency to replace the windows at the Cobbett Road library. However, this has no impact on the overall financial forecast for the year as it has been assumed that the contingency of £250,000 will be fully utilised by the end of 2009/10.

Approved Carry Forward Requests

17. Currently there is a forecast under spend of £150,000 on Central Repairs and Maintenance. Full Council has agreed to automatically carry forward any surplus/deficit at year-end subject to the overall financial position of the Authority. Furthermore, Cabinet has approved the delegation of authority to the Executive Director of Resources following consultation with the Cabinet Member for Resources and Workforce Planning to allocate premises related resources (revenue and capital) in order to maximise the efficient use of resources in respect of general repairs and maintenance, major works to civic buildings and the implementation of the accommodation strategy.

Potential Carry Forward Requests

18. Portfolios have highlighted only three potential carry forward requests that may be submitted for approval as part of the outturn process. The carry forward totals £95,000 and are shown below:

Portfolio	Item	£000's
Economic Development	Safer & Stronger Communities Fund grant	15.0
Economic Development	Regeneration & Renewal – Jobs Fund	25.0
Housing & Local Services	Trees, Allotments & Park Improvements – Invest to Save Funding	55.0
Total Potential Carry Forward Requests		95.0

These requests are not reflected in the current forecast outturn.

Interest Equalisation Reserve

19. A major debt restructuring exercise was undertaken earlier in the year in order to take advantage of market conditions and it is currently forecast that this will produce net revenue savings of £1.5M in 2009/10. In achieving this, the Council has exposed itself to short term variable interest rate risk and whilst in the current climate of low interest rates this is obviously a sound strategy, at some point when the market starts to move the Council will need to act quickly to lock into fixed long term rates which may be at similar levels to the debt it has restructured. Furthermore, the volatility in the financial markets means that interest costs and investment income will continue to fluctuate for some time.
20. It was therefore recommended that an Interest Equalisation Reserve be created from the savings arising from the debt restructure to help to manage volatility in the future and ensure that there is minimal impact on annual budget decisions. Consequently, the £1.5M forecast saving on net interest paid will be added to the Interest Equalisation Reserve.

Forecast Employee Expenditure

21. Included within the baseline forecast portfolio over spend of £3,726,000, is a forecast over spend on employees of £948,700. The position by portfolio is as follows:

Portfolio - Employee Costs	Variance to December £000's	Forecast Outturn Variance £000's	Forecast Outturn Variance %
Adult Social Care & Health	255.4 A	303.4 A	1.3 A
Children's Services	128.6 A	477.0 A	1.6 A
Economic Development	75.2 A	14.6 A	0.3 A
Environment & Transport	82.9 F	62.2 A	0.4 A
Housing & Local Services	231.4 F	237.5 F	2.3 F
Leader's Portfolio	98.5 F	27.0 A	0.5 A
Leisure Culture & Heritage	38.9 A	3.5 F	0.0
Resources & Workforce Planning	155.3 A	183.9 A	1.3 A
Young People & Skills	4.6 F	121.6 A	2.4 F
Total General Fund	236.0 A	948.7 A	0.7 A

22. Historically the forecast in year presents a prudent picture and the final position at outturn is generally more favourable. However, it is recognised that the economic situation this year will impact on turnover and consequently on the ability of services to achieve what are in some areas not inconsiderable vacancy management factors.
23. As outlined in paragraph 11, employee budgets initially included an allowance for the pay award of 2.25% over and above the 2008/09 award. The pay award for 2009/10 has been agreed at an average of 1.05% and the over provision, which totals £1.2M, has been removed from Portfolio budgets and transferred to the Risk Fund. This will enable accurate salary monitoring to be undertaken for the remainder of the year whilst also recognising the risks inherent due to the economic climate.
24. Taking these factors into account, would indicate that a more realistic forecast for 2009/10 would result in an overall under spend at the end of the year as the call on the Risk Fund will not require the allocation of the full £1.2M.

Key Portfolio Issues

25. The corporate issues for each portfolio are detailed in Appendix 2. It is good practice to recognise that any forecast is based on assumptions about key variables and to undertake an assessment of the risk surrounding these assumptions. Having done this a forecast range has been produced for each corporate and key issue, where applicable, which represents the pessimistic and optimistic forecast outturn position. The variances detailed in Appendix 2 represent the realistic forecast of the year end position.
26. There are, however, certain corporate issues which are highlighted in the tables below as being the most significant for Cabinet to note. The adverse variances are noted in the first table, with any significant favourable variances detailed in the second table:

Corporate Adverse Variances

Portfolio	Corporate Issue	Adverse Forecast £000's
Adult Social Care & Health	Learning Disabilities	966.4
Adult Social Care & Health	In House Care Services	148.4
Children's Services	Multi Agency Resource Panel (MARP)	1341.8
Children's Services	Children in Care	586.9
Children's Services	Children in Need	433.4
Children's Services	Safeguarding	173.0
Environment & Transport	Off Street Parking	1010.7
Environment & Transport	Development Control	516.3
Environment & Transport	Public Transport	328.7

Corporate Favourable Variances

Portfolio	Corporate Issue	Favourable Forecast £000's
Adult Social Care & Health	Adult Disability Care Services	9.5
Children's Services	Inclusion Support Services	447.4
Environment & Transport	Waste Disposal	593.0
Environment & Transport	Waste Collection	276.5
Resources & Workforce Planning	Property Portfolio Management	348.5
Young People & Skills	Young People & Community Support	250.0

Implementation of Savings Proposals

27. Savings proposals of £11.3M were approved by Council in February 2009 as part of the overall budget package for 2009/10. The delivery of these savings is key to the financial position of the authority and below is a summary of the progress as at the end of the third quarter:

Portfolio	Implemented and Saving Achieved %	Not Yet Fully Implemented and Achieved But Broadly on Track %	Not on Track to be Implemented %
Adult Social Care & Health	96.6	3.4	0.0
Children's Services	78.4	1.1	20.5
Economic Development	86.5	1.0	12.5
Environment & Transport	56.3	5.6	38.0
Housing & Local Services	77.7	22.3	0.0
Leader's Portfolio	100.0	0.0	0.0
Leisure Culture & Heritage	55.2	36.7	8.1
Resources & Workforce Planning	94.4	0.0	5.6
Young People & Skills	100.0	0.0	0.0
Total General Fund	81.2	5.5	13.3

28. The overall shortfall in the delivery of the savings proposals is currently forecast as £1,067,000 or 9.5% as for some of the proposals, whilst the saving may not be on track to be fully implemented, progress has been made towards delivery of the financial outcomes.
29. The progress made in implementing and delivering the savings proposals has been reviewed by the Chief Officers Management Team and Appendix 3 contains full details. The financial implications of the delivery of these proposals are reflected in the current forecast position and areas of ongoing concern have been fully reviewed and appropriate action plans put into place. In addition, any implications for the budget for 2010/11 and future years will be addressed.

Financial Health Indicators

30. In order to make an overall assessment of the financial performance of the authority it is necessary to look beyond pure financial monitoring and take account of the progress against defined indicators of financial health. Appendix 4 outlines the performance to date and in some cases the forecast, against a range of financial indicators which will help to highlight any potential areas of concern where further action may be required.

Quarterly Treasury Management Report

31. The Council approved a number of indicators at its meeting of the 18th February 2009. Following the September update of the Capital Programme and an analysis of Treasury Management activity during 2008/09 and between April and December 2009 these have been reviewed for 2009/10 as detailed in Appendix 5 and are reported in accordance with best practice contained in the Chartered Institute of Public Finance and Accountancy's (CIPFA's) code of practice on Treasury Management and in line with the approved Treasury Management Strategy.

OVERALL OPERATIONAL PERFORMANCE

32. The 2009/10 Corporate Improvement Plan (CIP) contains the agreed targets for all Performance Indicators (PIs) which the council is currently responsible for. It also includes a number of service improvement actions (commitments) which are due to be completed by the end of the financial year.
33. It should be noted that to ensure a consistent means of determining good and poor performance, the same assessment criteria have been applied as in previous monitoring reports. An indicator is therefore deemed to be:
 - “On Target” (Green) if performance is within 5% of the agreed target
 - Have a slight variance (Amber) if the variance is between 5 and 15%
 - Have a significant variance (Red) if the reported variance is more than 15% from the agreed target.
 -
34. At the end of December 2009 (Quarter 3) progress against the targets and commitments contained within the 2009/10 Corporate Improvement Plan shows that:
 - **77%** of all of the Performance Indicators (PIs) included within the CIP that are the responsibility of the council were reported to be on target, which is an improvement compared to 69% at the end of September 2009 and 47% at the end of December 2008.
 - **86%** of commitments to be progressed by the council are reported to be on track for completion by the year end, maintaining the results achieved at the end of September 2009, which is a slight decrease compared to 89% at the end of December 2008.
 - **71%** of **all** the Performance Indicators included within the CIP were reported to be on target which is an improvement compared to 61% at the end of September 2009 and 65% at the end of December 2008.
35. Overall, performance reporting information for the 3rd quarter shows an increase in the number of indicators which are reported to be on target from 170 at the end of September to 192 at the end of December 2009.
36. The following table provides an overview of progress at the end of December 2009 for all of the council's performance indicators included within the 2009/10 Corporate Improvement Plan.

Portfolio	Total number of Indicators	Total Monitored 3 rd Qtr	No. On target (Green)	No. Variance (Amber)	No. Significant Variance (Red)	Data Unavailable	Not Reported	No Target Set
Adult Social Care & Health	40	23	12	4	7	-	-	-
Children's Services	81	79	52	12	15	-	-	-
Economic Development	27	25	25	-	-	-	-	-
Environment & Transport	62	43	38	5	-	-	-	-
Housing & Local Services	46	37	32	5	-	-	-	-
Leader's	2	2	2	-	-	-	-	-
Leisure, Culture & Heritage	4	4	3	1	-	-	-	-
Resources & Workforce Planning	20	20	17	2	1	-	-	-
Young People & Skills	16	16	11	2	3	-	-	-
3rd Qtr Totals	298	249	192	31	26	0	0	0
%		100%	77%	13%	10%	0%	0%	0%
2nd Qtr Totals		247	170	24	29	8	15	1
%		100%	69%	10%	11.5%	3%	6%	0.5%
1st Qtr Totals		203	158	5	18	15	2	5
%		100%	78%	2%	9%	7%	1%	2%

37. At the end of the third quarter there are 26 indicators (10%) showing a significant variance from their target by the end of December 2009. This shows an improvement compared to the end of September 2009 when 29 indicators were showing a significant variance. Appendix 2 provides details on the actions being taken to address these variances. These indicators are detailed later in this report and include 15 National Indicators (13 within the Children's Services and Learning Portfolio and 2 in Adult Social Care and Health Portfolio). Within the Adult Social Care and Health Portfolio self directed support for older people and carers and completion of assessments. Within the Children's Services Portfolio these relate to:
- school exclusions
 - care leavers in suitable accommodation
 - former care leavers in education
 - employment or training
 - initial and core assessments within safeguarding
 - educational attainment
 - schools in special measures
38. In addition, 5 LAA Stretch Target Indicators for which the council is the lead partner have been flagged as having significant (red) variances at the end of the 3rd quarter of 2009/10. They relate to key stage 2 in English, Warm Front, NEETs, Pension Credit Beneficiaries and Community Cohesion.
39. At the end of the 2nd quarter, there was only 1 Performance Indicator where a target had not been set (NI 54 Services for disabled children). This new National Indicator is calculated from an annual survey carried out nationally and the data was published by the Department for Children, Schools and Families in December 2009. It has been reported in the 3rd quarter and a baseline and target has now been set for this indicator.

Commitments

40. There are also 185 commitments contained within the Corporate Improvement Plan designed to improve the quality, performance and reach of council services by the end of the financial year. Progress reported against these items at the end of December 2009 indicates that **86%** are on target for completion by the year end, same as in the 2nd quarter. Four commitments are reported to be off target and are therefore unlikely to be complete by the end of March 2010. These commitments fall within the Adult Social Care and Health Portfolio, Children Services Portfolio, Environment and Transport Portfolio and Housing and Local Services Portfolio and are detailed later in this report.
41. The following table below provides an overview of progress at the end of December 2009 for the commitments included within the 2009/10 Corporate Improvement Plan.

Commitments

Portfolio	Total	No. on target	No. Slippage	No. Off target
Adult Social Care & Health	8	7	0	1
Children's Services	43	33	9	1
Economic Development	17	16	1	0
Environment and Transport	40	35	4	1
Housing & Local Services	34	29	4	1
Leader's	11	11	0	0
Leisure, Culture & Heritage	7	7	0	0
Resources & Workforce Planning	9	9	0	0
Young People & Skills	16	12	4	0
3rd Qtr 2009/10 Total & %	185	159	22	4
	100%	86%	12%	2%
2nd Qtr 2009/10 Total & %	185	158	24	2
	100%	86%	13%	1%

Council Progress by Portfolio

Adult Social Care and Health Portfolio

42. At the end of the 3rd quarter, 7 of the 8 commitments within the Adult Social Care and Health Portfolio were reported to be on target. There is one commitment which remains off target and has slipped further since the 2nd quarter. This relates to the implementation of a new billing module of the PARIS system which has been delayed due to non-delivery by the system supplier of a 'fit for purpose' release. The earliest anticipated implementation date is June 2010.
43. 12 of the 23 indicators for this Portfolio are reported to be on target, representing 52% of the indicators monitored in the 3rd quarter. 7 indicators showing significant variances from their 2009/10 target represent 30% of all indicators monitored for this Portfolio in the 3rd quarter and include:
- *National Indicator - NI 130 – Number of adults, older people and carers receiving self directed support as a percentage of clients receiving community based services and carer's specific services aged 18 or over (LAA Designated Target) and related target LAA9bi (local target).* There are on going issues related to the definitions around personal budgets and as a result these targets will not be met.

- *National Indicator - NI 132 - Percentage of new social care clients aged 18 or over where the time from first contact with social services to completion of assessment is four weeks or less.* This has been caused by an increase in Occupational Therapy and Safeguarding referrals combined with staff vacancies. A programme is in hand to deal with the issue but it may still be off target at year end.
 - *LAA Target 10a iii and iv - Increase in the number of successful referrals to the Warm Front scheme* - these targets are in the process of being renegotiated with GOSE. Efforts are continuing to achieve the stretch element and if successful, the Stretch Target will become amber from red.
44. A further 4 indicators monitored in the 3rd quarter are showing slight variances including:
- *NI 145 Percentage of adults with learning disabilities in settled accommodation at the time of their assessment or review and NI 125 Proportion of people aged 65 or over discharged from hospital to their own home or to a residential or nursing care home with the clear intention that they will move back to their own home (LAA Designated Target)* - These are fairly new indicators where a baseline is yet to be firmly established, they are likely to fall just outside of the 5% tolerance based on the targets set last year.
 - *Stretch Target 10 LAA 10a ii Increase in the number of Pension Credit beneficiaries (LAA Stretch Target)* – Number of Pension Credit beneficiaries has remained constant and the target will not be met. The Pension Service will meet its targets, which are based on maintaining beneficiary levels, taking account the 'drop off' rate. Performance is consistent with comparator cities where take up has remained constant or declined suggesting a take-up threshold has been reached. Over the three years of the LAA, the number of people eligible for Pension Credit has been reducing as more people retire with employer or private pensions. The LAA target was required to be set as an absolute figure rather than as a 'percentage of those eligible' and a combination of these factors has mitigated against such a 'total figure' based target ever being achievable as the three years has progressed. Southampton's level of beneficiaries at around 80% is one of the highest in the Southeast and nationally. Further research on causes is being undertaken.

Children's Services Portfolio

45. Of the 43 commitments relating to the Children's Services Portfolio, 33 (77%) were reported to be on target at the end of December 2009. The commitment that is reported to have significantly slipped is:
- Safeguarding: To meet our set targets for all statutory timescales for assessments:
 The way that timescales for Initial Assessment are counted is now in accordance with the national and inspection guidance. This has led to a reduction in reported performance which is being addressed. An external audit of social work files commissioned in 2009, which identified areas where changes are required and an improvement programme has now been put in place. This includes workshops for all front line staff, and a change to the way referrals are categorised. There has been a significant rise in the numbers of referrals received over the last year. Significant increases in the number of children and young people with Child Protection Plans and the number of children in care over the same period has increased pressure on social workers. A return to performance against this measure nearer target levels by the end of Quarter 4 is dependent upon the success of a number of initiatives that have been put in place to increase social care capacity. These are being reviewed on an ongoing basis.

46. In addition there are 9 commitments (21%) that are reported to have slightly slipped from their expected timescales as follows:
- *To ensure fewer children and young people go missing from home, school and care:* The development and implementation of the Joint Protocol for children missing from care had slipped. It has now been agreed across Hampshire and IOW Police authority. Children missing from school are tracked by the School Attendance and safeguarding Team. The Strategic Group is now in place to monitor and report on the actions to achieve improvement by the end of the 4th quarter.
 - *To improve outcomes for vulnerable children and young people:* The Behaviour and Attendance Partnership (BOSS) now meets regularly to place vulnerable children out of school and will begin to see progress by the end of Quarter 4. Three Common Assessment Panels have been established. The panels are improving the volume and coordination of early intervention and prevention services.
 - *To improve school attendance:* Following a successful meeting with the National Strategy, it was confirmed that Southampton is now on target to meet the 2011 CYP target for persistent absence. Appointment of a virtual head teacher enables individual progress tracking of looked after children.
 - *To provide earlier intervention for children and young people in need through effective joined up working to ensure that they are safe:* The reconfiguration of teams on a locality basis will enable improved multi-agency working at lower levels by the end of the 4th quarter. Planned service redesign has taken place. From April 2010 multi-disciplinary teams will function in three localities offering coordinated universal and targeted services to children and young people.
 - *To reduce the number of permanent and fixed period exclusions:* Whilst fixed-term exclusions have reduced, permanent exclusions have remained the same as the previous year. An action plan is in place to improve training and support for schools and provide more targeted resources. Improvement will be evident by the end of the 4th quarter.
 - *To implement the new admissions code:* The Code has been implemented but there has been an increase in number of complaints from parents and schools. Improvement will be evident by the end of the 4th quarter.
 - *To co-ordinate the development of accommodation proposals in relation to locality working and the Service Property Review:* Options are under development.
 - *To deliver the Directorate's ICT Strategy and To implement the learning portal and learning platform proposals for children and young people attending schools:* Portal is now operational. An ICT Board has been established. Scoping work on integration project now underway, improvements will be evident by the end of the 4th quarter.
47. In addition, of the 79 Performance Indicators monitored in the 3rd quarter, 52 indicators (66%) were reported to be on target, showing an improvement of 4% since the 2nd quarter. The remaining 27 indicators (34%) consist of 15 indicators showing significant variances in performance and 10 indicators that are showing slight variances in performance.
48. The following National and Designated Indicators within the Children's Services Portfolio are showing significant variances from their 2009/10 target at the end of December:
- *NI 59: Percentage of initial assessments made within 7 working days of referral:*

Timescales for Initial Assessments (IAs) are now counted in line with national and inspection guidance. This has led to a reduction in reported performance. An external audit of social work files identified the areas where changes were required, and an improvement programme is in place. There has also been a significant rise in referrals, Child Protection Plans and children looked after in the last year, increasing pressures across Safeguarding teams. Improvement in performance depends upon initiatives such as recruitment and retention, and capacity to review open cases and safely and promptly closing them when appropriate. These initiatives are resulting in some improvements and the service is reducing a backlog of assessments whilst improving the timeliness of new casework. For example, the number of IAs which are one month or more overdue has fallen from 247 in August 2009 to 33 at the end of December 2009. Whilst there has been some success in recruiting additional social workers, the teams are not yet at full capacity.

- *NI 60: Percentage of core assessments that were carried out within 35 working days of the initial assessment end (LAA Designated Target):* Timescales for Core Assessments (CAs) are now counted in line with national and inspection guidance. This led to a reduction in reported performance. An external audit of social work files identified areas where changes were required, and an improvement programme is in place. There has also been a significant rise in referrals, Child Protection Plans and children looked after in the last year, increasing pressures across the service. Improvement in performance will depend upon initiatives such as recruitment and retention, training to ensure staff are fully aware of government guidance, and reviewing open cases. This makes it difficult to predict how quickly performance will be back on target, but the service aims to achieve this during 2010/11. The timeliness of core assessments is being reviewed daily through improved management reports, with monthly reports to Cabinet Members and Chief Officers. Improved management is showing an impact, with 50% of CAs being completed within timescales in December 2009.
- *NI 76 – Number of schools where the percentage of pupils achieving Level 4 + in both English and Maths at KS2 is less than 55%:* This is based upon the revised data from the performance tables. Performance against the stretch target cannot be back on target until Quarter 2 in 2010 as Key Stage 2 tests are carried out annually. A comprehensive plan to improve performance in Primary Schools is in place, with a focus on Leadership and Teaching and Learning. Five headteachers are undergoing training with National College of School Leadership to become Local Leaders in Education (LLE). Each will partner schools currently below the floor target.
- *NI 86 – Percentage of secondary schools judged as having good (Grade 1) or outstanding (Grade 2) standards of behaviour by Ofsted:* Due to a change in definition, performance for this indicator no longer includes Special Schools and Academies that have not been open long enough to have a full inspection. This is likely to remain below target, as the three schools who are currently rated as "satisfactory" for behaviour by Ofsted are not due an inspection during this year and therefore will remain "satisfactory". These schools receive consultancy support from Inclusion and School Standards staff in order to improve strategies for managing pupil behaviour and for engaging pupils through an innovative curriculum.
- *NI 89a: The number of schools which are in special measures: NI 99: Percentage of looked after children who have been in care for at least one year achieving level 4 in English at Key Stage 2:* It is unlikely to be on target until

Quarter 3 2010-11. Sinclair Primary School was placed in Special Measures at the end of July and the average time nationally for a school to stay in Special measures is 21 months. A comprehensive Local Authority Statement of Action has been validated by OFSTED for both schools currently in Special Measures.

- *NI 100: Percentage of looked after children who have been in care for at least one year achieving level 4 in Maths at Key Stage:* This represents a very small cohort of children (8) and all but one have Special Educational Needs. We now have a Virtual Headteacher in place who is developing a strategy to improve the attainment of children looked after. The earliest performance can be on target will be quarter 2 of 2010/11.
- *NI 101: Percentage of children looked after in year 11 who were in care for at least one year achieving 5 A*-C GCSEs including English and Maths:* The 2008/9 cohort of children looked after in year eleven was quite small (29 children), many of whom had complex needs. Only one achieved 5 GCSEs at grades A*-C including English and maths. The authority now has a Virtual Headteacher in post, whose role it will be to take a more proactive role in the attainment, progress and attendance of children looked after.
- *NI 107c Percentage point gap of pupils in a minority cohort who achieve at least Level 4 in English and Maths at Key Stage 2 – White/Black Caribbean:* This data does not include academies. Due to a change in the definition of the indicator targets were set using initial pupil level results from DCSF. Revised data showed poorer performance. Future targets informed by performance this year will be set for 2010/2011.
- *NI 114: Percentage of pupils who are permanently excluded from school during the academic year:* Permanent exclusions are still at a high level within the city. There are a number of reasons for this including the introduction of 2 new schools (Both Oasis Academies) which resulted in 35.5% (16) of the city's total number of permanent exclusions in their first academic year. Excluding the academies the target of 0.11% would have been met. Various strategies have been put in place to address this. Inclusion staff, Specialist Behaviour Teams and Educational Psychologists, are working together to identify pupils at an earlier stage and prioritise provision for those most at risk of exclusion. Also with the addition of the BOSS (Better Outcomes for Southampton Students) board, the Local Authority and Secondary heads will work together to address key targets and concerns within the city. This figure is reported 2 terms in arrears.
- *NI 147: Percentage of former care leavers aged 19 who were in suitable accommodation:* There has been a particular difficulty this quarter with a significant number of young people not maintaining contact with the Pathways team. This automatically results in them being recorded as not being in suitable accommodation (7 out of a cohort of 31). There has been significant short term staffing difficulties this quarter within the Pathways Team contributing to this: three staff have left, a further three are on maternity leave. Priority has been afforded by the team to young people in care under the age of 16. To address staffing capacity issues additional locum staff have been recruited. Attempts to recruit permanent staff continue. In addition, Personal Advisers will no longer case hold children under the age of 16 and will prioritise those over 18. Improved performance is unlikely to be shown until quarter 1 of 2010/11.
- *NI 148: Percentage of former care leavers in employment, education or training:* Many of the young people in group have complex needs and challenging behaviour. In addition, unemployment in the city is rising. The priority is now for all young people of school age to have a personal education plan and this is pursued by the virtual head teacher for children looked after who will also

ensure much earlier intervention and raise aspiration. Youth support continue to meet with the Pathways Leaving Care team to consider further support strategies to raise aspirations and to engage with those who are having difficulty in motivating themselves to attend training or secure employment. The National Care Advisory Service have offered support to advise on strategies for support Care Leavers into employment and this offer will be accepted. While off target, there have been significant increases since the last quarter (from 32% to 48%) and work will continue to prioritise this very vulnerable group of young people although it will be Quarter One 2010/11 before improvements can be seen.

Economic Development Portfolio

49. At the end of December 2009, all 25 indicators within the CIP relating to the Economic Development Portfolio due to be monitored at the end of the 3rd quarter were reported to be on target. One commitment out of a total of 17 commitments is reported to have slight slippage:
- *Implementation of the Southampton Economic Development Action Plan:* Workshops on Property, Enterprise and Image have been held; 78% of Enterprise & Innovation projects are underway; recession is impacting on Employment Land & Associated Infrastructure projects but 77% projects are underway and 100% of City Image projects are underway.

Environment and Transport Portfolio

50. At the end of December 2009, 35 out of a total of 40 commitments (87.5%) compared to 92% in quarter 2 within the CIP relating to the Environment and Transport Portfolio due to be monitored at the end of the third quarter were reported to be on target. The 5 commitments showing slippage include one indicator (2.5%) showing a significant slippage and 4 indicators (10%) reporting a slight slippage from planned timescales. This compares with no significant slippage and 3 commitments showing a slight slippage in the 2nd quarter. The commitment that is showing a significant slippage in the 3rd quarter is:
- *Conduct a review and establish a new policy for Section 106 agreements* – This was reported as green in the 2nd quarter and the slippage is because of the need to complete an internal audit of Section 106 agreements as well as the current restructure within the Planning and Sustainability division. An Infrastructure Study has been commissioned to take this forward and Arup are producing a new S106 policy alongside their work on Community Infrastructure Levy. A revised policy is anticipated in autumn 2010 after the government enactment, in April 2010, of the Community Infrastructure Levy.
51. 38 (88%) out of a total of 43 indicators were reported to be on target and there are no National, Designated or Stretch Indicators in the Environment and Transport Portfolio showing significant or slight variances from their 2009/10 targets.
52. It should be noted that the significant variance reported in 2nd quarter, (LAA 7d(ii) – No of Home Energy Check (HEC) forms and phone calls to Energy Efficiency Advice Centre), has seen a marked improvement and this indicator is now on target following a strong response to a large mail out to carbon rich households.
53. There are 5 indicators showing slight variances at the end of the 3rd quarter within the Environment and Transport Portfolio, compared to 2 indicators in the second quarter. They include 2 National Indicators as follows:
- *NI 157a Processing of planning applications as measured against targets for major applications within 13 weeks* –The slight variance is due to a relatively

small number of applications decided which makes the overall percentage look worse. A more flexible approach on negotiation of timescales for some key strategic applications has been taken, due to the economic recession. The year to date performance is only just below target (74.19% - target 75%); however, the performance is well above the National Target of 60%.

- *NI 192 Percentage of household waste arising which have been sent by the authority for reuse, recycling, composting or anaerobic digestion.* The recession has also hit the sales of newspapers and magazines thereby reducing recycling rates over the year. However, performance in the 3rd and 4th quarters is also impacted upon by the seasonal reduction in composting levels. The projected outturn reflects this seasonal reduction and the impact that the adverse weather conditions have had on the number of rounds of recycling collected. It is unlikely that this indicator will be on target at year end.

Housing and Local Services Portfolio

54. Of the 34 commitments relating to this Portfolio, 29 (85%) are reported to be on target compared to 82% in the 2nd quarter. The status of 4 commitments remained the same while 1 commitment has slipped to a slight variance and 2 commitments have improved to now be on target. 1 commitment continues to be off target at the end of December :
- *Progress mobile working technology which will improve our service to tenants and improve value for money.* A value for money study is currently underway.
55. In addition, 4 commitments are reported to have a slight slippage from their planned timescales
- *Improve resident's access to the housing management service by considering use of alternative methods of contact.* This was previously reported as being on target. Phase 1 of the review completed to target. Phase 2 is well underway however is slightly behind target due to complexity of issues and time needed to resolve these.
 - *Progress towards achieving the 2010 Decent Homes standard target by achieving 95% completion by 1/4/2010.* It is expected that 91% of decent homes will be achieved by 1/4/2010 and 100% decent homes will be achieved by December 2010.
 - *Progress procurement to appoint developers for the estate regeneration programme.* This was on target in the 2nd quarter and is now showing slight slippage as the timetable has slipped while longer term funding position was being agreed.
 - *Encourage residents to take an active role in their community and services provided by the council as a landlord including through consultation on the establishment of agreed service delivery standards.* Work has been completed in a number of key areas. Work is progressing however is slightly behind target due to competing priorities.
56. Two commitments that were previously reported to have slight slippage are now on target:
- Progress Decent Neighbourhoods project to provide local environmental improvements and neighbourhoods where residents feel safe and secure.
 - Keep Southampton 'Clean and Green' by achieving the LAA stretch targets by

March 2010.

57. 32 of the 37 indicators (86%) relating to the Housing and Local Services Portfolio were reported to be on target at the end of December 2009, showing improvement compared to 29 indicators in the 2nd quarter. No indicators were reported to have significant variances in the 3rd quarter compared to 3 indicators in the 2nd quarter.
58. Three indicators that were previously reported with significant variances have improved to a slight variance as follows:
- *NI158a Number of non-decent council homes and NI158b Percentage of non-decent council homes*: It is expected that 91% of decent homes will be achieved by 1/4/2010 and 100% decent homes will be achieved by December 2010.
 - *LAA Stretch Target 12 Reduction in fly-tipping incidents across the city*: Although we are not achieving the target for this quarter performance has significantly improved with plans in place which should enable the end of year stretch target to be hit.
59. Three further indicators have either remained or are now showing a slight variance as follows:
- *LAA Stretch Target 7 Improvement in bio-diversity across the city*: Although we are not currently achieving the latest quarter target the forecast outturn will be achieved and possibly exceeded.
 - *HMD6 Former Tenant Arrears collected as a % of FT debt*: The projected outturn is that the end of year target will be achieved.
 - *Stretch Target 7 LAA 6c ii Percentage of people who feel that their local area is a place where people from different backgrounds get on well together*: Work is underway through the 'I love Southampton' campaign, albeit a final outturn will not be available until the Place Survey 2010/11.

Leader's Portfolio

60. At the end of December 2009, all of the indicators and commitments within the Corporate Improvement Plan relating to the Leader's Portfolio which were due to be monitored at the end of the 3rd quarter were reported to be on target.

Leisure, Culture and Heritage Portfolio

61. At the end of December 2009, 3 of the 4 indicators (75%) and all 7 commitments are reported to be on target.
62. The following indicator that continues to report a slight variance:
- *NI 8 Percentage of adults participating in sport and active recreation*. This measure is updated annually through the Sport England survey.

Resources and Workforce Planning Portfolio

63. All of the commitments relating to the Resources and Workforce Planning Portfolio were reported to be on target at the end of December 2009. At the end of the 3rd quarter, 17 of the 20 performance indicators relating to this portfolio that were monitored during this period were on target (85%). There were no National, Designated or Stretch Indicators relating to this Portfolio showing significant or slight variances from their 2009/10 target at the end of December.

Young People and Skills Portfolio

64. At the end of December 2009, 12 of the 16 commitments for this Portfolio were reported to be on target and this represents 75% of the commitments for this Portfolio.

65. Slight slippage was reported for the following 4 commitments:
- *Improve performance management across the division.* Managers are being provided with training to support improvement in performance management. Evidence of improvement is expected by the end of the 4th quarter.
 - *Increase the number of young people taking up post 16 study in the areas of science:* - A target has not yet been set and it is proposed that this year's figures will act as a baseline. 'Project Science', a collaboration between SCC and Taunton's College, is underway and an increase in numbers of young people taking science subjects will be reported in the 4th quarter.
 - *Increase the number participating and progressing through 14-19 – education, employment and training – attainment and attendance:* Plans have been put in place during Quarters One and Two to ensure that there is an increase in this area. It is currently estimated that 94% of young people have indicated a positive outcome. Annual reporting will take place by the end of 4th quarter.
 - *Implement systems and policy across the Young People and community Support Division –* System implemented but not fully operational. Improvements will be expected by the end of the 4th quarter.
66. At the end of December 2009, 11 of the 16 indicators within the Young People and Skills Portfolio that were monitored in the 2nd quarter were on target (69%). Considerable progress has been made on NEETs with a reduction from 12.1% in the 2nd quarter to 9.9% in the 3rd quarter. The 3 indicators that are reporting significant variances from target include:
- *Stretch Target 1- Decrease in the percentage of 16-18 year olds not in education, employment or training (NEET):* The 3rd quarter data position is 9.9% which compares to 9.6% in December 2008. Any variance is due to an increase in the number of 17 and 18 year olds becoming unemployed. A range of actions are being taken such as: a) January Guarantee initiative which provides additional capacity for NEET young people in education and training and includes Entry2Employment, pre-Entry2Employment, Apprenticeships and Foundation Learning pilot programmes. b) Partnership working with Job Centre Plus in order to understand the actual number of 18 year olds who are claiming benefits and ensure that they are able to access places in education and training. The September Guarantee outturn for 2009 for Y11 was 100% recorded and 94.2% with offers, which is an improvement on the 2008 out-turn of 89.8%. Year 12, 100% recorded and 81.7% with offers, there was no requirement to report for Y12 in 2008.
 - *LAA - Decrease in the percentage of 16-18 year olds whose destination is not known (Stretch Target Condition):* Actions implemented including caseload management and introduction of Tracking Support Officers have improved both reporting and awareness of the destination of young people. The final out-turn position for the DCSF monitoring period of November-January 2009/10 is predicted to be 6.9% with the current data position for LS7 is currently 8.3%. Activity will be focused in the collation of data and information sharing between the city providers in order to reduce this position.
67. There are two further related indicators monitored on a quarterly basis which are also reporting slight variances from target:
- *NI 117- The percentage of 16 to 18 year olds who are not in education, training or employment (NEET):* This is the same as the Stretch Target 1 in paragraph 66.
 - *NI 91 - Percentage of young people aged 17 who are in full or part time*

education training or work based learning: Data that has been published in the statistical first return in June 2009 of 76% relates to the calendar year 2007, the 2008 data is due for release in June 2010. Current performance data gained from CCIS indicates a participation rate for December 2009 of 75.6% for 17 year olds who are in education and training. This is outside of the variance of the final-out turn for 2009/10 which is predicted to be in the region of 83%. The January Guarantee initiative prioritises the participation of 17 year olds through the facilitation of additional places in Entry2Employment programmes and a Foundation Learning pilot.

FINANCIAL/RESOURCE IMPLICATIONS

Capital

68. None.

Revenue

69. Contained in the report and the attached Appendices.

Property

70. None.

Other

71. None.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

72. Financial reporting is consistent with the Chief Financial Officer's (Executive Director or Resources) duty to ensure good financial administration within the Council. In addition monitoring of the Council's performance against statutory and local performance indicators is in line with the Council's statutory duties under the Local Government Acts 1999, 2000 & 2003.

Other Legal Implications:

73. None.

POLICY FRAMEWORK IMPLICATIONS

74. The 2009/10 General Fund Budget and Corporate Improvement Plan form part of the Council's approved Budgetary and Policy Framework.

SUPPORTING DOCUMENTATION

Appendices

1.	General Fund Summary 2009/10
2.	3 rd Quarter Financial and PI Exceptions by Service Area
3.	3 rd Quarter Savings Monitoring
4.	Financial Health Indicators
5.	Quarterly Treasury Management Report

Documents In Members' Rooms

1.	Corporate Financial General Fund Revenue Monitoring for the Period to the end
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	of December 2009 – Report of the Executive Director of Resources
2.	Housing Revenue Account Financial Capital and Revenue monitoring for the Period to the end of December 2009
3.	Compendium of PI and Commitment information by Portfolio

Background Documents

Title of Background Paper(s)

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

1.	None	
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Background documents available for inspection at: Not Applicable

FORWARD PLAN No: N/A **KEY DECISION?** No

WARDS/COMMUNITIES AFFECTED:	All wards are affected but not so significantly for this to be a key decision.
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GENERAL FUND 2009/10 - OVERALL SUMMARY

Appendix 1

December 2009	Working Budget £000's	Forecast Outturn £000's	Forecast Variance £000's
Portfolios (Net Controllable Spend)			
Adult Social Care & Health	48,651	49,636	985 A
Childrens Services	25,304	27,255	1,951 A
Economic Development	3,789	3,783	6 F
Environment & Transport	24,184	25,617	1,433 A
Housing & Local Services	11,576	11,516	61 F
Leader's Portfolio	5,190	5,168	21 F
Leisure Culture & Heritage	7,850	7,860	10 A
Resources & Workforce Planning	35,820	35,506	314 F
Young People & Skills	4,083	3,833	250 F
Baseline for Portfolios	166,447	170,173	3,726 A
Net Draw From Risk Fund	3,521	0	3,521 F
Sub-total (Net Controllable Spend) for Portfolios	169,968	170,173	205 A
Non-Controllable Portfolio Costs	19,154	19,154	0
Portfolio Total	189,122	189,327	205 A
Highways Maintenance	0	500	500 A
Approved Carry Forwards	0	150	150 A
Levies & Contributions			
Southern Seas Fisheries Levy	36	36	0
Flood Defence Levy	42	42	0
Coroners Service	450	450	0
	529	529	0
Capital Asset Management			
Capital Financing Charges	9,393	7,622	1,771 F
Capital Asset Management Account	(21,584)	(21,313)	271 A
	(12,191)	(13,691)	1,500 F
Other Expenditure & Income			
Direct Revenue Financing of Capital	1,791	1,791	0
Net Housing Benefit Payments	(102)	(852)	750 F
Contribution from Invest to Save Fund	(185)	(185)	0
Contribution to Interest Equalisation Reserve	0	1,500	1,500 A
Contribution to Transformation Fund	300	300	0
Revenue Development Fund	2,433	2,433	0
Open Spaces and HRA	527	527	0
Risk Fund	744	350	394 F
LPSA Contribution	(150)	(150)	0
Contingencies	250	250	0
Surplus/Deficit on Trading Areas	(50)	(50)	0
	5,557	5,913	357 A
NET GF SPENDING	183,016	182,728	288 F
Draw from Balances:			
To fund the Capital Programme	(1,791)	(1,791)	0
Draw from Strategic Reserve (Pensions/Redundancies)	(148)	(148)	0
Draw from Balances (General)	(1,882)	(1,594)	288 F
	(3,820)	(3,532)	288 F
BUDGET REQUIREMENT	179,196	179,196	0

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3rd Quarter 2009/10 Financial and Performance Exceptions by Service Area

PI Description	Target Variance	Forecast Variance Outturn	Current Quarter Comments
Adult, Social Care & Health Portfolio: Health & Community Care Division			
Financial Variance			
ASCH 1 – Adult Disability Care Services		£9,500 F	There is a significant over spend of £367,900 on Nursing and Residential Care offset by an under spend of £395,400 on Domiciliary Care. The over spend on Nursing Care is caused by demand outstripping the budget by the equivalent of 12 clients. In addition, this represents an increase in clients from the previous financial year of 16. Offsetting this is an under spend on Domiciliary Care caused by an unbudgeted increase in income arising from the new charging policy.
ASCH 2 – Learning Disabilities		£966,400 A	This over spend is due to various issues including; increases in the cost of existing client packages, a net increase in packages during the year, the full year effect in 2009/10 of new packages during 2008/09, and a withdrawal in funding by Southampton Primary Care Trust, (SCPCT) for clients previously assessed to have a Continuing Health Care need.
ASCH 3 – In House Care Services		£148,400 A	Delays in implementing the closure of two residential homes has led to a pressure in year of £294,000 which is being partly offset by savings within the City Care team arising from vacant posts being held until the completion of the City Care review.
Performance Variance			
LAA 8b i Reduce the proportion of patients from BME communities detained under the Mental Health Act to ensure that it is more reflective of the overall population make up of the city (LAA Local Indicator)	6 people below Target		This figure is a cumulative from April and although this is above the target, this represents only 13 people this year. Four less people being admitted from BME communities would have placed this on target. The projected outturn is still expected to be 18. If no people from a BME community are detained in the next quarter, this indicator could be brought in on target. Data for December has not been included in the cumulative figure and will be added at year end.
LAA 9b i Increase the number of people holding their own care budgets (including direct payments) (LAA Local Indicator)	634 people below Target		The Definition provided by the Department of Communities and Local Government includes all those people receipt of a community care service as well as carers in receipt of carers services. Many of these people (in fact the majority) do not receive a funded service but merely have a problem resolution as a result of advice and information. The target was set and agreed with GOSE with the denominator as the number of people who have taken up

3rd Quarter 2009/10 Financial and Performance Exceptions by Service Area

PI Description	Target Variance	Forecast Variance Outturn	Current Quarter Comments
			direct payments or have an individual budget as a proportion of those people receiving funded services. This significantly changes the potential achievement of the target. It is our view that the target was therefore wrongly set.
NI 130 Number of adults, older people and carers receiving self directed support as a percentage of clients receiving community based services and carers receiving carer's specific services aged 18 or over (LAA Designated Target)	9.55% below Target		The Definition provided by the Department of Communities and Local Government includes all those people receipt of a community care service as well as carers in receipt of carers services. Many of these people (in fact the majority) do not receive a funded service but merely have a problem resolution as a result of advice and information. The target was set and agreed with GOSE with the denominator as the number of people who have taken up direct payments or have an individual budget as a proportion of those people receiving funded services. This significantly changes the potential achievement of the target. It is our view that the target was therefore wrongly set.
NI 132 Percentage of new social care clients aged 18 or over where the time from first contact with social services to completion of assessment is four weeks or less	32.2% below Target		This year has seen a sharp increase in OT & safeguarding referrals coupled with high vacancy management. A staff recruitment programme is in place and performance is expected to improve further by the end of the year but may be below the target. A budget pressure has been recognised in the proposed budget allocation for 2010/11 to allow for additional staff to improve this performance and an action plan has been agreed with milestones throughout the year.
Stretch Target 10 LAA 10a ii Increase in the number of Pension Credit beneficiaries (LAA Stretch Target)	910 Pension Credit beneficiaries below Target		Data as at May 2009. Pension Credit beneficiaries' numbers have remained constant and the target will not be met. The Pension Service will meet its targets, which are based on maintaining beneficiary levels, taking account the 'drop off' rate. Performance is consistent with comparator cities where take up has remained constant or declined suggesting a take-up threshold has been reached. Over the three years of the LAA, the number of people eligible for Pension Credit has been reducing as more people retire with employer or private pensions. The LAA target was required to be set as an absolute figure rather than as a 'percentage of those eligible' and a combination of these factors has mitigated against such a 'total figure' based target ever being achievable as the three years has progressed. Southampton's level of beneficiaries at around 80% is one of the highest in the Southeast and nationally. Further research on causes is being undertaken.

3rd Quarter 2009/10 Financial and Performance Exceptions by Service Area

PI Description	Target Variance	Forecast Variance Outturn	Current Quarter Comments
LAA 10a iii Increase in the number of successful referrals to the Warm Front scheme Without Stretch (LAA Local Indicator)	401 referrals below Target		There has been good progress in discussions with GOSE regarding the Warm Front data and baseline renegotiation. If successful, the risk assessment for delivery will become Amber. Efforts continue to achieve the Stretch target.
Stretch Target 10 LAA 10a iv Increase in the number of successful referrals to the Warm Front scheme (LAA Stretch Target)	693 referrals below Target		There has been good progress in discussions with GOSE regarding the Warm Front data and baseline renegotiation. If successful, the risk assessment for delivery will become Amber. Efforts continue to achieve the Stretch target.
Children's Services Portfolio: Safeguarding Division			
Financial Variance			
CS 1 – MARP and Out of City		£1,341,800 A	The costs of MARP and Out of City placements, can be very expensive, and due to the nature of the service, difficult to predict with any certainty. In addition, the budget was reduced by £437,000 as part of Children's Services 2009/10 budget savings.
CS 2 – Children in Care		£586,900 A	An increase in the need for civil secure accommodation and an increasing number of children in foster care placements has led to a forecast over spend.
CS 3 – Children in Need		£433,400 A	A review of the social care function highlighted the need for more social care staff and an additional £806,000 has been allocated this financial year. The resulting need for both permanent and temporary agency staffing has led to a forecast over spend of £425,000.
CS 4 – Safeguarding		£173,000 A	Temporary staff cover arrangements within the Safeguarding Division are leading to a forecast over spend of £173,000
CS 5 – Inclusion Support Services		£447,400 F	The favourable forecast variance has mainly arisen from a projected under spend on recoupment for children with special educational needs, coupled with the impact of staffing vacancies.

3rd Quarter 2009/10 Financial and Performance Exceptions by Service Area

PI Description	Target Variance	Forecast Variance Outturn	Current Quarter Comments
Performance Variance			
NI 114 Percentage of pupils who are permanently excluded from school during the academic year	45.45% below Target		Permanent exclusions are still at a high level within the city. There are a number of reasons for this including the introduction of 2 new schools (Both Oasis Academies) which resulted in 35.5% (16) of the city's total number of permanent exclusions in their first academic year. Excluding the academies the target of 0.11% would have been met. Various strategies have been put in place to address this. Inclusion staff, Specialist Behaviour Teams and Educational Psychologists, are working together to identify pupils at an earlier stage and prioritise provision for those most at risk of exclusion. Also with the addition of the BOSS (Better Outcomes for Southampton Students) board, the Local Authority and Secondary heads will work together to address key targets and concerns within the city. This figure is reported 2 terms in arrears.
NI 147 Percentage of former care leavers aged 19 who were in suitable accommodation	28.24% below Target		There has been a particular difficulty this quarter with a significant number of young people not maintaining contact with the Pathways team. This automatically results in them being recorded as not being in suitable accommodation (7 out of a cohort of 31). There has been significant short term staffing difficulties this quarter within the Pathways Team contributing to this: three staff have left, a further three are on maternity leave. Priority has been afforded by the team to young people in care under the age of 16. To address staffing capacity issues additional locum staff have been recruited. Attempts to recruit permanent staff continue. In addition, Personal Advisers will no longer case hold children under the age of 16 and will prioritise those over 18. Improved performance is unlikely to be shown until quarter 1 of 2010/11.
NI 148 Percentage of former care leavers in employment, education or training	20% below Target		Many of the young people in group have complex needs and challenging behaviour. In addition, unemployment in the city is rising. The priority is now for all young people of school age to have a personal education plan and this is pursued by the virtual head teacher for children looked after who will also ensure much earlier intervention and raise aspiration. Youth support continue to meet with the Pathways Leaving Care team to consider further support strategies to raise aspirations and to engage with those who are having difficulty in motivating themselves to attend training or secure employment. The National Care Advisory Service have offered support to advise on strategies for support Care Leavers into employment and this offer will be accepted. While off target, there have been significant increases since the last quarter (from 32% to 48%) and work will continue to prioritise this very vulnerable group of

3rd Quarter 2009/10 Financial and Performance Exceptions by Service Area

PI Description	Target Variance	Forecast Variance Outturn	Current Quarter Comments
			young people although it will be Quarter One 2010/11 before improvements can be seen.
NI 59 Percentage of initial assessments for made within 7 working days of referral	65% below Target		Timescales for Initial Assessments (IAs) are now counted in line with national and inspection guidance. This has led to a reduction in reported performance. An external audit of social work files identified the areas where changes were required, and an improvement programme is in place. There has also been a significant rise in referrals, Child Protection Plans and children looked after in the last year, increasing pressures across Safeguarding teams. Improvement in performance depends upon initiatives such as recruitment and retention, and capacity to review open cases and safely and promptly closing them when appropriate. These initiatives are resulting in some improvements and the service is reducing a backlog of assessments whilst improving the timeliness of new casework. For example, the number of IAs which are one month or more overdue has fallen from 247 in August 2009 to 33 at the end of December 2009. Despite some success in recruiting additional social workers, we still ha
NI 60 Percentage of core assessments that were carried out within 35 working days of the initial assessment end (LAA Designated Target)	48.81% below Target		Timescales for Core Assessments (CAs) are now counted in line with national and inspection guidance. This led to a reduction in reported performance. An external audit of social work files identified areas where changes were required, and an improvement programme is in place. There has also been a significant rise in referrals, Child Protection Plans and children looked after in the last year, increasing pressures across the service. Improvement in performance will depend upon initiatives such as recruitment and retention, training to ensure staff are fully aware of government guidance, and reviewing open cases. This makes it difficult to predict how quickly performance will be back on target, but the service aims to achieve this during 2010/11. The timeliness of core assessments is being reviewed daily through improved management reports, with monthly reports to Cabinet Members and Chief Officers. Improved management is showing an impact, with 50% of CAs being completed within timescales in December 2009,
PAF C18/C81 LAA 4d v Reduction in the numbers of reprimands, final warning and convictions of Children Looked After (LAA Local Indicator)	59 below Target		Whilst the ratio is high and significantly at variance from target this measure relates to a small number of offenders who are children looked after in care. Statistically, each child significantly affects the ratio. Each child looked after who offends is having their care plans regularly reviewed by a multi agency group. Efforts to improve the attendance of children looked after are also in place, and this should also help to reduce offending behaviour. Integrated youth support is contributing to targeted multi-agency work, expanding opportunities for children in

3rd Quarter 2009/10 Financial and Performance Exceptions by Service Area

PI Description	Target Variance	Forecast Variance Outturn	Current Quarter Comments
			care who are at risk of offending to get involved in positive activities. The earliest that performance might be back on target is quarter one of 2010/11.
Children's Services Portfolio: School Standards Division			
Financial Variances			
		No Issues	
Performance Variance			
NI 100 Percentage of looked after children who have been in care for at least one year achieving level 4 in Maths at Key Stage 2	60.94% below Target		This represents a very small cohort of children (8) and all but one have Special Educational Needs. We now have a Virtual Head teacher in place who is developing a strategy to improve the attainment of children looked after. The earliest performance can be on target will be quarter 2 of 2010/11.
NI 101 Percentage of children looked after in year 11 who were in care for at least one year achieving 5 A*-C GCSEs including English and Maths	77.78% below Target		The 2008/9 cohort of children looked after in year eleven was quite small (29 children), many of whom had complex needs. Only one achieved 5 GCSEs at grades A*-C including English and maths. The authority now has a Virtual Head teacher in post, whose role it will be to take a more proactive role in the attainment, progress and attendance of children looked after.
NI 107c Percentage point gap of pupils in a minority cohort who achieve at least level 4 in English and Maths at Key Stage 2 - White/Black Caribbean	Minus 2.4 below Target		This data does not include academies. Due to a change in the definition of the indicator targets were set using initial pupil level results from DCSF. Revised data showed poorer performance. Future targets informed by performance this year will be set for 2010/2011.
NI 76 Number of schools where the percentage of pupils achieving Level 4+ in both English and Maths at KS2 is less than 55%	10 schools compared to the Target of 4 schools		This is based upon the revised data from the performance tables. Performance against the stretch target cannot be back on target until Quarter 2 in 2010 as Key Stage 2 tests are carried out annually. A comprehensive plan to improve performance in Primary Schools is in place, with a focus on Leadership and Teaching and Learning. Five head teachers are undergoing training with National College of School Leadership to become Local Leaders in Education (LLE). Each will partner schools currently below the floor target.

3rd Quarter 2009/10 Financial and Performance Exceptions by Service Area

PI Description	Target Variance	Forecast Variance Outturn	Current Quarter Comments
NI 86 Percentage of secondary schools judged as having good (grade 1) or outstanding (grade 2) standards of behaviour by Ofsted	17.65% below Target		Due to a change in definition, performance for this indicator no longer includes Special Schools and Academies that have not been open long enough to have a full inspection. This is likely to remain below target, as the three schools who are currently rated as "satisfactory" for behaviour by Ofsted are not due an inspection during this year and therefore will remain "satisfactory". These schools receive consultancy support from Inclusion and School Standards staff in order to improve strategies for managing pupil behaviour and for engaging pupils through an innovative curriculum.
NI 89a The number of schools which are in special measures	2 schools against target of 1 school		It is unlikely to be on target until Quarter 3 2010-11. Sinclair Primary School was placed in Special Measures at the end of July and the average time nationally for a school to stay in Special measures is 21 months. A comprehensive Local Authority Statement of Action has been validated by OFSTED for both schools currently in Special Measures.
NI 99 Percentage of looked after children who have been in care for at least one year achieving level 4 in English at Key Stage 2	63.89% below Target		This is a very small cohort of children (8) and all but one have Special Educational Needs. A Virtual Head teacher for children looked after is developing a strategy to improve attainment of children looked after. The earliest performance can be on target will be quarter 2 of 2010/11.
Stretch Target 2 LAA 2b vi Increase in the percentage of pupils achieving level 4+ in English at Key Stage 2 in named primary schools which are below the national floor target of 55% With Stretch	3.5% below Target		Performance against the Stretch target cannot be back on target until Quarter 2 in 2010/11 as KS2 tests are carried out annually. The projected outturn will be confirmed during Quarter 3. A comprehensive plan to improve performance in Primary Schools is in place, with a focus on Leadership and Teaching and Learning. 5 headteachers are undergoing training with the National College of School leadership to become Local leaders in Education (LLE). Each will partner schools currently below the floor target.
Economic Development Portfolio			
Financial and Performance Variance	No Issues		

3rd Quarter 2009/10 Financial and Performance Exceptions by Service Area

PI Description	Target Variance	Forecast Variance Outturn	Current Quarter Comments
Environment & Transport Portfolio: Highways & Parking Division			
Financial Variances			
E&T 1 – Off Street Car Parking		£1,010,700 A	There is an adverse forecast variance in car parking income of £1,010,700, due to significantly lower season ticket sales and reduced ticket machine income against a challenging target. Officers have developed a series of remedial actions, focussing on new ways of increasing income from off street car parking. These were approved by Cabinet on 28 th September and include the reduction of parking charges in selected car parks where demand has dropped off, the introduction of discounted season tickets and the promotion of an overnight season ticket. A sum has been added to the Risk Fund for the effects of the economic downturn, and the current assumption is that a draw on the Risk Fund of approximately £1,010,700 will be required for off street car parking.
Performance Variance			
	No Issues		
Environment & Transport Portfolio: Planning & Sustainability Division			
Financial Variance			
E&T 2 – Development Control		£516,300 A	A significant element of this overspend is due to a projected income shortfall on planning application fees of £397,000. This sum will be covered by the Risk Fund.
E&T 4 – Public Transport		£328,700 A	A new bus shelter contract was anticipated to deliver savings of £350,000 through reduced maintenance costs and increased sponsorship income. However, in the current economic climate, the contract has not been let, and as with other income shortfalls, will be covered by a draw on the Risk Fund.
Performance Variance			
	No Issues		

3rd Quarter 2009/10 Financial and Performance Exceptions by Service Area

PI Description	Target Variance	Forecast Variance Outturn	Current Quarter Comments
Environment & Transport Portfolio: Waste & Fleet Transport Division			
Financial Variance			
E&T 3 – Waste Disposal		£593,000 F	A reduction in the amount of amenity and other waste has reduced disposal costs by £301,000 and there are further net savings, as a result of contract negotiations, of approximately £245,000.
E&T 5 – Waste Collection		£276,500 F	Savings have been made across a number of budget headings. Recycling sales income is significantly better than anticipated but Trade Waste income is down as a result of the economic downturn.
Performance Variance			
	No Issues		
Housing & Local Services Portfolio : Neighbourhood Services Division			
Financial Variance			
	No Issues		
Performance Variance			
LAA Stretch Target 12: 7b viii Reduction in fly-tipping incidents across the city	19.47% below Target	0	The number of fly tipping incidents is generally higher in the spring/ quarter 1 due to the departure of students, spring cleaning and increased garden waste. This trend has been shown in previous years and is expected. The service is confident that with the planned publicity campaign and other LAA work, the 2010 target will be achieved.
Leaders Portfolio			
Financial and Performance Variance			
	No Issues		
Leisure, Culture & Heritage Portfolio			
Financial and Performance Variance			
	No Issues		

3rd Quarter 2009/10 Financial and Performance Exceptions by Service Area

PI Description	Target Variance	Forecast Variance Outturn	Current Quarter Comments
Resources & Workforce Planning Portfolio			
Financial and Performance Variance			
RES 1 – Property Portfolio Management		£348,500 F	The Investment Properties account is showing a favourable forecast saving on expenditure of £243,000 due to savings on rental and rates payments no longer due. This is partly offset by a reduction in anticipated income and increased vacant property costs of £94,500, leaving a net favourable variance of £148,500. In addition the Property Management account is showing a favourable forecast of £200,000 primarily as a result of reduced Capita Valuation fees due to a reduced disposal programme in light of the economic conditions.
Performance Variance			
The average processing time taken for all written notifications to the Local Authority of changes to a claimants circumstance that require a new decision on behalf of the Authority (Former BV78b)	2.53 days below Target		Ongoing plans are in place to improve performance and it is anticipated that the annual target will be achieved. Throughout quarter 4 the changes in circumstances caused by annual Council rent increases and the pension up-ratings significantly improve the average speed of processing.
Young People & Skills Portfolio: Young People & Community Support Division			
Financial Variance			
YPS 1 – Young People & Community Support		£250,000 F	Due to staffing shortages following on from the recent restructure and the subsequent delays in recruiting to posts there will be a significant under spend within the staffing budgets.
Performance Variance			
LAA 3a i Increase in the level of volunteering by children and young people living in the city in Millennium Volunteers; Youth Achievement Awards; and Southampton Voluntary Services related programmes (LAA Local Indicator)	68% below Target		The figure is below target for the following reasons - no awards have yet been made through the new web based D of E programme; a second open award centre has not been opened due to staff shortages with the essential qualifications and data from the other organisations and the locality teams has not yet been collected due to staff shortages. To rectify this, the minimum period of time to gain the D of E award is three months, the next quarter should therefore have new data from the web based D of E programme. A plan has been put in place to ensure that data is collected from various organisations and services to include the voluntary sector, Junior Neighbourhood Warden Scheme, locality teams and those participating in Southampton City Youth Parliament. It is anticipated that this will increase the number of recorded data on 14 – 16 year olds participating in voluntary activities.

3rd Quarter 2009/10 Financial and Performance Exceptions by Service Area

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SUMMARY OF EFFICIENCIES, ADDITIONAL INCOME AND SERVICE REDUCTIONS

Portfolio	2009/10				ACHIEVEMENT		
	Efficiencies	Income	Service Reductions	Total	Implemented and Saving Achieved	Not Yet Fully Implemented and Achieved But Broadly on Track	Not on Track to be Implemented
	£000's	£000's	£000's	£000's	%	%	%
Adult Social Care & Health	(2,330)	(562)	(7)	(2,899)	96.6	3.4	0.0
Children Services	(1,081)	(744)	(448)	(2,273)	78.4	1.1	20.5
Economic Development	(379)	(35)	(90)	(504)	86.5	1.0	12.5
Environment & Transport	(1,426)	(665)	(210)	(2,301)	56.3	5.6	38.0
Housing & Local Services	(432)	(23)	(533)	(988)	77.7	22.3	0.0
Leaders	(279)	(20)	0	(299)	100.0	0.0	0.0
Leisure, Culture & Heritage	(269)	(35)	(67)	(371)	55.2	36.7	8.1
Resources & Workforce Planning	(716)	(366)	0	(1,082)	94.4	0.0	5.6
Young People & Skills	(342)	(64)	(125)	(531)	100.0	0.0	0.0
	(7,254)	(2,514)	(1,480)	(11,247)	81.2	5.5	13.3
Achievement	(6,830)	(1,924)	(1,427)	(10,180)			
Shortfall			£	(1,067)			
			%	9.5%			

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Prudential Indicators Relating to Borrowing

<u>Maximum Level of External Debt</u>	<u>Maximum</u>	<u>Forecast</u>	<u>Status</u>
£M	£383M	£144M	Green
As % of Authorised Limit	100%	39%	Green
	<u>Target</u>	<u>Actual YTD</u>	<u>Status</u>
Average % Rate New Borrowing	5.0%	None To Date	Green
Average % Rate Existing Long Term Borrowing	5.0%	3.23%	Green
	<u>Target</u>	<u>Actual YTD</u>	<u>Status</u>
Ratio of Financing Costs to Net Revenue Stream	5.19%	2.58%	Green
Average Short Term Investment Rate	0.60%	0.88%	Green

Minimum Level of General Fund Balances

Minimum General Fund Balance	£4.5M	
Forecast Year End General Fund balance	£10.7M	Green

Income Collection

Outstanding Debt	<u>% 2008/09</u>	<u>Actual % YTD</u>	<u>Status</u>
More Than 12 Months Old	58	30	Green
Less Than 12 Months But More Than 6 Months Old	8	8	Green
Less Than 6 Months But More Than 60 Days Old	4	9	Green
Less Than 60 Days Old	30	53	Green

Creditor Payments

		<u>Status</u>
Target Payment Days	30	
Actual Current Average Payment Days	22	Green
Target % of undisputed invoices paid within 30 days	95.0%	
Actual % of undisputed invoices paid within 30 days	90.8%	Amber

Tax Collection rate

	<u>Target Collection Rate</u>	<u>Last Yr Month 9 Collection Rate</u>	<u>This Yr Month 9 Collection Rate</u>	<u>Status</u>
Council Tax	96.20%	81.76%	82.46%	Green
National Non Domestic Rates	99.20%	87.69%	87.53%	Green

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QUARTERLY TREASURY MANAGEMENT REPORT – MONTH 9

Treasury Management is a complex subject but in summary the core elements of the strategy for 2009/10 are:

- To make use of short term variable rate debt to take advantage of the current market conditions of low interest rates
- To constantly review longer term forecasts and to lock in to longer term rates through a variety of instruments as appropriate during the year in order to provide a balanced portfolio against interest rate risk.
- To secure the best short term rates for borrowing and investments consistent with maintaining flexibility and liquidity within the portfolio.
- To invest surplus funds prudently, the Council's priorities being:
 - Security of invested capital
 - Liquidity of invested capital
 - An optimum yield which is commensurate with security and liquidity.
- To approve borrowing limits that provide for debt restructuring opportunities and to pursue debt restructuring where appropriate and within the Council's risk boundaries.

In essence treasury management can always be seen in the context of the classic 'risk and reward' scenario and following this strategy will contribute to the Council's wider Treasury Management objective which is to minimise net borrowing cost in the short term without exposing the Council to undue risk either now or in the longer term.

The main activities undertaken during 2009/10 to date are summarised below:

- Investment returns have decreased from £3.7M in 2008/09 to an estimated £1M in current year as a result of a fall in interest rates. The average rate achieved to date (0.88%) is above the performance indicator of the average 7 day Libid rate (0.59%).
- In order to balance the fall in investment income we have switched to short term debt which is currently available at lower rates than long term debt due to the depressed market. As a result the average rate for repayment of debt (the Consolidated Interest Rate – CRI) has reduced from 4.15% in 2008/09 to 3.18%. As this is a temporary arrangement any savings are to be transferred to the Interest Equalisation Reserve until we lock back into long term debt. It should be noted that the forecast for longer term debt is a steady increase in rates over the next few years, so new long term borrowing will be taken out above the current CRI and therefore an increase in the CRI should be expected.
- In order to comply with the revised Chartered Institute of Public Finance and Accountancy (CIPFA) code for Treasury Management training for members was undertaken by an independent company recommended by our advisors (Arlingclose) on the 10th December 2009.

The Council approved a number of indicators at its meeting of the 18th February 2009. Following the September update of the Capital Programme and an analysis of Treasury Management activity during 2008/09 and between April and December 2009 these have been reviewed for 2009/10 as detailed below and are reported in accordance with best practice contained in the CIPFA code of practice on Treasury Management and in line with the approved Treasury Management Strategy.

1. Interest Rate Exposures

This indicator sets upper limits on the amount of net borrowing (total borrowing less investments) with fixed interest rates and variable interest rates for next year and the following two years and has the effect of setting ranges within which an authority would limit its exposure to both fixed and variable interest rate movements.

1.1. Upper Limit on Fixed Interest Rates

The limits (expressed as a percentage of total borrowing less investments) were set and will remain at:

	Lower Limit %	Upper Limit %
Year to Date Actual	90.7	99.2
2009/10	35.0	100.0
2010/11	35.0	100.0
2011/12	35.0	100.0

Performance to date remains within these parameters and as at the end of December the percentage stands at **98.3%**

In principle, it may be necessary/desirable for all borrowing at a point to be at a fixed rate, although in practice this would be unusual.

1.2. Upper Limit on Variable Interest Rates

The Upper Limit represents the maximum proportion of borrowing which is subject to variable rate interest and was set at 50%, although in practice it would be unusual for the exposure to exceed 20% based on past performance, the highest to date is 10.6%. The limit was set at a higher level to allow for a possible adverse cash flow position, leading to a need for increased borrowing on the temporary market.

There has been no adverse cash flow to date but it is proposed that the limit remain at 50%, in case of any slippage in expected capital receipts. The actual range for the year to date is between 8.2% and 10.6% with the position at the end of December standing at **8.8%**

2. Maturity Structure of Long Term Borrowing

This indicator sets limits on the amount of borrowing due to be repaid in a given period on fixed rate borrowing. The table overleaf shows the estimated position as at 31st March 2010 for the amount of total borrowing (fixed & variable) due for repayment as a % of total borrowing and the position as at the end of December:

Maturity	31st March 2010	December 2009
	%	%
Under 12mths	13	42
Between 12mths and 24mths	5	15
Between 24mths and 5yrs	10	13
Between 5yrs and 10yrs	0	0
In excess of 10yrs	72	30

This demonstrates the clearly planned and considered switch to short term debt in response to current market conditions.

The prudential limits for borrowing that is fixed rate maturing in each period (as a percentage of total projected borrowing that is fixed rate) is detailed below along with the position as at the end of December 2009.

Maturity	Lower Limit	Upper Limit	December 2009
	%	%	%
Under 12 Months	0	45	40
12 to 24 Months	0	45	17
24 Months to 5 Years	0	50	15
5 to 10 Years	0	75	0
In Excess of 10 Years	0	100	28

At this stage, no change is required to the borrowing limits detailed above.

3. Total Principal Sums Invested for more than 364 Days

This sets a maximum limit on the amount of money than can be invested for more than one year; the current approved limit is set at £50M.

Southampton City Council's core investment portfolio has been identified as being around £40M and on the advice of the Council's Treasury Management consultants a rolling programme of one year cash deposits have been entered into that will provide a greater degree of certainty and stability in returns generated than is currently achieved. The aim is to place investments with start and maturity dates that are spaced at roughly equal gaps of one month, giving the Council the added benefit of the liquidity afforded by the upcoming rolling maturity of deposits. This will provide opportunities to invest in whichever investments offer the best fit solution to the risk/reward appetite of the Council at that time. In addition, further investments have been made when attractive interest rates and cash flow have allowed. The principle sum invested for more than 364 days as at 31st December 2009 was **£16.2M**, plus **£6M** in long term bonds.

4. Authorised Limit for External Debt

This is the maximum amount the authority allows itself to borrow in each year. It is made up of an authorised limit for borrowing and an authorised limit for other long term liabilities. It covers both short (temporary) and long term borrowing. The approved limit for 2009/10 is £383M and there is no proposal to change this at this time. The highest level reached this year is £134M with the level at end of December at **£98.5M**.

5. Operational Boundary

This is also an external debt limit and is made up of borrowing and other long term liabilities. This limit is set to reflect the most likely (prudent) but not worst case scenario of the debt position of the authority and is detailed in the table below. This limit is linked directly to the authority's capital spending plans, capital financing requirements and cash flows. It also allows maximum flexibility to undertake debt restructure. The borrowing to date is well within the set limits and there is no proposal to change this at this time.

	2009/10 Approved	2009/10 Highest to Date	December 2009
	£M	£M	£M
Borrowing	351	134	99
Other Long Term Liabilities (including contingency)	21	20	19
Total	372	149	118

6. Actual External Debt

The Council's actual external debt at 31st March 2010 is expected to be £163M, comprising £144M borrowing and £19M of other long term liabilities. It should be noted that actual external debt is not directly comparable to the authorised limit and operational boundary, since the actual external debt reflects the position at one point in time.

7. Capital Financing Requirement

The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose. In order to ensure that over the medium term net borrowing will only be for a capital purpose, the Council ensures that net external borrowing does not, except in the short term, exceed the Capital Financing Requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. It differs from actual borrowing due to decisions taken to use internal balances and cash rather than borrow.

	2009/10 Approved	2009/10 Actual	2010/11 Proposed
	£M	£M	£M
General Fund	146	133	153
HRA	97	92	95
Total	243	225	248

Agenda Item 12

DECISION-MAKER:	CABINET MEMBER FOR CHILDREN'S SERVICES AND LEARNING		
SUBJECT:	APPROVAL OF MODERNISATION PROJECT EXPENDITURE FOR FAIRISLE JUNIOR SCHOOL		
DATE OF DECISION:	15 FEBRUARY 2010		
REPORT OF:	HEAD OF INFRASTRUCTURE AND CAPITAL PROJECTS		
AUTHOR:	Name:	Colin Floyd	Tel: 023 8083 3298
	E-mail:	colin.floyd@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY

NONE

SUMMARY

To approve capital expenditure on the two classroom extension and welcoming reception area at Fairisle Junior School to be funded from Modernisation grant and the school's Devolved Formula Capital grant.

RECOMMENDATIONS:

- (i) To approve, in accordance with Financial Procedure Rules, capital expenditure in the sum of £440,000 from the Children's Services Capital Programme for work at Fairisle Junior School.

REASONS FOR REPORT RECOMMENDATIONS

1. Approval to commit expenditure to enable this high priority project to proceed.

CONSULTATION

2. This project has been prioritised in accordance with the Southampton Schools' Asset Management Plan and developed in full consultation with the head teacher and the school governors.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3. This project is a high priority for the Asset Management Plan because of the need to provide the required amount of accommodation for the school to facilitate its capacity number. Alternative schemes could be funded but they would be a lower priority.

DETAIL

4. Cabinet in April 2008 added the modernisation allocation of £6,465,581 for 2008-11 to the CS&L Capital Programme. This budget is used to fund an annual works programme of approximately £1 million plus other priority areas such as Health & Safety, Safe Schools initiative, sustainability, and production kitchens and academies.
5. This project and the subject of this report have been prioritised by the Asset Management Planning process for the annual works programme.

6. Fairisle Junior School – has a substantial need for two additional classrooms. The school only has ten class bases and will need twelve to meet increased demand for school places.
7. The school has a planned admission number of 90 per year group giving a total admission number for the school of 360. Presently the school has 288 pupils but it is anticipated that the school number will increase in September 2010 to very near to the capacity of 360.
8. A feasibility study has been carried out in consultation with the School Head teacher and governors on how these additional two classrooms can be provided, together with improved security measures for the school main entrance, through provision of a secure reception welcome area. These building developments have been estimated to cost £440,000 including any associated fees. The school has been asked to contribute £40,000 to this project for which they are presently seeking approval from the full governing body.
9. This project proposes a permanent building extension to the main school building providing two additional classrooms and a reception welcome area which is judged to be the best way of providing the appropriate additional facilities.

FINANCIAL/RESOURCE IMPLICATIONS

Capital

10. The cost of the project has been estimated by Capita Symonds and is summarised in the table below:

Construction cost	£370,000
Direct works (including feasibility study)	£18,000
Professional fees	£52,000
Total	£440,000

The construction cost includes a contingency budget of £30,000.

11. The project will be funded as follows:

Modernisation grant	£400,000
School Devolved Formula capital grant	£40,000
Total	£440,000

Revenue

12. There are no estimated additional revenue consequences that impact on the General Fund arising from this scheme. Schools are funded from the Dedicated Schools Grant and any revenue consequences of changes to floor area and associated costs will be met from this source. The revenue costs of project management will be met from within the budget for the Assets and Capital Strategy Team.

Property

13. The planned expenditure proposals in this report have been prioritised in line with the CS&L Asset Management Plan and are consistent with the corporate Asset Management Plan.
14. The maintenance costs for the buildings, both long and short term and Revenue and Capital will need to be determined and added to existing maintenance budgets. It should be noted that specialist equipment, fittings and systems are excluded from the building maintenance process and will need to be separately assessed and funded.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

15. The Council has a duty under s.14 Education Act 1996 to secure sufficient schools for providing primary and secondary education in their area. Schools are not regarded as 'sufficient' unless they are sufficient in number, character and equipment to provide all pupils the opportunity of appropriate education. The construction, design and provisioning of schools is further clarified in Regulations and Statutory and Non-Statutory Guidance. The Authority also has the power under s.111 Local Government Act 1972 to do anything necessary for, ancillary to or calculated to facilitate a primary function, including the entering into contracts and the construction of premises and facilities to support their primary functions.

Other Legal Implications:

16. The provision of facilities for schools is subject to compliance with Contract and Financial procedure Rules. The provision of facilities within schools is subject to compliance with the Disability Discrimination Act 1995, the Human Rights Act 1998 and Equalities legislation. Any facilities so provided must be fully compliant with these requirements.

POLICY FRAMEWORK IMPLICATIONS

17. The proposals and the investment in these school buildings in this report are consistent with and will contribute to the Children and Young Persons Plan, Early Years and Development Plan and Educational Development Plan in providing enhanced facilities for young people.

SUPPORTING DOCUMENTATION

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

Appendices

1.	NONE
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Documents In Members' Rooms

1.	NONE
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Background Documents

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

1.	NONE	
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KEY DECISION YES

WARDS/COMMUNITIES AFFECTED:	Coxford
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Agenda Item 13

DECISION-MAKER:	CABINET		
SUBJECT:	CONCESSIONARY FARES 2010/11		
DATE OF DECISION:	15 FEBRUARY 2010		
REPORT OF:	CABINET MEMBER FOR ENVIRONMENT AND TRANSPORT		
AUTHOR:	Name:	Simon Bell	Tel: 023 8083 3814
	E-mail:	simon.bell@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY

None.

SUMMARY

The report seeks agreement to extending the operation of the existing Concessionary Fares Scheme, pending the publication of revised guidance from the Department for Transport.

RECOMMENDATIONS:

- (i) Subject to the inclusion of an 'additional costs' claims procedure in accordance with recommendation (v), to extend the 2009/10 Concessionary Fares Scheme, as set out in Appendix 1, so that it will remain in operation from 1 April 2010 until further notice, pending the publication of revised guidance from the Department for Transport (DfT);
- (ii) To continue to reimburse operators at the 2009/10 rate of 41.2p in the £, plus 15p per generated journey, in accordance with the guidance given by the Department for Transport's Reimbursement Analysis Tool ('RAT') that was issued in December 2008 until such time as a revised RAT is issued by the DfT and re-imbursement rates re-calculated by the Authority accordingly;
- (iii) To retain a figure of 50% for return ticket sales in the average fare calculation;
- (iv) To delegate authority to the Executive Director of Environment, in consultation with the Solicitor to the Council and the Executive Director of Resources, following consultation with the Cabinet Members for Environment & Transport and Resources, to make any necessary variations or changes to the scheme arising from any outstanding appeals or revised guidance issued by DfT and to take any action necessary to give effect to the recommendations including but not limited to the service of statutory Notices (including Variation and Participation Notices if required) and participation in and determination of any appeal against the proposed Concessionary Fares Scheme or reimbursement arrangements for 2010/11.

- (v) To delegate authority to the Executive Director of Environment, in consultation with the Solicitor to the Council and the Executive Director of Resources, following consultation with the Cabinet Members for Environment & Transport and Resources, to determine the arrangements for operators to claim additional capacity and capital costs.

REASONS FOR REPORT RECOMMENDATIONS

1. To enable the Council to comply with the statutory requirement to serve bus operators with minimum 28 days notice of the reimbursement arrangements to be used during 2010/11.

CONSULTATION

2. The Council has consulted with bus companies about the scheme for 2010/11 and they have again expressed serious concerns at the Councils proposals to continue with a similar reimbursement in 2010/11 to 2009/10. It has only been possible to take into account the two appeal decisions released so far as the result of the remaining one is not known at present.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3. It is a statutory requirement that the Council has to publish details of its proposed reimbursement calculation in advance of the scheme introduction, so the only options that could be considered are to vary the level of generation factor employed, or the level of additional costs allowed, or the proportion of non-single journeys included in the calculations. The first two of these factors have been assessed in the light of the adjudication in December 2009 received from the Secretary of State and the contents of the Guidance issued by the Department for Transport (DfT) in December 2008 for use in 2009/10 as no guidance is yet available for 2010/11.

DETAIL

4. Cabinet made a decision on 23 November 2009 to confirm the concessionary fares scheme for 2010/11 which was no change from the scheme in 2009/10 in accordance with the requirements of the Transport Act 2000. Persons registered blind, partially sighted, deaf or without speech will need to provide a letter from the sensory services department of the City Council to confirm that they are unable to travel alone and require a companion pass.
5. The Council is required by law to advise bus operators 28 days before the start of the scheme what the reimbursement arrangements will be. Bus operators then have 56 days from the start of the scheme to appeal to the Secretary of State on the proposed reimbursement arrangements. In the 2009/10 year the Council received 3 appeals, of which two have been determined so far. So, at present, it is not possible to incorporate the recommendations in the reimbursement arrangements for 2010/11, although it is possible that a determination will be made prior to this decision.
6. The appeal decision given by the Secretary of State in relation to the appeals by the Go-south coast companies requires that the Council provides information on how it will calculate additional capacity costs which the operator may incur as a result of participation in the scheme. The decision also requires the Council to set out the procedures in greater detail as to how

operators should claim additional costs and what supporting evidence, including costings, the Council would require to be provided. The scheme must also explain how the operator can challenge the methodology for calculating additional costs and the amounts offered. No decision has been issued in relation to the appeal by First Hampshire and Dorset.

7. Appendix 1 shows the details of the reimbursement calculation that it is proposed to use during 2010/11 to calculate operator entitlements. This calculation accords with the Guidance on Reimbursing Bus Operators issued by the DfT in December 2008. The reimbursement factor for Southampton is 41.2p in the £ (which equates to a generation factor of 142.4%). The average fare calculation takes into account the use of 50% returns and 50% singles, but does not make any allowance for the possible use of any form of day ticket. An additional element for generated trip is also included in the final calculation to take account of scheme implementation costs and marginal operating costs incurred by the operators and this remains at 15p in 2010/11. It is considered reasonable, in the absence of an updated RAT, to continue to reimburse operators at these levels in 2010/11 until such time as a revised calculation can be made using an updated RAT issued by the DfT for the forthcoming year in order to ensure that operators continue to be reimbursed in the interim and that the methodology used to determine reimbursement levels remains consistent with the approach historically adopted by the City Council.
8. Under the current scheme, the eligibility criteria are more generous than those required by the national scheme. The Council provides a discretionary local concession pass for those disabled people who do not meet the national concession criteria but who still have difficulty with travel; this pass allows travel within the City only.

FINANCIAL/RESOURCE IMPLICATIONS

Capital

9. None

Revenue

10. It is estimated that the cost of the scheme will be £4,277,000 in 2010/11 but 3 operators have lodged appeals with the Secretary of State (SoS) and only 2 have been determined. The Council has also received a claim for additional capacity costs from two operators, which is being worked through but the final figure is not known yet. There is also a Judicial Review on the appeal determinations for 2008/09, which could have implications for the scheme. As the results of the appeals are not known and guidance from the Department for Transport has not been issued, it is proposed that the reimbursement rate of 41.2% is used, as in 2009/10. It is also proposed to delegate authority to the Director of Environment to make any necessary amendments arising from outstanding appeals and revised guidance or RAT as and when it is issued. A sum has been set-aside in the Council's Risk Based Contingency Fund to cover any adverse impact from the appeals on Environment and Transport's Portfolio's revenue budget.

Property

11. There are no property implications.

Other

12. There are no other implications.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

13. Concessionary fares are governed by the Transport Acts of 1985 and 2000, and the Concessionary Fares Act of 2007. If it is agreed that in the future, no enhancements over and above the statutory minimum will be offered, then the 1985 Act does not apply.

Other Legal Implications:

14. The provision of a concessionary travel scheme in accordance with the national minimum is a statutory duty. A discretionary power exists to provide a scheme that extends entitlement of services over and above the national minimum. Any scheme must be made having regard to the Human Rights Act 1998 (with which any national minimum scheme will be deemed to comply). Statutory notice of the amendments to the 2009 scheme must be given by 1 December 2009 and any representations received in accordance with this Notice considered and determined in accordance with the Act and Regulations.

POLICY FRAMEWORK IMPLICATIONS

15. The provision of concessionary travel accords with the policy direction of the City's adopted Local Transport Plan 2006 - 2011 by helping the Council meet its targets for increasing the use of sustainable transport modes (and bus travel in particular) and also increasing accessibility and promoting social inclusion.

SUPPORTING DOCUMENTATION

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

1.	Details of scheme.
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Documents In Members' Rooms

1.	None
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Background Documents

Title of Background Paper(s)

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

1.	None	
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Background documents available for inspection at: N/A

KEY DECISION? YES

WARDS/COMMUNITIES AFFECTED:	ALL
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SOUTHAMPTON CONCESSIONARY FARES SCHEME 2009/10 (extended for use in 2010/11) ('the Scheme')

Introduction

The Concessionary Fares Scheme agreed by Southampton City Council will come into effect on Thursday, 1 April 2010 and continues until further notice. This Notice and Scheme replaces the Southampton Concessionary fares Scheme 2009 and supersedes all previous Schemes and Notices

Legislation

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

Responsible Authority

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

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

Paul Nicholls, Head of Planning and Sustainability, Ground Floor, Civic Centre, Southampton, SO14 7PS.

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

Operator Eligibility

Operators of registered bus services running within the City which are also eligible for bus service operators grant.

User Eligibility

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

- men and women aged 60 years and older;
- blind people;
- partially sighted people;
- deaf people;
- people without speech (in any language);
- people with a disability, or who have suffered an injury, which, in the opinion of a qualified medical practitioner, seriously impairs their ability to walk;
- people without the use of both arms;
- people with a learning difficulty;

- people who would be refused the grant of a driving licence to drive a motor vehicle under Section 92 of Part III the Road Traffic Act 1988;
- people with a long term mental health problem; and
- travelling companions/escorts of disabled people.

For those under the age of 60, applicants must either provide confirmation that:

- i) They are in receipt of Disability Living Allowance (mobility component); or
- ii) They are in receipt of Disability Living Allowance (care component); or
- iii) They are in receipt of War Pensions Mobility Supplement; or
- iv) They have a valid registration card for their disability; or
- v) Certification of Vision impairment; or
- vi) Have learning difficulties and attend Southampton Day Services; or
- vi) They have a signed form from their doctor confirming eligibility.

Hours of Operation

The Southampton concessionary fares scheme will be based on bus travel alone. Concessionary travel is available all day on Saturdays, Sundays, Bank Holidays and declared public holidays, and between 09:00 and 00:00 on other days.

Area of Travel

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

Level of Concession

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

Administration

The administration of the issue of concessionary fares scheme passes will be carried out by the Southampton Gateway project as part of the Smartcities Scheme. A database of all people who are issued with a bus pass will be kept. The City Council will be responsible for meeting the statutory requirements for data protection.

Reimbursement

Bus operators will submit monthly returns to the City Council unless otherwise agreed in advance identifying the number of journeys undertaken and the average fare payable. The Council will assume that 50% of journeys will be returns and this should be included in submissions.

The derived generation factor employed will be 142.4% to reflect scheme usage.

An additional amount of £0.15 per generated trip will also be paid to recognise operators' additional costs in providing the concession.

The City Council will require all information required to be produced in support of claims under the scheme to be certified as accurate by a "responsible person".

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

The reimbursement calculation included at schedule 1 and any subsequent reimbursement calculations or arrangements issued by Southampton City Council from time to time shall form part of this Scheme and the particulars and conditions contained therein shall be binding on Operators and Southampton City Council subject to any lawful variation in accordance with the Acts.

With regard to additional capital costs, the principle that will be applied is that which the Council has always adopted, which is that all claims must be based on actual costs incurred and that such claims must be supported by the production of signed and approved accounts, purchase receipts or other similar documentary evidence, and that if such additional costs cannot be proven to relate directly to the operation of the concessionary fares scheme, the claims will be refused.

Reimbursement arrangements will be determined annually by 3rd March following discussions with operators and determined in accordance with the Acts and any guidance issued by the Secretary of State. Operators will be notified of final determination of reimbursement arrangements as soon as possible after 3rd March each year. Any newly determined reimbursement arrangements will comprise part of this Scheme and replace Schedule 1 accordingly.

Right to Survey

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

Variations

Southampton City Council reserves the right to vary the Scheme or to offer discretionary enhancements to the Scheme in accordance with the provisions of the Transport Act 1985 and any reimbursement arrangements relating to and forming part of the Scheme at any time in accordance with the provisions of the Acts, upon relevant Notice. Southampton City Council shall give 28 days notice in writing to Operators of any proposed variations or changes to the Scheme or reimbursement arrangements, but the period of such notice may be shortened by mutual agreement.

Right of Participation

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

Operator Representations and Complaints:

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

Right of Appeal

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

- (a) There are special reasons why their company's participation in the scheme in respect of any of the services to which the notice applies would be inappropriate (under both the 2000 Act and the 1985 Act); or
- (b) Any provision of the scheme or of any of the scheme arrangements are inappropriate for application in relation to any operators who are not voluntarily participating in the scheme (1985 Act only).

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

REIMBURSEMENT CALCULATION

Concessionary Fares Calculation

Number of trips	N	1000
Average Fare (which will assume 50% returns)	AV	£1
So total fares that would have been collected	$N \times AV$	£1,000

As concessionary fare passengers do not have to pay, more trips are deemed to be made than if there had been no scheme in existence, so an adjustment is made. This is called the Generation Factor, and is used to factor down the total reimbursement due to the operator.

Derived Generation factor (from DfT Reimbursement Analysis Tool):	GF	142.4%
Total fare to be reimbursed to the operator:	$R = N \times AV / (1 + GF)$	£412
So SCC pays per trip:	R/N	£0.412

In addition, recognising that operators are likely to have incurred some element of additional cost in providing the concession, an extra amount of:

£0.15 per generated trip

will be paid (in accordance with the adjudications received on the appeals against the 2008/09 scheme).

Agenda Item 14

DECISION-MAKER:	CABINET		
SUBJECT:	LOCAL AUTHORITY 'NEW BUILD' SCHEME APPROVAL		
DATE OF DECISION:	15 FEBRUARY 2010		
REPORT OF:	CABINET MEMBER FOR HOUSING AND LOCAL SERVICES		
AUTHOR:	Name:	Keith Gunner	Tel: 023 8083 2346
	E-mail:	keith.gunner@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY

N/A

SUMMARY

Following its successful 'Phase 1' bid for £2.4m grant towards the costs of building up to 35 new Council homes in the city, the Council has now been allocated a further £970,804 of funding from the Homes and Communities Agency (HCA) to build up to 17 more new Council Homes for affordable rent.

This additional funding has been awarded under Phase 2 of the HCA's 'LA New Build Scheme'. As with Phase 1, approximately half of the total build costs are made up of HCA grant, and the remainder from the Council's own funding as explained in this Report.

As part of the 'Southampton Affordable Housing Partnership', the Council is required to facilitate 2000 new affordable homes in the city by 2012. The LA New Build scheme will make a valuable contribution to meeting this target.

RECOMMENDATIONS:

- (i) To accept the grant sum of £ 970,804 from the Homes and Communities Agency (HCA) to build new Council homes under the LA New Build scheme on 2 sites in the city at:-
 - Leaside Way
 - Cumbrian Way (part)
- (ii) To approve, in accordance with Financial Procedure Rules, overall capital expenditure of £1,941,608 within the Housing Revenue Account Capital Programme for 2010-2011 and 2011 – 2012 for the following additional LA New Build schemes:-

	2010 - 2011	2011 - 2012	Total
Leaside Way	£ 251,472	£ 251,472	£ 502,943
Cumbrian Way	£ 719,332	£ 719,332	£ 1,438,665
	£ 970,804	£ 970,804	£ 1,941,608

- (iii) To delegate authority to the Solicitor to the Council, following consultation with the Executive Directors of Neighbourhoods and Resources and Cabinet Member for Housing and Local Services, to undertake all necessary actions to achieve the proposals within the Report, such as entering into the Homes and Communities Agencies grant contract, all consequential contracts, and rent setting for the new homes.

REASONS FOR REPORT RECOMMENDATIONS

1. In accordance with the Council's Financial Procedure Rules, Cabinet is required to formally accept a further HCA grant for the LA New Build scheme, and approve total expenditure of £1.9M for Phase 2 of this Scheme within the HRA Capital Programme as described above.

CONSULTATION

2. The proposals set out in this report have been subject to expedited consultation with local residents, residents groups, Ward Councillors, Lead Councillors and spokespersons, and relevant Council officials.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3. The Council could decline to accept the funding allocation, but this would mean that the new homes could not be built, and neither would they contribute to meeting the Council's strategic affordable housing targets.

DETAIL

4. In May 2009, the government announced a 'Housing Stimulus Programme' as part of the 'Building Britain's Future' initiative. The stimulus programme ultimately included a £350M bidding funding opportunity for Local Authorities to build new council homes - the 'LA New Build scheme'.
5. This LA New Build funding was split into 2 bidding Phases. Cabinet approved the Council's successful Phase 1 bid and the total expenditure for this on the 23rd of November 2009. This means that the Council is obliged to meet the HCA's build timetable for Starts on Site by May 2010, and Practical Completions by March 2011. Full planning consents have now been issued for all six Phase 1 schemes.
6. Having submitted another funding bid on the 30th October 2009, the Council has now been allocated an HCA grant of nearly £1M towards the estimated £1.9M cost of building up to 17 new homes on 2 council owned sites across the city. This is on the basis that starts on site can be achieved by June 2010, with all new homes completing a year later. This mostly overlaps with the build programme for Phase 1.
7. The proposed 2 schemes are on mostly disused council premises at:-

Site	Homes	Grant	Borrowing	Total Cost
Leaside Way (Swaythling)	4	£ 251,471	£ 251,472	£ 502,943
Cumbrian Way (Millbrook)	13	£ 719,333	£ 719,332	£ 1,438,665
Totals	17	£ 970,804	£ 970,804	£ 1,941,608

8. All new homes will again meet high energy efficiency and other quality standards at Level 4 of the HCAs 'Code for Sustainable Homes, and many will be family houses which achieve full 'Lifetime Homes' standards. All new homes must be let at affordable rents, and managed as any other Council stock.
9. As with Phase 1, all 3 schemes have addressed concerns raised during public and other consultations as far as practicable, and are also subject to planning consent.
10. Planning applications for each site were submitted at the end of November 2009, and outcomes should be known by February 2010. If any scheme is amended or refused under the planning process, the Council will need to substitute other schemes to ensure that the full grant allocation for 17 new homes is delivered

FINANCIAL/RESOURCE IMPLICATIONS

Capital

11. The provision for LA New Build scheme funding is contained within the HRA Capital Programme, which was approved by Council at its meeting on 16th September 2009, and is scheduled for updating to Council on the 17th February 2010. The amount of the HCA grant element within the funding allocation comes to £970,804. The Council must be in a position to start on site and also draw down 50% of the total grant in June 2010, and then complete the new homes and spend the remainder of the grant by April 2011. The Council will need to meet the remaining scheme costs of £970,804 from prudential borrowing arrangements as explained below.

Revenue

12. As with Phase 1, financial projections were undertaken for the 2 schemes assuming the repayment of borrowing over a 30 year period at an interest rate of 5% along with other expenditure on routine and planned maintenance, and major repairs. This was offset against the income generated by setting rents at the Formula Rent as required by the HCA as part of the funding arrangements. Currently Formula Rents are on average 10.1% higher than the actual rents paid by tenants in Southampton.
13. The projections provided annual and cumulative cash flows to determine at what point in the 30 year period cumulative cash flow became positive, indicating that as a whole schemes are viable. There will be a revenue subsidy to Phase 2 of the New Build scheme in Year 1 (2011/12) of £990. This will decrease as rents are increased so that there will be a recurring annual surplus from Year 2 onwards. Deficits accumulated from the early years of the programme will be fully recovered by Year 3.
14. There are revenue implications of the appropriation of the land at Cumbrian Way into the HRA. With the appropriation there is a transfer of debt which has to be funded. Based on the recent valuation of £215,000 the annual cost to the HRA over the 30 year appraisal period is £13,986.

15. The viability of the whole programme is totally reliant on the new dwellings being outside of the HRA Subsidy System - which the HCA automatically arranges with the Communities and Local Government for all successful bids – without which the scheme is not affordable for the Council.
16. Should the scheme fail to be completed within the timescale laid down by HCA then there is a risk that all or some of the funding will need to be repaid. SCC will be committed to building the new dwellings and any shortfall in funding caused by claw back of grant would involve additional borrowing and the associated revenue costs of repayments. Terms of the funding agreement with the HCA have been negotiated with a view to minimising the risks.

Property

17. The new homes at Leaside Way will be built on land contained within the HRA. There will be a need to appropriate the land at Cumbrian Way into the HRA, under delegated authority. The new homes will be owned, maintained and managed as for all other Council rented housing, but with adjustments to existing policies and procedures to reflect the different components and build methods involved.

Other

18. It is necessary for the HCA acting on behalf of the Council to arrange with the CLG to automatically exclude the new homes from the Housing Revenue Account Subsidy System and Pooling arrangements under Section 80B of the Local Government & Housing Act 1989.
19. It has also been necessary for the Council to 'pre-qualify' with the HCA as an Investment Partner before funding can be accessed. The HCA provisionally approved the Council as an Investment Partner in September 2009, subject to the Council procuring a suitable organisation capable of building the new homes to the required high standards for affordable housing. The successful tendering organisation is in the process of being appointed, and once this is completed, the Council can finalise its pre-qualification with the HCA as required.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

20. The powers to undertake the LA New Build scheme as described in this report are contained within the Housing Act 1985.

Other Legal Implications:

21. The HCA require the Council to enter into a standard funding contract which governs the use and purposes of the funding allocation. The terms of this contract also govern the Council's procured organisation for delivering the new homes.

POLICY FRAMEWORK IMPLICATIONS

- 22. All homes built under the LA New Build scheme will positively contribute towards the Council’s affordable housing and estate regeneration strategic priorities and targets.
- 23. The Council’s Housing Strategy for 2007 – 2011 sets out ‘Developing Balanced and Sustainable Communities’ as a key priority, including the provision of new affordable homes and preventing homelessness in the city. The Medium Term and Corporate Improvement Plans also require 2000 new affordable homes to be provided in the city by 2012
- 24. There are nearly 13,500 households currently on the Council’s ‘Housing Register’, and there is a need to provide 1391 affordable homes in the city each year, as identified by the Housing Needs & Market Survey 2006.

SUPPORTING DOCUMENTATION

Appendices

	None
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Documents In Members’ Rooms

	None
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Background Documents

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	
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Background documents available for inspection at:

KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:	Millbrook/Swaythling
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DECISION-MAKER:		CABINET	
SUBJECT:		IMPLICATIONS OF THE APPRENTICESHIPS, SKILLS, CHILDREN AND LEARNING ACT, 2009	
DATE OF DECISION:		15 FEBRUARY 2010	
REPORT OF:		CABINET MEMBER FOR CHILDREN'S SERVICES AND LEARNING	
AUTHOR:	Name:	ALISON ALEXANDER	Tel: 023 8083 4023
	E-mail:	alison.alexander@southampton.gov.uk	
STATEMENT OF CONFIDENTIALITY			
Not applicable			

SUMMARY

The Apprenticeships, Skills, Children and Learning Act 2009 received Royal Assent on 12 November 2009 and bring new duties and powers to the local authority. This will enable creative work with partners to take forward key strategic objectives through developing innovative, diverse learning that has at its heart the commitment to improve the educational attainment and well-being of all residents, and support the city's economic growth.

RECOMMENDATIONS:

- (i) Note the implications of the Apprenticeships, Skills, Children and Learning Act 2009.
- (ii) Note that changes have been made to the scheme of executive delegations.

REASONS FOR REPORT RECOMMENDATIONS

1. The report recommendations are designed to assure Cabinet that the:
 - Local Authority will be compliant with the new duties and powers of the Act;
 - new duties and powers are being incorporated into elected members' portfolio and officer delegation; and
 - new duty and power enhances the local authorities' ability to integrate planning and delivery of 0-19 education and training and compliance with the raised statutory age of participation in 17 in 2013 and 18 in 2015.

CONSULTATION

2. Consultation has taken place at a national, regional and local level with all relevant organisations and bodies.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3. Alternative options have not been considered, as not to prepare for the new duties and responsibilities of the Act would place the City Council at risk of legal challenge.

DETAIL

4. The Act in the main is an amending act and has 13 parts:
 - Arrangements for apprenticeships, including release of employees for study/training;
 - Local authority functions regarding commissioning learning and skills for 16-19 year olds and up to 25 for those with learning difficulty/disability assessment, including provision of transport to learning establishments;
 - The establishment of the Young People's Learning Agency;
 - The establishment of the Skills Funding Agency;
 - Sharing of information and the dissolution of the Learning and Skills Council;
 - Creation of a new legal basis for 6th Form Colleges and removal of powers to establish sixth form schools;
 - The establishment of an Office of Qualifications and Examinations Regulation;
 - The establishment of the Qualification and Curriculum Development Agency;
 - Arrangements to promote cooperation to improve the wellbeing of children, including safeguarding targets, and arrangements for children's centres and early childhood services;
 - New powers with regard to under performing schools, complaints, inspections, and establishment of the new School Support Staff Pay and Conditions Board;
 - The power to search learners and renaming of pupil referral units as 'short stay schools';
 - Miscellaneous provisions including careers education, reporting on annual children's services expenditure, support for participation in education and training, further education corporations duty to co-operate and student loans; and
 - Enabling orders and regulations.
5. Whilst this report introduces the Act in full, the main detail focuses on the significant duty and power transferring to the local authority regarding commissioning education and training for young people from 1 April 2010.
6. Local authorities will have the central commissioning role, endorsed by the Children and Young People Trust, for all education and training for young people aged 16-19, for those up to 25 with a learning disability and difficulty assessment, and for those young people in custody aged 10 to 18.
7. The local authority will ensure increased employer engagement in the commissioning process, to ensure the skills being delivered are relevant to the local economy and raises the aspirations and employability of the local residents.
8. All local commissioning decisions will take account of:
 - Local, sub regional, regional and national priorities;
 - The needs of learners including their age, ability and aptitudes;
 - The quality of provision and delivery location and times; and

- Support for vulnerable young people, particularly young people in local authority care, teenage parents, young people with learning difficulties and/or disabilities and young carers.
9. In 2008/09, approximately 1,650 Southampton residents aged 16-18 attended providers based outside the city, compared to an import of 1,200 learners

FINANCIAL/RESOURCE IMPLICATIONS

Capital

10. Currently if a college want, or needs, to ask a bank or other lender to support its cash position with additional funds, for either solvency or capital purposes, it needs the LSC's permission to do so. As set out in the Act, designated Sixth Form Colleges will come to local authorities for capital borrowing approvals, rather than the Learning and Skills Council as at present. The Young Peoples Learning Agency will be issuing guidance on how, and on what basis, local authorities should consider such requests.

Revenue

11. The 2010/11 grant allocation for the transfer of responsibility to Southampton from the LSC is £278,237. Efficiency savings of £95,000 have been made in the 2010/11 budget by redeploying existing staff rather than recruiting directly to some of the six posts. The grant for each authority will initially be paid as part of the Area Based Grant. The grant will be paid for three years with 2011-13 allocations finalised as part of the next Government Comprehensive Spending Review.
12. The current Learning and Skills Council 16-19 funding streams paid to external providers, and expected to transfer to the City Council from 2010/11 are shown in the table below:

Table 1: Post 16 education and training funding streams

Funding stream	2009/10 allocation
16-19 further education	£20,021,000
Entry to Employment (Foundation Learning from 2010)	£954,522
Education Business Links	£121,651
Practical and Collaborative Learning Fund	£45,000
Teenage Parents Learning Programme	£26,622
Key Stage Four Engagement Programme	£225,000
Total	£21,393,795

13. From April 2010 the Local Authority will be responsible for commissioning provision from providers. The financial resource will be allocated by the Young People's Learning Agency, according to a national funding formula, and only released to local authorities once allocations to individual providers have been agreed. This approach minimises the risk of budgets overspending, as allocations are agreed with the Young People Learning agency before payments are made to providers.

14. The LSC is currently required to monitor the financial health of providers and, as part of this duty, to keep their level of balances under review. In addition the LSC assesses colleges' financial health to understand the degree of risk they may represent to the LSC if they do not have the financial resources to continue operating. It is likely that this responsibility will transfer to the City Council from April 2010 along with additional audit requirements being finalised under the Joint Audit Code of Practice drawn up between the Skills Funding Agency, Young Persons' Learning Agency and Local Authorities.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

15. The Solicitor to the Council has delegated authority to amend the Constitution (including the Officer Scheme of delegation and, following consultation with the Leader and relevant Cabinet members, the Executive Scheme of delegation) to give effect to any changes in national or local legislation. The Executive Scheme of Delegation has been amended to ensure that all functions which are executive functions flowing from the Act are included within the Terms of reference of the Cabinet Member for Children's Services & Learning in January. The Officer Scheme of delegation will be amended as part of the ongoing Constitutional review to include power for the Executive Director of Children's Services to exercise all powers and duties granted or imposed under the Act and to do anything necessary to commission services as provided for in accordance with the Council's 16 – 19 obligations. Should more detailed delegations be required in due course as the Authorities duties become clearer, the Solicitor to the Council will, following consultation with relevant Chief Officers and Cabinet Members, take action to amend the Constitution accordingly.

Other Legal Implications:

16. The Council will be required to exercise it's duties and powers under the Act having regard to the provisions of Equalities legislation and the Human Rights Act 1998, and the need to reduce or eliminate Crime & Disorder in it's area having regard to it's duties under s.17 of the Crime & Disorder Act 1998.

POLICY FRAMEWORK IMPLICATIONS

17. The Plan will help progress the aims of the Children and Young Peoples Plan, 14-19 Learning and Skills and Employability Strategy, Local Regeneration Strategy, Health and Wellbeing Strategic Plan, Safe City Plan and Economic Development Plan and adult Learning and Skills Plan.

SUPPORTING DOCUMENTATION

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

Appendices

1.	None
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Documents In Members' Rooms

1.	Apprenticeships, Skills, Children and Learning Act 2009
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Background Documents

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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1.	16-19 Statement of priorities and investment strategy 2010-11	
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Background documents available for inspection at: Room 50, Civic Centre

KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:	ALL
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Agenda Item 17

DECISION-MAKER:	CABINET		
SUBJECT:	NEWLANDS PRIMARY SCHOOL: APPROVAL TO SPEND		
DATE OF DECISION:	15 FEBRUARY 2010		
REPORT OF:	CABINET MEMBER FOR CHILDREN'S SERVICES		
AUTHOR:	Name:	Richard Hards	Tel: 023 80832823
	E-mail:	Richard.Hards@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY

Annex 1 of Appendix 1 is not for publication by virtue of categories 3 (financial and business affairs) 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 annex contains confidential and commercially sensitive financial information which would prejudice the Council's ability to operate in a commercial environment and obtain best value in procurement processes

SUMMARY

This report seeks approval to spend the approved budget on the construction of a new two form entry school building (including Early Years provision) for Newland Primary School, the demolition of the existing school and the reinstatement of playing fields.

RECOMMENDATIONS:

- (i) To approve in accordance with Financial Procedure Rules capital expenditure in the sum of £7,500,000 including fees from the Children's Services and Learning Capital Programme for the construction of Newland Primary school.

REASONS FOR REPORT RECOMMENDATIONS

1. The Primary Strategy for Change identified Newlands Primary School as top priority for rebuilding
2. The new school building will provide modern learning facilities for the school.
3. The new building will benefit from environmental enhancements and lower maintenance costs.
4. Outdoor sports pitches and sports facilities in the school hall will be available for community use.

CONSULTATION

5. Throughout this stage of the design process there has been ongoing consultation with the school head teacher, staff and governors on the design philosophy for the school.
6. Consultation has been by a series of meetings.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

7. Consideration was given to not rebuilding Newlands Primary School but this would be contrary to the Primary Capital Strategy and so was rejected.

DETAIL

8. At its meeting on 23rd May 2005 the Cabinet decided that: "Newlands Primary to be rebuilt on its existing site at 1½FE, with Early Years provision."
9. Project planning was instigated, a feasibility study commissioned and funding identified.
10. Various options for rebuilding were put forward for consideration and a preferred scheme selected.
11. On 5th December 2006 the Children's Services and Learning Capital Board decided to defer the project as insufficient funding was available at that time.
12. The Capital Board further agreed that the project would not be able to proceed until funding from the Primary Capital Programme became available.
13. On 16th March 2009 the Cabinet approved that the published admission number (PAN) for Newlands Primary School be 60 for 2010-11. Accordingly the new school building will have to accommodate a two form entry (2FE) primary school. This size is justified by forecast increases in numbers at the school, including the impact of the redevelopment of the current Ordnance Survey site for family housing which is located in the Newlands catchment area.
14. Capita Symonds has been commissioned to undertake various site surveys and undertake consultations with Development Control, Building Contract etc on the project.
15. An indicative programme has been compiled which shows completion of the new school in the financial year 2012-13.
16. This report requests approval to spend that budget.

FINANCIAL/RESOURCE IMPLICATIONS

Capital

17. On 29th June 2009 Cabinet approved the recommendation to add £7.5 million to the Children's Services and Learning Capital programme for the rebuild of Newlands Primary School. Funding for the project is shown below:

Source of Funding	£
Targeted Capital Fund	2,960,000
Primary Capital Programme	4,240,000
Devolved Formula Capital	75,000
Access Initiative	50,000
Modernisation	175,000
TOTAL:	7,500,000

The project is currently at RIBA work stage B (detailed feasibility study) and hence the budget reflects the best estimate of costs prior to the completion of the detailed feasibility work and prior to detailed design.

18. This budget to cover:
- All construction costs,
 - Demolition of the existing school and landscaping of the site,
 - Information and communication technology (ICT),
 - Furniture and equipment,
 - Fees and charges,
 - Contingency sums are included in the above.

Revenue

19. School funding is delivered through the Dedicated Schools Grant (DSG), with schools primarily funded through pupil numbers. However, the increase in pupil numbers will be contained within the DSG and the Individual Schools Budget (ISB).
20. The new school will have lower long term maintenance costs (which will mean a reduced call on the planned maintenance budget) and the new building will benefit from lower running costs than the present school premises. Any savings from lower running costs will accrue to the ISB.

Property

21. The property proposals in this report are consistent with the corporate AMP. The Primary Capital Programme is amongst the top 20 priorities for the Authority. The reduction in the repairs and maintenance backlog that will be achieved by this development forms part of the corporate property strategy.

Other

22. None.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

23. The provision of facilities for schools, including the provision of land and buildings, together with the maintenance and renewal of such facilities is made in accordance with the Education Act 1996 as amended. Capital expenditure within the Council is subject to the provisions of the Financial Procedure Rules as set out in the Council's Constitution.
24. In addition the proposal assists in improving the early childhood provision and the sufficiency of childcare available, which are new duties on the Council imposed by the Childcare Act 2006.

Other Legal Implications:

25. In designing and constructing the new school building, regard will be had to the Human Rights Act 1998, Equalities legislation and the Disability Discrimination Act 1995.

POLICY FRAMEWORK IMPLICATIONS

26. The proposals outlined in this report are consistent with the proposals set within:

- The Children and Young People's Plan
- The Medium Term Plan

Insofar as they provide for enhanced facilities for young people and the wider community.

SUPPORTING DOCUMENTATION

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

Appendices

1.	Newlands Primary School Project Initiation Document Annex 1 – Summary of Costs - Confidential Annex 2 - PID
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Documents In Members' Rooms

1.	None
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Background Documents

Title of Background Paper(s) Cabinet Report 23.05.05 Minutes of CS&L Capital Board 05.12.06 Cabinet Report 16.03.09	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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1.	Primary Strategy for Change	
2.	Cabinet Report Item No A03 (16 th March 2009) – Determination of School Admission Arrangements 2010-11	

Background documents available for inspection at: Floor 5, Frobisher House, Southampton

KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:	Redbridge
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Newlands Primary Rebuild: Project Initiation Document (PID)

Document Ref:	
Version:	2
Author:	Richard Hards
Date:	26 th May 2009

1 Project Initiation Document History

1.1 Document Location

The source of the document will be found on the project's folder in location

G:\PL\SCHOOL PLACES\Cabinet_reports\Cabinet 2010_reports\Cabinet 15.02.10 Newlands Primary School\Newlands Project Initiation Document.doc

1.2 Revision History

Version Number	Date	Amended by	Remarks/ Reason for change
2	5/2/10	Rob Carr	Changes to financial information

2 Table of Contents

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3 Introduction/Background

- 3.1** On 23rd May 2005 the Cabinet decided that “Newlands Primary to be rebuilt on its existing site at 1½FE with Early Years provision”. However, on 5th December 2006 the CS&L Capital Board decided to defer the project as insufficient funding was available at that time.
- 3.2** The Capital Board further agreed that the project would not be able to proceed until funding from the Primary Capital Programme became available.
- 3.3** In May 2009 the DCSF approved the SCC Primary Strategy for Change and this approval released funding for the Primary Capital Programme, so enabling this project to be restarted.
- 3.4** This Project Initiation Document will be revised as new or additional detail and information becomes available as the building design is developed.

4 Project Definition

4.1 Objectives

- 4.1.1 To rebuild Newlands Primary School as a two form entry primary school.
- 4.1.2 For the new building to achieve BREEAM “Very Good” rating.
- 4.1.3 To reduce the carbon footprint of the school.
- 4.1.4 To provide a building that will enhance its locality and provide a spur to raising standards.
- 4.1.5 To integrate the school building and site with adjacent NHS and Sure Start premises.

4.2 Defined method of approach

- 4.2.1 The new school building is to be constructed within the curtilage of the existing site. During construction the existing school will continue to function. Once construction is completed the school will move into the new building and then the existing building will be demolished and restored to playing fields.
- 4.2.2 The construction process will be commissioned as a fully designed and detailed plan tendered on the IESE Framework.
- 4.2.3 All design services will be provided by Capita Symonds within the Strategic Partnership

4.3 Scope

- 4.3.1 Building of a new 2FE primary school with Early Years provision on the existing Newlands Primary School site.
- 4.3.2 Demolition of the existing school and reinstatement of the site as playing field.
- 4.3.3 The integration of the Pickles Coppice NHS facilities and the Sure Start building with the school subject to appropriate funding being available.
- 4.3.4 Provision of space within the school site for an adventure playground which will be built once funding is available.
- 4.3.5 Furniture, equipment and IT for the new school building.

4.4 Project Costs & Budget

4.4.1 The approved budget for the rebuild of Newlands Primary School is £7,500,000.

The budget is made up as follows:

	£
Targeted Capital Fund	2,960,000
Primary Capital Programme	4,240,000
Devolved Formula Capital	75,000
Access Initiative	50,000
Modernisation	175,000
Total	7,500,000

The approved budget will cover:-

- All construction costs
- Demolition of the existing school and landscaping of the site.
- Information and communications technology
- Furniture and equipment

Contingency sums are included within all of the above figures.

4.4.2 Expenditure will be phased as follows:

	£
Up to end of 2008/09	106,000
2009/10	200,000
2010/11	300,000
2011/12	3,000,000
2012/13	3,000,000
2013/14	894,000

4.5 Financial Assumptions

- 4.5.1 Capita Symonds have been commissioned to undertake a feasibility study for this project. The detailed feasibility study (RIBA workstage B) will be completed by March 2010.
- 4.5.2 The budget breakdown is set out in the confidential annex to this PID:-

4.6 Financial Risks

- 4.6.1 The main financial risk is that the budget is insufficient to meet the required level of accommodation for the school to deliver the curriculum.
- 4.6.2 See also Section 11.

4.7 Project Deliverables

- 4.7.1 Cabinet Reports
 - (i) To obtain approval to include Newlands Primary rebuild in the CS and L Capital Programme.
 - (ii) To obtain approval to spend the allocated budget.
- 4.7.2 The Design Brief – detailing the end users accommodation requirements to the design team
- 4.7.3 Feasibility Study – the output of RIBA Stage A.
- 4.7.4 Tender documentation – RIBA Stage 9, ie the culmination of RIBA Stages A to F.
- 4.7.5 Risk Register
- 4.7.6 Tender report – the output of RIBA Stage H.
- 4.7.7 Project Board Reports
- 4.7.8 Project File
- 4.7.9 Project Plan
- 4.7.10 Construction Programme

4.8 Exclusions

- 4.8.1 This project is solely about the building of a new 2FE primary school on the existing Newlands Primary School site on Ullswater Road, Millbrook and specifically excludes any matters appertaining to school governance or management of the school.

4.9 Constraints

- 4.9.1 Building Bulletin 99 gives guidance on the accommodation requirements for primary schools. This project should conform to the guidance.
- 4.9.2 The project must be delivered within budget.
- 4.9.3 The new school building should be completed by April 2013.
- 4.9.4 Planning conditions will restrict the development.

4.9.5 Mature trees on the site will restrict the development.

4.10 Assumptions

4.10.1 There will continue to be a primary school on the Ullswater Road site.

4.10.2 DCSF funding will not be withdrawn or scaled back.

4.10.3 The project will be procured in accordance with SCC Financial Rules and SCC Procurement Rules.

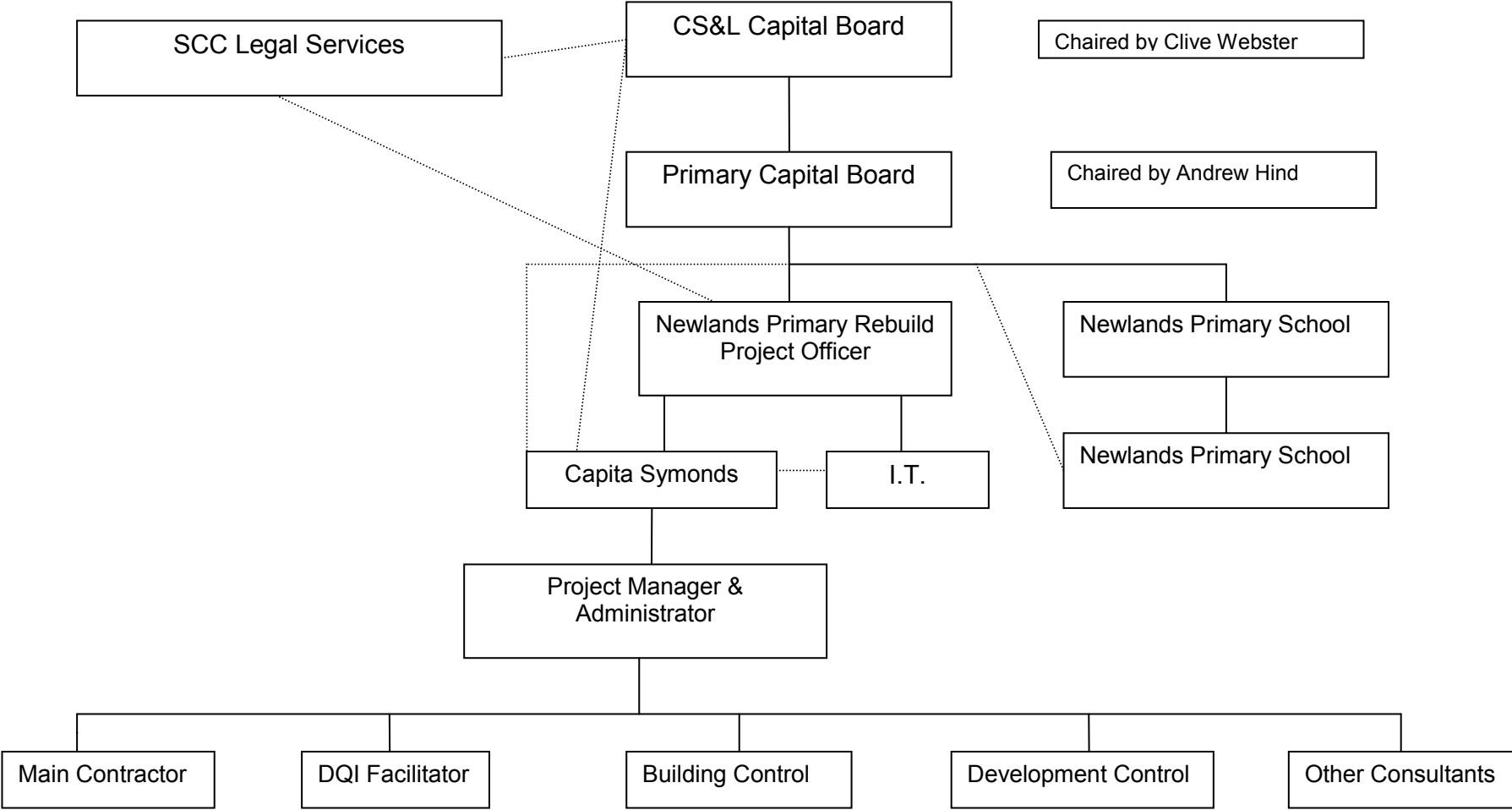
4.11 Interdependencies

4.11.1 Newlands Primary School is an integral part of primary school provision within Southampton. Given the pressure on primary places into the foreseeable future, the 420 places at Newlands are important to the overall provision of primary school places.

5 Define Method of Approach

- 5.1 The project will be delivered through the Strategic Partnership with Capita.
The main contractor will be procured by means of the IESE framework.

6 Project Organisation Structure



7 Communication Plan

- 7.1 It is an incontrovertible rule that once the main contractor has been appointed the only person who can give instruction to the contractor is the Capita Symonds Project Administrator.
- 7.2 During RIBA Stages A to H the Project Officer will maintain communications with the head teacher and governors. The frequency of this contract will be determined by need but the minimum is one meeting per half term with the head teacher. Attendance at governors' meetings will be by invitation otherwise the Headteacher will keep the governors informed.
- 7.3 From RIBA Stage J onwards regular site meetings will be programmed – normally monthly. There will be a standing invitation for the head teacher and chair of governors to these meetings. If neither decides to attend then the Project Officer will update them in the week following the meeting.
- 7.4 Consultation meetings will be organised for all stakeholders during the development of the design brief and once the design has been decided.
- 7.5 The project will be included in the CS and L Project Update Bulletin which is published fortnightly.

8 Project Controls

8.1 Reporting and Monitoring

- 8.1.1 The Primary Capital Board will receive a report at each of its meetings for the duration of the project.
- 8.1.2 If the Board considers it necessary then they will escalate an issue to the CS and L Capital Board for a decision.
- 8.1.3 Capita Symonds will submit a monthly update report to the Capital Monitoring Group.

8.2 Change Management

The Project Officer may approve any changes to the scheme provided that they:

- i. Would not result in overspend
- ii. Do not contravene the Cabinet approval to incur expenditure.
- iii. The head teacher is consulted about the proposed change.
- iv. If the head teacher does not approve the proposed change then it will be escalated to the Primary Project Board who will either approve the change, reject the change or escalate to the CS and L Capital Board.

8.3 Issue Management

- 8.3.1 Any issues arising during the duration of this project will be resolved by the Project Manager in the first instance.
- 8.3.2 Thereafter issues will be determined by the Assets and Capital Strategy Manager.
- 8.3.3 Should an issue be beyond his authority to resolve then he will escalate the issue to the Primary Capital Board.
- 8.3.4 The Primary Capital Board may escalate an issue to the CS and L Capital Board.
- 8.3.5 In the case of an urgent issue requiring a Capital Board level decision then the Executive Director CS and L will take an appropriate decision and this will be reported at the next Board meeting.

9 Project Plan

7.1	RIBA Stage A	Present to mid July 2009
7.2	RIBA Stage B	From end of Stage A to end August 2009
7.3	RIBA Stage C	From end of Stage B to end April 2010
7.4	RIBA Stage D	From end of Stage C to end September 2010
7.5	RIBA Stages E&F	From end of Stage D to beginning March 2011
7.6	RIBA Stages G&H	From end of Stage F to beginning Sept 11
7.7	RIBA Stage J	From end of Stage H to mid December 11
7.8	RIBA Stage K	
	Construction of new school	From end December 2011 to end March 2013
	Demolition of existing school	From beginning March 2010 to mid April 2013
	Landscaping	From mid April 2012 to end June 2013

10 Quality Plan (if appropriate)

- 10.1 The building must achieve a BREEAM rating of “Very Good”.
- 10.2 The building must produce a 60% carbon saving compared to if it had been built to 2002 Building Regulations.
- 10.3 The development must conform to current Building Regulations.
- 10.4 The development must comply with all planning conditions.

11 Risk Management

11.1 Risk Management Overview

There are risks associated with the various aspects of carrying out any major construction project.

11.2 Risk Management Process

The Risk Register will be regularly reviewed during the duration of the project.

11.3 Initial Risk Register (Proximity to be detailed in Quality Plan)

Attached as Annex 2

<G:\PL\SCHOOL PLACES\Cabinet reports\Cabinet 2010 reports\Cabinet 15.02.10 Newlands Primary School\Newlands - Risk Register.xls>

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Document is Confidential

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Risk Ranking Definitions

<p>High Risk High Risk – these are classed as primary or critical risks requiring immediate attention. Risks that can have a catastrophic effect on the operation of the Council. This may result in significant financial loss in excess of £1m+ or 75% of the budget. It can also result in major service disruption and / or a significant impact on the public. They usually occur infrequently and can be extremely difficult to predict. They may have a high or low likelihood of occurrence but their potential consequences are such that they must be treated as a high priority. This may mean that strategies should be developed to reduce or eliminate the risks, but also that mitigation in the form of (multi agency) planning, exercising and training for these hazards should be put in place and the risk monitored on a regular frequency. Consideration should be given to planning being specific to the risk rather than generic.</p>
<p>Medium Risk Medium risk- these risks are classed as significant. Risks that have a noticeable effect on the services provided. Each one will cause a degree of disruption to service provision. Where they can be quantified in monetary terms the loss will be in excess of £100,001 but less than £1m. They are more likely to happen infrequently and generally difficult to predict. More than on High loss a year can have substantial consequences for service provision. They may have a high or low likelihood of occurrence, but their potential consequences are sufficiently serious to warrant appropriate consideration after those risks classed as 'very high'. Consideration should be given to the development of strategies to reduce or eliminate the risks, but also mitigation in the form of at least (Multi agency) generic planning, exercising and training should be put in place and the risk monitored on a regular frequency.</p>
<p>Low Risk Low risk – these risks are less significant / unlikely to occur and not significant in their impact but may cause upset and inconvenience in the short term. Consequences are not severe and any associated losses will be relatively small. Where losses can be quantified in monetary terms they will be less than £100,000. As individual occurrences they will have little or no effect on continuity of service provision. However, if action is not taken then such risks may have a more significant cumulative effect. These risks should be monitored to ensure that they are being appropriately managed and consideration given to their being managed under generic management arrangements.</p>

Risk Profile Mitigation Actions

Impact on Business Objectives		Significant (4)	M	M	M	M	H	H
		Moderate (3)	M	M	M	M	M	M
Impact on Business Objectives		Minor (2)	L	L	L	L	M	M
		Insignificant (1)	L	L	L	L	L	L
			Rare(1)	Unlikely (2)	Possible (3)	Probable (4)	Likelihood of occurrence	

Risk Profile Current Actions

Impact on Business Objectives		Significant (4)	M	M	M	M	H	H
		Moderate (3)	M	M	M	M	M	M
Impact on Business Objectives		Minor (2)	L	L	L	L	M	M
		Insignificant (1)	L	L	L	L	L	L
			Rare(1)	Unlikely (2)	Possible (3)	Probable (4)	Likelihood of occurrence	

High Risk	Significant Risks to be addressed and monitored
Medium Risk	Major Risks to be addressed and monitored
Low Risk	Minor / Moderate risks to be considered and monitored

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Communication	Stakeholder engagement	Potential for changes in client requirements. Political pressures. Potential increase in costs and delay	All	Standard managerial processes	Medium	1. Process map to identify key interfaces and define involvement of personnel / Depts. 2. Produce communication plan to ensure comprehensive engagement. 3. Site visits to be arranged for key stakeholder groups where programme allows. 4. Robust change control measures to be maintained, based on 'Frozen Design'	Low
	Political interest	Potential for changes in client requirements. Political pressures. Potential increase in costs and delay	Client	Standard managerial processes	Medium		Low
	Change of Head Teacher	Potential for changes in client requirements. Political pressures. Potential increase in costs and delay	Client	Standard managerial processes	Medium		Low
Inadequate Resources	Poor performance due to lack of Client resources	Potential for late issue of information, leading to delays on site.	Client	Standard managerial processes	High	1. Board meetings should review departmental resources. 2. Contractor to issue RFI schedule so that resources can be reviewed. 3. Programme to be kept up to date and circulated to aid resource reviews. 4. All parties to review leave commitments and ensure cover is available. To be reviewed monthly.	Low
	Poor performance due to lack of Capita resources	Potential for late issue of information, leading to delays on site.	Capita	Standard managerial processes	High		Low
	Poor performance due to lack of Contractor resources	Potential for late issue of information, leading to delays on site.	Contractor	Standard managerial processes	High		Low
	Poor performance due to lack of Sub-Contractor resources	Potential for late issue of information, leading to delays on site.	Contractor	Standard managerial processes	High		Low
	Changes in personnel within Project Team	Loss of intellectual knowledge leading to potential delays	All	Standard managerial processes	Medium		Medium
	Engagement of all client department - highways, etc ?	Potential for delays and increased costs	Capita	Extensive engagement with planners. Conditions understood and being actioned	Medium	To be kept under review at Progress and Board Meetings. Early engagement essential where issues arise.	Medium
Contractor issues	Inability to get labour	Potential for delays and increased costs	Contractor	Sound procurement strategy, and established management procedures	Medium	1. Management processes to be fully utilised. 2. Early notification of any issues through established communication routes	Medium
	Contractor insolvency	Potential for delays and increased costs	Contractor	Sound procurement strategy, and established management procedures	Medium		Medium
	Sub-contractor insolvency	Potential for delays and increased costs	Contractor	Sound procurement strategy, and established management procedures	Medium		Medium
	Ability to get materials	Potential for delays and increased costs	Contractor	Sound procurement strategy, and established management procedures	Medium		Medium
	Contractor performance	Potential for delays and increased costs	Contractor	Sound procurement strategy, and established management procedures	Medium		Medium

Adequacy of design	Design changes lead to delays on site and increased costs	Capita		High	1. Early contractor involvement. 2. Design review at early stage. 3. RFI schedule to be issued and reviewed regularly	Medium		
Certification & compliance	Potential for delays and increased costs	Contractor		Medium	1. Regular review on site. 2. Utilisation of Clerk of Works	Medium		
Site issues	Underground services located on site	All	All relevant surveys completed	Medium	Early notification of any site issues through established communication plan	Medium		
	Ecology surveys required	All	All relevant surveys completed	Medium		Medium		
	Poor ground conditions	All	All relevant surveys completed	Medium		Medium		
	Adverse weather	All	All relevant surveys completed	Medium		Medium		
	Greater contamination found on site	All	All relevant surveys completed	Medium		Medium		
	Archaeology exposed	All	All relevant surveys completed	Medium		Medium		
	Health and Safety	Accidents on site lead to HSE investigation and potential delays on site	Contractor	Employ all relevant H&S protocols and constantly monitor on site		Medium	Additional audits to ensure compliance	Medium
	Vandalism	Increased costs, and potential delay on site leading to later completion	All	All relevant surveys completed		Medium	Community engagement could be used to ensure residents see scheme as a benefit to the community in general	Medium
	Legislation and brief	Adequacy of brief	Client / Capita			Medium	1. Stakeholder engagement and management of project expectations / aspirations. 2. Maximum change control, Minimum variations.	Medium
		Change in legislation	Client / Capita			Medium		Medium
Change in client personnel / requirements		Client / Capita		Medium	Medium			
Handover Process	Definition of 'snagging' items	All	Constant programme review	High	1. Pre- Handover process to be agreed. 2. Handover and Transition programmes to be considered and reviewed.	Medium		

	Political pressure to take possession	Quality suffers. Disagreements on whether completion has been reached. Potential delay to handover, or client forced to accept inferior product. Knock on affect on whole life costing.	All		Constant programme review	High		Medium
Quality	Sub-contractor work	Programme pressures lead to loss of quality control. Potential delays through handover process. Potential increased lifecycle costs	All			Medium	1. Programme to be reviewed regularly at site progress meetings. 2. Early notification of issues. 3. Pre- Handover process to be agreed.	Medium
	Higher maintenance costs	Programme pressures lead to loss of quality control. Potential delays through handover process. Potential increased lifecycle costs	All			Medium		Medium
	Employment of Clerk of Works	Lack of on site presence leads to potential loss of quality control. Potential delays through handover process. Potential increased lifecycle costs	Client			High	Engage a Clerk of Works to ensure quality standards are maintained	Medium
Contingency Planning	School not available for occupation in July 2012	Political ramifications. Extensive delay to decant of existing school. Increased costs	Client		Place on corporate risk register	High	1. Ensure that a contingency plan is in place and reviewed at regular intervals. 2. Extensive review of programme and progress on site through Board and Site Progress Meetings 3. Incorporate all suggested mitigation actions.	Medium

Agenda Item 19

DECISION-MAKER:	CABINET		
SUBJECT:	SELECTION OF PARTNERS FOR SPORT AND RECREATION PARTNERSHIPS		
DATE OF DECISION:	15 FEBRUARY 2010		
REPORT OF:	CABINET MEMBER FOR LEISURE, CULTURE AND HERITAGE		
AUTHOR:	Name:	Mike Harris	Tel: 023 8083 2882
	E-mail:	mike.d.harris@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY

Appendices 2, 3 and 4 of this report are not for publication by virtue of Categories 3 and 4 of paragraph 10.4 of the Council's Access to Information Procedure Rules as contained in the Council's Constitution. It is not considered to be in the public interest to disclose this information because the Appendices contain confidential and commercially sensitive information which would impact on the integrity of a commercial procurement process and the Council's ability to achieve 'Best value' in line with its statutory duties.

SUMMARY

This paper updates Cabinet on the progress of the Council's proposed Sport and Recreation Partnerships and requests that a number of recommendations are considered.

The Council has undertaken two procurement processes to identify partners for two separate Partnership packages:

- Package 1 relates to the Municipal Golf Course
- Package 2 includes the Quays 'Eddie Read' Swimming and Diving Complex, Bitterne Leisure Centre, Chamberlayne Leisure Centre, Woodmill Activities Centre, Southampton Water Activities Centre, the Outdoor Sports Centre (including outlying pitches and the Paddling Pool on Southampton Common) and Southampton Alpine Centre.

The Cabinet report of 28 July 2008 identified three key outcomes as the aspirations for this project which are:

- Increased participation and widening of access for the Council's Leisure facilities
- Improved quality and customer satisfaction
- Reduced net cost

A competitive dialogue process is being undertaken to secure a partner to manage and operate the Southampton Municipal Golf Course (Package 1). Shortlisted bidders are currently preparing their final tenders in respect of this proposed contract. Approval is sought from Cabinet to delegate authority to officers, following appropriate consultation with members, to proceed with the selection of a preferred bidder for the management and operation of Southampton Municipal Golf Course, as detailed below, to enable adherence to the project timeline.

For package 2 a competitive dialogue procurement was also undertaken which enabled the delivery of short listing bidders, intense dialogue period, receipt and evaluation of final tenders and this paper is being brought to Cabinet to report on the outcomes of the competitive dialogue process and seek approvals as set out in the recommendations below.

In seeking approval to secure a new partner to operate and manage the facilities outlined in package 2 this paper also seeks approval to spend section 106 monies to improve the Sport Centre provision by undertaking major replacement and rejuvenation for the Athletics track and synthetic turf pitches. This positive commitment by the Council will create a platform of opportunity for growth for both the proposed preferred bidder and the Council.

RECOMMENDATIONS:

- (i) To consider the objections received and to authorise the disposal to the preferred bidder by way of a 15 year lease for Package 2 and an agreed lease for Package 1, the list of properties set out in appendix 1, in order to facilitate the contract awards.
- (ii) To delegate authority to the Executive Director of Neighbourhoods, in consultation with the Executive Director of Resources and the Solicitor to Council following consultation with the Cabinet Member for Leisure,, to appoint a preferred partner for the management and operation of Package 1 (Southampton Municipal Golf Course) in accordance with the framework as set out in confidential appendix 2.
- (iii) To appoint the preferred partner (identified at confidential appendix 3) to manage and operate the leisure facilities identified in package 2 (excluding the grounds maintenance for outlying sports pitches), for a contractual period of 15 years, at or below the level of annual management fee set out in section 9 of confidential appendix 3, and delivering an average net annual saving equal to or greater than the savings figure set out in section 10 of confidential appendix 4.
- (iv) To delegate authority to the Solicitor to the Council, following consultation with the Executive Director of Neighbourhoods and Executive Director of Resources to finalise and enter into contractual arrangements with preferred partners for both package 1 and 2 with contracts commencing on 1st September 2010, subject to the preferred partner for Package 1 fully meeting the criteria set out in confidential appendix 2.
- (v) To approve, in accordance with finance procedure rules, capital expenditure of £198,000 on Improvements to the Athletics Track at the sports centre and £48,000 on Improvements to synthetic turf pitches at the sports centre, provision for which exists in the Leisure, Culture and Heritage capital programme for 2010/11.
- (vi) To approve the preferred way forward for the development of PE and Sport facilities at Chamberlayne Park College and the ongoing relationship with Chamberlayne Leisure Centre.

- (vii) To authorise the Solicitor to the Council following consultation with the Executive Director of Neighbourhoods and the Executive Director of Resources to do anything necessary to give effect to the proposals contained within this report including, but not limited to, the entering into of agreements, bonds, leases, further advertisement of any property matters and such other matters as are ancillary to or expedient for the completion of the project.

REASONS FOR REPORT RECOMMENDATIONS

1 Package 1

The Council proposes to let a 12 year contract for the management and operation of the Municipal Golf Course. Following issue of an OJEU notice advertising this opportunity in August 2009, the Council is near completing a short and focussed Competitive Dialogue procurement process. The Pre Qualification and Detailed Solutions stages of this procurement have now been completed.

The Council is continuing to engage in Dialogue with 3 bidders with a view to inviting Final Tenders at the end of February 2010. Following evaluation of these tenders, the Council proposes to identify a preferred bidder who is best able to meet the objectives of the project in their Final Tender. Through the recommended delegated authorities (subject to the framework set out in confidential appendix 2), the Council will ensure that a contract handover date of 1 September 2010 can be achieved.

2 Package 2

The Dialogue undertaken with bidders has identified that there are a range of benefits to the Council in securing a 15 year partnership for package 2. By securing a partner the project will contribute to meeting the Council's three main outcomes for its Sport and Recreation Services by:

- Increasing participation;
- Providing a sustainable platform of investment that develops the services which includes addressing the repairs, maintenance and major equipment and replacement issues for the life of the contract;
- Creating opportunities to contribute to the City health issues;
- Improving choice for customers by offering for example on line bookings and payment;
- Providing a dedicated resource to develop partnerships and funding for the services;
- Reducing the net subsidy to the Council;
- The Council creating a partnership that will work together to improve and develop its existing leisure facility provision but also explore the opportunity for new provision.

- 3 To allow the Council to appoint a preferred bidder and subsequently finalise the contract through a fine tuning stage from late February to the end of April 2010. The purpose of this phase would be to undertake any fine tuning necessary to allow contract completion and meet the handover date target of the 1 September 2010.

CONSULTATION

Trade Unions

- 4 This report has been shared with the Trade Unions. Any comments that they make upon the report shall be submitted under separate cover to Cabinet members at the meeting. Trade unions who have signed a confidentiality agreement have also seen details of the shortlisted bidders and their final tenders. Regular consultation meetings have taken place with the unions throughout both package 1 and 2 procurement processes.

Sport and Recreation Staff

- 5 Staff at Sport and Recreation facilities have been kept informed via regular meetings at the various facilities throughout the procurement, newsletters and dedicated intranet pages. A dedicated email address is available for all staff to contact the project team.

Customers and Stakeholders

- 6 Customers and other stakeholders have received regular newsletters about the proposals and previous investors in the facilities such as Sport England have been kept informed. All residents have been consulted about the Council's plans by way of advertisements placed informing residents about the Council's intention to grant leases on open spaces relating to both packages. As a major stakeholder, NHS Southampton City has been involved in the evaluation of proposals for addressing the City's Health and Well Being.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 7 The Council has used Public Sector Comparators (PSC) developed for both packages and refined since the Cabinet report of 28 July 2008 in assessing the suitability of bids against the current financial performance of the Council.
- 8 Bidders for Package 2 were initially asked to make proposals to carry out the grounds maintenance of facilities at the Sports Centre and outlying sports pitches. Proposals were judged to provide no additional value to the Council and therefore this responsibility will remain with the Council's Neighbourhood Services team.
- 9 Initially in July 2008 it was proposed to include St Mary's Leisure Centre and Oaklands Swimming Pool in the facilities offered in Package 2. However, these were withdrawn from the package advertised to enable other options to be explored and developed in the future in relation to those sites.
- 10 A final option is not to pursue the letting of contracts for Package 1 and Package 2. It is felt that not entering into a partnership with partners will fail to contribute to the Council's 3 key objectives for Sport and Recreation. The financial, quality and increased participation benefits outlined in this paper will not be fully achieved by maintaining the current operation model for Sport and Recreation.

DETAIL

Procurement and Tender Process Package 2

- 11 The Council established a project governance structure for this project commensurate with procurement projects of this size and value. This included

initial planning advice from Capita Symonds, procurement advice from Max Associates and legal advice and support from Sharpe Pritchard. The process has been guided by a Project Manager and project team reporting to a Project Board, Capital Project Board and the Cabinet Member for Leisure Culture and Heritage.

- 12 The project has been subject to a detailed inspection and report (published 26 June 2009) by the City Council's internal audit department who concluded that substantial assurance could be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management's objectives.

Procurement and Evaluation Process

- 13 A full breakdown of this activity is detailed at Appendix 3. The Council established prior to Detailed Solutions stage Evaluation Criteria and bidders were required to submit method statements together with income and expenditure projections relating to various aspects of the contract at both detailed solutions and final tender stage.

Meeting the Council's Objectives

- 14 The Cabinet set three key outcomes for this procurement process in July 2008. Below is a summary of the preferred bidder performance against these outcomes.

a) Increasing Participation in Sport and Physical Activity

The preferred bidder has produced a range of ideas and commitments which contribute to this Council aim, which is measured through the City's Local Area Agreement (2008-11). The preferred bidder made a commitment to increase participation and has proposed to introduce or develop such initiatives as:

- Developing partnerships with all Active Southampton member organisations.
- Increasing the intensity of marketing and promotion of all facilities, particularly outdoor venues
- In partnership with the Council, invest in facilities throughout the course of the contract.
- Making facilities more accessible through the development of revised membership schemes and flexible pricing structures.

In addition the preferred bidder has agreed to meet a key performance target of increasing participation by 3% per year for the first five years. Future increases in participation will be targeted throughout the life of the contract.

The preferred bidder will be taking the risk on securing income and will also be required to increase the expenditure into the service to drive and deliver the increased participation targets. In addition, if surpluses are realised during the contract, The Council will retain a percentage of these surpluses for the indoor and outdoor centres (the percentages have been proposed by the bidders as part of their financial proposals and are detailed at Appendix 3).

The evaluation panel has concluded that the bid meets the Council's requirements but has some concerns that a clear strategy for increased usage is not fully evidenced in the bid; however minor concerns will be further addressed at 'fine tuning stage'

b) Improved Quality and Customer Satisfaction

The preferred bidder has demonstrated extensive experience of managing contracts of similar size and duration. The preferred bidder broadly meets the Council's expectations in this area but is not able to demonstrate substantial evidence of higher quality provision and increased customer satisfaction through either its method statements or evidence through existing contracts. The preferred bidder will be expected to improve on the Council's performance through the Quest accreditation scheme incrementally over the course of the contract and customer satisfaction will be measured twice a year and the preferred bidder is committed to meeting the Council targets which are:

- Achieving a minimum 1% per assessment cycle increase in Quest scores, and achieving Quest for non-accredited facilities within 1st year of contract.
- Increase in usage of concessionary card by 1% per annum over first five years of contract.
- Adherence to published programming and pricing strategies agreed with the Council
- Reductions in accidents and staff turnover
- Achievement of energy saving plans and targets.
- Achieving target scores agreed with the Council in respect of customer satisfaction
- All customer feedback analysed and necessary action taken

The Client function of the Council will be responsible for monitoring the Contractor's performance against these targets

c) Reduced Net Subsidy

Both bidders are able to offer Non Domestic Rates savings through their organisational structures. Bids have been evaluated against the Council's Public Sector Comparator and the estimated savings are detailed in Appendix 3. The immediate budgetary saving is set out in paragraph 19 below. It must be noted that bidders have been asked to factor in significant repairs, replacement and maintenance responsibilities in to their management fees which would otherwise have required council funding at some point in the future. This is due to the need to deal with these matters within a contractual framework. The facilities concerned will also be subject to a much higher standard repairs and maintenance regime than the Council has typically implemented in the past.

Other key drivers of this procurement process were to encourage the bidders to develop and or contribute to:

- Investment in the facilities

- Investment in additional facilities and services
- Support for the community sports programme including Active Southampton, the City's Health and Well Being agenda and contribution to reducing the environmental impact of the facilities.

Details of how the preferred bidder has contributed to these are contained in Appendix 3.

Chamberlayne Leisure Centre

- 14 The development of new facilities at Chamberlayne College for the Arts through Building Schools for the Future (BSF) is being planned concurrently with the Package 2 procurement process. As the school is entitled to and is considering new PE and Sport facilities through BSF, the Council needs to ensure that any new provision is complementary to the existing facilities at Chamberlayne Leisure Centre.
- 15 To ensure that a potential duplication is avoided, officers from Leisure and Culture and the BSF team have been working together to plan new provision that will create additional, complementary opportunities for community sport. The risk of agreeing investment in duplicate indoor provision at the school is that the Council's preferred partner may lodge a loss of income claim should existing Leisure Centre users be displaced to the new facility. Bidders have received clarification on this latest position

FINANCIAL/RESOURCE IMPLICATIONS

Capital

- 16 The preferred bidder has included a range of capital investment proposals over the duration of the contract funded through a range of sources. In addition, there is the opportunity for the Council to work with the preferred bidder on a number of other projects. This does not commit the council to any expenditure and whether these opportunities are taken forward will depend on the availability of funding at the time.

Expenditure at the Sports Centre

- 17 Cabinet is asked to approve expenditure on two projects at the Outdoor Sports Centre. Both projects, which are funded from section 106 contributions, are envisaged to be delivered in the months prior to handover to a preferred bidder on 1 September 2010. The facilities require immediate investment to ensure they meet a required standard of playing surface for the activities they are currently utilised for. Details of the projects are shown below:
- a) Rejuvenation of two Sand Filled Synthetic Turf Pitches – the surfaces of these pitches was last improved in 1999 prior to Southampton's hosting of the Millennium Youth Games. The surfaces have now reached the end of their expected life and are showing signs of significant wear and tear. Independent appraisal of the options available to the Council for their rejuvenation has suggested that a rejuvenation and repair project will extend the life of the surfaces by approximately 5 years. The cost of this project is £48,000.

- b) The current Athletics Track surface was laid in 1999 and now falls below the standards required for full certification by UK Athletics which enables it to host key athletics meets and the activities of Team Southampton (the club based at the track). Re-laying of the track will need to take place in the spring and summer months when average temperatures are suitable for the track bonding and surface layers to set. The cost of this new surface is £198,000.

Revenue

- 18 Checks have been undertaken to establish the preferred bidder's ability to deliver the contract as per the Council's requirements and within the context of their proposed management fee.
- 19 The saving expected after evaluation of bidders' proposals is set out in Appendix 4. These savings are assessed over the full 15 year contract period.
- 20 In budgetary terms, the budget papers considered at Cabinet on 1 February 2010, showed that savings of £111,000 in 2010/11 (increasing to £407,000 in 2011/12) could be expected. This takes account of savings on central repairs and maintenance budgets as well as savings on operational budgets in the Leisure, Culture and Heritage portfolio.
- 21 It should be noted that the council is still left with taking the financial responsibility for certain risks in relation to repairs and maintenance, utilities and pensions. These issues are examined in the paragraphs below and the financial implications included in appendices 3 and 4.

Property

Leases

- 22 The Council has been obliged to advertise its intention to grant leases on areas of Open Space contained within both Package 1 and 2, compliant with Section 123 of the Local Government Act (1972). The intention to grant an overriding lease on some of the sites was advertised in the Southampton Daily Echo for two consecutive weeks being 30 November 2009 and 7 December 2009 and following these advertisements the general public had until 7 January 2010 to lodge an objection to the proposals. The Solicitor to the Council has received written objections following the advertisement process which are located at Appendix 1 for formal consideration by Cabinet.
- 23 The Council will be agreeing to grant overriding leases on the various facilities which outline the repairs and maintenance responsibilities of the preferred bidder. The preferred bidder will also be responsible for managing existing leases within the facilities in Package 2 including the Sporting View public house and Sports Centre Pleasure Park.

Repairs and Maintenance

- 24 The preferred bidder will take responsibility for most aspects for repairs and maintenance and in addition will be responsible for major replacement of most equipment and plant (as defined in an agreed schedule). The Council will retain responsibility solely for the structure and latent defects of the buildings and the boiler at Chamberlayne Leisure Centre (which has an estimated remaining lifespan that extends beyond the proposed life of the contract). This

will be limited in extent by an agreed, detailed Schedule of Condition for each property including plant and machinery. In addition an annual inspection will be undertaken to ensure compliance with the repairing obligations contained in the leases. The expected benefits to the Council in respect of repairs, replacement and maintenance can be found in confidential appendix 3, together with information on how the risks would be funded if this was necessary.

Utilities

- 25 Through dialogue, the Council has agreed that the preferred bidder will take risk and responsibility for the consumption of utilities but the Council will retain risk on the cost of utilities (Gas, Water, Electricity and Geothermal power). This allows the Council to include Sport and Recreation facilities within its negotiated contracts through the Kent Laser Agreement. The preferred bidder will be responsible for all utility costs which occur due to any increases in consumption above the baseline agreed at handover. This approach is consistent with that adopted for the Council's Street Lighting PFI. The estimated risk that the Council may wish to plan for on an annual basis through the central risk fund can be identified in appendix 3.

The Quays and Watermark West Quay Development

- 26 The proposed Watermark West Quay development has the potential to impact on the operation and use of the Quays 'Eddie Read' Swimming and Diving Centre. Bidders have been requested to treat this as a market condition and show any impact of potential development in forthcoming years in their overall management fees. Bidders have also been informed that as part of the development agreement for the Watermark West Quay project, the developer will compensate the Quays operator for the loss of car parking for the duration of the development period and lease. The existing North Quays car park is 134 spaces and as part of the completed development the developer is to provide not less than 224 spaces in the WWQ development and South Quays car parks. It is envisaged (though not yet agreed) that an additional 61 spaces will be allocated from the existing Harbour Parade car park which will allow reconfiguration with the remaining South Quays car park. The additional spaces referenced above will create approximately 140 spaces of surface parking for use by Quays customers. Income from the car park at the Quays will be retained by the partner.

Other

Council's Residual Role and Structure

- 27 Both the preferred bidder and the Council see the Sport and Recreation Partnership as an ongoing relationship and the development of this will be key to the success of the contract. As such, the Council has agreed a residual client structure which includes contract management and sports development functions. Details of the costs and structure of the client function are included at paragraph 9 of the confidential appendix 4.

Transfer of Staff and Terms and Conditions

- 28 The preferred bidder has confirmed their understanding that TUPE applies to this contract and that they have a responsibility with regard to the Workforce

Code of Practice. In addition the preferred bidder will be seeking admission to the Local Government Pension Scheme (LGPS) but if this is refused they will provide a broadly comparable scheme as approved by the Government Actuary's Department (GAD). The quantification of risk and funding arrangements in this area is set out in appendices 3 and 4.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

- 29 The legal powers to pursue the procurement as outlined in this report are contained in the Local Government Acts 1972, 1999 and 2000. The power to provide leisure facilities derives from the Local Government (Miscellaneous Provisions) Act 1976. The procurement process itself is governed by the EU procurement Rules (as embodied in UK law by the Public Contracts Regulations 2006). The Council's Policy Framework and Budget are silent on the issue of a Sport and Recreation Partnership. The Cabinet will need to make their decisions in accordance with the Council's normal statutory duties, e.g. the duty to achieve best value in the manner in which it discharges its functions under the Local Government Act 1999 which requires all best value authorities, such as Southampton to: "...make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness". [Local Government Act 1999 – Section 3]

Other Legal Implications:

- 30 The Solicitor to the Council is also the City Council's Monitoring Officer and therefore needs to ensure that at all times the City Council is acting lawfully and within its powers. Prior to doing so, the Solicitor of the Council may need to seek Counsel's opinion that the Council is exercising requisite powers.

POLICY FRAMEWORK IMPLICATIONS

- 31 The 2008/09 Corporate Improvement Plan identified "To develop a long term strategy to address the future management of and secure sustainable investment in the City Council's sports and recreation facilities" as one of the key actions for the Leisure and Culture Portfolio. This paper proposed the long term strategy referred to in the Corporate Improvement Plan.

SUPPORTING DOCUMENTATION

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

Appendices

1.	Appendix 1 – Details of objections received relating to leasing of Open Space within Partnership
2.	Appendix 2 – Scheme of proposed officer delegation for Package 1 (Confidential)
3.	Appendix 3 – Information on Final Tenders Received (Confidential)
4.	Appendix 4 – Key Financial Information and Implications (Confidential)

Documents In Members' Rooms

1.	None
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Background Documents

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.	Cabinet Report A13 28 July 2008	
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Background documents available for inspection at: online

FORWARD PLAN No: LH03767 **KEY DECISION?** YES

WARDS/COMMUNITIES AFFECTED:	All
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Appendix 1 - Objection letters received for intended disposal of open space land.

Sport and Recreation Partnerships

Below is the wording that was included in advertisements in the Daily Echo 30th November and 7th December 2009

Included in the proposed Partnership is the management of some sports pitches and related facilities which are based within some of the City's parks. The leases which the Council is seeking to agree relate to the sports pitches and it is not the Council's intention to dispose of any other part of the Parks by lease or any other means. The Council will retain full freehold ownership of all the parks playing pitches and facilities contained within the proposed Sport and Recreation Partnership.

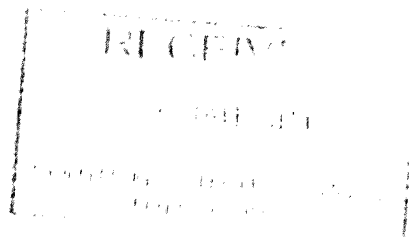
The pitches and facilities designated as Open Space included in the proposed Partnership are:

- Southampton Sports Centre
- Southampton Alpine Centre
- Outdoor Paddling Pool on Southampton Common
- Sports Pitches at Lordshill Recreation Ground
- Sports Pitches at Mayfield Park
- Sports Pitches at Green Park
- Millbrook Recreation Ground
- Sports Pitches at Veracity Recreation Ground
- Sports Pitches at Riverside Park
- Open Space at Chamberlayne Leisure Centre
- Sports Pitches at Hoglands Park

In addition, the Council is seeking a Management and Operation Partner for Southampton Municipal Golf Course.

In line with Section 123 of the Local Government Act (1972), the Council is required to advertise its intention to agree leases to ensure that members of the public have the opportunity to make any comments about the Council's proposals. This will be done on two separate occasions – 30 November and 7 December 2009 and anyone who wishes to make a comment on the proposals can do so until 7 January 2010.

SIRPPE8



5 January, 2010

Dear Mark Heath,

We understand that it is part of a Tory proposal to hand over the management of Southampton City Council's leisure facilities to a private operator for 15 years in a bid to save the taxpayer cash.

We are writing to object to this proposal and are horrified this would even be a consideration. We have yet to hear of any one-privatised scheme that in the long run has saved us any money without negatively effecting the services.

Kind Regards

Mr John and Mrs Sylvia Puckett

- 8 JAN 2010
SOUTHAMPTON CITY COUNCIL
Legal Services

SRPPE12

Mark R Heath
Solicitor to the Council
Legal Services
1st Floor Southbrook House
4-8 Millbrook Road East
SOUTHAMPTON SO151 1YG

6 January 2010

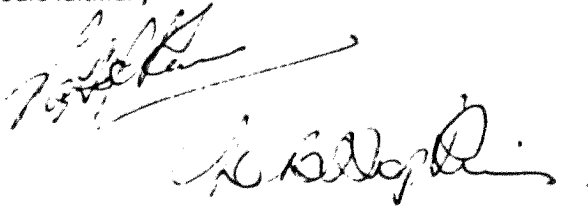
Dear Sir

We are writing to express our objection and concern regarding the above proposal for the Sports Centre. In our view anything in any shape or form that will take away the present Sports Centre facility would be a great loss to the City.

We have lived here for the past 42 years and both we and our children have enjoyed many happy hours at the Sports Centre. The thought that this may be interfered with in any way greatly distresses us. A green space such as this is essential to the residents of Southampton.

We do hope that any proposals the Council may have in mind will not encroach upon the current amenities.

Yours faithfully

Two handwritten signatures in black ink. The first signature is on the left and the second is on the right, both appearing to be cursive and somewhat stylized.

P A Hopkins & D B Hopkins

Mr M. R. Heath
Solicitor to the Council
Legal Services
1st Floor
Southbrook Rise
4-6 Mulbrook Rd East
Southampton

SR.PPE13



Reference No RS/EN12/06/6066 MAYFIELD

Intended Disposal of Open Space Land Mayfield Park,
Winton Lane Southampton

Dear Sir,

I wish to object to the above proposal for the Council to dispose of a leasehold interest in the land (Mayfield Park) for the following reason:—

- 1) If there is any intention of building on this land maybe a school, if Dilton College Middle Rd is ~~located~~ being in the same area could this not be used?

According to the will of the 4th Baron Lord Radstock he required the estate should be kept as an open space - therefore NO building.

This land is part of the Estate & should be kept as the will requires OPEN LAND.

Yours faithfully,

Patricia Gormey

to Mark R Heath
Solicitor to Southampton City Council
Legal Services
1st Floor, Southbrook Rise
4-8 Millbrook Road East
Southampton SO15 1YG

from Southampton City Pétanque Club (SCPC)

Concerning the Intended Disposal of Open Space Land – Lordshill Recreation Ground, Frogmore Lane, Southampton – Section 123 Local Government Act 1972 (as amended)

Ref'ce No. PB/EN12/06/6066/LORDSHILL
Plan V2335

We wish to lodge an objection to the proposed disposal of a leasehold interest in the land specified above as outlined in the recent Public Notice.

This formal objection is in essence an expression of serious concern on the part of SCPC that the arrangements following the lease disposal envisaged may fail to take account of and thereby endanger key aspects of our established regular use and enjoyment of facilities at Lordshill. Our hope is for firm assurances on a number of issues as indicated here below, receipt of which would go a long way towards meeting our objection. We are also critical of certain aspects of the process employed thus far in preparing for lease disposals and for consequent changed arrangements.

As a club we have played pétanque and enjoyed social facilities at Lordshill since 1982/3, effectively since the establishment of the Lordshill Outdoor Recreation Centre, to which we moved our playing and social base from Southampton Sports Centre. The then Manager of the Sports Centre (the late John Ripley) was Founder President of our Club (established in 1978); through him we had a significant input into the design and construction of the pétanque terrain at Lordshill. Similarly, in more recent years, we have on occasion been able to advise on appropriate maintenance and refurbishment of the playing area and other improvements; in 2003, additional floodlighting was installed by the City Council, resourced from our own Club funds matched by funding from the Outer Shirley Regeneration Project. The Lordshill terrain remains one of the largest and best in the Southern Region; on it we play league matches, host open, invitation and Regional tournaments, and enjoy friendly play on other occasions, virtually throughout the year.

All of this depends on a close and ongoing relationship with those Council Officers locally responsible for the booking, management and maintenance of the playing facilities. While it cannot be said that such relationships have in recent years been as effective and efficient as they might be – indeed it would be welcome if the proposed new 'partnership' delivered improvements on these dimensions – we do have particular concerns that the established, though to our knowledge insufficiently clear and formalised, arrangements, could very well actually *deteriorate* as a result of the changes envisaged. Although these comments are being made in the guise of a formal objection to the disposal of leases, we are taking this action essentially to try to ensure that what we see as key elements in our continuing ability to use and enjoy the facilities at Lordshill are safeguarded through being reflected/embodyed in any lease and other formal contractual arrangements between the Council and their proposed partner(s).

Our concerns apply not only to our use of the playing facilities, but also to the important 'social dimension' of our activities as a club and as individual users. This is crucially dependent on our being affiliated – again both as a club and as individual members thereof – to Millbrook Rugby Football Club. With MRFC we were among a number of Founder Member clubs making up the later dissolved West Southampton Sports Club, which was established in advance of the opening

of the Outdoor Recreation Centre at Lordshill specifically to seek, negotiate and hold a lease granted by the City Council in respect of a clubhouse and bar facility on the first floor of the pavilion to be built there, as an entirely separate matter in all respects from hiring and use of the changing rooms below and the various pitches etc. The Rugby Club formally took over the original 28-year lease in 1998/9 and it is a matter of ongoing concern both to them and to ourselves that that lease is scheduled for renegotiation with a view to renewal in 2011. While this issue may not be germane to the lease disposals under discussion here, it is certainly relevant to the 'parallel' consultations ongoing around the Oasis Academy project (in which we are actively involved alongside the Rugby Club). It must also be firmly stated here that our hoped-for continuing ability to enjoy playing pétanque at Lordshill is heavily dependent on Millbrook Rugby Club's continuing presence there, specifically as leaseholders on the clubhouse facility.

We do feel that, as an organised group of long-established users of Lordshill Recreation Ground, we might have expected to be specifically consulted about, or at least advised of, the 'partnership' arrangements being developed. We have received no such contact, learning of the plans only via the Public Notices in *The Echo*, or rather, initially via the latter's rather unhelpful article in the same edition which published the Notices. Two of us then visited 'Gateway' to view the relevant map. Our concerns as now expressed here were heightened by: (a) the lack of any indication on that map of either the relation between the parcel of land relevant to this matter and that identified for the Oasis Academy development or, most significantly for us in the current context, that the pavilion houses both changing facilities and the clubhouse and bar leased to Millbrook Rugby Club; (b) the lack of access or offer of same to an appropriate person with whom to discuss these and other relevant matters. One of us has, however, subsequently had a very helpful meeting with the Project Manager, Kieran Humphrey, which has led us to modify considerably the general tone of this submission.

We would welcome an opportunity for one or more representatives of SCPC to share our experience as long-standing users of Lordshill Outdoor Recreation Centre and to discuss our felt needs in respect of future arrangements there in more detail with the appropriate SCC Officers (and/or other appropriate parties), both with a view to ensuring that they are reflected in the drawing up of any leases/contracts involved, and on an ongoing basis as the project goes forward. In the longer term, and touching once more on concerns mentioned above which we have had for some time about the 'uncertainty' of aspects of our existing arrangements in terms of hire and maintenance of the pétanque terrain and surrounding area, perhaps some form of 'service level agreement(s)' would be appropriate and possible between ourselves and those responsible for (a) hiring and managing the playing and associated facilities at Lordshill and (b) maintaining the terrain etc. We would be very happy to participate in an ongoing way in such an arrangement.

In summary, we wish to register the following serious concerns in the form of a formal objection to the proposed lease disposal:

1: We seek assurance that our ability to use and enjoy the facilities at Lordshill on at least no less favourable terms and conditions than heretofore are safeguarded through being reflected/embodied in any lease and other formal contractual arrangements between the City Council and its proposed partner(s). This includes booking arrangements, hiring charges, maintenance and upkeep of the pétanque terrain and its surrounding area (including protective hedges, fencing, gate(s) etc.), together with supporting facilities on-site such as adequate parking,

2: We seek assurance that our essential continued use and enjoyment of the clubhouse facilities, including the bar, will be safeguarded through the renewal of the long-term lease for operation of these facilities by Millbrook Rugby Club on at least no less favourable terms than at present.

3: As long-standing "resident" users of the pétanque terrain at Lordshill we regret the City Council's failure to consult us on the overall Sport and Recreation Partnerships project and on the specific proposal for lease disposals, prior to publication of the required legal

notices.

4: We are disturbed by the appearance given by the absence of relevant information on the available plan (V2335) of a lack of attention to the relationships between the overall Partnerships project (as it affects Lordshill), including lease disposal, and the ongoing Oasis Academy Lordshill proposal, and thence by the possibility of adverse impacts on our enjoyment and use of the facilities presently available to us at Lordshill through any possibly unforeseen interactions between the Oasis Academy proposal and this proposed lease disposal.

for and on behalf of
Southampton City Pétanque Club

Richard Powell (President)
Jill Lovelock (Club Captain)
Robin Lovelock (SCPC/MRFC Liaison Officer)

Copy to:

Sport England (SE)
51a Church Street
Caversham
Reading RG4 8AX
Tel: 0118 948 3311 Fax: 0118 947 5935
Email: infose@sportengland.org

Dear Sir,

Re: PB/EN12/06/6066ALPINE - Plans to sell off Open Space Leases including Sports Centre

I understand that in 1938 the Sports Centre was gifted to the people of Southampton for recreational purposes. I personally believe that the motivation at this time came from a powerful feeling that in order to create a successful and healthy society, it has to be community which is at the heart of things, rather than commerce. I have been in communities where commerce takes a low priority – outsiders with their own commercial interests are not the "drivers", instead decisions are taken by the insiders, the local community – maybe very little money actually changes hands, but instead people bring in skills and work together in order to achieve a common goal, something which will bring benefit to the whole community.

I am also very interested in how we treat children in our city – many of our schools are on cramped sites with little or no green play space/playing fields. During the extensive secondary and primary schools reviews, I understand that no additional land was allocated to any school anywhere in the city – rather schools have been closed and their land earmarked for development – and in this at a time when we know our population is set to increase significantly in future! The result? Even more children squashed onto increasingly inadequate sites. We are often told that a school does not require a playing field – because sports amenities are available nearby which the school may use.

My observation of the Sports Centre (near where I live) is that it is under-used during the day. Why? Because schools, who would not be charged to use their own playing fields, are charged to use it. As a result they don't use it anything like as much as they would use their own grounds.

I am not opposed in principle to someone other than the Council managing the Sports Centre – indeed, I am not convinced that the Council have been the best at managing either sports facilities or schools in Southampton today. What really does concern me however is that by going down what appears to be the "commercial" route, we risk losing the very spirit that brought these places into being in the first place. It seems to me that our elders and betters back in 1938 had understood something very important about community – you give your community, your little people, the best you can – the top land, the highest priority - you make your school the best it can be – you add to it and improve it. To do this means that you will enrich your local community, but you may be acting ways that will bring you absolutely no commercial return – is this so wrong, so unthinkable these days? I find it hard to believe that the 150 acres which makes up the Sports Centre would be allocated so happily to recreational purposes were this decision being taken today rather than back in 1938.

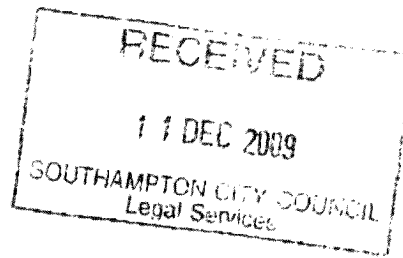
So far, the detail from the Council on the leases being proposed remains rather light. Nevertheless for the decision to go ahead and truly remain in the public interest, there need to be conditions built into any long-term contract which mean that community is not sacrificed in the pursuit of commerce. Based on various ideas and proposals that I have previously seen being considered while the land has been under the management of the Council, might I suggest the following conditions be added to any proposal concerning the Sports Centre?

- 1) No new roads/accesses to be built across the Sports Centre
- 2) No new housing developments to be built on the Sports Centre
- 3) No loss of current facilities
- 4) No school in Southampton should be charged to use the Sports Centre during the school day.

I am sure there is other detail to build in here, but I trust you understand from this what people such as me feel the priorities should be here.

Yours sincerely,

Mrs. Penny Hastings



10th December 2009

Dear Mark R Heath,

I sent in a letter on Monday just before I saw the new notices in the Evening Echo, the letter wasn't as well planned as I would have liked so I am sending a replacement letter today.

The lack of consideration for the public to know about a major change in Council policy for these disposals, followed on by the shortage of time for any objections to be raised and the complete lack of information given out with the notices with a request for objections with little knowledge of what may need to be objected about due to the lack of information.

I want to object about the Sports Centre notice for the "disposal of leasehold interest" because the boundary on the map given out in the Gateway does not represent the boundary of the sports areas, it includes the whole of the Sports Centre area, including the many wooded areas and other parts of the Sports Centre that would not be included if it was only for Sport and Recreation reasons. Although it says Recreation this must mean in the wider sporting sense and not as in a children's recreation area. In the Sports Centre there are many other areas, including natural areas of mixed varieties that I know of, there are mixed trees and grassy areas, rough grassland areas, the heavily wooded areas, open grassland areas and all of these are included in the disposal of leasehold and I object to this because these are not sports areas and they should not be included in the disposal of the lease, the reference number is PB/EN12/06/6066/SPORTS CENTRE. Also the car parks are included in the disposal and I object to this being done as well.

I would like to know if any existing rules could change either before or after the disposal of leasehold, especially afterwards and to know if the contracts allow changes to be made by the preferred partner for each of the 12 venues being considered for the disposal of the leasehold?

I have asked at the Gateway and at another department for more information and there does not appear to be any extra information and you are the contact given, please could you answer the questions so that judgements can be made as to whether other objections may need to be raised?

In my original letter I asked some questions that are relevant and I would like to ask for these to be answered as well and if you cannot provide the answers then please obtain them on my behalf as you are the only way suggested, the contact for this to be done. The questions are;

What are the main reasons for these changes?

What do the Council hope to gain from this?

What does "disposal of leasehold interest" really mean, is there a rent payable or a set amount paid, please fully explain about the changeover for the disposal of the leasehold?

Yours sincerely, Alan Logan.

Alan Logan

From: Alan Logan
Sent: 08 January 2010 15:22
To: Heath, Mark
Subject: The Sports Centre

Dear Mark,

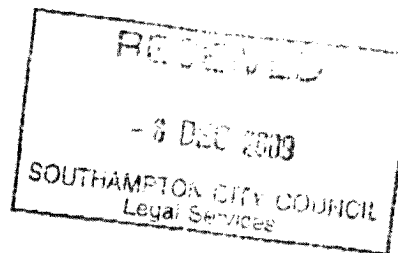
I sent in a letter objecting to the Sports Centre being included in the leasehold because many of the areas included in the lease were not sporting areas and I did not receive any confirmation of you receiving my objection so I would just like to reiterate the objection, in fact the Sports Centre is one whole area given to the given to the people of Southampton in 1938 and it should not have been split up into different areas for different leases, the Sports Centre, the Golf Course and the Alpine Centre, these areas are all the Sports Centre and it should be kept as one area and that is my objection, the numbers are PB/EN12/06/6066ALPINE, PB/EN12/06/6066GOLF and PB/EN12/06/6066SPORTS CENTRE these are all a part of the land given to the people of Southampton and they should be kept as one and not be split up at the Council are trying to do.

Why should it be that the Council is looking to find a partner from private enterprise and to try and help the preferred partner to profit from this 'gift to the people of Southampton' by paying them management fees, by paying for any repairs and by paying for any maintenance and also giving them tax relief of some kind which the rate payer would end up paying for so that the partner can make a profit and the rate payer would be having to contribute towards that process. The Council are only the Guardians of this gift and what is happening to the Sports Centre is not what the people of Southampton would want and it should not be a legal process by using the Local Government Act to do something that in my view will not be seen as the right thing and with little prior consultation with the public beforehand. The process was not given sufficient time for those wanting to know more details so that they could raise better objections about what was happening to the areas mentioned for leasehold disposal and even the official process of asking questions through the FOI Act was discouraged by the Council by saying that it was not prudent to ask questions about certain things in a certain way and they even tried to suggest that a charge would be made as if to stop or limit the enquiries being asked about what could happen as a result of the Council's decision to go ahead with a process that is not what the people of Southampton would want without prior knowledge of all of the details, especially for the Sports Centre.

Why would the Council want to be able to ask a preferred partner to run the collecting of money from football pitches or cricket pitches or the athletics track or skiing or the tennis courts when there is no overall profit to be had from it or is it to find a way for the preferred partner to make money by giving tax relief, paying them management fees and paying for all repairs, maintenance and the upkeep of all buildings so that the preferred partner is guaranteed to make a profit and it is likely that the rate/tax payer will be the ones who pay for this profit. Please may I have all of the details about the way that this will be made to operate at a profit for the preferred partner.

Yours sincerely, Alan Logan.

08/01/2010



7th December 2009

Dear Mark R Heath,

I would like to object to all of the notices of "dispose of leasehold interest" because you have not given out to the public enough information for them to understand what this means or what is intended by the Council or what the future intentions are.

For this to be seen as fair there needs to be a huge amount more information given out publicly and if it is not then it will be challenged.

Even the length of the timescale is unfair and the timing of this over the Festive season seems to be something that could also be seen as unfair.

What are the main reasons for these changes?

What do the Council hope to gain from this?

Why are there other means of objecting to this?

What does the aspect of "disposal of leasehold interest" mean, is it a way of changing the ownership of these areas of land?

If there is any other important information that you know of, to do with the 12 twelve areas for disposal which isn't covered by these questions then please add it into your reply for example, will the existing rules of usage change for any of the 12 areas?

There appears to be no other way of objecting to this but the Council have not given out any information, so although there may be many things people would like to object to they don't actually know what they are, why was it done in this way? Please answer all of the questions.

Yours sincerely, Alan Logan

A handwritten signature in black ink that reads 'Alan Logan'. The signature is written in a cursive style with a long horizontal stroke at the end.

SRPPE11

To Southampton City Council
Customer Services
(Planning Dept)

PLANNING

- 8 JAN

SUSTAINABILITY - 01-2010

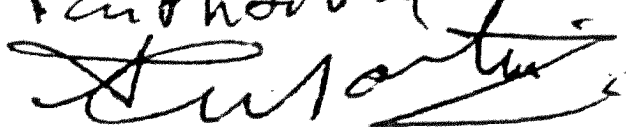
Dear Sirs,

Please pass this to the relevant
dept.

I object to the proposed 'disposal' plans
announced in respect of various parcels of
recreational land. These assets belong
to the Council, i.e. the people of Southampton.

It is essential they remain in our
'full' control as beholds special areas of the
City, and not treated as profit opportunities
for private enterprise.

If they can be operated in a profitable
and enhanced style, then why not under
our own direct control?

Yours Faithfully


From:
Sent: 08 January 2010 14:58
To: Heath, Mark
Subject: Plans to lease the Sports Centre

Dear Sir, Our residents' association (Underwood and Redhill Residents' Association) has been informed by another RA that the Council plans to sell off leases for the Sports Centre. Our RA, which backs onto the Sports Centre, is long established and a member of the Southampton RA Federation has received no information directly about this plan. I understand that your department is responsible for this activity and I would be grateful if you would let me know what is going on and the plans for resident's input.

Yours faithfully, Chairman Underwood and Redhill Residents' Assn.

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Agenda Item 21

DECISION-MAKER:	CABINET		
SUBJECT:	SALE OF LAND AT TOWN DEPOT ADJACENT TO AMERICAN WHARF		
DATE OF DECISION:	15 FEBRUARY 2010		
REPORT OF:	CABINET MEMBER FOR RESOURCES AND WORKFORCE PLANNING		
AUTHOR:	Name:	Sharon Bishop	Tel: 023 8083 2754
	E-mail:	sharon.bishop@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY

Confidential Appendix 1 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 the future. In applying the public interest test it is not considered appropriate to make public offers received as this could lead to a revision of bids and, in the event of the transaction failing to complete, prejudice re-marketing of the property, therefore reducing the amount receivable by the Council.

SUMMARY

American Wharf is a Grade II* listed building which is currently on the English Heritage "buildings at risk" register. Its owner wishes to acquire Council owned land, currently used as a salt store at Town Depot, for car parking and landscaping to support the conversion of the building for commercial and residential uses.

The payment of market value for the Council's land would make the development unviable and a sale at less than market value is recommended as there are wider heritage and economic benefits which are considered to outweigh the relatively small financial loss on the land sale.

RECOMMENDATIONS:

- (i) To approve the sale of land adjacent to American Wharf, forming part of Town Depot, by way of conditional agreement for the grant of a long lease for less than best consideration to enable the conversion and re-use of American Wharf
- (ii) That the Head of Property and Procurement be given authority to finalise disposal terms and to take all appropriate steps in consultation with the Solicitor to the Council to complete the disposal.

REASONS FOR REPORT RECOMMENDATIONS

1. The Council will assist in saving one of the City's historic buildings from dereliction whilst also providing new homes and business premises. The improvement and re-use of this building will enhance the future use of the councils remaining land at Town Depot.

CONSULTATION

2. The City Council's Conservation officer has been consulted and is fully supportive of the proposals as American Wharf is an extremely important building both locally and nationally.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3. The Council could seek the market value of the land from the developer, however, this would make the scheme unviable.
4. The Council could refuse to sell the land to the developer however this would make the proposed uses unviable as no parking could be made available.
5. The Council could sell this land with the Town Depot site. However, it is unlikely that it could be used for anything other than storage or car parking in view of its proximity to American Wharf and is unlikely to realise any additional value. The sale of this land does not detrimentally affect future plans for the remaining land at Town Depot.
6. The Council could insist that the Council share in any increase in the value of the refurbished building between the date of exchange of contracts with the Council and the date the units are sold. This is a standard condition within normal commercial transactions. However the developer is not willing to agree to this on the basis proposed by the Council. He has agreed, however, that the price for the land will be increased by the change in the retail price index between the dates of exchange and completion.

DETAIL

7. American Wharf is a former steam mill, bake house and grain store built in 1781. It is one of only 20 Grade II* listed buildings in the city and is in the top 8% of listed buildings in the country. It has been vacant for approximately 7 years and was most recently used as a warehouse.
8. The present owner, the Turnstone Group, acquired the building in 2004 and for the last four years has been attempting to sell or lease it on the open market. Even when the property market was at its strongest no firm proposals came forward. As a result the building is close to dereliction and is listed on the English Heritage "buildings at risk" register.
9. The Council's Conservation officer advises the building is no longer suitable for its original purpose neither is it suitable for warehousing etc owing to the construction and plan form of the building.
10. In March 2009, the owner submitted a planning application for the refurbishment and conversion of the building to provide 23 residential units with approximately 500 square metres of office space to the ground floor. The proposals include 0.19 acres council owned land, currently used as salt storage at Town Depot, for car parking and landscaping. This land materially enhances the commercial viability of the development proposals. The Council's freehold interest in the adjacent highway subsoil, which is to be closed, will also be transferred to the Developer. The land owned by the Council is shown cross hatched and American Wharf is shown hatched on the attached plan V2672.
11. The planning application has been approved by the Council's planning committee but the decision has been called in by the Secretary of State and will be determined by central government due to concerns about flood

mitigation. The Inquiry is due to take place on 9 March 2010 with a decision likely in June 2010.

12. Owing to the use, and lack of use, the building has had over the past 5 – 10 years, the age of the building and the lack of maintenance it has undergone under previous owners, any future use will be verging on the fringes of viability. This is because of the cost of specialist repair, the works needed to bring the building up to modern standards, the conversion costs, landscaping costs and the additional works needed because of its waterside location. In addition the downturn in the residential and office markets have detrimentally affected the value of the refurbished building.
13. As the viability of the scheme is marginal, the developer can only afford to pay a fixed sum for the Council's land as shown in the confidential appendix attached. An independent valuation has been undertaken on the Council behalf which verifies the developers offer. The current value of the land is shown in the confidential appendix. It is unlikely that planning permission would ever be granted permitting any structure on this site which would affect the setting of this Grade II* listed building.
14. The developer is prepared to wait until the salt store is relocated as part of the town depot relocation plans but wishes to enter into a conditional agreement for lease with the Council which stipulates a fixed price for the land to secure its position in the meantime. In normal commercial circumstances, because of the likely delay between the dates of exchange and completion, the Council would require a "claw back" condition within the contract which would enable it to share in the value of the completed development. However as the scheme is barely viable the Developer is unwilling to agree this condition but is willing to agree that the price he has offered will be subject to increase in line with increases in the Retail Price Index between the two dates.
15. It is recommended that the Council support the wider benefits of bringing American Wharf back into use for the sake of a relatively small financial loss on the land sale. Assuming the planning Inquiry is successful, this could be a rare opportunity to assist in saving one of the City's historic buildings from dereliction whilst also providing new homes and business premises. The Councils conservation officer considers this is an exciting scheme that will go a long way in setting standards for enhancing development on this section of the riverside.
16. The improvement and re-use of this building is highly likely to enhance the future use of the councils remaining land at Town Depot and the disposal of this small area is not detrimental to the future use of the Town Depot site
17. It is considered that the wider benefits of supporting the refurbishment of American Wharf can reasonably justify a less than market value transaction.

Capital

- 18 The proposed reduction in market value is shown in the confidential appendix. The capital receipt plus any increase in line with increases in the Retail Price Index will be payable upon completion of the sale. This is likely to be 2 or 3 years from now.

Revenue

19. There are no revenue implications.

Property

20. In undertaking this transaction the Council must comply with all normal and prudent commercial practices and obtain clear and realistic professional valuation advice to verify the actual Undervalue. The under value has been verified and is as set out in the confidential appendix. The other main terms of the agreement are also set out in the confidential appendix.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

21. The GENERAL DISPOSAL CONSENT (ENGLAND) 2003 exists which removes the requirement for Local Authorities to seek specific approval from the Secretary of State for disposals at less than best consideration where the undervalue does not exceed £2 million and where the disposing Authority considers the disposal is likely to contribute to the achievement of the promotion or improvement of the economic, social or environmental well-being of the whole or any part of its area or all or any persons resident or present in its area.

Other Legal Implications:

22. Before deciding to Dispose at an Undervalue the Council must comply with a number of statutory and other obligations. It must :
- a) Keep firmly in mind its` accountability & fiduciary duty to local people – By assisting with this proposal new homes and business premises will be provided which will benefit local people.
 - b) Believe that it will help to secure promotion or improvement of the economic, social or environmental well-being of its area – This proposal complies with the City Priority Theme– “Getting the City Working” and with Strategic Objective 3 within the City of Southampton Strategy “A Dynamic Business Environment” through the promotion of economic prosperity in the City by assisting the provision of local businesses and enabling more residents to enjoy rewarding employment.
 - c) Ensure the Undervalue does not exceed £2M- the under value does not exceed this figure as detailed in the Confidential Appendix.
23. A State Aid issue on any price received under best consideration or by way of subsidy must be considered. However, in these circumstances, the issue is remote due to the market conditions and value. In addition, the fact that the sale at a lower price may save one of the city’s historical buildings that may otherwise be lost is a consideration

POLICY FRAMEWORK IMPLICATIONS

24. This proposal complies with the Council’s Medium Term Plan and the City of Southampton Strategy.

SUPPORTING DOCUMENTATION

Appendices

1.	Heads of Terms / Developers Offer - Confidential
2.	Plan V2672 showing Council land cross hatched and American Wharf hatched.

Documents In Members' Rooms

1.	None
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Background Documents

Title of Background Paper(s)

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

1.	None	
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Background documents available for inspection at: N/A

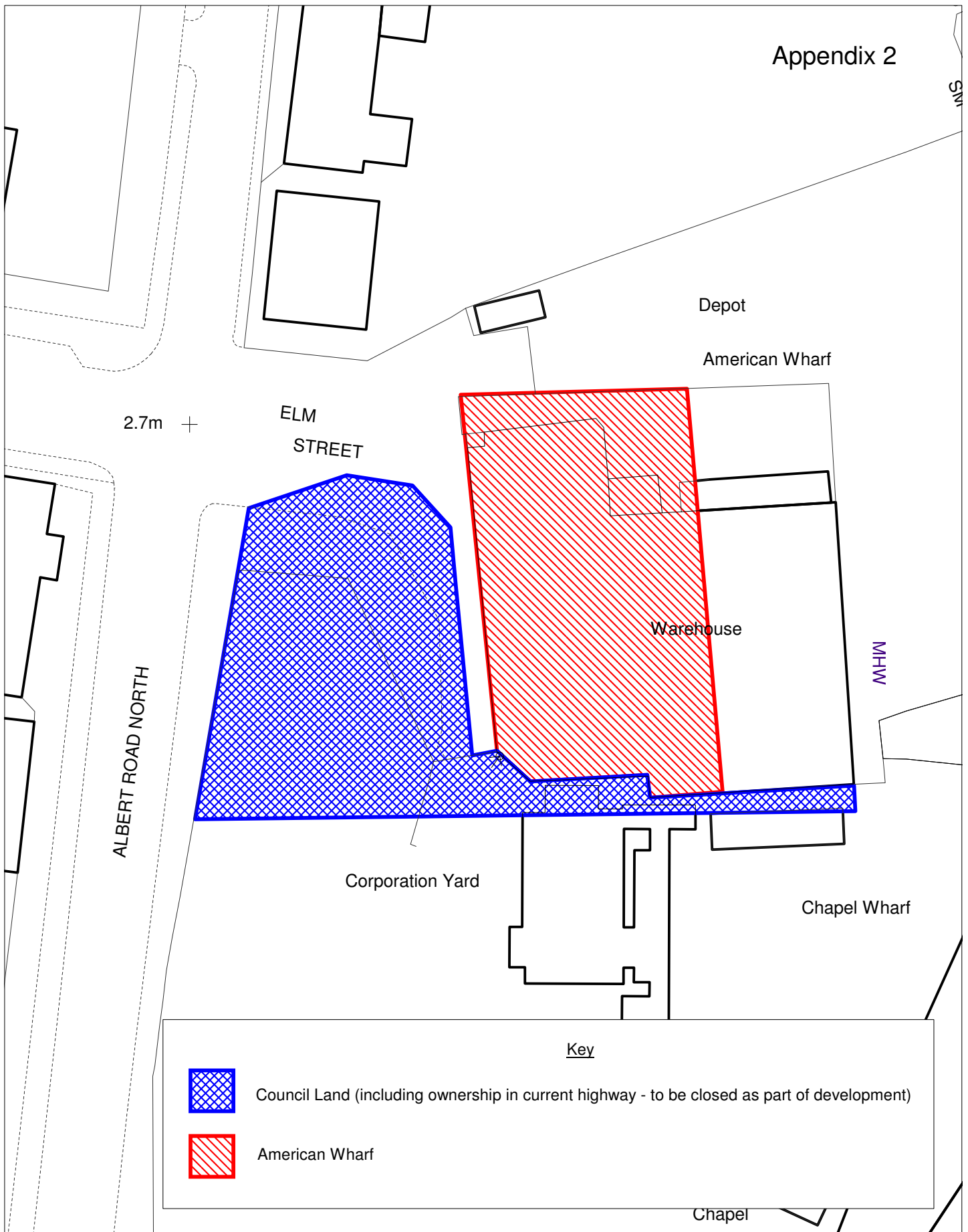
KEY DECISION? NO

WARDS/COMMUNITIES AFFECTED:	BARGATE
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Document is Confidential

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 <p>SOUTHAMPTON CITY COUNCIL</p>	<p>PROPERTY SERVICES SOUTHAMPTON CITY COUNCIL OVERLINE HOUSE, BLECHYNDEN TERRACE, SOUTHAMPTON, SO15 1GW.</p>		<p>SCALE 1:500</p>	<p>DATE 29/12/09</p>
	<p>PLAN NO V2672</p>	<p>TITLE American Wharf, Elm Street</p>		

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Agenda Item 23

DECISION-MAKER:	CABINET
SUBJECT:	HIGHWAYS SERVICE PARTNERSHIP: APPROVAL TO CALL FOR FINAL TENDER
DATE OF DECISION:	15 FEBRUARY 2010
REPORT OF:	CABINET MEMBER FOR ENVIRONMENT AND TRANSPORT

AUTHOR:	Name: Mick Bishop	Tel: 023 80 832613
	E-mail: Mick.bishop@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY

Appendices 2, 4, 5 and 6 of this report are not for publication by virtue of categories 3 (financial and business affairs), and 7A (obligation of Confidentiality) 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 appendices contain confidential and commercially sensitive information supplied by the bidders to the procurement. This information has been supplied during the course of a strictly regulated procurement process which included provision for transparency and openness where appropriate. It would prejudice the Council's ability to operate in a commercial environment and obtain best value in procurement negotiations and would prejudice the Council's commercial relationships with third parties if they believed the Council would not honour any obligation of confidentiality.

SUMMARY

Cabinet (30th June 2008) and Council (16th July 2007) granted approval to commence procurement of a highways service partnership (HSP) to deliver the Council's highways services. This approval required that the project return to Cabinet to confirm the business case and secure approval to call for Final Tender.

This report confirms there is still a clear business need to maintain and improve the overall condition of the network as well as the ongoing statutory need to manage, maintain and improve the highway network for the safe and convenient movement of people and goods. Based on information submitted as part of the procurement process there is a continuing business and value for money case for the implementation of the HSP.

RECOMMENDATIONS:

- (i) To delegate authority to the Executive Director for Environment in consultation with the Solicitor to the Council and Executive Director for Resources and following consultation with the Cabinet Member for Environment and Transport to take all necessary steps to close dialogue, issue Call for Final Tenders and appoint a preferred bidder within the parameters set out at Appendix 2, Annex 3.
- (ii) To approve the lease of office and depot space at Castle Way, Town Depot and future Dock Gate 20 City Depot to the successful Provider for a period commensurate with the term of the contract (or such lesser period as may be required) and to delegate authority to determine the final terms and conditions of any such leases to the Head of Property and Procurement.

REASONS FOR REPORT RECOMMENDATIONS

1. The dialogue stage of procurement with bidders is nearing completion. This process has provided evidence that the proposed implementation of a highways service partnership will provide a more effective and efficient service leading to improved performance levels and increased output. An Addendum to the original Outline Business Case has been produced to support these assertions.
2. The efficiencies generated from the partnership will be re-invested back into the highways service. The Partnership will not provide the level of additional funding required for significantly improving the condition of the highways network (for which it is estimated between £10-15m spend per annum is required) or move the Council away from a 'managed decline' strategy. However, it will ensure the Council is maximising the output from its existing budgets (approx £7.6m per annum).

CONSULTATION

3. Regular briefings have been provided to Cabinet and opposition Members. OSMC have received a briefing paper. Staff and Trade Unions have been consulted regularly through the process.
4. External consultation has taken place with the Audit Commission and Local Partnerships both of which provided input into the risks associated with the project. Appendix 6 details the key issues raised and the Council's action in response.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 5 A Strategic Business Case included an options appraisal which determined, in the absence of significant additional investment (i.e PFI), the model that best met the Critical Success Factors for the future of the Highways service was a long-term public/private service partnership. The alternative options considered were: Do-Nothing; Public/Public Partnership; Strategic Partnership; Externalisation; Fully in-house.
- 6 An Outline Business Case (OBC) set out a detailed options appraisal considering the form of Partnership which best met the Council's objectives.

DETAIL

Benefits and Value for Money

- 7 The forecast benefits of the HSP, as set out in the original OBC and previous Cabinet report are as below and described in more detail in Appendix 1.
 - Inefficiencies driven out from service delivery and reinvested back into the highways network
 - Increased investment in the service delivery infrastructure
 - Increased capacity and resources available to deliver the service
 - Increasing the service performance level
 - Maintaining and improving the customer focus
- 8 The value for money case as forecast in the original business case (2008) and the updated business case (2010) is set out in Appendix 2.

- 9 The revenue cost will be fixed for the life of the contract (subject to any change to the specification) via an annual Lump Sum payment. Value for money (vfm) can be demonstrated by comparing existing budget for delivering services with the Lump Sum cost for delivering the same services at a higher performance level.
- 10 Evaluating vfm on capital schemes is achievable, albeit there are risks involved in ensuring vfm on an ongoing basis. At Final Tender bidders will price capital schemes which the successful bidder will be required to deliver. The Council will also have priced these schemes using existing delivery arrangements enabling a vfm comparison at contract initiation. These schemes will be used as a benchmark (a 'library of reference schemes') for the pricing of all future capital schemes. Any scheme items which can not be referenced can be benchmarked against market rates. Additionally, there is no exclusivity clause within the contract meaning the Council could seek alternative quotes.

Service and Contractual Positions

- 11 Scope –The dialogue has not provided any rationale to justify a fundamental change to the scope of services set out in previous reports to Members. Appendix 3 details the scope of services to be included.
- 12 Performance Framework – A comprehensive performance regime (Appendix 4) has been developed which will incentivise the Provider to achieve required performance levels, ensuring the Council does not pay for a sub-standard level of service.
- 13 Service Levels - All existing service and intervention levels will be retained and/or improved. However, performance levels (e.g. % of repairs completed in prescribed timescale) will increase significantly. Category 2, minor defects, will be repaired using a risk based planned programme of works which will provide a more efficient approach to repair. Appendix 4 provides a summary table of performance indicators.
- 14 The capital maintenance programme will be based on a clear asset management approach yet also take into account wider Council priorities and objectives. A 5 year Forward Programme of works will be produced. An Annual Plan of works will be agreed as a Target Cost when annual budgets are confirmed. It will be agreed on an annual basis between the Council and Provider. Therefore, the Council can review the focus (e.g. carriageway or footway or mix) of the capital programme on an annual basis.

Key Contractual and Commercial Positions

- 15 Payment Mechanisms – Payment for services are based on two mechanisms:
- Lump Sum (Revenue Budget) covering routine and reactive maintenance
 - Target Cost (Capital) covering the Capital Programme.
- 16 Guaranteed Capital Funding – The Council has an approved strategy for funding capital maintenance on the highway (Council 16/07/08). However, no value for money case has been demonstrated through the procurement process to justify a contractual guarantee of capital funding.

- 17 Contract Length – the contract will be for a period of 10 years with the possibility of up to 5 years extensions based on performance. The Provider will be able to earn (and lose) extensions based on performance.
- 18 Third Party Income – The Provider will guarantee a level of Third Party Income (mainly income from Traffic Management Act and New Roads and Street Works Act) which is deducted from the Lump Sum payment. The risk of income therefore rests with the Provider and acts as an incentive to achieve performance. The Council will not be able to re-direct this income. However, this income can only be spent on highways related schemes and the key project driver is to reinvest into the network. Appendix 5 describes the commercial positions in more detail.

Key Risks

- 19 Although reinforced through the procurement process, the benefits and vfm are still currently only forecast. Final Tenders will provide final prices which Cabinet will be required to consider as part of the Contract Award process. A more detailed Financial Risk analysis is attached at Appendix 2.
- 20 There will be a more planned approach to delivering works under the partnership. This will be more efficient but will lead to a less reactive service reducing ad hoc directed works. The contract has been drafted to retain a degree of flexibility for the Council. Changes to the service specification, especially increased service requirements, will likely incur extra cost to the Council. A distinction should be drawn here between flexibility (using same level of resources to refocus services) and change (requiring additional resources at cost).
- 21 Post-contract award there is a risk that the provider will require additional monies for delivering services which were not included, or poorly set-out, within the specification. As many services as possible have been included within the Lump Sum service, yet there will be ad-hoc services which require additional payments.

Timetable and Call for Final Tender

- 22 Final Tenders are scheduled to be requested on 26th February for return on 1st April 2010. The preferred bidder is due to be appointed in mid-April provided bids fall within the parameters set out in Appendix 2, Annex 3. Contracts will be finalised with the preferred bidder prior to a further report to Cabinet, confirming affordability and vfm, as early as possible in June 2010. Service Commencement is due 1st October 2010.
- 23 The evaluation criteria to be used for Final Tenders will be:
Approach to Service Delivery – 50%
Financial – 30%
Legal and Commercial – 15%
Integrity and Deliverability – 5%

FINANCIAL/RESOURCE IMPLICATIONS

Capital

- 24 The highways capital budget (whatever this is set at year on year) will be channelled through the partnership. The capital budget will continue to be agreed on an annual basis within the Council budget setting process.

Revenue

- 25 Existing revenue budgets for highways will be transferred the partnership. The Council will be committed to the revenue budget for the contract period. Any savings in revenue from a reduced lump sum price will be re-invested back into the highways network.
- 26 A Contract Management and Client Team is being established currently and will be funded through top-slicing of the revenue budget.

Property

- 27 The Provider will be leased space at City Depot (Dock Gate 20) when available. In the interim the Provider will move into the space currently occupied by highways in Town Depot and Castle Way.
- 28 It is intended that the Provider will be charged only a nominal rent and service costs on the basis that any rent charged will simply be passed back to the Council in the service cost, potentially at a mark-up.

Other

- 29 In terms of employees, the Council believes that the Transfer of Undertakings, (Protection of Employment) Regulations 2006 (TUPE) will apply. Where TUPE applies the Provider is required to protect the terms and conditions of transferred staff including pensions.
- 30 The Provider is strongly encouraged to seek admission to the Local Government Pension Scheme but if this is refused / impractical must provide a broadly comparable scheme as approved by the Government Actuary's Department (GAD).
- 31 The Provider is required to employ new joiners on terms that are overall no less favourable than those of transferred employees. The council recognises the Best Value Code of Practice on Workforce Matters and intends to enter discussions on the avoidance of two-tier working.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

- 32 Highways maintenance and associated and ancillary functions are authorised by a variety of Statutory powers including the Highways Act 1980 as amended and the Traffic Management Act 2004, together with secondary legislation (Regulations, Directions and Orders). 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 EU

Procurement Rules as enacted in the Public Contracts Regulations 2006

33 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. The Contracting Out (Highway Functions) Order 2009, sets out those functions of the Highways Act 1980 and NRSWA 1991 which can be contracted out. The functions under the 2009 Order include (among many others):

- Section 41(1) - duty to maintain highway maintainable at public expense;
- Section 62 – general power of improvement; and
- Section 150 – duty to remove snow, soil etc from the highway.

Other Legal Implications:

34 The Council will enter into a contract Highways Agency Managing Agent Contract Form of Contract (“MAC”) with project specific revisions. An options analysis deemed this the most suitable to underpin the scope of services and standards of delivery required by the Council

POLICY FRAMEWORK IMPLICATIONS

35 The project is in line with the Council’s Local Transport Plan. The Council maintains control over setting policy and any policy changes will have to be considered and approved in light of the impact on the HSP and in accordance with council priorities and objectives.

SUPPORTING DOCUMENTATION

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

Appendices

1.	Benefits
2.	Financial and VFM (Confidential)
3.	Scope
4.	Performance (Confidential)
5.	Commercial (Confidential)
6.	Summary of External Reviews (Confidential)

Documents In Members' Rooms

1.	Addendum Outline Business Case
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Background Documents

Outline Business Case 2008

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

1.	None	
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Background documents available for inspection at:

45 Castle Way

KEY DECISION?

Yes

WARDS/COMMUNITIES AFFECTED:	All
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Highways Service Partnership Benefits

The benefits expected as an outcome of the implementation of the HSP were set out within the Original Outline Business Case and June 2008 Cabinet Report. These expected benefits were as follows:

- Driving out inefficiencies in service delivery which can be reinvested back into the highways network to improve condition
- Securing investment in the service delivery infrastructure;
- Increasing the capacity and resources available to deliver the service;
- Securing economies of scale;
- Increasing the service performance level; and
- Maintaining and improving the customer focus

This section revisits the originally identified benefits and sets out the measurement methods and processes that will be used to monitor and assess the realisation of benefits. The main tenet underpinning the approach to benefits realisation and measurement is to ensure adequate benchmarks are known prior to contract award.

A more detailed Benefits Management Strategy, Benefit Profiles and Plans will be created based on these principles.

Driving out inefficiencies in service delivery which can be reinvested back into the highways network

This benefit requires the measurement and tracking of efficiencies and VFM comparatively between the existing service delivery model and the HSP. Additionally, the impact on the condition of the network must be considered in any benefits tracking.

There are therefore three components to the overarching benefit of improving efficiency and VFM; efficiency and VFM from Lump Sum Services; efficiencies and VFM from Target Cost Services; and, condition of the network.

The benefits therefore can be articulated as follows:

- Reduced cost of delivering equivalent Lump Sum services (Revenue);
- Reduced cost of delivering Target Cost (Capital) Schemes; and
- Improved condition of the network.

Reduced cost of delivering equivalent Lump Sum services (Revenue)

As has been described above, the Council's revenue affordability budget is based on the current cost of delivering the existing services which will be included under the Lump Sum services of the HSP.

ISDS submissions demonstrated a reduced cost of delivering the same services under the HSP (with improved service levels).

The Lump Sum will be fixed for the life of the contract unless the Council amends the service specification or if any other Compensation Events require a review. Therefore, if the Lump Sum price agreed at the outset of the contract is below the Council's affordability for the same services, VFM will be demonstrated.

Reduced cost from delivering Target Cost schemes

As set out in the Value for Money and Forecast Financial Benefits Section above sample scheme prices submitted by bidders at ISDS stage demonstrated a reduction in the cost of delivery of sample schemes when compared to existing arrangements.

At Final Tender stage bidders will be required to cost between 12-15 Sample Schemes which the successful bidder will be expected to deliver. The Council will have these same schemes priced as if they were to be delivered using its existing service delivery arrangements. This will enable a VFM comparison between existing arrangements and the HSP.

The samples schemes provided at Final Tender stage will be used as a benchmark for all future Target Costs schemes. Over the life of the contract, as more sample schemes are priced and delivered, a 'Library' of schemes will be compiled and used as a benchmark to assess value for money.

However, the Target Cost schemes delivered are not uniform over the life of the contract and there will be components of Target Cost schemes where the Library of schemes can not be referenced to ensure VFM is being provided. In these instances the Service Provider will be required to secure three quotes to demonstrate that the price being provided is VFM. The Council will also retain the right to tender high value capital schemes to ensure that the Service Provider is delivering competitive prices.

Improved condition of the network

Despite a robust process to ensure VFM is being delivered against Target Cost schemes it is intended to measure the condition of the network via an assessment of the depreciated asset value. This will demonstrate that the delivery of capital schemes through the HSP is a more effective and efficient delivery model and is therefore VFM.

The Council will measure the impact of the HSP on the condition of the Network through measurement of National Indicators for the Condition of Carriageways

and Footways, however, this will not be deliverable until the Partnership is in place. The target condition indicator will be forecast and the target required will be part of the Performance Framework and will attract either service deductions or contract extensions.

Increased investment in the service delivery infrastructure

This benefit will be measured through the identification of investment and expenditure within the Service Provider's Lump Sum Pro-forma.

Investment in the infrastructure (such as new fleet, plant, ICT) was evident within the bids submitted at the ISDS stage of the procurement process. In comparison the Council has no plans for investment into the service delivery infrastructure.

Increased capacity and resources available to deliver the service

The HSP will utilise the experience and expertise which the Service Provider will bring from the private sector. The Service Provider will be able to utilise wider resource and expertise in a way which the Council can not currently do.

The capacity and resources available to deliver the services will be tracked through measurement of the resources channelled into the service from outside of the original TUPE transferees. It is expected that there will be a significant number of additional resources with experience of working within the private sector and across other similar public sector contracts.

Securing economies of scale

This is an Immediate Outcome of the implementation of the HSP and will deliver the benefit of driving out inefficiencies in the service to be reinvested back in the network. The outcome will be measured through detailed analysis of the Lump Sum and Target Cost schemes; the reduced cost of delivering these services will be in part due to the increased buying power and more efficient supply chains of the Service Provider.

Increasing the service performance level

A detailed Performance Framework has been developed which specifies the required performance levels for the Service Provider (see Appendix 4). The Performance Framework also provides the current performance levels which are significantly below the required levels under the HSP.

All of these performance levels will be measured by the Service Provider on a regular basis and reported to the Council's Client and Contract Management Team.

Maintaining and improving the customer focus;

A Key Performance Indicator focuses on the Service Provider's customer management performance. This will be managed as part of the wider Performance Framework.

Document is Confidential

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ITEM NO: 23 Appendix 3

Scope of Services

In order to assist the Council in determining the optimum scope of services for the Highways Partnership an independent scope review was commissioned jointly by the Head of Highways and Head of Neighbourhoods (available on request) and was undertaken by Kingsclere Associates to determine, on the basis of objective evidence, which services should be included in the Partnership. In considering the question, the review focussed on: current service delivery; achievability, deliverability and focus; including commercial and financial considerations. Its conclusions were also drawn from two relevant case studies, dialogue with service providers and existing service performance information.

The Independent Scope Review recommended the following:

In-scope services	Possible Inclusion	Out-of-scope services
Highway planned and routine maintenance Highway Capital Projects Highway management functions (street works) Traffic signs Traffic signal maintenance Highways Business Support Bridges and structures design and works Gulley cleansing Parking surfaces	Third Party liability claims Urban traffic control (ROMANSE)	Fly tipping Grounds maintenance Graffiti removal Highways verges and trees Street cleansing Street-lighting Parking enforcement Refuse and waste disposal Planning and Sustainability Environmental health and protection Highway events management

Table 1 – Independent Scope Review: recommended scope of services for highways partnership

Members considered the Independent Scope Review. These deliberations informed the Cabinet and Council Report (30/06/08_16/08/08) recommendations on scope. Procurement commenced¹ outlining a scope as set out in Table 2, below, with the caveat that this would be reviewed prior to Final Tenders if any demonstrable benefits transpired as a result of dialogue for the inclusion or removal of any of the proposed services.

¹ Based on the Cabinet and Council Report recommendations an OJEU notice was placed which covered the in-scope services identified in Table 2, as well as all generic highways services and references to Bridges and Structures. This provided flexibility to bring other highways related services in scope if necessary.

In particular, the services in bold, in the table below, would be raised during dialogue and the exact dividing line of these services would be determined through dialogue (i.e. the service could be partially in-scope and partially out-of-scope depending upon the final specification).

In-scope services	Out-of-scope services
Highway planned and routine maintenance Highway Capital Projects Highway management functions (street works) Traffic signs Traffic signal maintenance Highways Business Support Gulley cleansing Parking lines and signs Third Party Claims	Urban traffic control (ROMANSE) Transport Policy and Strategy Fly tipping Grounds maintenance Graffiti removal Highways verges and trees Street cleansing Street-lighting Parking and parking enforcement Refuse and waste disposal Planning and Sustainability Environmental health and protection Highway events management Bridges and structures design and works

Table 2 - Procurement: Scope of Services

In summary, the dialogue has not provided any information or demonstrable benefits (i.e. quantifiable VFM) to compel the Council to fundamentally revisit the scope of services to be included within the HSP. However, throughout the dialogue and in the process of developing the service specifications the Council has firmed up its requirements in a number of areas.

Transport Policy and Strategy

Responsibility for Transport Policy and Strategy currently resides outside of the Highways Division and within the Planning and Sustainability Division. In order for the Council to retain control of its strategic approach to transport it is recommended that the Transport Policy section remains out of scope of the HSP.

However, while the Council will retain control and direction, the HSP will be required to inform policy and strategy decisions using their knowledge of the network and therefore there will be a close working relationship between Policy and the Service Provider, managed by the Highways Client Team. Additionally, if the Transport Policy section does not have the in-house capacity or resources to develop Policy or Strategy documents the Service Provider will be able to step-in. Simply, the Council will always own and direct Transport Policy and Strategy but the production and consequent delivery can be delegated, where appropriate, to the Service Provider.

Bridges and Structures

Bridges and Structures design and management is currently delivered by the Capita Strategic Services Partnership (SSP). The bridges maintenance and capital programmes are delivered through a framework contract which is managed by the SSP.

During the dialogue, Bidder's expressed a desire to deliver design and maintenance work. The synergy between Highways, and Bridges and Structures Design and Maintenance presents an opportunity to achieve additional efficiency savings (over and above that which would be achieved from combining the constituent client functions for these services). However, this would need to be offset against any costs incurred as a result of removing the delivery of design and maintenance work from the SSP contract.

The project team raised this possibility internally in order to at a minimum explore the approximate cost of removing the aforementioned service from the SSP contract. The Project Board referred this matter to the SSP Governance Framework. The view expressed by the SSP Client was that it would not be appropriate for this option to be explored further given the wider SSP context.

Parking lines and signs

Parking lines and signs was not included within the lump sum service element of the ISDS specification. The service is relatively reactive and low value per annum yet requires a high service level to enable the Council to enforce Fixed Penalty Notices. Therefore, bidders were asked to submit pricing to deliver a comparative level of service to that which the Council currently receives. The average price submitted by bidders was not competitive² and therefore it is recommended that this service is out of the HSP scope and continues to be managed by Parking and Enforcement Services.

ROMANSE

ROMANSE (Road Management System for Europe), the council's intelligent traffic control system was determined to be out of scope of the HSP, however the Council was keen to understand from bidders any benefits of including within the HSP.

Early dialogue was initiated with bidders on the benefits of including the ROMANSE services within the scope of the contract. Bidders were asked at outline solution stage (ISOS) to provide any evidence or examples, from other contracts, where they had delivered demonstrable benefits through the inclusion of similar traffic control services. No strong cases were forthcoming over and above a general increase in turnover being beneficial overall. At a pre-ISDS Review Project Board confirmed that the service should not be included within the scope of the ISDS documents.

²

ISDS prices benchmarked against existing rates were not competitive

Therefore, it is recommended that ROMANSE remains outside of the HSP scope and continues to be managed as a separate service.

Street Cleansing and Grounds Maintenance

Street Cleansing was identified as an out-of-scope service. The Independent Scope Review identified the service as high performing and low cost and therefore questioned the value of inclusion.

The inclusion of these services has been re-questioned since the original decision not to include within the scope of services. However, OJEU Notice restrictions preclude the inclusion of these services in the HSP. Legal advice states that the inclusion of these services, given their relative value against the overall contract value would likely breach EU procurement regulations. Furthermore, the rationale for exclusion at the outset of the project still stands and has since been compounded by other initiatives within the service area.

Third Party Claims – against the Council

Third Party Claims (TPC) - claims made against the Council due to the state of the highways - can be split into two elements; the handling of the claims; and, the risk or liability for the claims.

Currently, claims against the Council are investigated by Highways and handled by the Council's Insurance section. Highways' pays a substantial sum from its existing budgets (thus reducing potential spend on the network) to the Council's Insurance section to cover administrative costs of delivering this service and the payments for claims made against the Council as a result of the condition of the highways network or failure to meet service levels. Only claims over £100k are paid through Insurance and therefore the Council is effectively self-insuring.

The majority of successful claims against the Council are as a result of the Council not achieving service levels (e.g. inspecting a defect yet not repairing within the required timescales). Under the HSP the Service Provider will be contractually obliged to meet the required service levels and therefore a significant reduction in successful claims and payouts is anticipated. The current service levels and those under the contract are similar and in-line with the Highways Code of Practice, the reduction will be from the Service Provider increasing compliance with those service levels and being able to better demonstrate and evidence that these levels had been achieved.

Proposed Approach

The key principle underpinning the HSP approach is for the management and stewardship of the highways service and network to be passed to the HSP Service Provider. This encourages the Service Provider to adopt a holistic approach to service delivery. Therefore, the current position within the HSP Service Agreement is for the majority of the risk (i.e. pay outs) of claims made against the Council to be transferred to the Service Provider. This entails the

Council including a sum of money within the overall affordability budget, effectively transferring that element of budget out of Council control.

This approach acts as an additional incentive (over and above the Performance Framework described below) to the Service Provider to ensure that all specified service levels are met. If the required service levels are not met the Service Provider is exposed to a potential increase in claims; if the claims can be reduced below the allowance for claims pay-outs the Service Provider has made within their business model then there is an increased profit.³

Passing the risk of claims pay-outs to the Service Provider incentivises them to ensure service levels are met. At ISDS the Council proposed passing the handling of claims to the Service Provider in order to present control of the process to the Service Provider. This reduces the risk to the Service Provider of the Council not handling a claim adequately so that a pay-out is successful despite the Service Provider fulfilling its obligations.

However, the responses provided by bidders through ISDS did not provide the Council with a level of confidence and clarity over the mechanics of the handling process; E.g. there will be claims which do not fall simply to the Council or the Provider and a process for allocating and then managing these claims will need to be clearly laid out. Therefore, the Council is seeking to retain a greater control over the claims handling process.

This approach would leave the Council with a residual liability for any successful claims made against the Council due to inadequate service levels or materials specified. This risk here is relatively low as the service levels specified meet the guidelines laid down in the Highways Code of Practice. Only a Court is in a position to overrule the adequacy of the Highways Code of Practice.⁴

The key risk to the Council in adopting this approach is that the Service Provider seeks to pass back the responsibility for payment of claims, most likely through a loophole within the Service Agreement. In this scenario the Council would have allocated a financial sum to cover residual claims yet would not have accounted for claims passed back from the Provider. This is a clear risk, however, it is one which can be mitigated through clear and robust drafting of the Service Agreement. Additionally, it would be prudent to retain a risk sum, over and above the sum retained for expected claims, to cover these eventualities.

Alternative approaches

An alternative approach to dealing with claims against the Council would be to retain all liability for claims made against the Council due to the state of the network. The number of claims is again likely to reduce as the Service Provider

³ Superficially, while allowing the Service Provider to retain unspent allowances for claims may seem like the Council is not benefiting from reduced claims, the competitive tension of the procurement encourages the bidders not to 'pad' these allowances within their business model. Additionally, this is the trade-off against the Provider taking the risk of claims increasing.

⁴ <http://www.roadscodes.org/>

will still be required to meet service levels and will have access to more robust record keeping for provision of evidence to the Council.

However, the additional incentive for the Provider to meet service levels and reduce claims is removed as there are no opportunity costs available.

With no liability for meeting service levels, over and above the contractual mechanisms for not achieving against the performance framework, there is less inducement for the Service Provider to achieve those service levels.

Position for Final Tenders

Evidence from the dialogue process has demonstrated there is a significant VFM argument to include the transfer of Third Party Claims to the Service Provider⁵. There is a risk of the approach not being clearly defined, therefore allowing the Service Provider to pass back responsibility for claims. However, this risk can be mitigated by establishing prior to selection of Preferred Bidder a clear and detailed process, controlled by the Council, and retaining an element of risk contingency.

On the basis that the Proposed Approach delivers value for money, as demonstrated via ISDS submissions, and that the risk of the approach can be effectively managed, it is recommended that this is the position included in the Final Tender documents.

Third Party Claims - Claims made by the Council against third parties

Third Party Claims (TPC) - claims made by the Council against third parties for damaging the network - can also be split into two elements; the handling of the claims; and, the risk or liability for the claims.

Currently, claims made by the Council are managed by Highways. It follows that the service should be managed by the Service Provider within the HSP (as there would be not be the required level of resource to do so internally). It is also logical therefore for the risk of recovery of these claims to rest with the Service Provider.

The Council is transferring the management and maintenance of the network to the Service Provider and will recompense the Service Provider for this through a lump sum payment (section 6.3.3.). The Service Provider will be responsible for repairing all defects within specified timescales. It is sensible that the recovery of monies for damage to the network is the responsibility of the Service Provider (with a clause restricting the Service Provider chasing sensitive claims without Council's express permission) to act as an incentive to recover costs.

Service Interfaces

⁵ Both remaining bidders included a significantly reduced sum for TPC within their ISDS models. Not specified here for Commercial Confidentiality reasons.

The HSP will encounter a number of key interfaces with other Third Parties to which the Council is contracted to. These interfaces will require careful management and would be managed in the first instance by the respective Client Functions. It is expected that this management requirement will be reduced overtime, as relationships between the two client functions mature.

Street Lighting PFI (Tay Valley Lighting/Southern Electric Contracting)

The Street Lighting PFI is scheduled to commence in April 2010. A five year Core Investment Period (CIP) programme will commence soon after. The key interface between the PFI and HSP will be the coordination of the Capital Programme and CIP. The coordination of these programmes will be managed by the integrated HSP and PFI Client Team (section 9.2).

The second area of interface is the coordination of emergency responses. The HSP will have overall responsibility for coordination – in the event that emergency incidents affect more than one service area i.e. street light and highway.

Strategic Service Partnership (SSP) (Capita)

There will be a number of key interfaces between the HSP and SSP; ICT; Customer Contact, and Bridges and Structures.

The project team has worked with all of the SSP Client Reps to ensure that the specification between the HSP and SSP does not overlap or duplicate and neither does it leave gaps between service requirements. Additionally, the positions reached within the HSP Service Agreement documents have been designed to ensure minimal impact on the SSP in terms of contract variations.

ICT solutions will be delivered by the HSP. Hardware will be provided by the HSP. Software will also be provided by the HSP for all Highways Services. However, the Service Provider will be required to interface with a number of corporate systems.

Customer Contact will continue to be routed through Actionline. Actionline will continue to work as it currently does, however, calls will be passed to the Service Provider where applicable.

Bridges and Structures are also a key interface and are referred to earlier in this section.

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Agenda Item 24

ITEM NO:24

DECISION-MAKER:	CABINET		
SUBJECT:	SOUTHAMPTON'S 2010 LOCAL AREA AGREEMENT REFRESH		
DATE OF DECISION:	15 FEBRUARY 2010		
REPORT OF:	ASSISTANT CHIEF EXECUTIVE (STRATEGY)		
AUTHOR:	Name:	Joy Wilmot-Palmer	Tel: 023 8083 4428
	E-mail:	joy.wilmot-palmer@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY

None.

SUMMARY

Southampton's Local Area Agreement (LAA) covering the period 2008/9 to 2010/11 was developed by the City Council in conjunction with other local, regional and national partners to help improve key public services provided to local residents in the city. Although it is a formal 3 year agreement between local partners and the government, with the consent of both parties the improvement targets contained within it can be updated on an annual basis to reflect any significant changes in local or national circumstances.

The Council must ensure that any proposed changes to these nationally agreed targets are supported by partners and are negotiated and agreed with representatives from relevant government departments by the beginning of March.

At the Council meeting in May 2008 members agreed that the approval of any changes to the LAA should be provided by the Executive rather than Full Council. This report therefore seeks the Cabinet's endorsement of the re-negotiated economic development targets within Southampton's LAA, as well as adjustments that have been made to the designated targets as a result of formulae or definition changes, to ensure that they reflect changes that have occurred at a national and local level over the past twelve months.

RECOMMENDATIONS:

- (i) To approve the re-negotiated "designated" targets set out in Appendix 1 to enable them to be formally agreed by partners and representatives of government departments for submission to the Secretary of State by the 17th March.
- (ii) To delegate authority to the Chief Executive, following consultation and agreement with appropriate Cabinet Members, to amend the designated targets set out in Appendix 1 to reflect any feedback from stakeholders or formulae changes prior to their submission to the Secretary of State.

REASONS FOR REPORT RECOMMENDATIONS

1. The Local Government and Public Involvement in Health Act places a duty on local authorities to prepare a Local Area Agreement (LAA) for their area and a further duty on a number of specified public sector partners to co-operate with

the council in its development, negotiation and subsequent delivery. The Council has a statutory duty to approve any proposed amendments to the 34 "designated" targets contained within the LAA on behalf of local partners to enable them to be formally submitted to the Secretary of State for Communities and Local Government for approval by the end of March.

2. At the Annual Council meeting on the 14th May 2008 it was agreed that the approval of the targets within Southampton's Local Area Agreement should be the responsibility of the Executive rather than Full Council.

CONSULTATION

3. The City Council is responsible for the development and implementation of Southampton's Local Area Agreement (LAA) in conjunction with key delivery partners in the city and other regional and national stakeholders.
4. When the current LAA was submitted to the Government in March 2009 the Council expressed concern about the potential deliverability of some of the economic indicators within the document, which were largely based on performance levels before the recession started to have a significant impact locally. As a result the Council on behalf of all partners in the city agreed with the DCLG that it would not "lock down" the economic indicators contained within the LAA enabling them to be re-negotiated as necessary when the impact of the recession became clearer. In November the Council confirmed to the government that it wished to re-negotiate the targets relating to affordable homes and the percentage of working age people in the city who are claiming out of work benefits.
5. The Council as the lead delivery partner for both of these designated targets has been involved in the negotiation of the revised improvement targets with government department representatives to ensure that the targets within the LAA remain challenging but are capable of delivery by the end of LAA period. The Cabinet Members for the Economic Development and Housing & Local Services Portfolios have played an active role in these negotiations and support the revised proposals set out in this report.
6. Prior to the formal submission of the designated targets to the secretary of state in March the Council must ensure that it has also secured the co-operation of other key partners in delivering these revised targets. This process is currently in train together with discussions on any adjustments to the targets that have been introduced as a result of formulae or definition changes during the course of this year.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

7. As an "upper tier" authority the City Council is required to formally submit any proposals to refresh the improvement targets contained within the LAA that have been agreed with its partners to the Secretary of State by the 17th March 2010.

DETAIL

8. In 2008 the Council and its partners agreed 34 service improvement measures selected from the National Performance Indicator set where it wished to accelerate the current rate of progress within the city. These improvement measures and their 3 year targets were negotiated with

representatives from government departments and formally agreed with the Secretary of State for Communities and Local Government in June 2008.

9. Since the LAA was updated last year the recession has had an adverse impact on some of the designated targets within the city's LAA. Agreement has therefore been reached with the Government Office for the South East that the economic development related targets within the LAA can be revisited. The Council has chosen to focus its negotiations on two of these measures relating to the forecast number of affordable homes and the level of out of work benefits expected at the end of March 2011.
10. The negotiations surrounding the forecast number of additional affordable homes within Southampton by the end of March 2011 have now been concluded. The re-negotiated target set out in Appendix 1 therefore reflects a change in the expected phasing of when schemes will be completed in rather than a downturn in the council's commitment to increasing the overall number of affordable homes in the city.
11. The negotiations surrounding out of work benefits have also been concluded. These negotiations have been complicated by a change in the definition relating to this national indicator, which should now be expressed in terms of the gap between the city's performance and the rate being achieved at either a national or regional level. A proposal to change this indicator based on closing the gap between the local and regional positions was submitted to the Government Office for the South East in January which has now been agreed.
12. It should be noted that since the National Indicator set was launched in 2008 a number of government departments, such as the Home Office and Department of Health, have published revised definitions and approaches to some of these indicators making it difficult to establish baselines and consistent targets in some areas. Where revised baselines and measures have had to be established as a result of changes to the National Indicator Set over the past year these amendments are highlighted by an "amber" negotiation indicator within the attached appendix pending their approval by Cabinet as well as delivery partners.

FINANCIAL/RESOURCE IMPLICATIONS

Capital

13. 28% of the Performance Reward Grant that is payable for the successful delivery of all of the designated targets within the LAA will be paid to the City Council as a capital sum.

Revenue

14. The total amount of the designated target Performance Reward Grant is currently £350 Million nationally. This will be distributed to local authorities on the basis of 0.54% of their 2006/7 Net Budget Requirement plus their Dedicated Schools Grants. In Southampton this equates to a reward Grant of £1.426 Million which will be paid in two halves during 2011/12 and 2012/13.

15. If all of the agreed designated targets are achieved by March 2011 then 72% of this sum will be payable to the City Council to support revenue expenditure (£1,026,934) with the balance (£399,359) of the grant being available to support new capital expenditure.

Property

16. None.

Other

17. None.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

18. The Local Government and Public Involvement in Health Act 2007 places a statutory duty on local authorities to prepare the LAA for their area and a duty on a number of specified key partners to co-operate with the council in the development, negotiation and delivery of the LAA.

Other Legal Implications:

19. Section 13 of the Local Government Act 2000 empowers the Secretary of State to make regulations to determine what are non-executive functions. The approval of the city's LAA has been deemed a local choice function and it can therefore either be approved by Full Council or the Executive. This issue was considered at the Annual Council meeting on the 14th May 2008 and the Council resolved that the approval of the LAA within Southampton should be made by the Executive.

POLICY FRAMEWORK IMPLICATIONS

20. Southampton's 2008/9 to 2010/11 Local Area Agreement will help to secure a number of objectives within the City of Southampton Strategy. Its delivery by both the executive and key partners within the city is a commitment set out in the Corporate Improvement Plan as well as the Southampton Partnership's Business Plan. All of the performance measures within the LAA where the Council is identified as the lead partner are included within the Corporate Improvement Plan to ensure that progress against the agreed targets can be regularly monitored by the executive as well as other key stakeholders.

SUPPORTING DOCUMENTATION

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

Appendices

1.	Southampton's Proposed Refreshed "Designated" Targets – Position Statement as at the end of January 2010
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Documents In Members' Rooms

	None.
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Background Documents

Title of Background Paper(s)

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

	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's Local Area Agreement 2007-2010	
2.	The New Performance Framework for Local Authorities and Local Authority Partnerships: Single Set of National Indicators (DCLG – October 2007)	
3.	Negotiating New Local Area Agreements (DCLG – September 2007)	
4.	Local Area Agreements Reward Guidance 2009 (DCLG – February 2009)	
5.	Local Area Agreement Review and Refresh Guidance Advice Note (DCLG – December 2010)	

Background documents available for inspection at: Room 8 Civic Centre

E-mail: joy.wilmot-palmer@southampton.gov.uk

KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:

All wards in the city will be affected by the implementation of Southampton's Local Area Agreement.

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LAA Designated Targets – Position Statement as at the 4th February 2010

Re- Negotiated Targets for 2010

National Indicator Ref	Current Status of Negotiations	2007/8 Baseline (unless stated otherwise)	Lead Delivery Partner & Key Contact	LAA Improvement Targets			Partners who have signed-up to the target	Lead Sector Partnership
				2008/09	2009/10	2010/11		
NI 155 Number of affordable homes delivered (gross)	Green	0 for 2009 LAA Refresh Purposes (Actual = 351)	SCC – Barbara Compton	372	612 cumulative (+240 in yr)	1,072 cumulative (+460 in yr)	7 RSLs in the Southampton Affordable Housing Partnership	Economy and Enterprise Board
NI 152 Working age people on out of work benefits	Green	11% for 2009 LAA Refresh purposes (May 2007) Note: Revised definition applies from 2009/10	SCC – Dawn Baxendale	11.0% (LAA Refresh 2009)	Maximum of 3.2 percentage points gap to the South East average rate (SCC Est = 11.8%)	Maintain the gap to the South East average rate at a maximum of -3.2 percentage points by Q2 May 2011 (SCC Est = 11.2%)	LSC, PUSH Authorities and SEEDA	Economy and Enterprise Board

Other Designated Targets

National Indicator Ref	Current Status of Agreement	2007/8 Baseline (unless stated otherwise)	Lead Delivery Partner & Key Contact	LAA Improvement Targets			Partners who have signed-up to the target	Lead Sector Partnership
				2008/09	2009/10	2010/11		
NI 63 Stability of placements of looked after children: length of placement	Green	48%	SCC – Felicity Budgen	63%	65.9%	70%	SCPCT, Police with Schools & YOT via CYPT Board Meeting	Children and Young People's Trust
NI 111 First time entrants to the Youth Justice System aged 10 – 17	Green	2,720 per 100k pop aged 10-17 (2008)	Wessex Youth Offending Team – Steve Crocker	2,640 100k pop aged 15-17	2,590 100k pop aged 15-17	2,540 100k pop aged 15-17	SCC, Southampton Police, Schools, Colleges	Children and Young People's Trust
NI 60 Core assessments for children's social care that were carried out within 35 working days of their commencement	Green	68%	SCC – Felicity Budgen	84%	84%	90%	SCPCT, Southampton Police with Schools via CYPT Board Meeting	Children and Young People's Trust
NI 110 Young people's participation in positive activities	Green	67.4% (2008/9)	SCC – Alison Alexander	67.4%	72.9% 5.5 pp increase from baseline)	78.4% 11 pp increase from baseline)	SVS, Schools, Colleges, Southampton Police, Faith & Community Groups	Children and Young People's Trust
NI 115 Substance misuse by young people	Green	9.7% (2008/9)	SCC – Alison Alexander	9.7%	8.1% (1.6 pp reduction from 2008/9 target)	6.5% (3.2 reduction from 2008/9 target)	DAT, SCPCT, Schools, Colleges, Southampton Police, YOT	Children and Young People's Trust
NI 141 Number of vulnerable people achieving independent living	Green	60.6%	SCC – Jane Brentor	64.00%	66.00%	70.00%	Hampshire Probation Service and other members of the Supporting People Board	Health and Social Well Being Partnership

National Indicator Ref	Current Status of Agreement	2007/8 Baseline (unless stated otherwise)	Lead Delivery Partner & Key Contact	LAA Improvement Targets			Partners who have signed-up to the target	Lead Sector Partnership
				2008/09	2009/10	2010/11		
NI 130 Social Care clients receiving Self Directed Support (Direct Payments and Individual Budgets)	Amber	Percentage of eligible clients supported to live at home (2008 new definition – est = 6.4%)	SCC – Jane Brentor	Target not set on basis of revised definition (original = 238.6 clients)	15% of all eligible clients supported to live at home	30% of all eligible clients support to live at home	SCPCT, Independent social care provider organisations via HDCA and HCA	Health and Social Well Being Partnership
NI 30 Re-offending rate of prolific and priority offenders	Green	For 2008/09 (April 07- March 08 = 137) For 2009/10 (Oct 07 - Sept 08 = 94) For 2010/11 (no. for baseline year to be confirmed)	SCC – George Potheary	18% reduction in offences from 137 baseline (i.e. no more than 112 offences)	15% reduction in offences from 94 baseline (i.e. no more than 80 offences)	Target to be arrived at by applying the common ratio 1.09 to the performance ceiling % target identified after the cohort is refreshed in 2010	SCC, Southampton Police, YOT, DAT, Hampshire Probation Service, Crown Prosecution Service, HMP Winchester	Safe City Partnership
NI 19 Rate of proven re-offending by young offenders	Green	1.64 offences per person (2008)	Wessex Youth Offending Team (YOT) – Steve Crocker	1.57 offences per person (-4.3% from baseline)	1.50 offences per person (-8.5% from baseline)	1.44 offences per person (-11.6% from baseline)	SCC, Southampton Police, Schools, Colleges, SCPCT	Safe City Partnership & Children and Young People's Trust
NI 56 Obesity among primary school age children in Year 6	Green	16.9% (2006/07 per 2009 Refresh)	SCPCT – Stephanie Ramsey	16.5%	16.1%	15.8%	SCC, Schools via CYPT Board Meeting	Children and Young People's Trust
NI 112 Under 18 conception rate	Green – now Local Target only	0% for LAA refresh purposes (Note rate in 2006 = 60.7)	SCPCT – Stephanie Ramsey	14.6% reduction from 2006 baseline (52)	32.7% reduction from 2006 baseline (41)	No Local Target set	SCC with Schools and Colleges via CYPT Board Meeting	Children and Young People's Trust

National Indicator Ref	Current Status of Agreement	2007/8 Baseline (unless stated otherwise)	Lead Delivery Partner & Key Contact	LAA Improvement Targets			Partners who have signed-up to the target	Lead Sector Partnership
				2008/09	2009/10	2010/11		
NI 123 16+ current smoking rate prevalence	Green	995 per 100,000 pop (Ave 2004/05 to 2006/07)	SCPCT – Andrew Mortimore	995 per 100,000 pop	995 per 100,000 pop	995 per 100,000 pop	SCC	Health and Social Well Being Partnership
NI 125 Achieving independence for older people through rehabilitation/intermediate care	Amber – now Local Target only	75% E	SCC – Jane Brentor	77%	<i>Local Target to be set by the end of February 2010</i>	<i>Local Target to be set by the end of February 2010</i>	<i>SCPCT and members of the Adult Health & Social Care Board</i>	Health and Social Well Being Partnership
NI 134 The number of emergency bed days per head of weighted population	Green	120,439 (2006/07)	SCPCT – Amy Hobson	124,791	121,677	118,557	SCC, SUHT	Health and Social Well Being Partnership
NI 135 Carers receiving needs assessment or review and a specific carer's service, or advice and information	Green	13.6%	SCC – Jane Brentor	16.50%	19.20%	22.00%	SCPCT, Carers Together	Health and Social Well Being Partnership
NI 39 Alcohol-harm related hospital admission rates	Amber – now Local Target only	1,069.64	SCPCT – Amy Hobson	1,325 per 100,000 population	<i>1,391 per 100,000 population</i>	<i>1,419 per 100,000 population</i>	<i>SCC, SUHT, Southampton University, Southampton Solent University</i>	Safe City Partnership
NI 40 Drug users in effective treatment	Green	711	DAT – Jackie Hall	747 +5% from baseline	761 +7% from baseline	769 +8% from baseline	SCC	Safe City Partnership
NI 32 Repeat incidents of domestic violence	Green	36% (2008)	SCC – Jon Dyer-Slade	36%	33%	30%	Southampton Police, Southampton Domestic Violence Forum	Safe City Partnership
NI 38 Drug-related (Class A) offending rate	Amber	Final data available July 2009 Emerging	Hampshire Probation Service – Joinge	No Target set	Average 5.6% below agreed baseline across 2009/10 and 2010/11 cohorts (0.75 est)		SCC, Southampton Police, SCPCT, DAT	Safe City Partnership

National Indicator Ref	Current Status of Agreement	2007/8 Baseline (unless stated otherwise)	Lead Delivery Partner & Key Contact	LAA Improvement Targets			Partners who have signed-up to the target	Lead Sector Partnership
				2008/09	2009/10	2010/11		
		Baseline 0.81	Svenson					
NI 8 Adult participation in sport	Green	21.7% (Active People Survey 2005/6)	SCC – Mike Harris	22.7%	23.7%	25.7%	Active Southampton Partnership	Health and Social Well Being Partnership
NI 21 Dealing with local concerns about anti-social behaviour and crime by the local council and police	Amber	46% (Local Survey Feb 08) 23% (Place Survey 2008)	SCC – Jon Dyer-Slade	48% based on local survey	Results of the 2008 Place Survey plus a statistically significant improvement and a further 2.2 % point improvement (est = +5.3% ie c.28.3%)	2008 Place Survey result plus the min. statistically significant improvement for 2010 and a further 4.4% point improvement (est = +7.5% ie c.30.5%)	Southampton Police	Safe City Partnership
NI 79 Achievement of a Level 2 qualification by the age of 19	Green	63.8% (2006/07)	LSC – Anne-Marie Mountfield	70.0%	73.0%	75.8%	SCC, Southampton City College, Taunton's College, Itchen College	Children and Young People's Trust
NI 164 Working age population qualified to at least Level 3 or higher	Green	51.4% (2006)	LSC – Anne-Marie Mountfield	53.6% (+2.2 pp over baseline)	54.9% (+3.5 pp over baseline)	56.4% (+5.0 pp over baseline)	SCC, Southampton City College, Itchen College, Taunton's College	Economy and Enterprise Board
NI 165 Working age population qualified to at least Level 4 or higher	Green	27.7% (2006)	LSC – Anne-Marie Mountfield	29.2% (+1.5 pp over baseline)	30.1% (+2.4 pp over baseline)	30.9% (+3.2 pp over baseline)	SCC, Aimhigher, FE Colleges, Southampton University	Economy and Enterprise Board
NI 175 Access to services and facilities by public transport, walking and	Green	84.5% (2006/7)	SCC – Paul Nichols	85.3%	86.1%	86.9%	SCPCT, SUHT, and Unilink via LTP2 Accessibility Forum, Later	Safe City Partnership in lieu of wider Energy &

National Indicator Ref	Current Status of Agreement	2007/8 Baseline (unless stated otherwise)	Lead Delivery Partner & Key Contact	LAA Improvement Targets			Partners who have signed-up to the target	Lead Sector Partnership
				2008/09	2009/10	2010/11		
cycling: a) % of the City's Population within a 40 minute bus journey of the General Hospital and the Royal South Hampshire Hospital) b) % of the City's Population within a 10 minute walk of a GP Surgery)	Green	66.0% (2006/7)	SCC – Paul Nichols	67.5%	69.5%	70.0%	<i>Years Partnership</i> SCPCT via LTP2, <i>Accessibility Forum</i>	Environment Partnership Safe City Partnership in lieu of wider Energy & Environment Partnership
NI 186 Per capita CO ₂ emissions in the LA area	Green	5.9 Tonnes per capita (2005)	SCC – Paul Nichols	-1% from baseline (5.8 tonnage equivalent)	-4.5% from baseline (5.6 tonnage equivalent)	-9.5% +/- 2.2% from baseline (5.4 to 5.2 tonnage equivalent)	Southampton University, Carbon Trust, Schools, Utilicom	Energy Partnership
NI 191 Residual household waste per head	Green	750 kilos per household	SCC – Andy Trayer	753 kilos per household	742 kilos per household	731 kilos per household	<i>Veolia, HCC, PCC, HIOW Air Ambulance, Southampton Solent Uni, Uni of Southampton</i>	<i>Energy Partnership</i>
NI 154 Net additional homes provided	Green	0 for 2009 LAA refresh purposes (Actual = 815)	SCC – Paul Nichols	785	1,515 cumulative (+730 in yr)	2,300 cumulative (+785 in yr)	PUSH Authorities, SEERA via draft SE Plan	Economy and Enterprise Board
NI 151 Overall employment rate	Green	72.40% (2006/07)	SCC – Dawn Baxendale	72.8%	71.3%	69.3%	SCC, Job Centre Plus, LSC, Business Link, SEEDA	Economy and Enterprise Board
NI 15 Serious violent crime rate	Amber	0.38 per 1,000 pop based on mid 2006 pop estimates (86 offences)	Southampton Police – Matthew Greening	0.36 per 1,000 pop based on mid 2007 population estimates (equivalent to	-2% from March 2009	0.88 per 1,000 pop based on mid 2009 population estimates	SCC	Safe City Partnership

National Indicator Ref	Current Status of Agreement	2007/8 Baseline (unless stated otherwise)	Lead Delivery Partner & Key Contact	LAA Improvement Targets			Partners who have signed-up to the target	Lead Sector Partnership
				2008/09	2009/10	2010/11		
		For 2010/11 baseline of 0.93 per 1,000 pop based on mid 2008 pop estimates (2008/9 baseline year)		a reduction of 5.30%)				
NI 20 Assault with injury crime rate	Amber	16.29 per 1,000 pop based on mid 2006 pop estimates (3,725 offences) For 2010/11 baseline of 15.3 per 1,000 pop based on mid 2008 pop estimates (2008/9 baseline year)	Southampton Police – Matthew Greening	15.28 crimes per 1,000 pop based on mid 2007 population estimates (equivalent to a reduction of 6.20%)	-2% from March 2009	14.69 per 1,000 pop based on mid 2009 population estimates	SCC	Safe City Partnership

Negotiation Status Key

Green = Agreement reached

Amber = Confirmation of the proposed targets awaited from 1 partner

Red = Negotiations still in progress to determine baselines / target figures

Note: Blue Shaded Items are now locally determined and will therefore not form part of the proposed LAA reward grant calculations

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