

Public Document Pack

Cabinet

Tuesday, 7th January, 2025
at 4.30 pm

PLEASE NOTE TIME OF MEETING

Council Chamber, Civic Centre

Members

Leader – Councillor Fielker

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

Cabinet Member for Economic Development – Councillor
Bogle

Cabinet Member for Environment and Transport -
Councillor Keogh

Cabinet Member for Children and Learning – Councillor
Winning

Cabinet Member for Compliance and Leisure– Councillor
Kataria

Cabinet Member for Communities and Safer City –
Councillor C Lambert

Cabinet Member for Housing Operations – Councillor A
Frampton

Cabinet Member for Adults and Health – Councillor Finn

Cabinet Member for Green City and Net Zero – Councillor
Savage

(QUORUM – 4)

Contacts

Cabinet Administrator

Judy Cordell

Tel. 023 8083 2766

Email: judy.cordell@southampton.gov.uk

Director of Legal and Governance

Richard Ivory

Tel: 023 8083 2794

Email: richard.ivory@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.

The Forward Plan

The Forward Plan is published on a monthly basis and provides details of all the key executive decisions to be made in the four month period following its publication. The Forward Plan is available on request or on the Southampton City Council website, www.southampton.gov.uk

Implementation of Decisions

Any Executive Decision may be “called-in” as part of the Council’s Overview and Scrutiny function for review and scrutiny. The relevant Overview and Scrutiny Panel may ask the Executive to reconsider a decision, but does not have the power to change the decision themselves.

Mobile Telephones – Please switch your mobile telephones or other IT to silent whilst in the meeting.

Use of Social Media

The Council supports the video or audio recording of meetings open to the public, for either live or subsequent broadcast. However, if, in the Chair’s opinion, a person filming or recording a meeting or taking photographs is interrupting proceedings or causing a disturbance, under the Council’s Standing Orders the person can be ordered to stop their activity, or to leave the meeting.

By entering the meeting room you are consenting to being recorded and to the use of those images and recordings for broadcasting and or/training purposes. The meeting may be recorded by the press or members of the public. Any person or organisation filming, recording or broadcasting any meeting of the Council is responsible for any claims or other liability resulting from them doing so. Details of the Council’s Guidance on the recording of meetings is available on the Council’s website.

Municipal Year Dates (Tuesdays)

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

Executive Functions

The specific functions for which the Cabinet and individual Cabinet Members are responsible are contained in Part 3 of the Council’s Constitution. Copies of the Constitution are available on request or from the City Council website, www.southampton.gov.uk

Key Decisions

A Key Decision is an Executive Decision that is likely to have a significant:

- financial impact (£500,000 or more)
- impact on two or more wards
- impact on an identifiable community

Procedure / Public Representations

At the discretion of the Chair, members of the public may address the meeting on any report included on the agenda in which they have a relevant interest. Any member of the public wishing to address the meeting should advise the Democratic Support Officer (DSO) whose contact details are on the front sheet of the agenda.

Fire Procedure – In the event of a fire or other emergency, a continuous alarm will sound and you will be advised, by officers of the Council, of what action to take.

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

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

Southampton: Corporate Plan 2022-2030 sets out the four key outcomes:

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

CONDUCT OF MEETING

TERMS OF REFERENCE

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

RULES OF PROCEDURE

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

DISCLOSURE OF INTERESTS

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

DISCLOSABLE PECUNIARY INTERESTS

A Member must regard himself or herself as having a Disclosable Pecuniary Interest in any matter that they or their spouse, partner, a person they are living with as husband or wife, or a person with whom they are living as if they were a civil partner in relation to:

(i) Any employment, office, trade, profession or vocation carried on for profit or gain.

(ii) Sponsorship:

Any payment or provision of any other financial benefit (other than from Southampton City Council) made or provided within the relevant period in respect of any expense incurred by you in carrying out duties as a member, or towards your election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.

(iii) Any contract which is made between you / your spouse etc (or a body in which the you / your spouse etc has a beneficial interest) and Southampton City Council under which goods or services are to be provided or works are to be executed, and which has not been fully discharged.

(iv) Any beneficial interest in land which is within the area of Southampton.

(v) Any license (held alone or jointly with others) to occupy land in the area of Southampton for a month or longer.

(vi) Any tenancy where (to your knowledge) the landlord is Southampton City Council and the tenant is a body in which you / your spouse etc has a beneficial interests.

(vii) Any beneficial interest in securities of a body where that body (to your knowledge) has a place of business or land in the area of Southampton, and either:

a) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body, or

b) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you / your spouse etc has a beneficial interest that exceeds one hundredth of the total issued share capital of that class.

BUSINESS TO BE DISCUSSED

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

QUORUM

The minimum number of appointed Members required to be in attendance to hold the meeting is 4.

Other Interests

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

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

Any public authority or body exercising functions of a public nature

Any body directed to charitable purposes

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

Principles of Decision Making

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

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

In exercising discretion, the decision maker must:

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

AGENDA

1 **APOLOGIES**

To receive any apologies.

2 **DISCLOSURE OF PERSONAL AND PECUNIARY INTERESTS**

In accordance with the Localism Act 2011, and the Council's Code of Conduct, Members to disclose any personal or pecuniary interests in any matter included on the agenda for this meeting.

EXECUTIVE BUSINESS

3 **STATEMENT FROM THE LEADER**

4 **RECORD OF THE PREVIOUS DECISION MAKING** (Pages 1 - 2)

Record of the decision making held on 17 December 2024, attached.

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

There are no matters referred for reconsideration.

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

There are no items for consideration

7 **EXECUTIVE APPOINTMENTS**

To deal with any executive appointments, as required.

ITEMS FOR DECISION BY CABINET

8 **PARTNERSHIP FOR SOUTH HAMPSHIRE'S INTER-AUTHORITY AGREEMENT (IAA) FOR NUTRIENT MITIGATION** □ (Pages 3 - 34)

To consider the report of the Cabinet Member for Economic Development seeking approval for delegated authority to the Executive Director of Growth & Prosperity relating to matters concerning the Partnership for South Hampshire's Inter-Authority Agreement (IAA) for nutrient mitigation. The delegated authority requested relates to entry into the agreement, minor amendments to the IAA and identification of the Council as a "Benefiting Authority" for projects delivered through the IAA, in consultation with the Council's S151 Officer and Cabinet Member for Economic Development.

9 BIRD AWARE PARTNERSHIP REVISED STRATEGY □ (Pages 35 - 70)

To consider the report of the Cabinet Member for Economic Development seeking approval for the Bird Aware Partnership's Revised Strategy and supporting financial model, including its update over time, as required.

10 FINANCIAL POSITION UPDATE - DECEMBER □ (Pages 71 - 118)

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

11 DEVOLUTION AND LOCAL GOVERNMENT REORGANISATION (Pages 119 - 122)

To consider the report of the Leader of the Council regarding the submission of a joint expression of interest with Hampshire, Isle of Wight and Portsmouth Council's to be included on the priority programme for devolution.

Monday 23 December 2024

Director of Legal and Governance

SOUTHAMPTON CITY COUNCIL
EXECUTIVE DECISION MAKING

RECORD OF THE DECISION MAKING HELD ON 17 DECEMBER 2024

Present:

Councillor Fielker	-	Leader of the Council
Councillor Bogle	-	Cabinet Member for Economic Development
Councillor Finn	-	Cabinet Member for Adults and Health
Councillor C Lambert	-	Cabinet Member for Communities and Safer City
Councillor Kataria	-	Cabinet Member for Compliance and Leisure
Councillor Keogh	-	Cabinet Member for Environment and Transport
Councillor Winning	-	Cabinet Member for Children and Learning

Apologies: Councillor Letts, A Frampton and Savage

46. ASSET DEVELOPMENT AND DISPOSAL PROGRAMME, PHASE 2

Decision made: (CAB 24/25 47342)

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

- (i) To approve the Phase 2 assets recommended for disposal, development or regeneration within the Asset Development and Disposal Programme as detailed in Appendix 1.
- (ii) To delegate authority to the Executive Director Growth and Prosperity, to progress and implement asset disposal, development and regeneration opportunities within the scope of the ADDP Programme (as outlined in Appendix 1). This decision will be taken following the required consultation with the relevant members and statutory officers.

47. WINCHESTER ROAD, WICKS UNIT

Decision made: (CAB 24/25 47361)

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

- (i) To approve the splitting of the unit at 271 Winchester Road into two units as outlined in the commercial and financial terms in Appendix 1.
- (ii) To delegate finalising the detail of the terms of the splitting of the Unit and the Lease to the Executive Director of Growth and Prosperity following consultation with the Executive Director for Enabling Services and the Director of Legal and Governance.

- (iii) To delegate approval for any other matters necessary to finalise this transaction in association with this proposal to the Executive Director of Growth and Prosperity following consultation with the Executive Director for Enabling Services and the Director of Legal and Governance.
- (iv) Subject to any proposal falling within Cabinet's financial authority, to delegate approval to dispose of this property in the future to the Executive Director of Growth and Prosperity following consultation with the Executive Director for Enabling Services and the Director of Legal and Governance (if best consideration can be demonstrated for a disposal compared to retention of the property).

Agenda Item 8

DECISION-MAKER:	CABINET
SUBJECT:	Partnership for South Hampshire's Inter-Authority Agreement (IAA) for Nutrient Mitigation
DATE OF DECISION:	7th January 2025
REPORT OF:	COUNCILLOR BOGLE CABINET MEMBER FOR ECONOMIC DEVELOPMENT

<u>CONTACT DETAILS</u>			
Executive Director	Title	Growth & Prosperity	
	Name:	Stephen Haynes	Tel: 023 80832400
	E-mail:	stephen.haynes@southampton.gov.uk	
Author:	Title	Head of Transport & Planning	
	Name:	Pete Boustred	Tel: 023 8083 4743
	E-mail:	pete.boustred@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY

n/a

BRIEF SUMMARY

The Partnership for South Hampshire (PfSH) Inter-Authority Agreement aims to facilitate the delivery of nutrient mitigation across the Solent sub-region utilising the Local Nutrient Mitigation Fund ('LNMF').

In order to effectively deploy the fund across all catchments, and to form a Solent Mitigation Partnership that brings together all impacted authorities to deliver a strategic local authority led solution, an Inter Authority Agreement (IAA) is proposed.

By becoming a party to the IAA, the Council will have the benefit, over time, of an additional supply of nutrient mitigation to facilitate planned sustainable growth.

RECOMMENDATIONS:

	(i)	To delegate authority to the Executive Director of Growth and Prosperity to enter into and become a party to the Inter Authority Agreement (IAA) by way of a deed of adherence and to agree to any minor amendments from time to time.
	(ii)	To delegate authority to the Executive Director of Growth and Prosperity to agree the Council as a Benefiting Authority and/or Host Authority for projects delivered through the Inter Authority Agreement following consultation with the Council's S151 Officer and Cabinet Member for Economic Development.

REASONS FOR REPORT RECOMMENDATIONS

1.	The Council, as Local Planning Authority, needs to ensure that sufficient nutrient mitigation is available to meet planned growth. Without sufficient mitigation, planned development may not be able to proceed. Whilst there is a private supply of mitigation across the majority of impacted areas across the Solent, regular reporting of the relative supply of mitigation has shown that the
----	---

	private market is unable to supply a sufficient amount of mitigation to maintain a 5-year supply within the market across the Solent sub-region. Additionally, reliance on the private market requires substantial work on cross boundary legal agreements in order to ensure compliance with the Habitat Regulations as Competent Authorities in decision making.
2.	The IAA aims to create an ongoing framework to provide mitigation in the sub-region and to ensure a 5-year supply of mitigation by working alongside the private market to provide a supply of mitigation for developers for those authorities that do not yet have their own mitigation strategies. It is also proposed that projects delivered through the IAA deliver multiple benefits, including the provision of BNG units and removing the need for cross-boundary legal agreements for projects delivered through the IAA.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
3.	<p><u>Do Nothing:</u> Southampton City Council, as local planning authority must comply with the Habitat Regulations when granting planning permission. Planning permissions issued by the Council could be challenged if it is unable to secure a 5-year supply of nitrate mitigation.</p> <p>It is also proposed that projects delivered through the IAA deliver multiple benefits, including the provision of BNG units and removing the need for cross-boundary legal agreements for projects delivered through the IAA. This opportunity would be lost to Southampton by not being part of the IAA.</p>
DETAIL (Including consultation carried out)	
4.	Nutrient Neutrality impacts Southampton by limiting the opportunities for new housing growth and effective strategic planning for growth more widely. The impact of nutrient neutrality on planned growth across the Solent sub-region has been reported on regularly through the PfSH.
5.	Southampton City Council currently has a Nitrogen Mitigation Position Statement SOUTHAMPTON NITROGEN MITIGATION POSITION STATEMENT following a Cabinet decision in June 2022 and has entered into a 'section 33' legal agreement with Eastleigh Borough Council in-order to implement the Position Statement in accordance with the Habitat Regulations that ensures it presently has a sufficient supply of nitrate mitigation in place.
6.	In May 2023 Fareham Borough Council, on behalf of Partnership for South Hampshire, provided an expression of interest to government for funding to provide local authority led nutrient mitigation solutions across the Solent. The expression of interest provided an indicative capital programme of mitigation schemes. The expression of interest was submitted for the funding to help ensure a consistent 5-year supply of nutrient mitigation across the impacted areas of the Solent and so provide further resilience over and above Southampton's current supply of nitrate mitigation. All authorities impacted by nutrient neutrality across the Solent, with the exception of the South Downs National Park Authority, supported both the expression of interest and proposed capital programme of mitigation options.
7.	Funding was awarded from MHCLG in January 2024 to facilitate the delivery of nutrient mitigation across the Solent sub-region; this funding is referred to

	<p>as the Local Nutrient Mitigation Fund (LNMF). Fareham Borough Council was identified as the lead authority in respect to the fund and as such were required to sign a Memorandum of Understanding associated with the requirements of the funding.</p>
<p>8.</p>	<p>The IAA (Appendix 1) has been drafted by Southampton Legal Partnership on behalf of PfSH. The agreement has been reviewed by all 17 of the authorities impacted by nutrient neutrality across the Solent. The review process culminated in a number of multi-authority round-tables in September 2024 to further review and refine the agreement. At the 30th September PfSH Joint Committee meeting the following recommendations were agreed.</p> <ul style="list-style-type: none"> a. NOTES the update on projects within the LNMF capital programme; b. AGREES the principles of the Inter Authority Agreement and supports their individual authorities to enter into the agreement as appropriate; c. AGREES the sales approach, including sales price and approach to allocation of credits; d. AGREES that parties who are not members of the Partnership for South Hampshire, but who sign the Inter Authority Agreement, will be invited to Joint Committee to debate items related to the deployment of the LNMF capital programme; e. AGREES that parties who are members of the Partnership for South Hampshire, but who do not sign the Inter Authority Agreement, will not be able to debate items related to the deployment of the LNMF capital programme; and f. AGREES that Hampshire County Council, Portsmouth City Council and Southampton City Council would have no right of veto for items relating to the LNMF capital programme.
<p>9.</p>	<p>There are 5 main principles of the IAA:</p> <p>Shared benefits – The deployment of projects through the LNMF is designed to facilitate development in multiple authorities with the aim of providing a robust and sustainable supply of mitigation across the Solent area. The IAA identifies the PfSH Joint Committee as the body responsible for confirming delivery of new projects and the body responsible for agreement of the planning authority areas benefiting from each project.</p> <p>Monitoring functions – within the agreement it details the process for ensuring that the mitigation schemes meet the requirements to provide nutrient neutrality over the defined period (usually 100+ years). It creates the role of Monitoring Authority which will carry out this function. As such, the IAA seeks to remove the need for additional legal agreements to deal with cross-boundary enforcement requirements.</p> <p>Working together – Due to the cross-boundary nature of many environmental services, it is intended that the IAA ensures that the projects delivered within the LNMF meet the requirements of the Habitat Regulations for all signatories of the IAA.</p> <p>Sales process – The IAA identifies the PfSH Joint Committee as the body responsible for agreeing the sales price and allocation of credits. This is to</p>

	allow easier review and agreement of these elements as the market continues to evolve. Local authority signatories outside of PfSH will be invited to sit at the relevant Joint Committee items.
10.	As the nutrient neutrality function expands its remit by adding new schemes, as well as rolling out the delivery and sale of BNG units, the IAA will need to be reviewed periodically. New schemes will be added to a Schedule of the agreement and authorities and organisations not already a signatory can be added to the agreement through a variation process.
11.	<p><u>Southampton City Council Position</u></p> <p>At present, there are circa 6,000 credits available via the existing Eastleigh scheme. This is more than sufficient for the expected needs in the local area in the short term. What is more important for the city however is ensuring stability in the medium to long-term to ensure an increased growth rate can be adequately supported, in line with our growth ambitions, which the IAA will assist with by ensuring the Council is not solely reliant on the Eastleigh scheme.</p> <p>In light of this, Southampton does not need to be listed as a “benefitting party” of the IAA for the time being, but there will need to be a further review of this position within 6-12 months to establish when SCC will need to be a benefitting party to the IAA. This will be guided by an assessment of need and supply both within SCC and across the PfSH authorities. An initial assessment of all PfSH needs has recently begun but SCC’s position will be reviewed next year following further housing trajectory work linked to the emerging Local Plan and fed into PfSH officers leading on the PfSH-wide assessment.</p>
12	Due to the urgency of other local authorities to rely on credits from projects identified in the IAA and the council’s own governance arrangements, the IAA was completed on 10 December without the council as a party. The council will join the IAA as a party by way of formal deed of adherence following cabinet approval.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
13	As projects delivered through the IAA are for the benefit of all authorities and must be maintained for at least a 100-year period, there is a potential financial liability for authorities confirmed within the agreement. The IAA confirms that only authorities identified by the parties as Benefiting Parties for each project will have a potential financial liability. The IAA also confirms a sink fund will be ring-fenced to account for potential liabilities and only when the applicable sink fund, as well as remaining grant funding and available income, have been exhausted will Benefiting Parties potentially be asked on to cover any additional liability.
14.	Although potential liability is un-capped. It is considered that there is sufficient ability to assess any liability on a project-by-project basis as they are presented. Should the Council feel that a project, and proposed applicable Sink Fund, exposes the Council to undue financial risk, this can be avoided by determining not to become a Benefiting Party for that project. The first project

	to be brought forward, 'Land at Stubbington' is a scheme within Fareham Borough for the reduction of intensive agriculture on existing farmland. Southampton cannot be a Benefiting Party for this project as it relates to a different catchment. Other projects such as at Winchester, which is within catchment are also not identified for Southampton as a Benefiting Party as currently Southampton has sufficient credits available via the existing Eastleigh scheme. So presently the LNMF capital programme provides no immediate advantage to the City Council, beyond the £90,000 allocation for SCC water efficiency measures, but this has been allocated to authorities outside of this IAA and is subject to a separate MOU. Any future decisions to become a benefiting party to a project will be evaluated at that time based on the Council's consideration of liability and any need to secure further mitigation.
<u>Property/Other</u>	
15.	n/a
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
16.	Section 1 of the Localism Act 2011, section 111 of the Local Government Act 1972, s.33 Local Government (Miscellaneous Provisions) Act 1982
<u>Other Legal Implications:</u>	
17.	The legislative and policy background to the proposed IAA is described in the body of the report. The proposed IAA will provide a framework for a collaborative relationship between the participating authorities for the delivery of LNMF projects which will support those authorities in fulfilling their roles and duties as competent authorities under the Conservation of Habitats and Species Regulations 2017 (the "Habitat Regulations"). The proposed IAA establishes arrangements for the development, management and oversight of projects supported by the LNMF and aims to assign and manage commercial and financial risks in a way which is equitable for all parties to the Agreement
RISK MANAGEMENT IMPLICATIONS	
18.	In order to protect against any financial risk arising from projects deployed through the LNMF the IAA confirms the use of a sinking fund to be ringfenced for that purpose. The sinking fund is designed to be equal to the potential liability arising from each site, as in the case of the purchase of land at Stubbington is £1,377,000. As each new project comes forward the sinking fund will be increased and agreed as part of the business case agreement process.
19.	Should the sinking fund not be sufficient to meet any future liability then the IAA identifies that any remaining grant funding, or any available income from credit sales, will be first used to satisfy that liability. In the unlikely event of any additional liability, in excess of the sink fund and available funds, liability will be shared equally among those who have signed the agreement and are listed as receiving a benefit for the project from which the liability arises ("the benefiting parties"). In the event a party leaves the agreement they continue to be liable for any projects for which they are listed as a benefiting authority. Southampton City Council is not currently listed as a benefitting party of the current deployed projects.

POLICY FRAMEWORK IMPLICATIONS	
20.	In order to comply with the Habitat Regulations and to ensure no adverse effect on the internationally protected Solent, the Council needs to ensure that new residential and hotel development achieves 'nitrogen neutrality'. This will enable the Council as local planning authority to continue to support the sustainable growth of the city and a greener city, in accordance with the Council's Corporate Plan.

KEY DECISION?	Yes
WARDS/COMMUNITIES AFFECTED:	All
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Proposed Inter Authority Agreement
2.	Draft deed of Adherence

Documents In Members' Rooms

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

Equality Impact Assessment

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

Data Protection Impact Assessment

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

Other Background Documents

Other Background documents available for inspection at:

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	
2.	

Dated

2024

BASINGSTOKE AND DEANE BOROUGH COUNCIL (1)
CHICHESTER DISTRICT COUNCIL (2)
EAST HAMPSHIRE DISTRICT COUNCIL (3)
EASTLEIGH BOROUGH COUNCIL (4)
FAREHAM BOROUGH COUNCIL (5)
GOSPORT BOROUGH COUNCIL (6)
HAMPSHIRE COUNTY COUNCIL (7)
HAVANT BOROUGH COUNCIL (8)
ISLE OF WIGHT COUNCIL (9)
NEW FOREST DISTRICT COUNCIL (10)
NEW FOREST NATIONAL PARK AUTHORITY (11)
PORTSMOUTH CITY COUNCIL (12)
TEST VALLEY BOROUGH COUNCIL (13)
WILTSHIRE COUNCIL (14)
WINCHESTER CITY COUNCIL (15)

**INTER AUTHORITY AGREEMENT FOR
SOLENT
LOCAL NUTRIENT MITIGATION FUND PROJECTS**

Contents

Item		Page
1	DEFINITIONS AND INTERPRETATION	3
2	TERM	6
3	APPROVALS AND STATUTORY AUTHORITY	6
4	OBJECTIVES OF THE AGREEMENT	6
5	AUTHORISED OFFICER	6
6	GOVERNANCE	6
7	CONFLICTS OF INTEREST AND NON COMPETITION CLAUSE	7
8	OBLIGATIONS OF THE PARTIES	7
9	SALE OF CREDITS	8
10	DEEMED VARIATION TO PFSH AGREEMENT AND TERMINATION OF PFSH AGREEMENT	9
11	REPORTING	9
12	ANNUAL REVIEW	9
13	MONITORING AND COMPLIANCE	9
14	ENFORCEMENT FOR NON-COMPLIANCE	10
15	APPROPRIATE ASSESSMENTS	10
16	REIMBURSEMENT OF COST OF SERVICES AND FINANCIAL CONTRIBUTIONS	11
17	VAT	11
18	LIABILITY AND INDEMNITY	11
19	INSURANCE	11
20	RECORDS, AUDIT AND ACCESS TO INFORMATION	12
21	COMPLIANCE WITH LAWS	12
22	DATA SHARING AND DATA PROTECTION, FREEDOM OF INFORMATION, INFORMATION SHARING AND CONFIDENTIALITY	12
23	INTELLECTUAL PROPERTY	12
24	EQUALITIES AND HUMAN RIGHTS	13
25	COMPLAINTS	13
26	TERMINATION AND EXIT OF A PARTY TO THE AGREEMENT	13
27	CONSEQUENCES OF TERMINATION	13
28	DISPUTE RESOLUTION	14
29	FORCE MAJEURE	14
30	NOTICES	15
31	VARIATION	15
32	WAIVER	15
33	FURTHER ASSURANCE	15
34	SEVERANCE	15
35	ASSIGNMENT AND SUB-CONTRACTING	15
36	EXCLUSION OF PARTNERSHIP AND AGENCY	15
37	EXCLUSION OF THIRD PARTY RIGHTS	16
38	ENTIRE AGREEMENT	16

39	COUNTERPARTS	16
40	GOVERNING LAW AND JURISDICTION	16
	SCHEDULE 1	18

This Agreement is dated

Parties

- (1) **BASINGSTOKE AND DEANE BOROUGH COUNCIL** of Civic Offices, London Rd, Basingstoke RG21 4AH ("**BDBC**");
- (2) **CHICHESTER DISTRICT COUNCIL** of East Pallant House, Chichester, West Sussex, PO19 1TY ("**CDC**").
- (3) **EAST HAMPSHIRE DISTRICT COUNCIL** of Monterey House Bedford Rd, Petersfield GU32 3LJ ("**EHDC**"),
- (4) **EASTLEIGH BOROUGH COUNCIL** of Eastleigh House, Upper Market St, Eastleigh SO50 9YN ("**EBC**");
- (5) **FAREHAM BOROUGH COUNCIL** of Civic Offices, Civic Way, Fareham, Hampshire, PO16 7PP ("**FBC**" or the "**Lead Authority**" as the case may be);
- (6) **GOSPORT BOROUGH COUNCIL** of Town Hall, High St, Gosport PO12 1EB ("**GBC**");
- (7) **HAMPSHIRE COUNTY COUNCIL** of The Castle, Upper High Street, Winchester, SO23 8UJ ("**HCC**");
- (8) **HAVANT BOROUGH COUNCIL** of Public Service Plaza, Civic Centre Road, Havant, PO9 2AX ("**HBC**")
- (9) **ISLE OF WIGHT COUNCIL** of County Hall, High Street, Newport, PO30 1UD ("**IWC**")
- (10) **NEW FOREST DISTRICT COUNCIL** of Appletree Court, Beaulieu Rd, Lyndhurst SO43 7PA ("**NFDC**");
- (11) **NEW FOREST NATIONAL PARK AUTHORITY** of Lymington Town Hall Avenue Road Lymington SO41 9ZG ("**NFNPA**");
- (12) **PORTSMOUTH CITY COUNCIL** of Civic Offices, Guildhall Walk, Portsmouth PO1 2AL ("**PCC**");
- (13) **TEST VALLEY BOROUGH COUNCIL** of Beech Hurst, Weyhill Rd, Andover SP10 3AJ ("**TVBC**");
- (14) **WILTSHIRE COUNCIL** of Bythesea Road, Trowbridge, Wiltshire, BA14 8JN ("**WC**")
- (15) **WINCHESTER CITY COUNCIL** of City Offices, Colebrook Street, Winchester SO23 9LJ ("**WCC**")

together the "**Parties**" and each a "**Party**".

BACKGROUND

- (A) The Parties to this Agreement are all either local authorities or national park authorities and who either are members of PfSH who act under the PfSH Agreement or are within the wider area affected by the same environmental challenges to which this Agreement seeks to address.
- (B) PfSH has appointed FBC as the Lead Authority for the purposes of this Agreement.
- (C) Following approval by PfSH, the Lead Authority submitted a proposal to DLUHC, was awarded Grant Funding (in round 1) from the Local Nutrient Mitigation Fund and entered into memoranda of understanding with DLUHC regarding the administration and delivery of funding. The Lead Authority has subsequently been allocated further grant funding (in round 2) from the Local Nutrient Mitigation Fund. This Agreement relates to the funding received in rounds 1 and 2 and any future grant funding from the Local Nutrient Mitigation Fund.

- (D) PfSH has identified, developed and will seek to agree a number of Projects to which the Grant Funding can be applied. Further decisions on those will be decided through the auspices of PfSH, subject to the provisions in this Agreement.
- (E) The purpose of this Agreement is to define the collaborative relationship between the Parties in relation to the Projects. In particular, it documents the working and funding arrangements of the Parties and the cooperative way in which they will work together to fulfil their shared obligations and objectives of delivering the Projects and providing the Services.
- (F) The Lead Authority will apply the Grant Funding to the Projects. This will involve in respect of each Project providing a grant from the Grant Funding to a Party who will be the Host Authority for that Project and the Parties agree that this Agreement will serve as a grant funding agreement between the Lead Authority and each such Host Authority.
- (G) Each Host Authority is the owner of the Asset involved in the Project (as applicable).
- (H) Each Host Authority will be responsible for such aspects of the Project or Services as are agreed through PfSH and/or as set out in this Agreement.
- (I) The Lead Authority will be responsible for selling Credits arising from the Projects.
- (J) The Lead Authority will provide regular updates to PfSH and carry out annual reviews in accordance with the terms of this Agreement.
- (K) The Parties have agreed that only the Benefiting Parties will share liabilities as set out in this Agreement.
- (L) The Parties enter into this Agreement to provide the necessary degree of certainty to each Party, in its capacity as competent authority under the Habitat Regulations when considering granting planning permission, approving reserved matters or discharging conditions in respect of development within its administrative area, that the Projects shall be delivered, managed and maintained and are capable of being properly enforced by that Party.

AGREED TERMS

1 DEFINITIONS AND INTERPRETATION

1.1 The definitions and rules of interpretation in this clause apply in this Agreement.

“**Agreement**” means this agreement between the Parties comprising these terms and conditions together with the schedule attached to it.

“**Aims and Outcomes**” means the objectives of the Parties, as described in Clause 4.

“**Asset**” means such land, building, plant or equipment owned by a Host Authority and identified in the Project.

“**Authorised Officer**” means a Party's employee, agent or sub-contractor and any employee of one Party who is seconded to another Party and is acting in accordance with the Party's instructions.

“**Benefiting Party**” means a Party who in respect of a given Project expresses an interest in becoming one and is subsequently agreed as being one by the PfSH Joint Committee from time to time.

“**Commencement Date**” means the date of this Agreement.

“**Continuing Breach Notice**” means a further notice issued by a Party following the recipient Party's failure to comply with the requirements of the Material Breach Notice.

“Credit” means (a) a nitrogen credit in connection with a Project and which has been recognised by Natural England as having nitrogen mitigation value and which can be used to offset increased nitrogen levels, (b) a phosphate credit in connection with a Project and which has been recognised by Natural England as having phosphate mitigation value and which can be used to offset increased phosphate levels or (c) a biodiversity net gain unit in connection with a Project and which can be used for biodiversity net gain purposes.

“DLUHC” means the Department for Levelling Up, Housing and Communities (now the Ministry of Housing, Communities and Local Government) or its successor.

“Existing Mitigation Schemes” means nutrient mitigation projects arranged or operated by any of EBC, HBC, PCC or WCC under an agreement completed before the date of this Agreement.

“Financial Contributions” means the financial contributions of the Parties payable in accordance with clauses 16 and 18.

“Financial Year” means 1 April to 31 March.

“Force Majeure Event” means any cause affecting the performance by a Party of its obligations arising from acts, events, omissions, happenings or non-happenings beyond its reasonable control, including acts of God, riots, war or armed conflict, acts of terrorism, acts of government or regulatory bodies, fire, flood, storm or earthquake, or disaster.

“Grant Funding” means funding awarded to the Lead Authority by DLUHC under Local Nutrient Mitigation Fund GRANT DETERMINATION 2024: No 31/7062 and Nutrient Support Fund GRANT DETERMINATION 2024: No 31/7063 both dated 8 February 2024 and any other grant funding awarded to the Lead Authority under Local Nutrient Mitigation Fund.

“Habitat Regulations” means the Conservation of Habitats and Species Regulations 2017

“Host Authority” means a Party who is provided some Grant Funding by the Lead Authority to deliver a Project or such part thereof as agreed between the two parties and by PfSH.

“Income” means income from the sale of Credits and/or any income arising from or in connection with a Project.

“Intellectual Property Rights” means patents, utility models, rights to inventions, copyright and neighbouring and related rights, moral rights, trade marks and service marks, business names and domain names, rights in get-up and trade dress, goodwill and the right to sue for passing off or unfair competition, rights in designs, rights in computer software, database rights, and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world.

“Local Nutrient Mitigation Fund” means funding (for capital and revenue) made available by DLUHC towards boosting the supply of mitigation measures concerning nutrients and enabling housing development, which for the avoidance of doubt includes funding from the local nutrient mitigation revenue fund.

“Maintenance Plan” means a maintenance plan that (i) demonstrates nutrient (nitrogen and/or phosphorous as applicable) removal in accordance with the applicable budget calculator published by Natural England, and (ii) sets out a plan for the future management and maintenance of the relevant Asset.

“Material Breach Notice” means a notice issued by a Party to another Party setting out:

- (a) the recipient Party is in a material breach of one or more of the obligations of this Agreement;
- (b) the details of the material breach;

- (c) the steps which the recipient Party is required to take to remedy such material breach; and
- (d) the period within which the material breach is to be remedied, being not less than one month from the date of the notice save in the case of emergency.

“**Monitoring Authority**” shall have the meaning ascribed to it in Clause 13.2.

“**Perpetuity**” means 100 years from the sale of the last Credit in connection with a given Project.

“**PfSH**” means the Partnership for South Hampshire.

“**PfSH Agreement**” means the agreement between (inter alia) the Parties and dated 27 January 2021.

“**PfSH Joint Committee**” means that joint committee of that name established and administered under the PfSH Agreement.

“**Policies and Procedures**” means the Parties’ respective internal policies and procedures, together with any other policies or procedures relevant to the proper performance of the Services.

“**Project**” means any project proposed by a Host Authority and approved by PfSH from time to time to which Grant Funding shall be applied by the Lead Authority and which has been recognised by Natural England as having nitrogen mitigation value or phosphate mitigation value or which can be used for biodiversity net gain purposes to enable Credits to be sold.

“**Services**” means the services relating to a Project to be delivered by the Lead Authority or the Host Authority (as the case may be) under this Agreement, as more particularly described in Schedule 1.

“**Sink Fund**” means such fund held by the Lead Authority for the purpose of and in accordance with this Agreement made up of ring-fenced sum(s) from the Grant Funding, Income or Financial Contributions made from the Benefiting Parties towards anticipated long term costs and liabilities arising from each Project as agreed between the Parties and PfSH.

- 1.2 Clause, Schedule and paragraph headings shall not affect the interpretation of this Agreement.
- 1.3 The Schedule forms part of this Agreement and shall have effect as if set out in full in the body of this Agreement. Any reference to this Agreement includes the Schedule.
- 1.4 Words in the singular include the plural and vice versa.
- 1.5 A reference to one gender includes a reference to the other genders.
- 1.6 A reference to a statute or statutory provision is a reference to it as it is in force for the time being, taking account of any amendment, extension or re-enactment and includes any subordinate legislation for the time being in force made under it.
- 1.7 A reference to “**writing**” or “**written**” includes both e-mail and post.
- 1.8 Any obligation in this Agreement on a person not to do something includes an obligation not to agree or allow that thing to be done.
- 1.9 A reference to a document is a reference to that document as varied or novated (in each case, other than in breach of the provisions of this Agreement) at any time.
- 1.10 References to clauses and Schedules are to the clauses and Schedules of this Agreement. References to paragraphs are to paragraphs of the relevant Schedule.
- 1.11 If there is any conflict or ambiguity between the body of this Agreement and any of the other documents referred to in this Clause 1.11, the conflict shall be resolved in accordance with the following order of precedence (with clause 1.11.1 being predominant and then in descending order):

- 1.11.1 the body of this Agreement;
- 1.11.2 the Schedules; and
- 1.11.3 any other document referred to in this Agreement.

2 TERM

- 2.1 This Agreement shall take effect on the Commencement Date and shall continue unless and until terminated in accordance with this Agreement.

3 APPROVALS AND STATUTORY AUTHORITY

- 3.1 Each Party hereby confirms that it has taken such decisions as are necessary in accordance with its own constitutional arrangements in order to enter into this Agreement.
- 3.2 This Agreement is made pursuant to s.1 Localism Act 2011, section 111 of the Local Government Act 1972, s.33 Local Government (Miscellaneous Provisions) Act 1982, ss.65 and 65A of the Environment Act 1995 (specifically for SDNPA and NFNPA) and all other enabling powers.

4 OBJECTIVES OF THE AGREEMENT

- 4.1 The purpose of this Agreement is to deliver the Projects to enable sustainable development, unlock stalled housing delivery whilst delivering secondary environmental and public benefits¹. This shall be achieved principally through the following steps:
 - 4.1.1 The Lead Authority shall be responsible for the application of the Grant Funding;
 - 4.1.2 The Lead Authority shall be responsible for the overall delivery of a Project;
 - 4.1.3 The Host Authority shall be responsible for the delivery and the management and maintenance of a Project (to the extent it is responsible as agreed in accordance with this Agreement).
 - 4.1.4 The Lead Authority and the Host Authority shall each use reasonable endeavours to enter into such arrangements as appropriate to enable the Lead Authority to sell on the open market Credits created from a Project.
 - 4.1.5 The Lead Authority shall be responsible for selling Credits on the open market.
 - 4.1.6 The Benefiting Parties for each Project shall collectively share the risk, liabilities and benefits involved in and arising from that Project and the sale of Credits from that Project.

5 AUTHORISED OFFICER

- 5.1 The Parties shall each nominate an Authorised Officer, who shall be the main point of contact for each Party and shall be responsible for representing the respective Party and liaising with the other Parties' Authorised Officers in connection with this Agreement.
- 5.2 The Authorised Officers shall be responsible for taking decisions for and on behalf of that Party in connection with matters concerning this Agreement, unless they indicate that the decision is one that cannot be taken by that Authorised Officer.

6 GOVERNANCE

¹ Letter from the Department of Levelling Up, Housing & Communities dated 19 December 2023 announcing the creation of the Local Nutrient Mitigation Fund.

- 6.1 The Parties agree that decisions in relation to the Projects shall be taken by PfSH in accordance with the PfSH Agreement SUBJECT ALWAYS TO:
- 6.1.1 Any such decision shall not fetter the decision of the Lead Authority insofar as it relates to matters concerning the Lead Authority's section 151 officer, which (in such circumstances) shall have a right of veto and the final decision through its own corporate decision making process;
 - 6.1.2 Any such decision shall not fetter the decision of the Host Authority insofar as it relates to matters concerning the Host Authority's section 151 officer or other exceptional circumstances where there is significant financial risk to the Host Authority, which (in such circumstances) shall have a right of veto and the final decision through its own corporate decision making process;
 - 6.1.3 HCC, SCC and PCC not being able to exercise their right of veto in accordance with the PfSH Agreement.
- 6.2 The Parties agree that any actions or decisions (whether as Lead Authority, Host Authority or otherwise) pursuant to this Agreement shall accord with and be consistent with all applicable decisions taken by PfSH.

7 CONFLICTS OF INTEREST AND NON COMPETITION CLAUSE

- 7.1 Where a Party becomes aware of any actual, possible or potential conflict of interest in its performance of this Agreement (the "**Affected Party**"), then:
- 7.1.1 the Affected Party shall immediately inform the other Parties, in writing, of this conflict; and
 - 7.1.2 the Affected Party shall confirm what it proposes to do in accordance with its conflicts of interest policy.
- 7.2 The other Parties shall be free to require the Affected Party to take whatever action they reasonably consider to be necessary to avoid or mitigate the effects of the actual or potential conflict of interest as notified to them under Clause 7.1 or as may become known to the other Parties and the Affected Party shall so comply (so long as compliance is not unlawful).
- 7.3 If the other Parties so elect and at their discretion, the Affected Party may be required by the other Parties to cease providing any part of the Services or any other of its obligations affected by the conflict of interest and the Affected Party acknowledges and accepts that in such case it will have no claim for damages. In such circumstances the Parties shall seek to put in place arrangements which minimise as far as possible any effects on the performance by the Parties of this Agreement.
- 7.4 The Lead Authority shall ensure that pricing of Credits does not compete with nor present an economic advantage over the prices of credits or equivalent costs of securing the same type of mitigation from the Existing Mitigation Schemes operated separately by WCC, PCC, EBC and HBC outside of this Agreement.
- 7.5 The Parties agree that where a Party proposes to establish and/or operate a new project to sell nitrogen credits or phosphate credits outside of the terms of this Agreement, that Party shall ensure that the pricing of credits or equivalent costs does not compete with nor present an economic advantage over the pricing of such Credits.

8 OBLIGATIONS OF THE PARTIES

- 8.1 The Lead Authority shall apply the Grant Funding to the delivery of the Projects and the provision of the Services in accordance with the memoranda of understanding between the Lead Authority and DLUHC.

- 8.2 Upon receipt of the Grant Funding, the Host Authority shall deliver the Project and, unless otherwise agreed by the Parties, shall be responsible for the management and maintenance of the Project.
- 8.3 The Lead Authority and the Host Authority (insofar as it relates to the delivery of a Project or such part thereof) shall provide the Services or procure that they are provided in order to deliver the objectives in Clause 4 and this Clause 8:
- 8.3.1 to ensure the proper discharge of their statutory functions;
 - 8.3.2 with reasonable skill and care, and in accordance with best practice guidance;
 - 8.3.3 in all respects in accordance with the provisions of this Agreement;
 - 8.3.4 in accordance with their constitution, standing orders or other rules on contracting; and
 - 8.3.5 in accordance with all applicable law.
- 8.4 The Host Authority shall prepare and submit for approval to the Lead Authority and the Monitoring Authority a Maintenance Plan in respect of its Asset(s) and upon completion of the Project shall comply with the Maintenance Plan in Perpetuity.
- 8.5 The Lead Authority shall apply such sum(s) from the Grant Funding or Income (as agreed between the Parties and by PfSH) towards the establishment and maintenance of a Sink Fund for a Project.
- 8.6 The Lead Authority shall prepare for approval by PfSH the documents below and shall, subject to completion and successful delivery of a Project, make Credits available for sale and use reasonable endeavours to sell Credits only in accordance with them:
- 8.6.1 A marketing strategy for the sale of Credits;
 - 8.6.2 Principles and priorities for the sale of Credits, which for the avoidance of doubt shall:
 - (a) include principles for pricing which comply with Clause 7.4 of this agreement; and
 - (b) include principles that ensure that Credits shall only be sold in respect of development falling within the administrative areas of the Benefiting Parties.
- 8.7 The Lead Authority shall, subject to completion and successful delivery of a Project, make Credits available for sale and shall only sell Credits in accordance with those documents set out in Clause 8.6 above and approved by PfSH. For the avoidance of doubt, the Lead Authority shall only sell Credits in respect of development within the Benefiting Parties' administrative boundaries.
- 8.8 The Lead Authority shall apply any Income in accordance with the memoranda of understanding between the Lead Authority and DLUHC and as agreed between the Parties and by PfSH.
- 8.9 The Lead Authority shall, before it or a Host Authority (as applicable) seeks any indemnity from the Benefiting Parties in accordance with Clause 18.3 of this Agreement, apply any remaining Grant Funding, applicable Sink Fund and any Income towards any liability arising out of or in connection with the performance of this Agreement by the Lead Authority and/or the Host Authority (as the case may be) in relation to a Project.
- 8.10 The Parties shall ensure that their Authorised Officers are appropriately managed and supervised in accordance with all relevant prevailing standards of professional accountability.
- 8.11 Additional services may be brought within the scope of this Agreement as may be agreed by the Parties in writing from time to time.

9 SALE OF CREDITS

9.1 The Host Authority hereby assigns all rights in respect of Credits in connection with a Project to the Lead Authority subject to receipt by the Host Authority of the Grant Funding in respect of that Project.

10 DEEMED VARIATION TO PFSH AGREEMENT AND TERMINATION OF PFSH AGREEMENT

10.1 The Parties who are PfSH members hereby agree that the PfSH Agreement shall, for the purposes of the taking of decisions by PfSH in connection with this Agreement, the delivery of the Projects and the sale of Credits, be deemed to be subject to the following variations:

10.1.1 BDBC, CDC, IWC, SDNPA and WC shall be entitled to participate and vote in meetings of PfSH; and

10.1.2 Clause 10 of the PfSH Agreement shall not apply to this Agreement.

10.2 The variation in accordance with Clause 10.1 above shall cease to have effect upon the termination of this Agreement (subject always to the provisions of this Agreement and to Clause 27).

10.3 In the event that the PfSH Joint Committee ceases to exist as a body under the PfSH Agreement and/or the PfSH Agreement is terminated in accordance with Clause 13 thereof, the Parties shall use all reasonable endeavours to agree and make substantially similar arrangements for the discharge of the functions under this Agreement where this Agreement refers to decisions by PfSH or the PfSH Joint Committee and any reference to PfSH or the PfSH Joint Committee in this Agreement shall subsequently be construed mutatis mutandis by reference to those arrangements.

11 REPORTING

11.1 The Lead Authority shall report to scheduled meetings of PfSH and provide an update on the delivery of the Aims and Outcomes.

12 ANNUAL REVIEW

12.1 The Lead Authority shall carry out a review of the Agreement within two months of the end of each Financial Year (“**Annual Review**”) for consideration by PfSH, including:

12.1.1 the delivery of the Aims and Outcomes, including the capital and revenue expenditure of the Grant Funding, Income and future liabilities and Sink Funds;

12.1.2 the performance of the individual Services;

12.1.3 plans to address any underperformance in the Services;

12.1.4 actual expenditure compared with agreed budgets, and reasons for and plans to address any actual or potential underspends or overspends;

12.1.5 review of plans and performance levels for the following year.

13 MONITORING AND COMPLIANCE

13.1 Without prejudice to Clause 8.1, the Lead Authority shall apply Grant Funding for the purposes of monitoring of Projects and enforcement in accordance with Clause 13.

13.2 The Parties shall agree on and appoint a Party (the “Monitoring Authority”) to fairly, independently and diligently carry out monitoring of a Project. The Parties agree that:

13.2.1 where the Host Authority is also the Lead Authority, it shall not be the Monitoring Authority; and

13.2.2 a Host Authority may not be the Monitoring Authority in respect of the same Project.

- 13.3 The Monitoring Authority shall carry out the monitoring of the delivery of the Project and its ongoing management and maintenance in accordance with a timetable first agreed in writing between the Parties and shall provide reports of such monitoring to the Lead Authority.

14 ENFORCEMENT FOR NON-COMPLIANCE

- 14.1 The Host Authority permits the Lead Authority and the Monitoring Authority and their properly authorised agents and/or employees (on reasonable prior written notice) to enter onto relevant parts of the land where the Asset is situated to which any obligation relates in order to:

14.1.1 verify whether any such obligation has been observed or performed and the progress of performance of any such obligation; and

14.1.2 comply with Clause 14.5.

- 14.2 Prior to taking enforcement action pursuant to this Agreement in respect of a breach by a Host Authority to deliver the Project or to comply with the related Maintenance Plan in accordance with this Agreement, the Lead Authority or the Monitoring Authority shall serve a Material Breach Notice upon the Host Authority confirming that in the reasonable opinion of the Lead Authority or the Monitoring Authority (as the case may be) the Host Authority is in material breach of the obligations contained in this Agreement.

- 14.3 Where the Lead Authority or the Monitoring Authority (as the case may be) has served a Material Breach Notice upon the Host Authority pursuant to clause 14.2 and the Host Authority has failed to take the steps to remedy the material breach identified within the period stipulated in such notice, the Lead Authority or the Monitoring Authority (as the case may be) may serve a Continuing Breach Notice confirming that such material breach remains unremedied.

- 14.4 The Lead Authority or the Monitoring Authority (as the case may be) having served a Material Breach Notice shall not take any enforcement action until the period provided for in the Material Breach Notice to take steps to remedy the material breach has expired SAVE in the case of an emergency.

- 14.5 Upon the service of a Continuing Breach Notice, the Lead Authority or the Monitoring Authority (as the case may be) may enter the land where the Asset is situated and may carry out such steps and actions as may be necessary to remedy the breach and to comply with the requirements as set out in the Material Breach Notice and may recover its costs from the Host Authority and for the avoidance of doubt, Clause 18.3 of this Agreement shall not apply in such circumstances.

- 14.6 Where a Party considers that the Lead Authority is in breach of this Agreement, prior to taking enforcement action pursuant to this Agreement in respect of such breach, it may serve a Material Breach Notice upon the Lead Authority confirming that in the reasonable opinion of the Party issuing the Material Breach Notice the Lead Authority is in material breach of the obligations contained in this Agreement.

15 APPROPRIATE ASSESSMENTS

- 15.1 Each Party is the local planning authority for the purposes of the Town and Country Planning Act 1990 and the competent authority for the purposes of the Habitat Regulations.

- 15.2 SUBJECT TO Clause 15.3 below, the Parties hereby acknowledge that PROVIDED THAT a Project is completed to the satisfaction of the Lead Authority and the Maintenance Plan for the relevant Asset is complied with to the satisfaction of the Monitoring Authority, Credits will be able to be sold to mitigate any adverse effects that would otherwise occur in relevant protected sites caused by an increase in nutrient levels resulting from development in the Party's administrative area and that this Agreement provides the Party with the necessary degree of certainty to reach that conclusion in an appropriate assessment.

- 15.3 Clause 15.2 does not fetter the discretion of any Party or affect the statutory obligations of a Party to carry out an appropriate assessment in accordance with the Habitat Regulations. In the event that a

Party considers that a Credit may not be used to mitigate the effects of development in its area for the purpose intended, that Party:

15.3.1 shall be under no obligation to recommend the purchase of the Credit or rely on the Credit in its appropriate assessment or add a condition on a planning permission to that effect;

15.3.2 shall notify the other Parties and shall collaborate with the Parties to remedy any perceived inadequacy of the Project.

16 REIMBURSEMENT OF COST OF SERVICES AND FINANCIAL CONTRIBUTIONS

16.1 The Parties agree that the reasonable, directly related and proportionate costs incurred by the Lead Authority of providing the Services shall be met by the Grant Funding and/or Income (as the case may be).

16.2 The Parties agree that the reasonable, directly related and proportionate costs incurred by the Host Authority of providing the Services shall be met by the Grant Funding and that the Lead Authority shall reimburse the Host Authority as soon as reasonably practicable.

16.3 The Parties hereby agree that, subject to a decision taken by PfSH, each Benefiting Party (including for the avoidance of doubt the Lead Authority and the Host Authority where they are a Benefiting Party as well) may be required to make an equal Financial Contribution to the Lead Authority or the Host Authority (as applicable) in connection with the establishment and/or maintenance of the Sink Fund and/or pursuant to Clause 18 of this Agreement. For the avoidance of doubt, the parties agree that Financial Contributions shall only be sought as a remedy of last resort.

17 VAT

17.1 All amounts stated to be payable by any Party under this Agreement shall be exclusive of any VAT properly chargeable on any amount.

17.2 Each Party shall pay to the relevant other Party any VAT properly chargeable on any supply made to it under this Agreement provided that it shall first have received from the other Party a valid tax invoice in respect of that supply which complies with the requirements of Part III VAT Regulations 1995.

18 LIABILITY AND INDEMNITY

18.1 Those Parties who are members of PfSH are subject to substantially the same liability provisions as set out in Clause 18.2 below under the PfSH Agreement. However, in view of the differing Parties, the provisions are set out in this Agreement and in the event of any conflict the provisions set out in this Agreement shall prevail over any equivalent provisions in the PfSH Agreement.

18.2 Whilst the affected Parties shall make all reasonable attempts to mitigate loss, each Party ("the indemnifying Party") shall indemnify the others in respect of any reasonable loss caused to each of the other affected Parties as a direct result of that indemnifying Party's negligence, wilful default or fraud or that of any of the indemnifying Party's employees in respect of its role in the activities of the PfSH Joint Committee and/or under this Agreement and/or where acting as Lead Authority, Host Authority or Monitoring Authority (as the case may be).

18.3 Save where Clause 18.2 above applies, the Lead Authority, the Host Authority and the Monitoring Authority shall be indemnified by the Benefiting Parties (including for the avoidance of doubt the Lead Authority, the Host Authority and the Monitoring Authority if applicable) in respect of any liability arising out of or in connection with the performance of this Agreement by the Lead Authority and/or the Host Authority (as the case may be) in relation to a Project on an equal basis PROVIDED ALWAYS that any remaining Grant Funding, the applicable Sink Fund and any Income shall first be used in respect of such liability.

19 INSURANCE

- 19.1 Each of the Parties shall ensure that they have a sufficient policy of insurance as may reasonably be required (acknowledging that in some circumstances the Parties may self-insure) for any premises, Assets, Projects, Services and other activity that they contribute pursuant to this Agreement for the duration of this Agreement and for a period of six years after termination of this Agreement (in respect of any antecedent breaches only).

20 RECORDS, AUDIT AND ACCESS TO INFORMATION

- 20.1 Each Party is responsible for keeping all books of accounts and accounting records of its own financial affairs in relation to the Project and for dealing with its own tax affairs.
- 20.2 Each Party agrees to submit to any audit, review, inspection or examination, in accordance with its statutory requirements.
- 20.3 The Parties shall co-operate in the provision of information, and access to premises and staff, to ensure compliance with any statutory inspection or audit requirements, or other monitoring or scrutiny functions. The Parties shall implement recommendations arising from these inspections, where appropriate.

21 COMPLIANCE WITH LAWS

- 21.1 In performing their obligations under this Agreement, the Parties shall at all times comply with:
- 21.1.1 all applicable law;
 - 21.1.2 the Policies and Procedures.
- 21.2 The Parties shall maintain such records relating to this Agreement as are necessary pursuant to all applicable law as well as the Policies and Procedures and shall promptly on request make them available for inspection by any relevant authority that is entitled to inspect them and by the other Parties (or their Authorised Officers) as may be reasonably required.
- 21.3 The Parties shall monitor and shall keep each other informed in writing of any changes in the law that they become aware of that may impact the performance of this Agreement and shall provide each other with timely details of measures they propose to take and changes they propose to make to comply with any such changes. The Parties shall only implement such changes in accordance with Clause 31.

22 DATA SHARING AND DATA PROTECTION, FREEDOM OF INFORMATION, INFORMATION SHARING AND CONFIDENTIALITY

- 22.1 Without prejudice to the specific requirements of this clause, each Party shall comply with its legal requirements under all applicable data protection legislation, freedom of information and associated legislation, and the law relating to confidentiality.
- 22.2 A Party will be appointed by agreement between the Parties for the purposes of ensuring compliance with any legislative or legal requirements relating to these issues should they arise directly in relation to the PfSH Joint Committee (as compared to information held by the Parties to this Agreement).
- 22.3 Subject to any legal obligations either arising upon the Parties and/or PfSH Joint Committee, information relating to this Agreement supplied between the Parties or to or from third parties shall, unless agreed by PfSH Joint Committee, subject to any over-riding legal obligations, be treated as confidential.

23 INTELLECTUAL PROPERTY

- 23.1 All Intellectual Property Rights developed or created by a Party for the performance of the Services or the delivery of a Project shall be owned by that Party ("**Created IPR**").

- 23.2 Each Party grants to all other Parties a non-exclusive, personal, royalty-free licence for the duration of this Agreement to use its Created IPR to the extent necessary for the performance of this Agreement.
- 23.3 At the end of this Agreement, a party licensed to use Created IPR under Clause 23.2 shall cease to use that Created IPR and shall return any physical embodiment of the Created IPR (including any copies) in its possession or control to the Party that created it.
- 23.4 Each Party shall immediately give written notice to the other Parties of any actual, threatened or suspected infringement of any Party's Created IPR used in connection with this Agreement of which it becomes aware.

24 EQUALITIES AND HUMAN RIGHTS

- 24.1 The Parties acknowledge their respective duties under equality legislation to eliminate unlawful discrimination, harassment and victimisation, and to advance equality of opportunity and foster good relations between different groups.
- 24.2 In their performance of this Agreement the Parties agree to adopt and apply such policies to ensure compliance with their equality duties.
- 24.3 The Parties shall take all reasonable steps to secure the observance of this Clause 24 by their Authorised Officers when performing this Agreement and delivering the Services described herein.

25 COMPLAINTS

- 25.1 The Parties shall deal with all complaints received concerning the performance of this Agreement in the first instance through the Parties' respective complaints procedures.

26 TERMINATION AND EXIT OF A PARTY TO THE AGREEMENT

- 26.1 Without prejudice to other rights and remedies at law, the Parties may mutually agree to terminate this Agreement and shall agree an appropriate notice period.
- 26.2 A Party may cease to be a party to this Agreement upon the giving of no less than 12 months prior written notice to all Parties.
- 26.3 The provisions of Clause 27 shall apply on termination of this Agreement or the exit of a Party to this Agreement in accordance with Clause 26.2.

27 CONSEQUENCES OF TERMINATION

- 27.1 If this Agreement is terminated in accordance with Clause 26, the Parties agree as follows:
- 27.1.1 The Parties shall work together and cooperate to ensure that the winding down of the Projects is carried out smoothly and with as little disruption as possible to the Parties and third parties and where agreement cannot be reached then the disputes procedure in Clause 28 shall be applied.
- 27.1.2 The Parties shall work together to mitigate any liabilities (including without limitation the redeployment of staff within their respective organisations).
- 27.1.3 Capital assets shall be dealt with in accordance with such decision of PfSH.
- 27.2 Subject to Clause 27.3 below, the provisions of the following clauses shall survive the termination of this Agreement:
- 27.2.1 Clause 1 (Definitions and Interpretation);
- 27.2.2 Clause 4 (Objectives of the Agreement);

- 27.2.3 Clause 6 (Governance);
- 27.2.4 Clause 16 (Reimbursement of Cost of Services and Financial Contributions);
- 27.2.5 Clause 17 (VAT);
- 27.2.6 Clause 18 (Liability and Indemnity);
- 27.2.7 Clause 20 (Records, Audit and Access to Information);
- 27.2.8 Clause 22 (Data Sharing and Data Protection, Freedom of Information, Information Sharing and Confidentiality);
- 27.2.9 Clause 27 (Consequences of Termination); and
- 27.2.10 Clause 30 (Notices).

27.3 Where Credits have been sold in connection with a particular Project, the provisions of this Agreement shall survive the termination of this Agreement insofar as it is necessary (as agreed by the Benefiting Parties and where agreement cannot be reached then the disputes procedure in Clause 28 shall be applied) to ensure that the Habitat Regulations are complied with and that decisions by Benefiting Parties to grant planning permission, approve reserve matters or to discharge a condition are not undermined.

28 DISPUTE RESOLUTION

- 28.1 The Parties shall respectively use all reasonable endeavours to resolve disputes arising out of this Agreement.
- 28.2 If any dispute is not resolved within one month, a Party, by notice in writing to the others, may refer the dispute to the chief executives of the Parties, who shall co-operate in good faith to resolve the dispute as amicably as possible within 90 days of service of the notice.
- 28.3 Subject to Clause 28.4, if the chief executives fail to resolve the dispute in the allotted time, the Dispute Resolution Procedure shall be deemed exhausted and the aggrieved Party may commence legal proceedings.
- 28.4 This Clause 28 shall not prevent a Party from seeking injunctive relief at any time during the lifetime of this Agreement (regardless of whether the Dispute Resolution Procedure set out in this Clause 28 has been exhausted or not) in the case of any breach or threatened breach by any Party of any obligation under this Agreement.

29 FORCE MAJEURE

- 29.1 No Party or Parties to this Agreement (the “**Non-Affected Party**”) shall be entitled to bring a claim for a breach of obligations under this Agreement by any other Party (the “**Affected Party**”) to the extent that a Force Majeure Event occurs and the Affected Party is prevented from carrying out obligations by that Force Majeure Event.
- 29.2 On the occurrence of a Force Majeure Event, the Affected Party shall notify the Non-Affected Party as soon as practicable. The notification shall include details of the Force Majeure Event, including evidence of its effect on the obligations of the Affected Party and any action proposed to mitigate its effect.
- 29.3 The Parties shall at all times following the occurrence of a Force Majeure Event use all reasonable endeavours to prevent and mitigate the effects of any delay.

29.4 The Affected Party shall notify the Non-Affected Party as soon as practicable after the Force Majeure Event ceases or no longer causes the Affected Party to be unable to comply with its obligations under this Agreement.

30 NOTICES

30.1 Notices shall be in writing and shall be sent to the other Party marked for the attention of the chief executive (or equivalent) or another person duly notified by the Party for the purposes of serving notices on that Party, at the address set out for the Party in this Agreement.

30.2 Notices may be sent by first class mail and by email. Correctly addressed notices sent by first class mail shall be deemed to have been delivered 72 hours after posting.

31 VARIATION

31.1 Any variation to this Agreement will only be valid if it is:

31.1.1 agreed by each Party (including for the avoidance of doubt, any party who enters into this Agreement after the Commencement Date);

31.1.2 made in accordance with each Party's internal decision-making processes;

31.1.3 made in writing; and

31.1.4 duly executed as a deed.

32 WAIVER

32.1 The failure of a Party to enforce any of the provisions of this Agreement at any time or for any period of time shall not be construed to be a waiver of any such provision and shall in no matter affect the right of that Party thereafter to enforce such provision.

32.2 No waiver in any one or more instances of a breach of any provision of this Agreement shall be deemed to be a further or continuing waiver of such provision in other instances.

33 FURTHER ASSURANCE

33.1 Each Party shall do all things and execute all further documents necessary to give full effect to this Agreement.

34 SEVERANCE

34.1 If any term, condition or provision contained in this agreement shall be held to be invalid, unlawful or unenforceable to any extent, such term, condition or provision shall not affect the validity, legality or enforceability of the remaining parts of this Agreement.

35 ASSIGNMENT AND SUB-CONTRACTING

35.1 No Party shall assign, transfer, mortgage, charge, sub-contract, declare a trust over or deal in any other manner with any or all of its rights and obligations under this Agreement without the prior consent of the other Parties.

36 EXCLUSION OF PARTNERSHIP AND AGENCY

36.1 Save as expressly provided otherwise in this Agreement or where a statutory provision otherwise requires, the Parties shall not in any way whatsoever:

36.1.1 be, act or hold themselves out as an agent of the others;

36.1.2 make any representations or give any warranties to third parties on behalf or in respect of the others; or

36.1.3 bind or hold themselves out as having authority or power to bind the others.

36.2 As public bodies, the Parties do not enter into this Agreement with any view of profit. The use of the terms “partners” and “partnership” in this Agreement merely denotes the intention of the Parties to work within local government legislation in a common way to achieve shared objectives, and should not be taken as an indication of any legal partnership for the purposes of the Partnership Act 1890.

37 EXCLUSION OF THIRD PARTY RIGHTS

37.1 Save to the extent as expressly provided for in this Agreement no person not a Party to this Agreement shall have any right to enforce any term of this Agreement and the provisions of the Contracts (Rights of Third Parties) Act 1999 shall not apply to this Agreement.

38 ENTIRE AGREEMENT

38.1 This Agreement, the Schedules and the documents annexed to it or otherwise referred to in it contain the whole agreement between the Parties relating to the subject matter of it and supersede all prior agreements, arrangements and understandings between the Parties relating to that subject matter.

39 COUNTERPARTS

39.1 This agreement may be executed in any number of counterparts, all of which when taken together shall constitute one and the same instrument.

40 GOVERNING LAW AND JURISDICTION

40.1 This Agreement and any dispute or claim arising out of or in connection with it or its subject matter shall be governed by and construed in accordance with the law of England and subject to Clause 28 (Dispute Resolution), the Parties irrevocably agree that the courts of England shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this Agreement.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

Execution block of
[] COUNCIL

SCHEDULE 1

SERVICES PROVIDED BY LEAD AUTHORITY AND HOST AUTHORITY

LEAD AUTHORITY SERVICES

- Financial (including but not limited to accounting, audit, treasury management, book keeping, tax)
- Legal
- Human resources
- Complaints/information/
- Administrative
- IT/Website maintenance
- Ecological Services
- Communications

HOST AUTHORITY SERVICES

Insofar as the below items relate to that part of the project delivered by the Host Authority.

- Financial (including but not limited to accounting, audit, treasury management, book keeping, tax)
- Legal
- Human resources
- Complaints/information/
- Administrative
- IT/Website maintenance
- Ecological Services
- Communications

Dated

2025

BASINGSTOKE AND DEANE BOROUGH COUNCIL (1)
CHICHESTER DISTRICT COUNCIL (2)
EAST HAMPSHIRE DISTRICT COUNCIL (3)
EASTLEIGH BOROUGH COUNCIL (4)
FAREHAM BOROUGH COUNCIL (5)
GOSPORT BOROUGH COUNCIL (6)
HAMPSHIRE COUNTY COUNCIL (7)
HAVANT BOROUGH COUNCIL (8)
ISLE OF WIGHT COUNCIL (9)
NEW FOREST DISTRICT COUNCIL (10)
NEW FOREST NATIONAL PARK AUTHORITY (11)
PORTSMOUTH CITY COUNCIL (12)
TEST VALLEY BOROUGH COUNCIL (13)
WILTSHIRE COUNCIL (14)
WINCHESTER CITY COUNCIL (15)
SOUTHAMPTON CITY COUNCIL (16)

**DEED OF ADHERENCE TO THE
INTER AUTHORITY AGREEMENT FOR
SOLENT
LOCAL NUTRIENT MITIGATION FUND PROJECTS**

Contents

Item	Page
1 DEFINITIONS AND INTERPRETATION	2
2 APPROVALS AND STATUTORY AUTHORITY	2
3 ADHERENCE TO ORIGINAL AGREEMENT	2
4 COUNTERPARTS	2
5 GOVERNING LAW AND JURISDICTION	2

This Deed of Adherence is dated

Parties

- (1) **BASINGSTOKE AND DEANE BOROUGH COUNCIL** of Civic Offices, London Rd, Basingstoke RG21 4AH ("**BDBC**");
- (2) **CHICHESTER DISTRICT COUNCIL** of East Pallant House, Chichester, West Sussex, PO19 1TY ("**CDC**").
- (3) **EAST HAMPSHIRE DISTRICT COUNCIL** of Monterey House Bedford Rd, Petersfield GU32 3LJ ("**EHDC**"),
- (4) **EASTLEIGH BOROUGH COUNCIL** of Eastleigh House, Upper Market St, Eastleigh SO50 9YN ("**EBC**");
- (5) **FAREHAM BOROUGH COUNCIL** of Civic Offices, Civic Way, Fareham, Hampshire, PO16 7PP ("**FBC**" or the "**Lead Authority**" as the case may be);
- (6) **GOSPORT BOROUGH COUNCIL** of Town Hall, High St, Gosport PO12 1EB ("**GBC**");
- (7) **HAMPSHIRE COUNTY COUNCIL** of The Castle, Upper High Street, Winchester, SO23 8UJ ("**HCC**");
- (8) **HAVANT BOROUGH COUNCIL** of Public Service Plaza, Civic Centre Road, Havant, PO9 2AX ("**HBC**")
- (9) **ISLE OF WIGHT COUNCIL** of County Hall, High Street, Newport, PO30 1UD ("**IWC**")
- (10) **NEW FOREST DISTRICT COUNCIL** of Appletree Court, Beaulieu Rd, Lyndhurst SO43 7PA ("**NFDC**");
- (11) **NEW FOREST NATIONAL PARK AUTHORITY** of Lymington Town Hall Avenue Road Lymington SO41 9ZG ("**NFNPA**");
- (12) **PORTSMOUTH CITY COUNCIL** of Civic Offices, Guildhall Walk, Portsmouth PO1 2AL ("**PCC**");
- (13) **TEST VALLEY BOROUGH COUNCIL** of Beech Hurst, Weyhill Rd, Andover SP10 3AJ ("**TVBC**");
- (14) **WILTSHIRE COUNCIL** of Bythesea Road, Trowbridge, Wiltshire, BA14 8JN ("**WC**")
- (15) **WINCHESTER CITY COUNCIL** of City Offices, Colebrook Street, Winchester SO23 9LJ ("**WCC**")
- (16) **SOUTHAMPTON CITY COUNCIL** of Civic Centre, Civic Centre Road, Southampton, SO14 7LY ("**SCC**")

together the "**Parties**" and each a "**Party**".

BACKGROUND

- (A) The Parties to this Deed of Adherence are all either local authorities or national park authorities and who either are members of PfSH who act under the PfSH Agreement or are within the wider area affected by the same environmental challenges to which the Original Agreement seeks to address.
- (B) The Parties, other than SCC, entered into the Original Agreement on 10 December 2024.
- (C) The Parties agree that SCC should join as a party to the Original Agreement and enter into this Deed of Adherence to record this.

AGREED TERMS

1 DEFINITIONS AND INTERPRETATION

1.1 The definitions and rules of interpretation in this clause apply in this Deed of Adherence.

“**Original Agreement**” means the Inter Authority Agreement For Solent Local Nutrient Mitigation Fund Projects entered into between the Parties, save for SCC, and dated 10 December 2024.

1.2 Clause, Schedule and paragraph headings shall not affect the interpretation of this Deed of Adherence.

1.3 Words in the singular include the plural and vice versa.

1.4 A reference to one gender includes a reference to the other genders.

1.5 A reference to a statute or statutory provision is a reference to it as it is in force for the time being, taking account of any amendment, extension or re-enactment and includes any subordinate legislation for the time being in force made under it.

1.6 References to clauses are to the clauses of this Deed of Adherence.

2 APPROVALS AND STATUTORY AUTHORITY

2.1 Each Party hereby confirms that it has taken such decisions as are necessary in accordance with its own constitutional arrangements in order to enter into this Deed of Adherence.

2.2 This Deed of Adherence is made pursuant to s.1 Localism Act 2011, section 111 of the Local Government Act 1972, s.33 Local Government (Miscellaneous Provisions) Act 1982, ss.65 and 65A of the Environment Act 1995 (specifically for SDNPA and NFNPA) and all other enabling powers.

3 ADHERENCE TO ORIGINAL AGREEMENT

3.1 The Parties agree that from the date of this Deed they shall observe, perform and be bound by the provisions of the Original Agreement as though SCC were an original party to the Original Agreement and reference to “Parties” in the Original Agreement shall be construed as including SCC.

4 COUNTERPARTS

4.1 This Deed of Adherence may be executed in any number of counterparts, all of which when taken together shall constitute one and the same instrument.

5 GOVERNING LAW AND JURISDICTION

5.1 This Deed of Adherence and any dispute or claim arising out of or in connection with it or its subject matter shall be governed by and construed in accordance with the law of England and the Parties irrevocably agree that the courts of England shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this Deed of Adherence.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

Execution block of
[] COUNCIL

This page is intentionally left blank

Agenda Item 9

DECISION-MAKER:	Cabinet
SUBJECT:	Bird Aware Partnership Revised Strategy
DATE OF DECISION:	7 th January 2025
REPORT OF:	COUNCILLOR BOGLE CABINET MEMBER FOR ECONOMIC DEVELOPMENT

<u>CONTACT DETAILS</u>			
Executive Director	Title	Executive Director of Growth & Prosperity	
	Name:	Stephen Haynes	Tel: 023 8083 2400
	E-mail	Stephen.haynes@southampton.gov.uk	
Author:	Title	Strategic Planning Manager	
	Name:	Amber Trueman	Tel: 023 8091 7597
	E-mail	Amber.trueman@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY
NOT APPLICABLE

BRIEF SUMMARY	
<p>Southampton City Council is a member of the Bird Aware Solent Partnership. Its Bird Aware Strategy (previously known as the Solent Recreation Mitigation Partnership Strategy), which identifies contributions towards the Solent Disturbance Mitigation Project (SDMP) as a means of mitigating the impact of development on protected areas in the Solent, was initially endorsed by PfSH (formerly known as PUSH) in December 2017, then approved by Southampton City Council before coming into operation on 1 April 2018, replacing an interim strategy which had been in operation since 2015.</p>	
<p>On 30th September 2024, PfSH Joint Committee approved a Revised Bird Aware Strategy and it is that which is now being presented for a Cabinet decision.</p>	
<p>It should be noted that all other Bird Aware Solent Partnership members are also obtaining the same approval within their respective authorities and it has been agreed that there will be a deadline for decisions by the end of January 2025.</p>	
RECOMMENDATIONS:	
	(i) To endorse the Bird Aware Partnership's revised strategy and supporting financial model as set out at Appendix 1.
REASONS FOR REPORT RECOMMENDATIONS	
1.	The current Bird Aware Strategy is over 6 years old and in need of update to ensure it accurately reflects the current position/situation locally; the likely mitigation requirements in the short, medium and long-term; and that financial charging will be able to appropriately mitigate against the levels of development expected in the area, including within the City. The changes proposed also extend the duration of the strategy (from 2034 to 2050), to better support emerging local plans which will run beyond the current strategy

	period of 2034, of which the emerging Southampton City Vision Local Plan is one.
--	--

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2.	The only alternative is to not endorse the revised strategy and financial model, which is not recommended as the Council would then need to replicate this work, identifying alternative approaches to ensure the requirements of the Habitats Regulations are met in terms of the impact of increased recreational pressure on the Solent SPAs as a result of new residential development. This would require a significant financial commitment beyond what is budgeted for, would also take a significant amount of time to produce and for internal colleagues to review, and would take time to adopt and put in place the measures required. In addition, the Council and Bird Aware Solent Partnership would also need to review the Council's membership of the Partnership as a result of this decision.
----	---

DETAIL (Including consultation carried out)

3.	<u>Background</u> The Bird Aware Strategy (previously known as the Solent Recreation Mitigation Partnership Strategy which requires development contributions towards the Solent Disturbance Mitigation Project (SDMP)) was initially endorsed by PUSH in December 2017, then approved by Southampton City Council before coming into operation on 1 April 2018, replacing an interim strategy which had been in operation since 2015. On 30 th September 2024, PFSH Joint Committee approved a Revised Bird Aware Strategy and it is that which is now being considered for internal approval and will require a Cabinet decision.
4.	Southampton City Council is an active member of the Bird Aware Partnership, with representation on the Steering Group. The Strategy is now well established and annually delivers in excess of 650 ranger patrols talking to over 8,000 people, over 50 community events allowing the rangers to speak with a further 1,500 people and over 30 guided walks with a total of over 400 people taking part.
5.	The Partnership further extends this outreach work with effective communication tools such as leaflets (6,000 delivered annually), site signage and targeted social media posts (over 10,000 followers across different platforms). Feedback shows that 97% of people who hear their messaging receive it positively.
6.	Through this work (and other measures) the Partnership is able to provide effective mitigation for over 2,500 residential planning permissions annually, including all eligible ones within Southampton via SDMP developer contributions. The Partnership has achieved both peer and national recognition for the work it undertakes, winning several prestigious awards.
7.	<u>Key Revisions to the Bird Aware Strategy since it was endorsed in December 2017</u> The revised strategy is contained within Appendix 1, the main changes from the original Bird Aware Strategy are listed below: <ul style="list-style-type: none"> • The duration of the strategy has been extended from 2034 to 2050, with the in-perpetuity period now running until 2130 (was previously 2114). This is in response to requests from the PFSH Planning

	<p>Officers Group, and allows the strategy to support emerging local plans which have dates beyond 2034.</p> <ul style="list-style-type: none"> • Based upon this extended operating period, the number of predicted dwellings has been remodelled. This requires the revised strategy to be capable of providing mitigation for around 5,700 dwellings per annum, where previously it had been meeting the needs of closer to 2,500 per annum. This means that over the lifetime of the strategy, it is predicted to mitigate for just over 147,000 new dwellings. • The strategy has been extended to provide a proportional response to meet the needs of breeding birds, by supporting the work of organisations already active in that area of work. This means that rangers will provide an element of site visits for the entire year, not just the winter period as has been the case to date. • The core team of dedicated staff will be increased from 10 to 19. This is in response to the warnings related to low staffing numbers in the independent review and allows for the additional workload associated with breeding bird mitigation to be adequately accommodated. • Increased resources allocated to our dog initiative 'Coast and Country Canines' (three of the additional staff members and a £20k uplift to the annual budget) based on the success of this initiative so far and an ongoing awareness that this user group remains a key target audience for the Partnerships to work with. • Increased resources allocated to communications and engagement workstreams (two of the additional staff members and a £20k uplift to the annual budget) in recognition of the role this work plays in reaching our audiences and amplifying our message in all interactions. <p>Note: an Equality and Safety Impact Assessment relating to Southampton only is attached as Appendix 2.</p>
8.	<p>The increased resources allocated to monitoring (one of the additional staff members) will ensure that the resources are allocated as efficiently as possible and to make sure that changes in coastal use patterns are quickly identified and appropriately responded to.</p>
<p>RESOURCE IMPLICATIONS</p>	
<p><u>Capital/Revenue</u></p>	
9.	<p>The Partnership will begin recruiting the new team members from early 2025, with the intention of being fully staffed and operating under the new strategy from 1 April 2025. Portsmouth City Council is the recruiting authority. There are no direct resource impacts to Southampton City Council.</p>
10.	<p>SCC Contributions Received from development (under existing strategy) and passed to the Partnership to deliver the Project:</p> <ul style="list-style-type: none"> • 2024 to date - £152,772 • 2023 - £162,578 • 2022 - £205,211 <p>This has been spent on a core team of dedicated staff (10 total) covering initiatives to improve public awareness of the issues, communications and engagement, and monitoring. As states at paragraph 2.2, at present the</p>

strategy annually delivers in excess of 650 ranger patrols, over 50 community events and over 30 guided walks with over 9,950 people spoken to. The strategy also extends to outreach work with effective communication tools such as leaflets (6,000 delivered annually), site signage and targeted social media posts (over 10,000 followers across different platforms).

11.

The future charging rate is outlined below in Table 1 below:

Bedroom size	Current: 2024/25	Moves to: All year	Homes within the zone of SPA with winter birds only (less than 1% of total)
1	£465	£465*	£419*
2	£671	£671*	£604*
3	£875	£875*	£788*
4	£1,029	£1,029*	£927*
5+	£1,207	£1,207*	£1,087*
flat fee	£777	£777*	£700*

TABLE 1 - Future charging structure (the * notes that the annual inflationary increase will continue as usual).

Property/Other

12.

Planning
 Bird Aware Solent’s strategy aims to provide mitigation for the duration of the impact, that is, for the lifetime of the additional dwellings in the Solent (‘in perpetuity’), in line with the Habitats Regulations. Throughout this period, regular strategic reviews will be conducted by the Bird Aware Solent Partnership every 5 years; or more frequently if changes in the legislation or local evidence indicate this is needed.

13.

New residential developments require mitigation to address the ‘in combination’ effects that increased numbers of residents in the region, and therefore increased numbers of visits to the coastal SPAs, will have on the protected bird species. This mitigation is required to comply with the Habitats Regulations.

14.

Financial contributions will therefore continue to be sought as part of the planning application process, in the same way as they currently are. There are therefore no additional implications for the planning department (Strategic Planning and Development Management) as a result of the revised strategy, other than to consider the updated strategy when determining planning applications and to use the strategy to support the emerging Local Plan.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

15.

Endorsing the revised strategy produced by Bird Aware Solent Partnership is considered incidental to the council’s statutory functions as local planning authority. There are three Special Protection Areas (SPAs) for birds along the Solent coastline that are recognised under UK law (see Appendix 3). These

	protected areas are safeguarded by legislation, namely, the Conservation of Habitats and Species Regulations 2017 (the Habitats Regulations) as amended. This means that mitigation must be provided for any proposed development that is likely to have any significant effects on an SPA. Local Planning Authorities must ensure necessary mitigation will be provided before planning permission is granted. The revised strategy will be a material consideration in determining planning applications and (should the developer elect to rely on this form of mitigation) a useful tool in quantifying the level of developer contribution necessary to ensure development in Southampton has no adverse effect on the Solent coastline. For the avoidance of any doubt, this document is not considered to be a local development document for the purposes of plan making as it has been produced and published by the Bird Aware Solent Partnership.
--	--

Other Legal Implications:

16.	S.149 Equalities Act 2010 applies (the public sector equality duty) to the adoption of this strategy and the document has been subject to an appropriate equalities impact assessment being carried out to support the delivery of our equality and inclusion duties.
-----	---

RISK MANAGEMENT IMPLICATIONS

17.	If Cabinet chooses not to endorse the revised strategy and financial model, as the Council would need to replicate this work, identifying alternative solutions to ensure the requirements of the Habitats Regulations are met in terms of the impact of increased recreational pressure on the Solent SPAs as a result of new residential development. As stated at paragraph 1.6, this would require a significant financial commitment beyond what is budgeted for, would take a significant amount of time to produce and for internal colleagues to review, and would take time to adopt and put in place the measures required to mitigate against residential development in the city. Development could therefore become stalled as a worst-case scenario.
-----	--

18.	In addition, the Council and Bird Aware Solent Partnership would also need to review the Council’s membership of the Partnership as a result of this decision.
-----	--

POLICY FRAMEWORK IMPLICATIONS

19.	The proposed revised strategy is compliant with the objectives of the Council’s corporate plan (2024)(promoting evidence informed decision-making), the Green City Plan 2030 (objective to assess the environmental impacts, mitigation measures and opportunities to adopt sustainable options in all council projects and decisions), and the Local Development Plan (Core Strategy Policy CS22 – Promoting Biodiversity and Protecting Habitats).
-----	--

20.	More broadly, the revised strategy is also key to ensuring Council’s growth aims (residential specifically) can be met in the long-term, ensuring an appropriate environmental mitigation strategy related to the Council’s obligation as Local Planning Authority to satisfy the Habitats Regulations.
-----	---

KEY DECISION?	Yes
WARDS/COMMUNITIES AFFECTED:	ALL

SUPPORTING DOCUMENTATION

Appendices

1.	Bird Aware Solent Revised Strategy Sept 2024
2.	ESIA Bird Aware Revised Strategy
3.	Special Protection Areas in the Bird Aware Solent Region

Documents In Members' Rooms

1.	None.
2.	

Equality Impact Assessment

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

Data Protection Impact Assessment

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

Other Background Documents

Other Background documents available for inspection at: NOT 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.	None.
2.	



Bird Aware Solent
Revised Strategy

September 2024



Bird Aware Solent

The Solent Recreation Mitigation Partnership



Foreword by Councillor Keith House Chair, Partnership for South Hampshire

With a rising demand for new housing supply, and the natural world under increasing pressures, the need for robust mitigation has never been more important. Effective and adaptive mitigation allows our communities to benefit from considered and relevant development while also ensuring the coastline's unique ecological needs are met.

It's vital that new homes can be built in our area to meet the needs of local people, but they must be built without adversely affecting the internationally important Special Protection Areas (SPAs) along the

Solent coast. The mitigation provided by Bird Aware Solent has enabled us to address the impact of additional residents making recreational visits to the coast and has allowed us to manage the coast for the benefit of both people and wildlife.

The Partnership for South Hampshire (PFSH) has been proud to be involved with Bird Aware Solent from its inception. It was gratifying to see its mitigation rated as impressive by independent environmental experts in a recent report. We were delighted but not surprised the report also called the project ground-breaking and a model for other mitigation strategies to follow.

This updated Strategy builds on Bird Aware Solent's success to date and benefits from the insight gained from its practical experience and expertise in delivering mitigation over the last seven years. For the first time it also incorporates support for breeding birds that feature within the Solent's SPAs.

Long-term, we need a solution for funding mitigation that does not discourage new housing and growth, but I am confident the revised Strategy's delivery plan for the next five years will ensure funding is used in the most effective way, maximising the positive changes to people's behaviour as they enjoy our beautiful coastline, and ensuring our wealth of wildlife thrives for generations to come.



Contents

Summary	4
1. Strategy Remit and Duration	5
2. Outside of Strategy Remit	9
3. The Impact of Recreational Disturbance	9
4. Causes of Recreational Disturbance	9
5. Five Year Plan Delivery Strands	10
6. Project Costs and Funding	18
7. Reporting and Review	20
Appendix A	21
Appendix B	22

The Solent Recreation Mitigation Partnership



Summary

The Solent coastline provides a haven for thousands of protected birds, making the area of worldwide importance to wildlife. They need to be able to feed and rest undisturbed if they are to survive the winter and complete long migrations twice yearly. In summer, coastal birds need to be left undisturbed so they can successfully breed and raise their young.

Around 147,500 new homes are anticipated around the Solent up to 2050. This is likely to lead to more people visiting the coast for recreation and this has the potential to cause more bird disturbance. This strategy aims to mitigate likely impact of bird disturbance as a result of these additional homes and the resulting increase in recreational visits. It focuses on educating people about the birds and encouraging positive behaviour change.

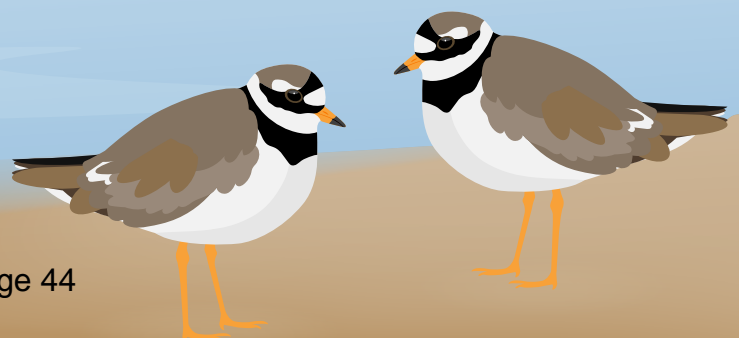
The strategy builds on the Solent Recreation Mitigation Strategy published in 2017 and has been put together by Bird Aware Solent, a partnership made of Natural England, wildlife conservation bodies and local authorities. This updated Strategy benefits from the practical experience gained so far in delivering mitigation and builds on the success and learning of the Partnership to date. Some of the [partnership's work to date](#) is showcased on the [Bird Aware Solent website](#).

The Partnership focuses on:

- Strong governance, by knowledgeable decision makers
- Monitoring and evaluating the work undertaken, to ensure it remains efficient
- Close collaboration with Partners and local stakeholders
- A wide variety of engagement activities, targeting key user groups such as dog walkers
- Site-based investment

The work of the Partnership is funded by developer contributions calculated according to the bedroom numbers of the property. It applies to homes built within 5.6 kilometres of the Solent's Special Protection Areas (SPAs). Some developments may require additional mitigation due to their size or proximity to an SPA. Some of the money received will be set aside to fund the measures 'in-perpetuity' (calculated on an 80 year basis) after 2050.

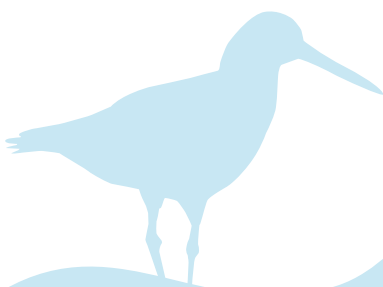
Council leaders will steer and oversee the Partnership's activities and expenditure. Progress on implementation and financial accounts will be published in an annual report. Further information about the Partnership is at: www.birdaware.org/Solent.



1. Strategy Remit and Duration

Rationale

- 1.1 The Solent coastline provides a haven for thousands of protected birds every winter, making the area of worldwide importance to wildlife. Each winter, more than 125,000 waders and wildfowl travel thousands of miles here from their summer breeding grounds, including 10 percent of the global population of dark-bellied brent geese. During the summer, several protected species choose to breed and raise their chicks on our shores.
- 1.2 Over winter they need to be able to feed and rest undisturbed if they are to survive and fly back to their summer breeding grounds. In the summer, species such as terns and gulls need to be left undisturbed so they can successfully breed and raise their young.
- 1.3 3 Special Protection Areas (SPAs) for birds along the Solent coastline have been established and are recognised under UK law.
- 1.4 These protected areas are safeguarded by legislation, namely, the Conservation of Habitats and Species Regulations 2017 (the Habitats Regulations) as amended. This means that mitigation must be provided for any proposed development that is likely to have any significant effects on an SPA. Local Planning Authorities must ensure necessary mitigation will be provided before planning permission is granted¹.
- 1.5 [The Conservation of Habitats and Species Regulations 2017](#) consolidate all the various amendments made to the Conservation of Habitats and Species Regulations 2010 and [The Conservation \(Natural Habitats, &c.\) Regulations 1994](#) in respect of England and Wales. The 1994 Regulations transposed Council Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora (EC Habitats Directive) into national law.

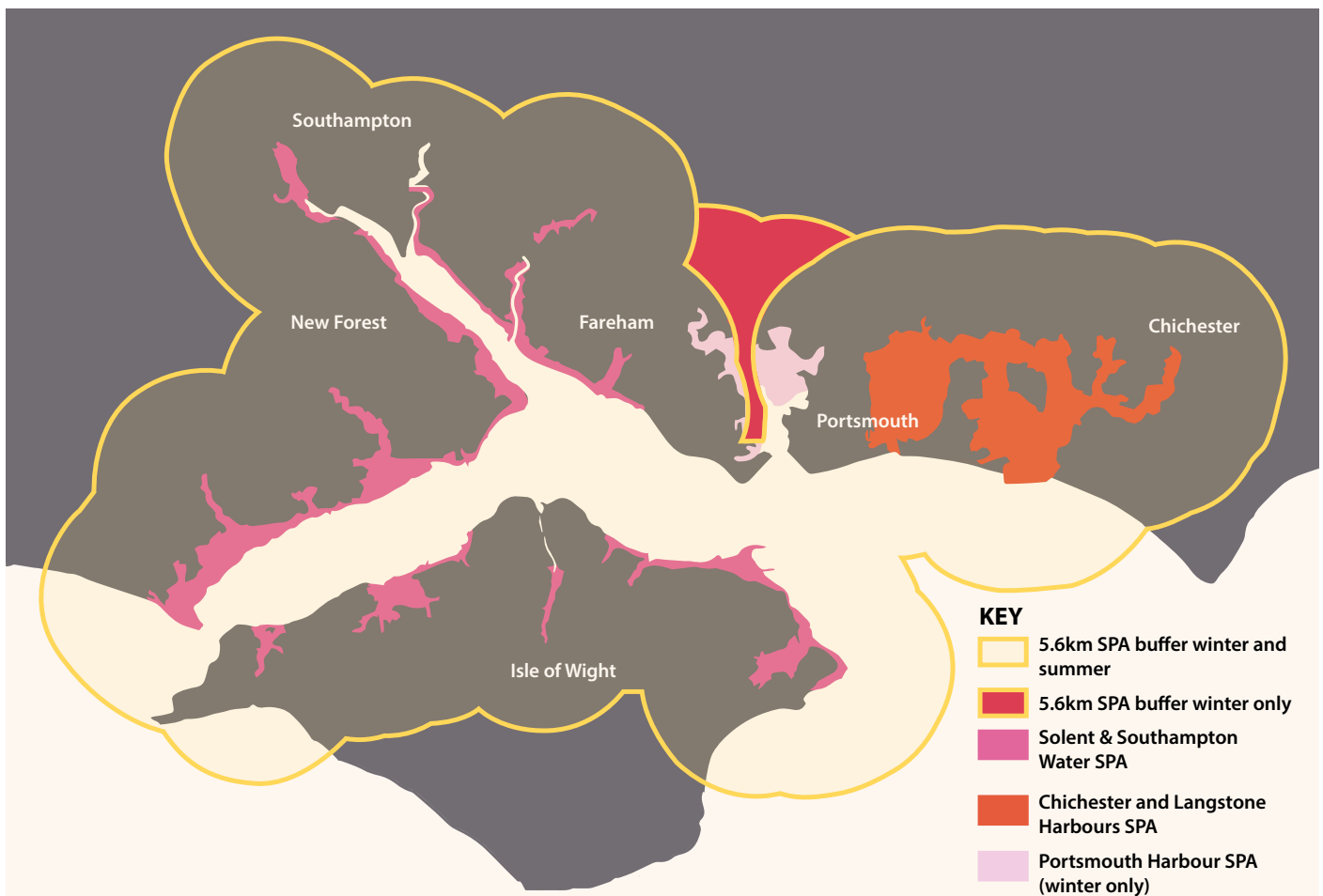


¹ The Habitats Regulations allow for compensatory measures to be provided in exceptional circumstances, however this lies outside the scope of Bird Aware Solent's work.

The Partnership

- 1.6 Bird Aware Solent (previously known as the Solent Recreation Mitigation Partnership) is delivering a strategy which aims to ensure the requirements of the Habitats Regulations are met in terms of the impact of increased recreational pressure on the Solent SPAs as a result of new residential development. Some of the [partnership's work to date](#) is showcased on the website.
- 1.7 Bird Aware Solent's strategy aims to provide mitigation for the duration of the impact, that is, for the lifetime of the additional dwellings in the Solent ('in perpetuity'), in line with the Habitats Regulations. Throughout this period, regular strategic reviews will take place every 5 years; or more frequently if changes in the legislation or local evidence indicate this is needed.
- 1.8 Research² indicates that mitigation should be required from all dwellings built within 5.6 kilometres of the boundaries of the SPAs. This is the zone from which 75% of coastal visits originate. The zone boundary is defined by using straight line distances from the inland SPA boundary and is shown in map 1. The area within this is referred to as the zone of influence.
- 1.9 The areas within which protected winter and breeding birds occur differ, with breeding birds cited at 2 of the 3 SPAs. This, and the resulting zones of influence as depicted in the map below.

Map: Developer contribution winter and summer zones.



² Liley, D. & Tyldesley, D. (2013). Solent Disturbance and Mitigation Project: Phase III. Towards an Avoidance and Mitigation Strategy.

- 1.10** New housing developments require mitigation to address the ‘in combination’ effects that increased numbers of residents in the region, and therefore increased numbers of visits to the coastal SPAs, will have on the protected bird species. This mitigation is required to comply with the Habitats Regulations.
- 1.11** Bird Aware Solent’s Partners, made up of Natural England, 3 wildlife conservation groups and 15 local authorities, have devised a strategic approach to the provision of the mitigation of additional recreational impacts. This is to ensure an impactful, cost-effective approach and to make the delivery of mitigation measures more straightforward to process and oversee. Developers can opt into this scheme in order to meet the mitigation requirements related to their proposed developments.
- 1.12** Governance is provided by the Partnership for South Hampshire (PfSH). Bird Aware Solent regularly reports to PfSH, as well as having its own Project Board and Steering Group to oversee the strategic direction and day-to-day delivery of the project.
- 1.13** Extensive research was undertaken during 2009-2013 to assess the impact of recreational activity on wintering birds on the Solent coast. This work was known as the Solent Disturbance Mitigation Project and formed part of the Solent European Marine Sites (SEMS) Scheme of Management. This work included recording the response of birds to disturbance, face-to-face surveys of visitors at the coast, and a postal survey of households living around the Solent. Computer modelling using that information predicted the number of additional recreational visits which would be generated by planned housebuilding. The results of this modeling predicted that additional recreational disturbance would lead to increased bird mortality at the SPAs.
- 1.14** The original strategy drew heavily on the recommendations of this research and was later updated in 2020 with a Strategy Review which was able to incorporate practical experience and lessons learnt from delivering the first few years of the project.
- 1.15** This updated and revised strategy further enhances the original approach by drawing on the recommendations of the independent 5 Year Review undertaken in 2023 and incorporating further insights and experience gained from the delivery of the strategy. Furthermore, it takes into consideration the findings of a report commissioned by PfSH in 2023 which considered the likelihood of impacts on breeding birds around the Solent from increasing recreational disturbance from new housing.
- 1.16** It is envisaged that this Strategy will be further reviewed and revised in later years, to keep it as effective as possible throughout the lifetime of the Partnership.
- 1.17** The strategic approach allows a housebuilder to pay a developer contribution to cover the costs of providing mitigation over a wider area instead of needing to provide bespoke mitigation themselves. A developer can still choose to provide their own mitigation, if they have the ability to do so, but the vast majority are likely to opt to pay towards the Strategy instead. This is an approach which is used across the country and provides clarity and certainty for both developers and local authorities as it has been proven to be robust through the planning process.

1.18 Subsequent to the 5 year review, which identified increased levels of anticipated housebuilding in the region, the Strategy has been extended to take into account the approximately 147,500 planned houses in the Solent between now and 2050. It has also been extended to provide mitigation to breeding birds around the Solent. As before, the Strategy includes the provision of in-perpetuity mitigation, this will now be delivered until 2130. This in-perpetuity element deals with the duration of the impact, which has been calculated as 80 years and accepted by Natural England as such.

1.19 Summary of changes from original to revised strategy:



The duration of the Strategy has been extended to provide mitigation for proposed housing developments until 2050 (was previously 2034), with the in-perpetuity element provided until 2130 (was previously 2114).



The proposals are structured to provide mitigation for around 147,500 dwellings predicted to come forward during the period. It remains an opt-in Strategy and developers are still able to provide their mitigation requirements through a bespoke scheme if they choose.



In response to new evidence that came forward during the initial Strategy period, these proposals have, for the first time, taken on board the needs of the breeding SPA birds and now provide mitigation for the entire year (was previously 6 months).



The Team has been expanded from 10 staff to 19 to address the additional workload associated with providing mitigation for more planned housing and for breeding birds. This includes a Team Manager to oversee the delivery of the expanded strategy, a Volunteer Coordinator to trial the use of volunteers, Rangers for the expansion to summer breeding, as well as additional staff for dog initiatives, communications and monitoring as outlined below.



The resources focused on dog initiatives have been greatly increased, both in terms of staff allocated to this work, and budget available to them (£10k increases to £30k per annum), to allow Coast and Country Canines to fully reach its potential and become a valuable resource for the dog walking community.



In recognition of the key role of communications to support all areas of mitigation work, resources to this area of work have also been increased. These resources consist of additional staff and budget available for this area of work (£10k increases to £30k per annum). This work will remain central to all Bird Aware Solent's mitigation efforts and will now be better resourced to facilitate this.



Effective monitoring allows the Team to use resources in the most efficient way: it allows for baseline data to be created and comparisons to be made before and after mitigation interventions. This information is then fed back into future resource planning and allows for the most efficient use of resources. It also allows the Team to quickly identify changes in coastal use patterns and reallocate resources in a timely and cost-effective way to meet these. Staff resources for this vital part of the Strategy will increase.

1.20 Alongside these changes, the Partnership will continue to promote:

- Wildlife Aware guides (previously called Codes of Conduct)
- Site-specific visitor management measures
- Suitable alternative natural greenspaces (SANGs) where people can enjoy recreation away from the coast.

2. Outside of Strategy Remit

2.1 This Strategy does not aim to address the impact of existing recreational activities, which is the role of the separate Solent European Marine Sites (SEMS) initiative. It should also be noted that the Strategy does not deal with any other impacts on SPAs such as loss of habitat, increased noise, effect on water quality, nutrient neutrality or construction impacts, which may arise from new housing, or the potential impact of other types of development such as new employment sites. Separate mitigation may be required to address these or other additional impacts on the SPAs that arise from new development. It also does not count towards Biodiversity Net Gain, which is a separate, nationwide initiative launched in 2024. Biodiversity Net Gain will be assessed by the Local Planning Authorities at the planning application stage.

3. The Impact of Recreational Disturbance

- 3.1 When birds are disturbed, they stop feeding, resting and may even fly away. If the birds cannot feed and rest undisturbed, they will not have enough energy to reproduce or they may suffer increased mortality. This can in turn lead to population declines of protected species. If the disturbance is substantial, then food-rich areas may be little used by the birds or avoided altogether, leading to other areas hosting a higher density of birds and intensifying the competition for the available food. If the birds are unable to consume enough calories ahead of their planned migration, they may not be fit enough to complete this journey, or have a successful breeding season if they do reach their summer homes.
- 3.2 Disturbance to breeding birds, their nests or chicks can result in a severe decline in their breeding success, with possible nest abandonment and increased predation both becoming likely. Again, this can in turn lead to population declines in protected species.

4. Causes of Recreational Disturbance

- 4.1 Human activities can disturb birds from behaving naturally. Any alteration to a bird's natural behaviour is considered disturbance, ranging from stopping feeding to observe a perceived threat, taking a major flight to actively avoid the threat of disturbance or nest abandonment. Often people cause bird disturbance unintentionally or remain unaware it has occurred.
- 4.2 Any activity at the coast has the potential to cause bird disturbance. The Partnership aims to focus efforts on those activities that are causing the most disturbance in the Solent region. See Section 5 - Five Year Plan Delivery Strands - for more details on how this will continue to be done.

5. Five Year Plan Delivery Strands

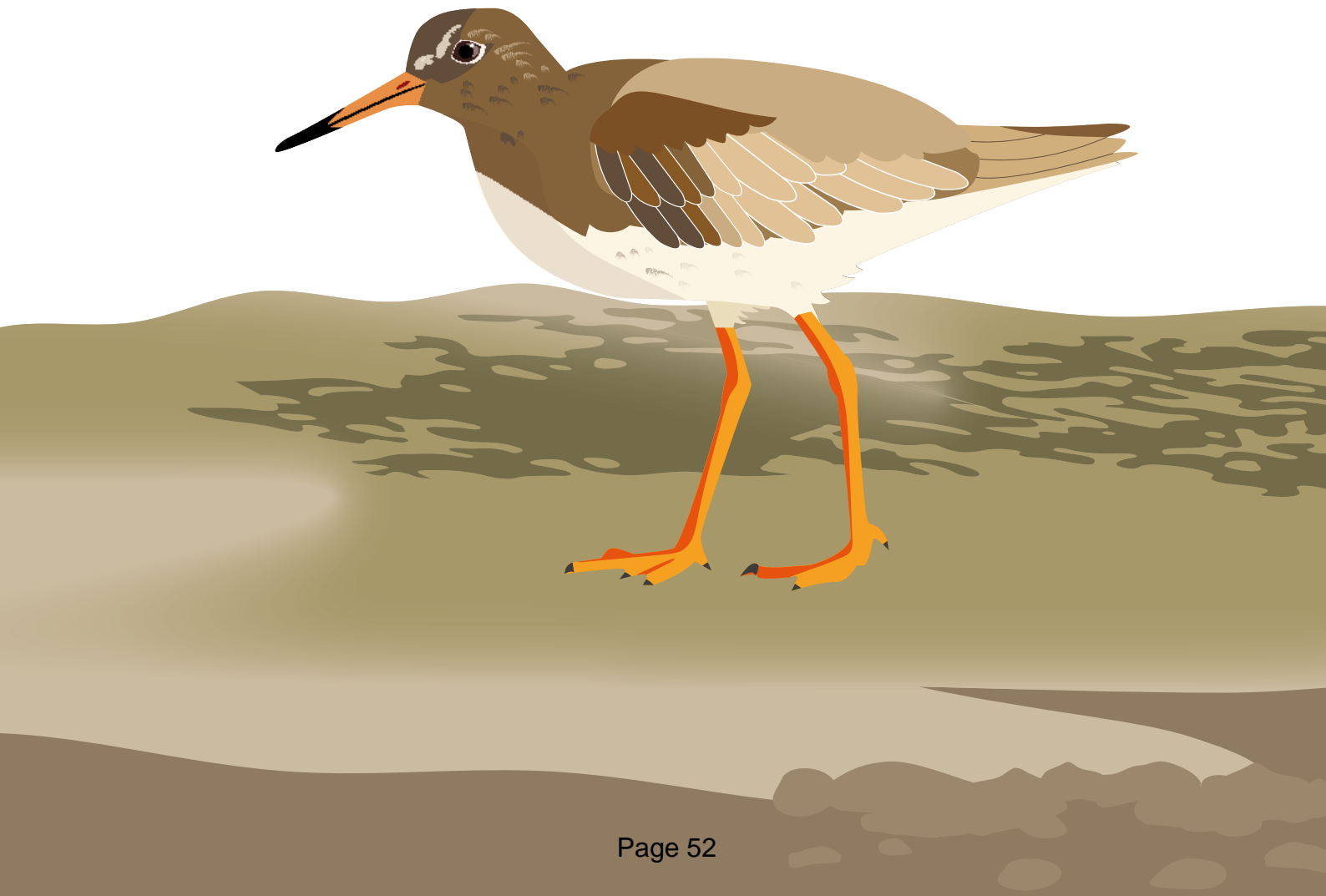
- 5.1** The partnership has enhanced and refocused its priority work areas as a result of past experience, new evidence, the 5 Year Review and the revised anticipated housing figures for the extended period of the strategy delivery. This enables wider engagement beyond Rangers on site and places greater emphasis upon working with the dog walking community. The reprioritisation includes bolstering communication capacity to reach a greater audience through a range of measures.
- 5.2** The revised strategy also retains these functions throughout the in-perpetuity period, once payments to the scheme have ceased.
- 5.3** All of this is underpinned by additional monitoring support to ensure that the Partnership is able to deploy resources in the most effective way possible and adapt to changes in an agile way. Information from this additional monitoring will be regularly reported to the Project Board, allowing changes to be implemented and for best practice to be maintained, and will feed into the scheduled 5 year reviews.



- 5.4** The Bird Aware Partnership benefits from strong Governance arrangements being in place, with decision makers knowledgeable about the purpose and aims of the Partnership and intent on enabling its ongoing success. Scrutiny provided by the Partnership for South Hampshire further ensures robust processes are upheld and integral to the work of the Partnership. In [Footprint Ecology's review](#) of the Partnership's first 5 years, it found that Bird Aware Solent was identified as 'well run, organised and professional' and that there was a 'smooth process for mitigation delivery'.
- 5.5** The Partnership will continue under the existing governance structure for decision making, whilst continuing to make use of a series of specialist knowledge skill sets within the wider Partnership to inform reporting procedures, recommendations and outcomes.
- 5.6** The Project Board is committed to regular reviews and ongoing evaluation of the Partnership, its workstreams, Team and outputs. The Project Board also takes time to reflect on its leadership and contribution to the work of Bird Aware, in a way that enables the Project Board to remain agile and capable of adapting to changing circumstances.
- 5.7** **In the coming period, the Partnership will also expand its activities and priorities to cover the following:**

	What	Why
G1 Team Manager	1 x FTE Team Manager required	As the Bird Aware Team has grown and the scope of its work has developed, a Team Manager position is now required. This is to manage and oversee work packages and ensure the effective and efficient delivery of the strategy.
G2 Review lifespan	Periodically review the strategy period with the expectation of extending the length of the strategy beyond 2050.	To support emerging local plans with dates beyond 2050 and to continue meeting the mitigation needs of coastal birds.
G3 In-perpetuity funding	Periodically review in-perpetuity period, both operationally and financially.	To ensure the level of mitigation delivered is fit for purpose during this period.
G4 Annual away day	Hold an annual away day of Board members and other key personnel as appropriate (operational staff and Partnership for South Hampshire (PfSH)).	Regular internal review of progress and knowledge sharing to ensure strategic aims continue to be met efficiently.

	What	Why
G5 Ranger Shadowing	Expectation that key personnel as appropriate (Board members and Steering Group members and PfSH) accompany a Ranger on an operational site patrol, with an expected frequency of annually.	This lifts the project from abstract paper reports and brings a sense of its practical delivery: it will demonstrate the reality of the delivery and scope of the project to the governance team.
G6 Endorsement of in-kind contributions	Request ratification by PfSH of continuation of in-kind contribution from partners.	Some of the key services (procurement, legal, financial and so on) are provided by partners in-kind. A formal commitment of these contributions will ensure the successful continuation of the Partnership and the ongoing smooth delivery of these services.
G7 External Awards	Continue to seek opportunities to submit into local and national industry awards.	Maintain and boost profile through peer recognition.



Delivery Strand: Monitoring

- 5.8** Understanding the impact of work undertaken by the Partnership is key to ensuring resources continue to be delivered and utilised in the most efficient way. Comprehensive baseline information was gathered prior to the Partnership being established and this remains crucial in allowing us to evidence trends and changes since coming into operation. Integrating a Monitoring Officer within the Team has empowered this work through the creation and tracking of an evidence base which is regularly utilised to understand where priorities lie and how best to allocate resources to address them.
- 5.9** Since first operating, the Partnership has continued to refine the data collected to inform how well the Partnership is performing, alongside allowing for changes in coastal use patterns to be spotted and rapidly responded to. This is reviewed regularly and forms a critical part of the annual season planning work, additionally it is used to satisfy regular reporting requirements.
- 5.10** Footprint Ecology's review found that project monitoring was 'well organised' with, for example 'any relevant information being provided to both the PFSH Joint Committee and Monitoring Group well in advance of meetings.'
- 5.11** The findings of scheduled third-party monitoring work and data shared by Partners further informs the operational practices, as does the results of the 5 Year Review which confirmed the progress of the Partnership.
- 5.12** In the coming period, the Partnership will also expand its activities and priorities to cover the following:

	What	Why
M1 Setting of 5 Year Monitoring	Setting of strategic direction for the next 5 years. The next wholesale review is scheduled for April 2027. This will be a 10-year review period, with commentary on the two 5-year periods.	To ensure that data to monitor these delivery strands is appropriately collected in a timely way. Additionally, to ensure resources continue to be used efficiently and effectively.
M2 Delivery of 5 Year Monitoring	Timely collection of relevant data.	To provide evidence for the next 5 Year Review, and to shape the strategic direction of the project.
M3 Scale up current monitoring provision	Scale up in-house monitoring.	To further understand the impact of behaviour change measures, allowing most beneficial use of future resources, particularly regarding efficient use of Ranger time, for example blitzing sites and re-prioritisation or alternative engagement strategies. Concepts could be trialled around how these would be utilised.

5.13 Meaningful collaboration with Partners and local stakeholders is vital to the success of the Partnership; it ensures that trusting relationships are built, opportunities are utilised and efficiencies/economies of scale are capitalised upon where possible. Bird Aware Solent is made up of 19 Partners and needs them to remain committed to information sharing with project staff to make sure that they remain knowledgeable of pertinent local issues across the entire operational area and be involved in a timely manner with issues such as Public Space Protection Orders (PSPOs) and parking reviews which, if well orchestrated, may also contribute the Partnership’s mitigation aims.

5.14 The Partnership has also been instrumental in establishing a national network of professionals working within the sector and seeks appropriate knowledge sharing and joint working opportunities within this network. This includes working with other partnerships to share messaging, branding and initiatives that further the work it does.

5.15 In the coming period, the Partnership will also expand its activities and priorities to cover the following:

	What	Why
C1 Sharing resources	Expand resources available, in terms of behavioural change messaging and signage, to organisations wishing to share Bird Aware and Coast & Country Canines messaging.	Extends Bird Aware and Coast & Country Canines messages beyond existing audiences. Behaviour change science supports the idea of messaging being more credible if it comes from more than 1 valued source (see reference below). NECR239 edition 1 Behavioural Insights Quick Guide.pdf
C2 Knowledge exchange	Continue close working relationship within other mitigation partnerships, national partners and local stakeholders.	Sharing best practice with other key organisations to maintain efficient work practices and avoid silo working.
C3 Collaborations with businesses	Continue to build effective collaboration with local businesses relevant to users.	To amplify Bird Aware Solent’s messaging through other influencers.
C4 Stakeholder relationship continuity	Removing seasonal Ranger posts, to reduce disruption to long term stakeholder relationships.	Meaningful stakeholder relationships take time to establish. Having all staff on permanent contracts better facilitates this approach. This minimises knowledge loss through reduction of staff turnover and ensures a more efficient use of Team resourcing.

	What	Why
C5 Grow research collaboration	Tentative links have been established with universities in the Bird Aware region. These will be built upon and utilised for mutual benefit.	It is recognised that these could be a valuable resource to further understand the sector and Bird Aware's impact within it.
C6 Brand extension	Continue to bring more mitigation organisations within the Bird Aware brand family. Further extend the Great Coastal Birdwatch to even more relevant organisations.	By extending its branding, messaging and engagement projects, Bird Aware will have a greater profile and wider positive impact on behavioural change.
C7 Spread the Coast & Country Canines brand	Scope out option and potential impact of expanding the Coast & Country Canines brand.	By extending its branding, messaging and engagement projects, the brand will have a wider positive impact on behavioural change. Full consideration given to potential impacts of sharing the brand.
C8 Local Nature Recovery Strategy	Ensure Bird Aware expertise is considered by Hampshire County Council in formation of the Local Nature Recovery Strategy (LNRS).	Bird Aware Solent have specialist expertise that would contribute to a strong collaborative LNRS.
C9 Partner support	Ensure support from Partners receives appropriate recognition.	There are some Partners who are able to offer additional support to the Partnership in the form of free parking within their car parks and similar. Noting such endeavours within the Annual Report will go some way to recognising the value of their support.



5.16 As a behaviour change project, it is vital for the Partnership to engage with coastal users to encourage 'bird aware' practices when visiting the coast. Engagement takes many forms including: face-to-face contact with Rangers; signage; digital, broadcast and print media; presentations; and leaflets. The Footprint Ecology review found that Rangers were seen as 'passionate, approachable, observant, knowledgeable, and friendly'. It also commented that the installation of signage targeted at water sports enthusiasts was a 'good example of the Partnership engaging with hard-to-reach groups.'

5.17 Threaded throughout all communications and interactions are positive messages, formatted and presented in ways supported by behaviour change science as effective for creating lasting impressions and meaningful change. The Partnership remains committed to keeping abreast of emerging behaviour change science and using it within its working practices.

5.18 Partnership staff continually seek out new engagement opportunities, be they new audiences, techniques, events, venues, resources or activities. This will continue to be a priority and will be supported by increased communications resources to further develop this key workstream and amplify its messaging.

5.19 In the coming period, the Partnership will also base priorities around the following:

	What	Why
E1 Wildlife aware guides	Focus 'code of conduct' / wildlife aware guide work on truly embedding and expanding existing initiatives for main leisure groups rather than widen to a larger number of less impactful leisure activities.	The greatest mitigation impact will be seen from changing behaviour of the main user groups – land based, watersports and dog walkers - honing in on just these key groups enables us to embed positive behaviour and keep guides updated and relevant which will require ongoing support.
E2 Audience workshops	Expand use of audience workshops.	Increased knowledge sharing to better inform its work practices and knowledge sharing.
E3 Increase communication resources	Communications requires additional staff resource and budget.	As a behaviour change programme, communication is vital for Bird Aware Solent. Communication content has the highest reach of all Bird Aware Solent's mitigation tools.
E4 Volunteers	A 2-year trial period to explore if the use of volunteers, champions, interns, work experience placements and ambassadors is feasible and to trial if considered so.	This is potentially an untapped resource that needs further exploration, both in terms of delivery and any potential associated risks.

	What	Why
E5 Education programme	Expand resources to support various forms of learning: formal or otherwise.	Delivering core messaging through a wider audience base.
E6 Supporting dog walkers	More targeted communications to the dog walking community, and incentives for them to become involved in Coast & Country Canines.	Adequately supporting this user group to make wildlife aware choices has the potential to achieve large mitigation gains. More resources will be dedicated to supporting this work.

Delivery Strand: Site-based Investment

- 5.20** The Partnership has developed a robust system for assessing applications for site specific project funding. This process is continually refined, not just by streamlining the application/ assessment process, but also by utilising monitoring evidence from delivered projects to inform the scoring process for further rounds of funding. Officer time is provided to applicants in the pre-application stage to help shape and refine project proposals. In this way, the Partnership is able to use local experience and evidence to have more certainty on which physical measures deliver strong mitigation gains.
- 5.21** There is an ongoing commitment to continue refining this process, with aims to make it more agile, particularly for lower value proposals. The Partnership is also committed to working with appropriate organisations to further this work and maximise on the outcomes it is able to deliver.
- 5.22** In the coming period, the Partnership will also expand its activities and priorities to cover the following:

	What	Why
S1 Agile small scale project fund	10% of site-specific funds to be ring-fenced for small scale projects (£5k and under) on an agile, as-needed basis.	Allows the process to consider small scale projects outside of the application window. This will remove previous barriers to smaller meaningful mitigation measures coming forward. Robust approval processes and monitoring schedules will still apply to these projects.
S2 Additional staff resource	The site-based investment delivery strand requires additional expert staff resource.	This will ensure site-based projects are well-planned and executed. Further staff resources will enable the time-consuming creation of potential project ideas and the liaison with project partners to take them forward.

6. Project Costs and Funding

6.1 Projected costs to undertake the activities are outlined in Section 5, Five Year Plan Delivery Strands above, as per the baseline year of 2024/25 indicated in Table 1.

Item	000s
Staff provided under Service Level Agreement	869
Campaigns and Engagement Officer	64
Partnership Manager	54
Campaigns operational budget	30
Dog initiatives operational budget	30
Monitoring (including consultancy support):	37
Materials (signage)	15
Collaboration	15
Operating budget	10
Stakeholder workshops	5
Operating expenditure	1,128
Site Specific Project Monitoring Officer	40
Site specific projects	400
Capital commitment	440
Sub-total	1,568
Contribution to in-perpetuity fund	2,130
Total budget	3,698

Table 1: Projected costs for 2024/25

- 6.2** These activities are funded from developer contributions. The level of these has been derived by dividing the total annual project costs between the expected annual housing levels. These have been weighted to take into account bedroom numbers for planned housing and are summarised for the baseline year (2024/25) in Table 2 below. Developer contributions are revised annually in line with the Retail Price Index (RPI) and rounded upwards to the nearest pound.
- 6.3** From 2025/26, there will be 2 charging schedules, reflecting the different costs for those developments needing to mitigate for overwintering and breeding birds, and those only needing to mitigate for overwintering birds (this latter category make up around 1% of all expected developments during the Strategy period). These 2 schedules are depicted in Table 2, against a baseline of 2024/25.

Bedroom size	Current: 2024/25	Moves to: All year	Homes within the zone of SPA with winter birds only (less than 1% of total)
1	£465	£465*	£419*
2	£671	£671*	£604*
3	£875	£875*	£788*
4	£1,029	£1,029*	£927*
5+	£1,207	£1,207*	£1,087*
flat fee	£777	£777*	£700*

* Annual inflationary increases will continue as usual

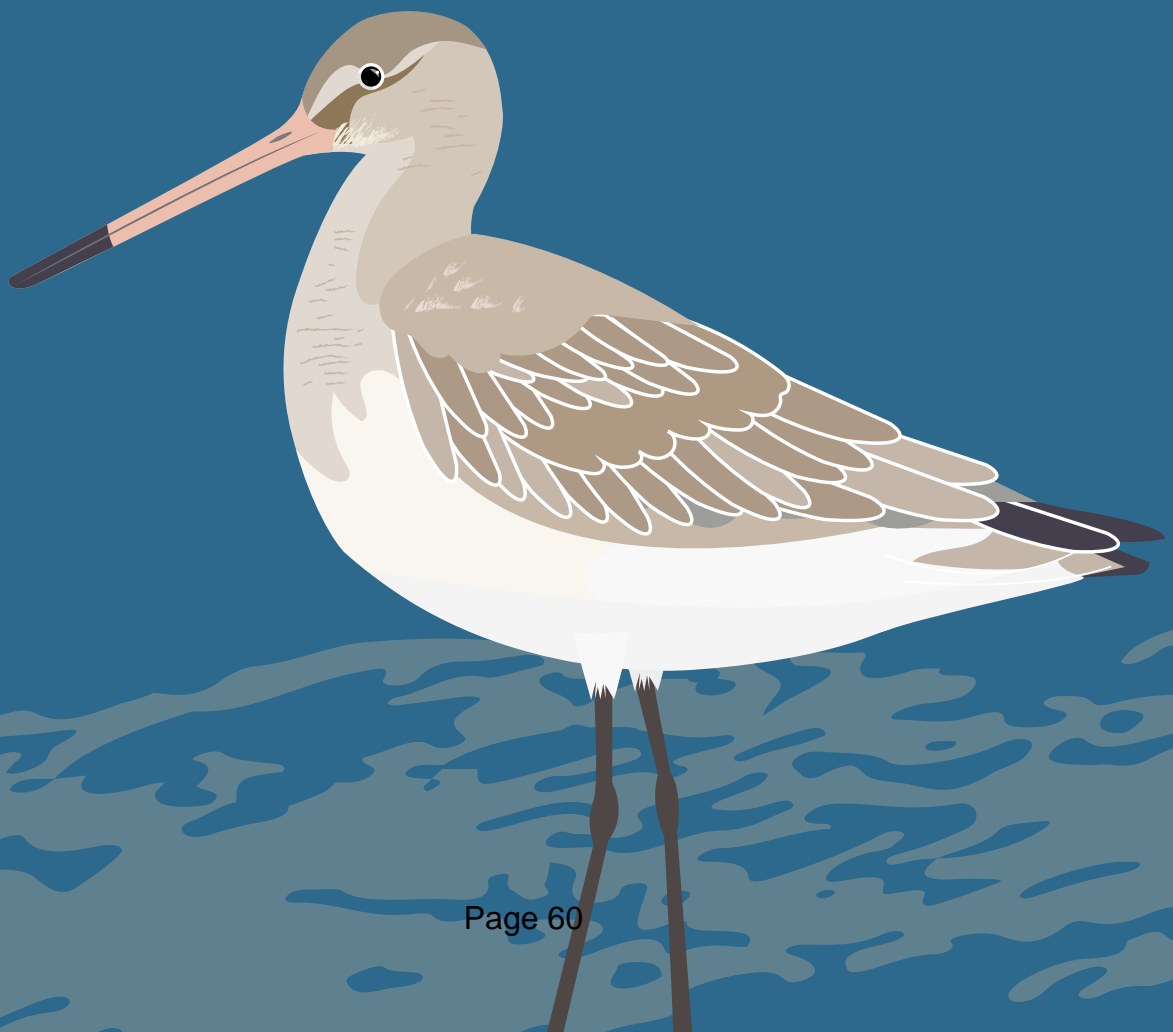
Table 2: Developer contributions baseline year (2024/25)

- 6.4** Whilst this formula is appropriate for most dwellings, the option remains for Local Planning Authorities, in consultation with Natural England, to assess each application on a case-by-case basis.
- 6.5** These figures are recognised as an informed calculation for planned housing, and the actual number of dwellings coming forward could vary, both annually and throughout the lifetime of the Partnership. However, the package of mitigation measures in this strategy are scalable, which means that the amount of mitigation can be increased or decreased in line with actual housebuilding, and is a matter that is regularly reviewed.
- 6.6** There will be regular financial reviews throughout the lifetime of the Partnership to ensure that it remains on track to deliver sufficient mitigation through to the end of the in-perpetuity period.
- 6.7** The developer contributions are paid to Local Planning Authorities. Each Authority decides which legal mechanisms to use to secure the developer contributions from development proposals in its area and the potential for phased / staged payments in relation to specific proposals.

- 6.8 Planning applications should be assessed on a case-by-case basis to take into account scale, proximity to sensitive areas, locality and any other substantive factors. Some proposals will require additional mitigation to that outlined above for example if the nature of the development could lead to 'alone' impacts on designated sites in addition to 'in-combination' impacts. Developers are encouraged to hold early discussions with Natural England and the Local Planning Authority on the mitigation that will be required for their proposals.
- 6.9 Further information related to this can be found in Appendix B.

7. Reporting and Review

- 7.1 This strategy, and a range of other documents and information can be seen on the Partnership's website: www.birdaware.org/Solent.
- 7.2 Reports submitted to the PfSH Joint Committee can be accessed on the PfSH website: www.push.gov.uk.
- 7.3 The Strategy seeks to provide mitigation for development planned until 2050. Therefore, in order to ensure it remains relevant, regular strategic and financial reviews will take place. These will enable lessons learnt, new best practices and variations over time to be incorporated into the Strategy, ensuring it remains relevant and impactful. Following each review, an update report will be made available on the website.



APPENDIX A

Information related to predicted housing numbers.

This Strategy has been prepared to mitigate approximately 147,500 new dwellings estimated to be planned between 2024 and 2050 within the 5.6km zone of influence. This equates to 5,674 new dwellings per annum. This estimate is derived from work undertaken with each of the Local Planning Authorities within the Bird Aware Solent zone of influence.

Each area analysed projections within their adopted and emerging Local Plans and made an assessment of the average number per annum over the planned period. This figure was then multiplied by 26 to cover the period until 2050. The resulting figure was then critically assessed by each Local Planning Authority, using local knowledge of planned development sites and land availability within their boundaries. From this work, a refined figure was presented to the Partnership for each area.

This resulted in the overall figure across the Strategy area of 147,500 new dwellings. A further technical 'sense check' was undertaken of this total figure, by comparing it to an estimated overall housing need figure for the same area. (This is based on the Government's standard method figure, and the likely split of this figure where a district is partially within the Bird Aware Solent zone of influence³). This comparison between the estimated planned figure and the estimated need figure over the overall Bird Aware Solent zone of influence indicates that the 147,500 figure and subsequent calculation of mitigation costs per dwelling provides a robust basis for the Strategy.

³Informed by the need split in the PfSH Spatial Position Statement (which covers a similar area) and further consideration of the figures for the non – PfSH areas.

APPENDIX B

Further information relating to developer contribution levels.

Application Type	
Residential annexes	These should be treated like an extension to an existing dwelling therefore mitigation is not required.
Gypsy, traveller and travelling showpeople sites	Applications of this nature are treated as increases in residential development therefore are required to provide the full mitigation consistent with a dwelling.
Alteration in both bedrooms and dwelling from original permission	The number of bedrooms is only relevant once net increase in number of dwellings has been determined. Therefore, the developer will need to pay an additional contribution for the net increase in the number of dwellings.
House in multiple occupancy (HMO)	<p>Mitigation would need to be provided for permissions for new HMOs, change of use from a C3 (dwelling house) and C4 (small HMO) to sui generis (large HMO) and increased occupancy of an existing HMO.</p> <p>If the HMO is sui generis (of its own kind) then the number of bedrooms for that property is used to calculate contribution. The whole property is treated as one dwelling.</p> <p>If the HMO is classed as C4 then each bedroom is treated as a dwelling therefore the charge will be the number of bedrooms x the 1-bedroom rate.</p>
Holiday accommodation - caravans	<p>Mitigation is required and the flat rate should be used, based on the nature of this kind of development.</p> <p>For holiday sites there should be a pro-rata reduction for conditioned closed periods if this is relevant. In the event that details related to bedroom numbers are provided, these would be charged against the sliding scale (and again made pro-rata if appropriate).</p>
Holiday accommodation - tents	<p>Mitigation is required and the flat rate should be used, based on the nature of this kind of development.</p> <p>For holiday sites there should be a pro-rata reduction for conditioned closed periods if this is relevant. In the event that details related to bedroom numbers are provided, these would be charged against the sliding scale (and again made pro-rata if appropriate).</p>

Application Type	
Holiday accommodation – summertime only	Mitigation would be required for holiday accommodation which is only used during the summer breeding months. The summer fee rate should be used and with a pro-rata reduction for conditioned closed periods. Only in this instance, the summer scale of 40% would apply.
Studies	Studies on a bedroom floor are treated as bedrooms. Any room on a ground floor with an en-suite bath/shower room is considered a bedroom.
Outline planning application – number of bedrooms unknown	<p>A formula will be added to the S106 agreement so that collection of developer contribution will be taken once the mix of bedroom numbers is known.</p> <p>Furthermore, for the certainty required for the Habitats Regulations the number of beds within the mix will need to be specified.</p>
Temporary permissions	<p>It is considered reasonable that the applicant should only be required to pay mitigation for the period that their permission lasts. As the Strategy is based around an understanding of in-perpetuity being 80 years, it is therefore logical that the applicant should pay one 80th of the fee for each year the permission is requested for. In these cases, if the bedroom number is known, then use the sliding scale, if not, then the flat rate should apply.</p> <p>The calculation if it is only for a proportion of the year can also be calculated on a pro-rata basis.</p>
Temporary accommodation	Mitigation is required for this kind of development as the use is residential. The scale should be determined in the same way as residential development, with the 1-bedroom rate used for single bed units, the 2-bedroom rate used for 2 bed units and so on.
Hotels	It is likely that mitigation is required from all hotels as the type of user cannot be determined through the planning process. Any proposed bespoke approach should be discussed with the relevant planning authority and Natural England at the pre-application stage.
Older person housing – assisted living/retirement housing/ sheltered housing/extra care/ close care (C3)	Mitigation is required for this kind of development as the use is residential. The scale should be determined in the same way as residential development, with the 1-bedroom rate used for single bed units, the 2-bedroom rate used for 2 bed units and so on.

Application Type	
Care homes, Care homes which include nursing provision and Nursing Homes (C2)	Care facilities classed as C2 will need to be assessed on a case-by-case basis with the determining planning authority and Natural England as to whether contributions are required and what the scale of mitigation should be.
Self-contained student accommodation	These will need to be assessed on a case-by-case basis with the determining planning authority and Natural England. In recognition of the general absence of car parking and the inability of occupants to have pets, there are times when a reduced rate is applicable. If a reduced rate is used, the general model is that every 5 study bedrooms will be considered a unit of residential accommodation and charged accordingly (that is, 50% of the rate of the 5-bedroom property charge).

Equality and Safety Impact Assessment

equality or opportunity, and foster good relations between different people carrying out their activities.

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

Name or Brief Description of Proposal	Bird Aware Partnership Revised Strategy
Brief Service Profile (including number of customers)	
<p>The Bird Aware Strategy (previously known as the Solent Recreation Mitigation Partnership Strategy) requires development contributions towards the Solent Disturbance Mitigation Project (SDMP). New residential developments must mitigate against the ‘in combination’ effects that increased numbers of residents in the region, and therefore increased numbers of visits to the coastal Special Protection Areas (SPAs), will have on the protected bird species. This mitigation is required to comply with the Habitats Regulations. The strategy therefore aims to provide mitigation for the duration of the impact, that is, for the lifetime of the additional dwellings in the Solent (‘in perpetuity’), in line with the Habitats Regulations.</p> <p>The Strategy is well established and annually delivers in excess of 650 ranger patrols talking to over 8,000 people, over 50 community events allowing the rangers to speak with a further 1,500 people and over 30 guided walks with a total of over 400 people taking part.</p> <p>The Partnership further extends this outreach work with effective communication tools such as leaflets (6,000 delivered annually), site signage and targeted social media posts (over 10,000 followers across different platforms).</p> <p>Through this work (and other measures) the Partnership is currently able to provide effective mitigation for over 2,500 residential planning permissions annually. However, the revised strategy seeks to provide mitigation for around 5,700 dwellings per annum and will therefore increase resources to reach more people, enabling increased residential development in all</p>	

partnership authorities, including Southampton.

Summary of Impact and Issues

The revised Bird Aware Strategy will result in additional resource brought in by the Partnership (Portsmouth City Council is the recruiting authority) to provide further ranger patrols, community events, guided walks, monitoring activity and work on additional initiatives all of which works towards the mitigation of residential development across the authority boundaries of partnership members, including Southampton.

For those applying for planning permission for residential development, the developer contributions will be adjusted via the new financial model, to ensure the appropriate resource can be employed.

The new strategy will provide mitigation for around 5,700 dwellings per annum and has been developed using each local planning authority's housing trajectory information.

Potential Positive Impacts

The revised strategy will ensure appropriate mitigation for residential development, specifically the impact upon protected bird species caused by increased visitor numbers to the coastal SPAs, aligned to all partnership member's expected residential development levels. The increased ranger patrols, events etc. will work to improve public knowledge of this issue and help to control visitor numbers in the long-term. Without this update, the expected uplift in residential development in Southampton, and the partnership authorities, would not be able to take place as the Habitats Regulations require mitigation for the duration of the impact, that is, for the lifetime of the additional dwellings in the Solent ('in perpetuity').

Responsible Service Manager	Amber Trueman
Date	11/12/2024
Approved by Senior Manager	Pete Boustred
Date	11/12/2024

Potential Impact

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
Age	Not applicable	Not required
Disability	Not applicable	Not required
Gender Reassignment	Not applicable	Not required

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
Care Experienced	Not applicable	Not required
Marriage and Civil Partnership	Not applicable	Not required
Pregnancy and Maternity	Not applicable	Not required
Race	Not applicable	Not required
Religion or Belief	Not applicable	Not required
Sex	Not applicable	Not required
Sexual Orientation	Not applicable	Not required
Community Safety	Not applicable	Not required
Poverty	Not applicable	Not required
Health & Wellbeing	Public may be dissuaded to visit the Special Protection Areas (including Weston Shore) for recreational purposes due to the impact it can have on protected birds, therefore will be more reliant on Southampton's open spaces and the Council should try to ensure there is adequate provision for the current and future population of the city.	The emerging local plan is already required to try and ensure adequate open space provision for current and future residents, as well as the protection and enhancement of these spaces into the future. This work should therefore be continued as planned, informed by proportionate evidence to try and ensure need does not need to be met by spaces outside of the city, where possible.
Other Significant Impacts	Not applicable	Not required

This page is intentionally left blank

Appendix C - Special Protection Areas in the Bird Aware Solent Region

Special Protection Areas in the Bird Aware Solent region

- Solent and Southampton Water
- Portsmouth Harbour
- Chichester and Langstone Harbours



This page is intentionally left blank

Agenda Item 10

DECISION-MAKER:	CABINET		
SUBJECT:	FINANCIAL POSITION UPDATE		
DATE OF DECISION:	7 JANUARY 2025		
REPORT OF:	COUNCILLOR LETTS DEPUTY LEADER AND CABINET MEMBER FOR FINANCE AND CORPORATE SERVICES		
<u>CONTACT DETAILS</u>			
Executive Director	Title:	Executive Director Enabling Services and S151 Officer	
	Name:	Mel Creighton	Tel: 023 8083 3528
	E-mail:	Mel.Creighton@southampton.gov.uk	
Author:	Title:	Director of Finance	
	Name:	Richard Williams	Tel: 023 8083 2936
	E-mail:	Richard.Williams@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY

Not Applicable

BRIEF SUMMARY

This report provides a summary of the financial position of the council for 2024/25 as at the end of November 2024 (month 8).

The General Fund revenue position as at the end of November 2024 is a £16.12M favourable variance, with the detail set out in Appendix 1. This is a further positive movement of £1.87M compared to the position at month 7 (£14.25M underspend forecast).

Details for capital financial monitoring as at the end of September 2024 and a summary of the key issues arising from the 2025/26 provisional local government finance settlement are also included in this report.

RECOMMENDATIONS:

	Cabinet is recommended to:	
i)	Agree the £0.17M adjustments to be made to directorate budgets to reflect sustained favourable variances reported at month 8 of 2024/25 due to transformation and other measures, to be transferred to centrally held contingency to reduce the reliance on Exceptional Financial Support (EFS), as set out in paragraph 6.	
ii)	Agree to the creation of a new housing stock condition survey reserve and a contribution from centrally held contingency of £0.25M in 2024/25 as set out in paragraph 8.	
iii)	Note the revised General Fund Capital Programme is £206.99M and the HRA Capital Programme is £240.53M as detailed in paragraph 4 of Appendix 2.	

	iv)	Approve slippage of £17.80M, £15.04M within the General Fund programme and £2.76M within the HRA programme, as detailed in paragraphs 5 to 7 of Appendix 2 and Annex 2.3.
	v)	Note that the overall forecast position for the capital programme for 2024/25 at quarter 2 is £154.98M, resulting in a potential overspend of £0.31M, as detailed in paragraphs 8 to 10 of Appendix 2 and Annex 2.2.
	vi)	Note that the capital programme remains fully funded up to 2028/29 based on the latest forecast of available resources although the forecast can be subject to change; most notably regarding the value and timing of anticipated capital receipts and the use of prudent assumptions of future government grants to be received.

REASONS FOR REPORT RECOMMENDATIONS

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

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2.	Not applicable.
----	-----------------

DETAIL (including consultation carried out)

Latest Financial Position

3.	<p>The forecast financial position of the council as at the end of November 2024 (month 8) is set out at Appendix 1. Table 1 summarises the General Revenue Fund Forecast. £1.85M of sustainable savings have been taken centrally in month 8, resulting in adverse movements for Community Wellbeing and Growth & Prosperity.</p> <p>The working budgets for Children & Learning and Community Wellbeing have been reduced by the virement of £24.30M Social Care Grant income budget from Centrally Held Funding. This is to reflect a change in the grant conditions from an un-ringfenced grant to a grant that is ring-fenced to social care. The virement of the income budget has no impact on service provision it is only a change to the accounting treatment.</p>
----	--

4.

Table 1 – General Revenue Fund Forecast 2024/25

	Working Budget Month 8 £M	Forecast Outturn Month 8 £M	Forecast Variance Month 8 £M	Movement Month 7 to Month 8 £M
Children & Learning	51.08	49.30	(1.78) F	(0.19) F
Community Wellbeing	79.18	77.29	(1.89) F	0.02 A
Enabling Services	26.13	25.01	(1.11) F	(0.67) F
Growth & Prosperity	36.02	34.77	(1.25) F	0.16 A
Resident Services	25.98	26.44	0.46 A	0.67 A
Strategy & Performance	5.71	5.35	(0.36) F	0.00
Total Directorates	224.09	218.16	(5.93) F	(0.02) F
Centrally Held Budgets	30.20	20.06	(10.14) F	(1.85) F
Net Council Expenditure before EFS	254.29	238.22	(16.07) F	(1.87) F
Centrally Held Funding	(215.02)	(215.07)	(0.05) F	0.00
Net Over/(Underspend) before EFS	39.28	23.15	(16.12) F	(1.87) F
Exceptional Financial Support (EFS)	(39.28)	(23.15)		
Net Over/(Underspend)	0.00	0.00		

Numbers are rounded. 'F' indicates as favourable variance, 'A' is an adverse variance

5.

Sustained favourable variances are being achieved by directorates through demand management transformation activity and other measures. As at the end of November 2024 £10.14M of sustained favourable variances have been transferred to centrally held contingency in accordance with the Business Planning & Budgeting Framework. Agreement is sought to transfer a further £0.17M of budgets. Table 2 summarises the proposed budget adjustments.

6. **Table 2 – Proposed Budget Adjustments**

	Budget Adjustment £M
<u>Enabling Services</u>	
Contracting & Procurement – over achievement of target operating model saving in year	(0.08)
<u>Strategy & Performance</u>	
Transformation savings – advertising income	(0.05)
Communications – additional income	(0.04)
Total Directorates	(0.17)
<u>Centrally Held Contingency</u>	
Budget transferred for sustained favourable variances	0.17
Net Adjustment	0.00

Numbers are rounded

7. Where overspends are forecast, service areas are required to develop Deficit Recovery Plans to bring budgets back into projected balance. Plans are required to address adverse variances for City Services and Waste.

8. The Medium Term Financial Strategy agreed in March 2024 included £0.25M in 2025/26 to carry out a housing stock condition survey. It is proposed to create a new housing stock condition survey reserve and make a £0.25M contribution from centrally held contingency this year, so that in total £0.50M is available in 2025/26 to carry out the work.

Capital Financial Monitoring as at the end of September 2024

9. Appendix 2 summarises the General Fund and Housing Revenue Account (HRA) capital programme for the period 2024/25 to 2028/29 as at the end of September 2024 and highlights major changes since the last reported position. The forecast overspend position for 2024/25 was £0.31M, after accounting for £17.80M slippage.

Provisional Local Government Finance Settlement 2025/26

10. On 18 December 2024 the government announced the provisional local government finance settlement for 2025/26.

11. The main headlines from the provisional settlement are:

- Core Spending Power will increase by 6.0% in 2025/26, an increase of £3.9Bn compared with 2024/25.
- Core Council Tax referendum limit of up to 3%, plus a 2% ASC Precept for social care authorities.
- Over £700M more grant funding has been announced in the provisional settlement compared with the Autumn Budget, although this includes £515M compensation for the increase in employer’s national insurance contributions.
- A new £600M targeted Recovery Grant has been allocated using a formula that

	<p>focusses resources on authorities that have high levels of deprivation and relatively low ability to generate council tax income.</p> <ul style="list-style-type: none"> • Social Care Grant will increase by £880M, £280M more than was announced in the Autumn Budget. • A new £250M Children’s Social Care Prevention Grant has been distributed using an interim children’s relative needs-based formula. The grant will be uplifted to £263M in the final settlement. • Improved Better Care Fund and ASC Discharge Fund grant allocations remain the same as for 2024/25, however they have now been combined to form the Local Authority Better Care Fund totalling £2.64Bn. The Market Sustainability and Improvement Fund is the same as for 2024/25 (£1.05Bn). • Revenue Support Grant has increased in line with the September 2024 Consumer Price Index (1.7%) and several small grants have been rolled in based on existing allocations. The business rates Baseline Funding Level has been uplifted by the increase in the standard business rates multiplier (1.67%). • Services Grant (£87M in 2024/25) and Rural Services Delivery Grant (£110M in 2024/25) have been removed and the funding repurposed into the new Recovery Grant. • Domestic Abuse Safe Accommodation Grant (£160M) is now included within core spending power and previous years comparatives adjusted. • New Homes Bonus (£290M) continues for one more year, with no legacy payments. • £100M will be distributed from the business rates levy account, allocations to be confirmed in the final settlement. • £515M of funding will be provided for the increase in employer national insurance contributions for direct employees, to be distributed on the basis of 2023/24 Net Current Expenditure. Allocations to be confirmed in the final settlement. • A consultation has been published alongside the provisional settlement on the objectives and principles of local authority funding reform, with changes to be implemented from 2026/27.
--	--

12.	The impact of the provisional settlement on the council’s Medium Term Financial Strategy is currently being assessed.
-----	---

RESOURCE IMPLICATIONS

Capital/Revenue

13.	The revenue and capital implications are contained in the report.
-----	---

14.	There is a revenue cost of providing the capital programme, through the interest cost of borrowing and the minimum revenue provision (MRP). MRP is the calculated annual charge to the revenue account of provision to repay debt incurred in respect of capital expenditure financed by borrowing or other long term credit arrangements (such as PFI) over a period that is commensurate with that over which the capital expenditure provides benefits. The cost of the current capital programme is included in the Medium Term Financial Strategy and is monitored and reported as part of the revenue financial monitoring.
-----	---

15.	A key indicator is the ratio of Capital Financing to the Net Revenue Budget of the council. Following the highly publicised over borrowing of some local authorities it is expected that CIPFA and central government will propose a strengthening to prudential
-----	--

	limits by including upper limits on the level of borrowing. The council has introduced a ceiling for the above indicator, prior to any change to the Prudential Code, and set the General Fund at a maximum of 15% of Net Revenue Budget. It also needs to be in keeping with approach adopted of 'purposeful investment' i.e. does the investment reduce revenue expenditure/increase income: does it offset a future financial pressure: does it have a significant impact on the lives of residents?
<u>Property/Other</u>	
16.	There are no specific property implications arising from this report other than the schemes referred to within Appendix 2.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
17.	Financial reporting is consistent with the Section 151 Officer's duty to ensure good financial administration within the council.
<u>Other Legal Implications:</u>	
18.	None.
RISK MANAGEMENT IMPLICATIONS	
19.	Risk management implications are contained in the report.
POLICY FRAMEWORK IMPLICATIONS	
20.	The update of the Capital Programme forms part of the overall Budget Strategy of the Council.

KEY DECISION? No

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

SUPPORTING DOCUMENTATION

Appendices

1.	Financial position update report month 8 2024/25
2.	Capital financial monitoring for the period to the end of September 2024

Documents In Members' Rooms

1.	
2.	

Equality Impact Assessment

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

Privacy Impact Assessment

Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out?	No
Other Background Documents Equality Impact Assessment and Other Background documents available for inspection at:	
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

1.	The 2024/25 Budget and Medium Term Financial Strategy (Council 6 March 2024)	
2.	The General Fund Capital Programme 2023/24 to 2028/29 (Council 6 March 2024)	

This page is intentionally left blank



Revenue Monitoring

The forecast outturn at Month 8 shows a positive variance of £16.12M before the use of Exceptional Financial Support (EFS). This is made up of favourable Directorate variances of £5.93M plus £10.14M for centrally held budgets and £0.05M in centrally held funding. This is a £1.87M improvement on the Month 7 position which forecast a £14.25M favourable variance. A further £1.85M of sustained 2024/25 savings were transferred to centrally held budgets in Month 8, bringing the total transferred to £10.14M for the year to date.

The main favourable variances are in the following areas:

- Children & Learning (£1.78M favourable) with the main positive variance being in children looked after (CLA) of £1.09M, together with favourable variances for care leavers (£0.16M), agency staffing (£0.15M) and legal costs (£0.15M). This is after £1.56M of sustained savings have been transferred to central contingency.
- Community Wellbeing (£1.89M favourable) with the main positive variances being for non-recurrent staffing savings from the Phase 2A restructure (£0.82M), lower respite service redesign costs, additional income and use of grants in the ICU (£0.84M) and lower levels of activity compared to budget in Living & Ageing Well – Cost of Care (£0.15M). This is after £4.68M of sustained savings have been taken centrally.
- Enabling Services (£1.11M favourable) from staffing vacancies (£0.90M), additional income (£0.13M) and savings linked to AVCs (£0.09M). This is after £0.14M of sustained savings have been taken centrally.
- Growth and Prosperity (£1.25M favourable) mainly relating to further School Travel Service transformation savings (£0.83M), Property Services staffing savings (£0.61M) and lower geothermal costs (£0.20M). There are adverse variances for investment property income (£0.31M) and Cultural Services (£0.11M). This is after £2.56M of sustained savings have been taken centrally.
- Strategy & Performance (£0.36M favourable), due to salary underspends and additional income.
- Centrally held budgets (£10.14M favourable) relating to sustained savings transferred from directorate budgets (£9.20M) and Capital Asset Management (£0.94M).

Resident Services is forecasting a £0.46M adverse variance, mainly due to adverse variances for emergency accommodation (£0.38M) and District Operations (£0.17M). These are reduced by favourable variances for Environmental Health and Trading Standards (£0.25M) and Port Health (£0.18M). This is after £0.27M of sustained savings for the directorate have been taken centrally.

The overall favourable variance of £16.12M reported this month include forecast savings attributed to Transformation activity of £8.73M and these are detailed later in the report.

Exceptional Financial Support (EFS)

All services should continue to aim to under-spend in 2024/25 to minimise the reliance on Exceptional Financial Support (EFS). The annual revenue cost of using borrowing to fund the original 2024/25 budget shortfall of £39.28M (via the EFS facility) would have been £3.2M. This is after the removal of the EFS borrowing premium which government has confirmed. If the favourable forecast variance of £16.12M is sustained, the borrowing costs will be £1.3M per annum lower at £1.9M.

Budget Adjustments

As set out in the Business Planning and Budgeting Framework sustained favourable budget variances will be transferred from service budgets to contingency. £1.85M of sustained Directorate favourable variances reported at Month 7 were transferred to contingency in Month 8. This is in addition to the £8.29M previously transferred, bringing the total to £10.14M. £0.17M of new sustainable savings have been identified in Month 8 and are recommended to be transferred.

Savings Delivery

The savings targets built into 2024/25 budgets is £24.64M. £22.71M of the savings are reported as "delivered", up by £1.45M from the previous month, and a further £0.90M are "expected to be delivered". £0.84M of low-risk savings are being closely monitored. £0.20M of at risk savings within City Services are being covered by mitigations within the Resident Services Deficit Recovery Plans. This savings delivery is in addition to the in-year forecast transformation savings (£8.73M)

Deficit Recovery Plans

New deficit recovery plans are required for adverse variances for City Services and Waste based on material forecast over-spends in these areas.

Dedicated Schools Grant (DSG) and School Balances

The DSG deficit reduced by £3.99M to £7.11M in 2023/24 and a further reduction of £1.20M is currently forecast for 2024/25. Schools budget data for 2024/25 indicates there are 13 schools with a deficit balance and where necessary deficit recovery plans are being prepared.

Reserves

The General Fund reserve is forecast to be £12.00M at year end 2024/25, and Earmarked Reserves (excluding schools' balances) at £36.22M.

Housing Revenue Account (HRA)

The HRA is forecasting a balanced position at Month 8, with a reduction in depreciation being balanced by an increase in direct revenue financing of the capital programme. Additional insurance premium costs are covered by increased service charges to leaseholders and other adverse variances are covered by favourable variances on staffing. The Landlord Controlled Heating Account carried a £2.35M deficit into 2024/25, and this is now expected to reduce to £1.74M by year end.

Capital Programme

The General Fund capital programme is reporting a forecast underspend of £15.09M. The major project variances are:

- Underspends reported in Care Director (£0.68M) and Belgrave Industrial Estate Roof (£0.27M)
- Slippage reported in Outdoor Sports Centre (£1.150M), Corporate Assets Decarbonisation Scheme (CADS) (£1.39M) and Bargate North Walls (£0.45M)

The HRA capital programme is reporting a forecast underspend of £8.49M. The major project variances are:

- Underspends are reported in Roofing (£0.20M), Millbank House EWI Refurbishment (£2.50M), Albion Towers Heating (£1.00M), Major Works – reactive (£1.75M), Fire Safety (£2.01M)
- Overspends are reported in Lift refurbishments (£0.41M), Sprinkler works (£0.25M), Wyndham Court Refurbishment (£0.60M) and Structural Inspections (£0.60M)
- Slippage reported in Renew Warden Alarm (£2.10M), Holyrood Estate (£2.02M), Fire Safety (£1.74M) and Telecare Upgrades (£0.20M)



General Fund Position Month 8



	Working Budget 2024/25 £M	Forecast Outturn Month 8 £M	Forecast Variance Month 8 £M	
Directorates:				
Children & Learning	51.08	49.30	(1.78)	F
Community Wellbeing	79.18	77.29	(1.89)	F
Enabling Services	26.13	25.01	(1.11)	F
Growth & Prosperity	36.02	34.77	(1.25)	F
Resident Services	25.98	26.44	0.46	A
Strategy & Performance	5.71	5.35	(0.36)	F
Total Directorates	224.09	218.16	(5.93)	F
Levies & Contributions	0.10	0.10	0.00	
Contribution to General Fund Balance	1.93	1.93	0.00	
Capital Asset Management	11.92	11.92	0.00	
Other Expenditure & Income	16.25	6.11	(10.14)	F
Net Council Expenditure before EFS	254.29	238.22	(16.07)	F
Financed by:				
Council Tax	(120.44)	(120.44)	0.00	
Business Rates	(54.45)	(54.45)	0.00	
Non-Specific Government Grants & Other Funding	(40.13)	(40.18)	(0.05)	F
Total Funding	(215.02)	(215.07)	(0.05)	F
Net Over/(Underspend) before EFS	39.28	23.15	(16.12)	F
Exceptional Financial Support (EFS)	(39.28)	(23.15)		
Net Over/(Underspend)	0.00	0.00		

General Fund Month 8 Commentary

Overall forecast position is £16.12M underspent, a favourable movement of £1.87M from Month 7

Children & Learning: a forecast underspend of £1.78M.

The overall £1.78M favourable variance is mainly due to favourable variances of £1.09M for Children Looked After for care package costs, £0.16M for lower Care Leavers client numbers, £0.15M for agency staffing reductions, £0.15M for Legal costs and £0.23M of other favourable variances elsewhere. The directorate is forecasting £1.71M of transformation savings, of which £1.06M have been taken centrally.

Community Wellbeing: a forecast underspend of £1.89M.

The overall £1.89M favourable variance is largely due to a favourable variance of £0.82M for non-recurrent staffing savings achieved as a result of the Phase 2A restructure, £0.84M within the ICU from the Respite Service redesign, additional income and use of grants, and £0.15M favourable variance on Living & Ageing Well - Cost of Care attributable to transformation due to lower levels of activity compared to budget. In terms of transformation, savings of £2.9M are forecast, of which £2.35M have been taken centrally.

Enabling Services: a forecast underspend of £1.11M.

The £1.11M favourable variance is mainly due to £0.90M for staffing vacancies; £0.13M of additional income for Supplier Management and Finance and £0.09M of savings linked to AVCs take up. £0.14M of Data & Digital transformation savings have been taken centrally.

Growth & Prosperity: a forecast underspend of £1.25M.

The favourable variance of £1.25M is mainly due to £0.83M of further transformation savings for the School Travel Service, £0.81M of favourable variances within Property Services for staffing (£0.61M) and geothermal costs (£0.20M) and a £0.07M favourable variance in Transportation. There are adverse variances of £0.31M on investment property based on projected income and £0.11 for Cultural Services. The directorate is forecasting £3.39M of transformation savings, of which £2.56M have been taken centrally.

Resident Services: a forecast overspend of £0.46M.

The £0.46M adverse variance is mainly due to an adverse position on emergency accommodation of £0.68M and District Operations of £0.17M. This is reduced by favourable variances for Environmental Health and Trading Standards of £0.25M and Port Health of £0.18M. There are £0.30M of in-year transformation savings within the directorate, of which, £0.27M have been taken centrally.

Strategy & Performance: a forecast underspend of £0.36M.

The £0.36M favourable variance is mainly due to staffing vacancies (£0.25M) and additional income (£0.11M). £0.05M of transformation savings are included in the forecast.

NB The working budgets for Children & Learning and Community Wellbeing have been reduced by the virement of £24.30M Social Care Grant income budget from Centrally Held Funding



Month 7 Adjusted Variance Vs Month 8



	Forecast Variance Month 7 £M		Sustainable Savings Removed £M	Adjusted Variance Month 7 £M		Forecast Variance Month 8 £M		Movement Adjusted Month 7 to Month 8 £M	
Directorates:									
Children & Learning	(1.59)	F	0.00	(1.59)	F	(1.78)	F	(0.19)	F ↑
Community Wellbeing	(1.91)	F	0.35	(1.56)	F	(1.89)	F	(0.33)	F ↑
Enabling Services	(0.44)	F	0.00	(0.44)	F	(1.11)	F	(0.67)	F ↑
Growth & Prosperity	(1.41)	F	1.50	0.09	A	(1.25)	F	(1.34)	F ↑
Resident Services	(0.21)	F	0.00	(0.21)	F	0.46	A	0.67	A ↓
Strategy & Performance	(0.36)	F	0.00	(0.36)	F	(0.36)	F	0.00	
Total Directorates	(5.91)	F	1.85	(4.06)	F	(5.93)	F	(1.87)	F ↑
Levies & Contributions	0.00		0.00	0.00		0.00		0.00	
Contribution to General Fund Balance	0.00		0.00	0.00		0.00		0.00	
Capital Asset Management	0.00		0.00	0.00		0.00		0.00	
Other Expenditure & Income	(8.29)	F	(1.85)	(10.14)	F	(10.14)	F	0.00	
Net Council Expenditure before EFS	(14.20)	F	0.00	(14.20)	F	(16.07)	F	(1.87)	F ↑
Financed by:									
Council Tax	0.00		0.00	0.00		0.00		0.00	
Business Rates	0.00		0.00	0.00		0.00		0.00	
Non-Specific Government Grants & Other Funding	(0.05)	F	0.00	(0.05)	F	(0.05)	F	0.00	
Total Funding	(0.05)	F	0.00	(0.05)	F	(0.05)	F	0.00	
Net Over/(Underspend) before EFS	(14.25)	F	0.00	(14.25)	F	(16.12)	F	(1.87)	F ↑

NB: The Month 6 forecast variance has been adjusted to reflect the transfer of £2.16M of sustainable savings to contingency.

Children & Learning:

There is favourable movement of £0.19M from Month 7, of which £0.15M is due to a reduction in client numbers for Unaccompanied Asylum Seeking Children within Children Looked After and a £0.04M favourable movement in the Quality Assurance Business Unit.

Community & Wellbeing:

£0.35M of sustainable savings have been taken centrally in Month 8 and there are a further £0.33M of favourable movements from Month 7, mainly for care cost budgets within Living & Ageing Well - Cost of Care (£0.15M) and contract savings and respite redesign savings within the ICU (£0.20M).

Enabling Services:

There is a favourable movement of £0.67M from Month 7 mainly related to a review of salary budgets for the Digital Team.

Growth & Prosperity:

£1.50M of sustainable savings have been taken centrally in Month 8 and there are a further £1.34M of favourable movements relating to the School Travel Service (£0.83M), deletion of vacant posts in the Corporate Estates & Assets team (£0.46M) and £0.05M of other movements.

Resident Services:

There is an adverse movement of £0.67M from Month 7, £0.68M of which relates to an update of emergency accommodation costs, together with adverse movements for District Operations employee costs (£0.17M), Bereavement income (£0.05M) and Waste staffing (£0.10M) and favourable movements for Port Health income (£0.18M) and Environmental Health (£0.09M).

Strategy & Performance:

There is no movement in the forecast since Month 7.



Executive Director	Description of saving	Savings £M
Enabling Services	Contracting & Procurement - Over achievement of TOM saving in year	0.08
Strategy & Performance	Communications - Additional income	0.04
Strategy & Performance	Transformation savings - Advertising Income	0.05
Total		0.17

£1.85M of sustainable savings previously reported have been transferred to centrally held contingency in Month 8, bringing the total transferred to £10.14M. £0.17M of new sustainable savings have been identified in Month 8 and are recommended to be transferred to contingency, of which £0.05M relate to transformation.



Transformation Savings

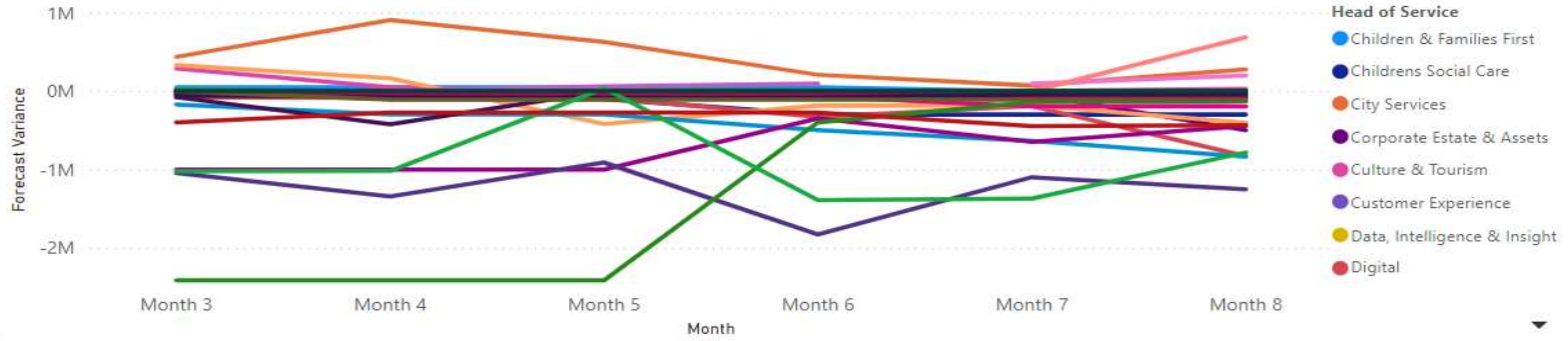


Executive Director	Month 8 Variance	Sustainable Savings Removed	Total Directorate Variance	Transformation Savings	Other Directorate Variances
	£M	£M	£M	£M	£M
Children & Learning	(1.78)	(1.56)	(3.34)	(1.71)	(1.63)
Community Wellbeing	(1.89)	(4.68)	(6.57)	(2.90)	(3.67)
Enabling Services	(1.11)	(0.14)	(1.25)	(0.14)	(1.11)
Growth & Prosperity	(1.25)	(2.56)	(3.81)	(3.39)	(0.42)
Resident Services	0.46	(0.27)	0.19	(0.30)	0.49
Strategy & Performance	(0.36)	0.00	(0.36)	(0.05)	(0.31)
Capital Asset Management	0.00	(0.94)	(0.94)	(0.25)	(0.69)
GF Capital	0.00			0.00	
HRA Capital	0.00			0.00	
Total	(5.93)	(10.14)	(16.07)	(8.73)	(7.34)

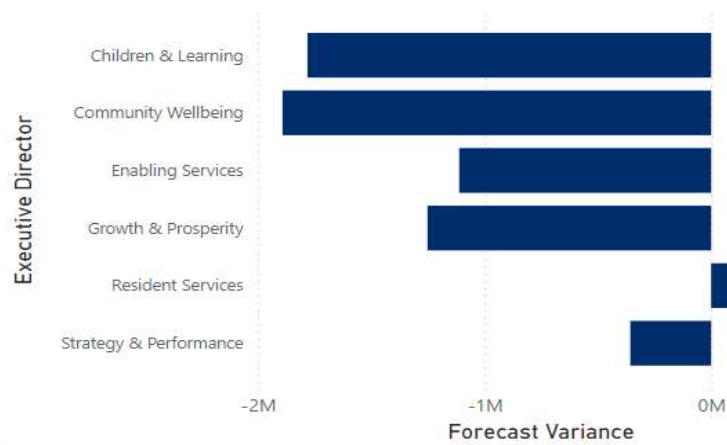
Executive Director	Description of transformation saving	Savings £M
Children & Learning	Managing Demand	(0.15)
Children & Learning	Right Child / Right Home	(1.56)
Community Wellbeing	Commissioning	(0.50)
Community Wellbeing	Living & Ageing Well	(1.50)
Community Wellbeing	Phase 2A restructure	(0.40)
Community Wellbeing	Whole Life Pathways - LD	(0.50)
Enabling Services	Data & Digital - System Rationalisation	(0.14)
Growth & Prosperity	Parking and Traffic Management	(0.33)
Growth & Prosperity	School Travel Service	(2.31)
Growth & Prosperity	Service Redesign	(0.75)
Resident Services	Service Centre	(0.30)
Strategy & Performance	Strategic Core - Advertising	(0.05)
Capital Asset Management	Treasury Management (Reshaping Financial Management)	(0.25)
Total		(8.73)

- Children & Lear...
- Community Wel...
- Enabling Services
- Growth & Prosp...
- Resident Services
- Strategy & Perf...
- GF Capital
- HRA Capital

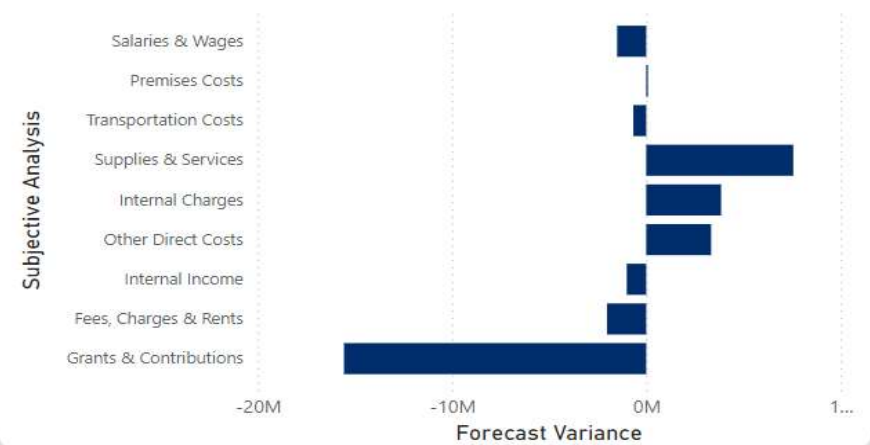
Variance Trend -



Variance to Budget -



Variance by Subjective Analysis -



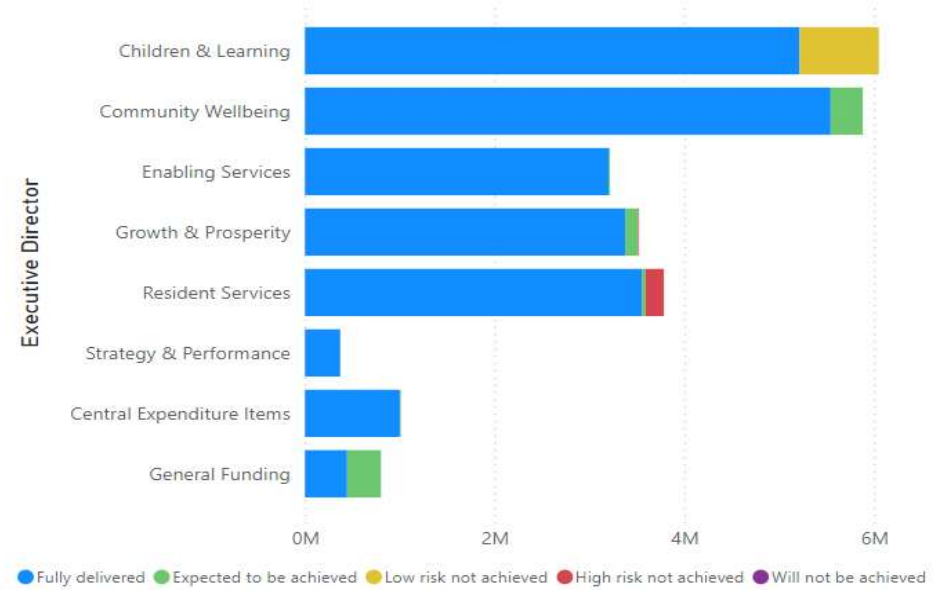


Savings Targets 2024/25 RAG Rated



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

Savings Targets per Directorate



Please select a Directorate to drillthrough

Key Issues

The current rate of non-achievement of savings is 1% or £0.20M forecast not to be achieved (Red & Purple) and this month £1.45M has moved from expected to be achieved (Green) to delivered (Blue).



Summary of variations to Budget (£M)

Executive Director	Client Packages and Placement costs	Coroner costs	Employee and Agency Costs	Energy	Fuel	Income	Legal costs	Non Achievement of savings	Other	Property Investment	Service Review of ICU	Transformation Savings held in directorate	Total
Children & Learning	(0.61)	0.00	(0.33)	0.00	0.00	(0.09)	0.00	0.00	(0.10)	0.00	0.00	(0.65)	(1.78)
Community Wellbeing	0.17	0.00	(0.86)	0.00	0.00	0.00	0.00	0.00	(0.53)	0.00	(0.12)	(0.55)	(1.89)
Enabling Services	0.00	0.00	(0.90)	0.00	0.00	(0.14)	0.00	0.00	(0.07)	0.00	0.00	0.00	(1.11)
Growth & Prosperity	0.00	0.00	(0.66)	(0.20)	0.00	0.19	0.01	0.01	(0.08)	0.31	0.00	(0.83)	(1.25)
Resident Services	0.00	0.28	0.95	0.00	0.07	(1.23)	0.00	0.20	0.23	0.00	0.00	(0.03)	0.46
Strategy & Performance	0.00	0.00	(0.25)	0.00	0.00	(0.06)	0.00	0.00	0.00	0.00	0.00	(0.05)	(0.36)
Total	(0.44)	0.28	(2.05)	(0.20)	0.07	(1.33)	0.01	0.21	(0.55)	0.31	(0.12)	(2.11)	(5.93)

Within directorates there are favourable variances of £2.11M for Transformation Savings (excluding those transferred to contingency), £2.05M for staffing and agency costs, £1.33M for increased income, £0.44M for client packages and placements and £0.87M for other factors. The main adverse variances are for property investment income shortfalls £0.31M and Coroner costs £0.28M, with £0.29M for other factors. The £5.93M net favourable variance for directorates is after £9.20M of sustainable savings have been taken centrally, of which £6.37M relates to Transformation Savings.



	Working Budget 2024/25 £M	Forecast Outturn Month 8 £M	Forecast Variance Month 8 £M		Movement Month 7 to Month 8 £M	
Children & Families First	3.66	3.66	0.00		0.00	
Children & Families First	3.66	3.66	0.00		0.00	
Childrens Social Care	(6.63)	(6.93)	(0.30)	F	0.00	
Divisional Management	(7.55)	(7.70)	(0.15)	F	0.00	
ICU - Children's Services	0.38	0.38	0.00		0.00	
Legal (Children's)	0.54	0.39	(0.15)	F	0.00	
Education	4.18	4.15	(0.04)	F	0.00	
DSG Central School Services Block	(0.06)	(0.06)	0.00		0.00	
DSG Early Years Block	0.00	0.00	0.00		0.00	
DSG High Needs Block Education	2.60	2.60	0.00		0.00	
DSG Schools Block	0.00	0.00	0.00		0.00	
Education - Asset Management	0.84	0.84	0.00		0.00	
Education & Learning	0.81	0.77	(0.04)	F	0.00	
Quality Assurance	2.65	2.57	(0.08)	F	(0.04)	F ↑
Quality Assurance Business Unit	2.65	2.57	(0.08)	F	(0.04)	F ↑
SEND	(1.55)	(1.60)	(0.05)	F	0.00	
DSG High Needs Block SEND	(2.60)	(2.60)	0.00		0.00	
Education - High Needs	1.04	0.99	(0.05)	F	0.00	
Pathways Through Care	33.74	32.49	(1.25)	F	(0.15)	F ↑
Care Leavers	1.07	0.91	(0.16)	F	0.00	
Children Looked After	32.67	31.58	(1.09)	F	(0.15)	F ↑
Resources	11.78	11.73	(0.06)	F	0.00	
Jigsaw	5.45	5.46	0.00		0.00	
Safeguarding	6.33	6.27	(0.06)	F	0.00	
Young Peoples Service	3.24	3.24	0.00		0.00	
Young Peoples Service	2.33	2.33	0.00		0.00	
Youth Offending	0.91	0.91	0.00		0.00	
Total Children & Learning	51.08	49.30	(1.78)	F	(0.19)	F ↑

Children & Learning: a forecast underspend of £1.78M.

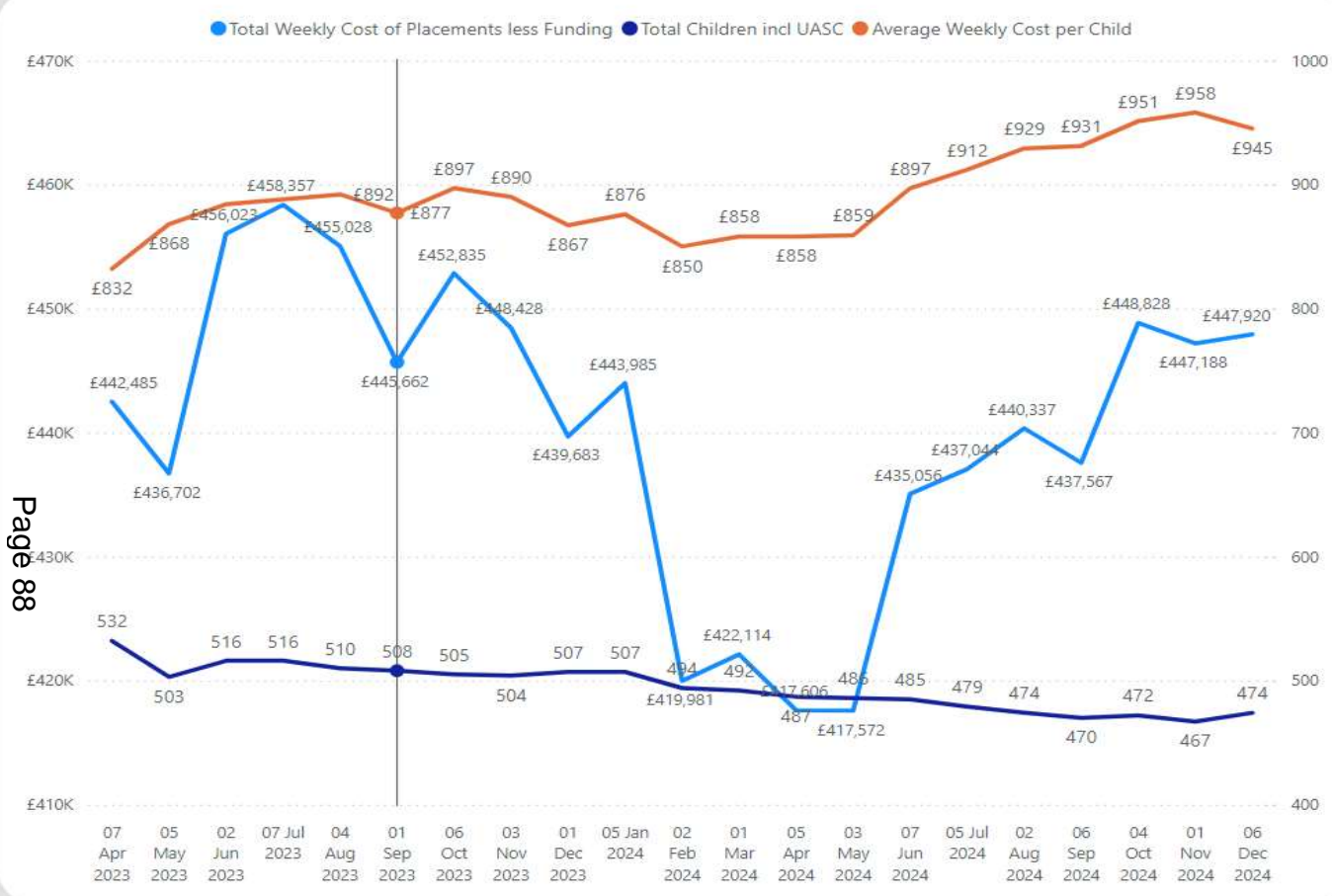
There is a £0.19M favourable movement from Month 7. This is due to a £0.15M favourable movement in Children Looked After, mainly due to a reduction in client numbers for Unaccompanied Asylum Seeking Children, and a smaller £0.04M favourable movement in the Quality Assurance Business Unit.

The favourable variance of £1.78M at Month 8 is due primarily to a favourable variance of £1.09M for Children Looked After as package costs remain less than budgeted, together with favourable variances of £0.16M for Care Leavers as client numbers are less than budgeted, £0.15M for Divisional Management due to agency staffing projections, £0.06M in Safeguarding due to a forecast reduction in supplies and services spend, £0.15M for Legal costs being less than budgeted, and £0.08M for Quality Assurance relating to staffing and smaller variances. There is also a £0.05M favourable variance in Education High Needs due to the net impact of staffing vacancies and pay award pressures and £0.04M favourable variances elsewhere. The directorate is still forecasting transformation savings of £1.71M.

In recent months the numbers of clients and average cost has plateaued and in some areas has begun to increase. This is being looked at closely by the service as it represents a financial risk.



Children Looked After Numbers



Total weekly cost of placements less funding

Over the past 18 months the weekly cost reduced up to the end of May by around 6%, but has subsequently increased and started to plateau. Some of this relates to cost uplifts, however some of this relates to a recent increase in high needs/cost clients.

The graph shows a temporary increase in the latest week's figures which is mainly due to a short-term high cost client.

Numbers of Children

Over the past 18 months the numbers of children in care have reduced by over 10%.

Average cost per child

The average cost per child did reduce in the final quarter of the last financial year, but as per the total weekly costs this has started to increase and is linked to the same reasons as the total weekly costs.

The increase in this figure is again due to a short-term high cost client.



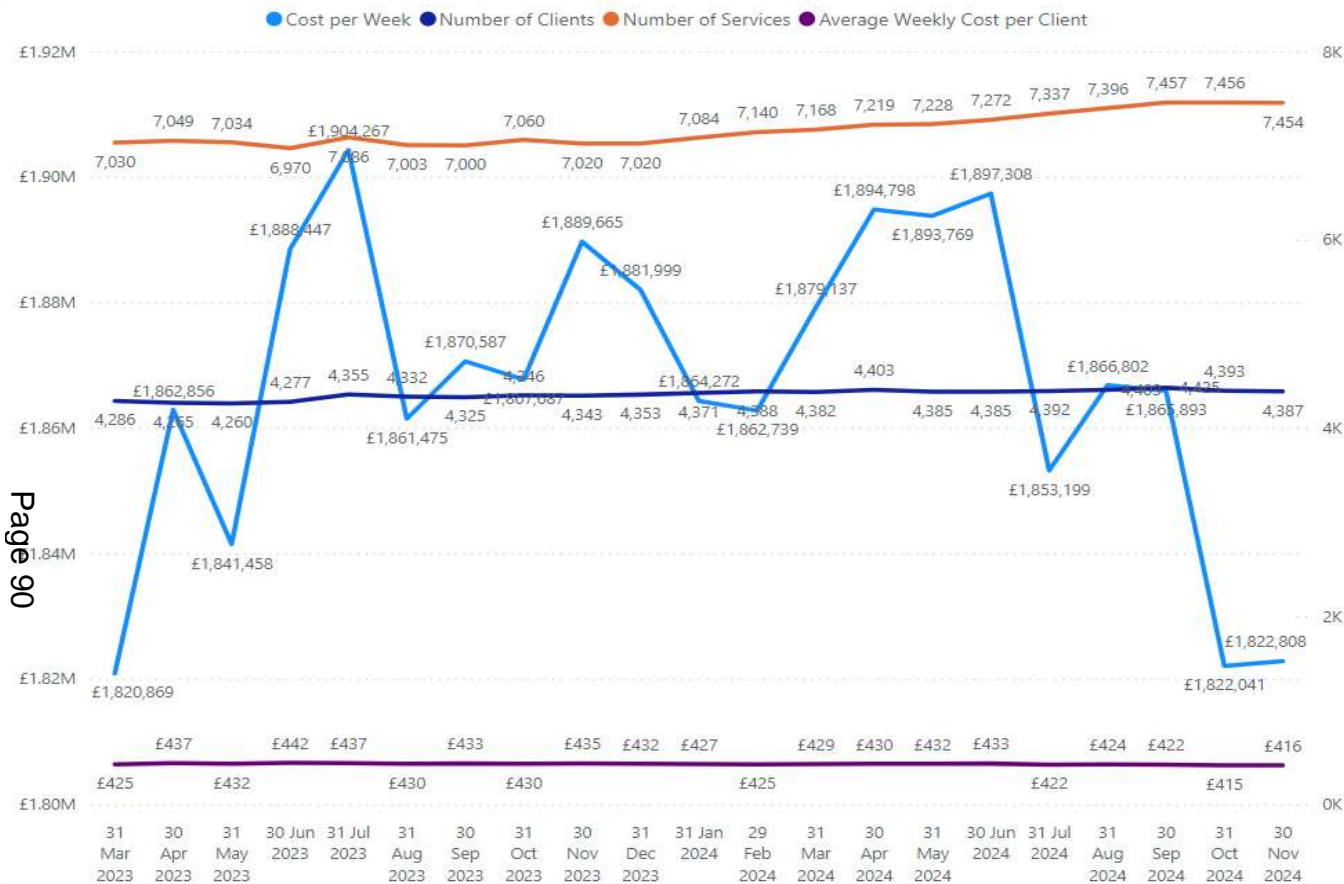
	Working Budget 2024/25 £M	Forecast Outturn Month 8 £M	Forecast Variance Month 8 £M		Movement Month 7 to Month 8 £M	
Integration	18.13	17.29	(0.84)	F ●	(0.20)	F ↑
ICU - Provider Relationships	15.86	15.53	(0.33)	F ●	(0.10)	F ↑
ICU - System Redesign	2.27	1.76	(0.51)	F ●	(0.10)	F ↑
Living & Ageing Well	38.40	37.96	(0.45)	F ●	0.20	A ↓
ASC - Living & Ageing Well - Cost of care	28.24	28.09	(0.15)	F ●	0.20	A ↓
ASC - Living & Ageing Well - Resourcing	10.16	9.87	(0.30)	F ●	0.00	
Public Health	0.00	0.00	0.00	●	0.00	
Public Health - Health Improvement	1.89	1.89	0.00	●	0.00	
Public Health - Health Protection and Surveillance	10.21	10.21	0.00	●	0.00	
Public Health - Management & Overheads	(16.11)	(16.11)	0.00	●	0.00	
Public Health - Non-ringfenced	0.00	0.00	0.00	●	0.00	
Public Health - Population Healthcare	4.01	4.01	0.00	●	0.00	
Quality, Governance & Professional Development	(23.27)	(23.40)	(0.13)	F ●	0.01	A ↓
ASC - Quality, Assurance & Professional Development	(23.27)	(23.40)	(0.13)	F ●	0.01	A ↓
Stronger Communities	1.60	1.55	(0.04)	F ●	0.00	
Community Safety, Alcohol Related Crime, CCTV	0.31	0.31	0.00	●	0.00	
Domestic Violence	0.37	0.37	0.00	●	0.00	
Grants to Voluntary Organisations	0.49	0.45	(0.04)	F ●	0.00	
Stronger Communities	0.43	0.43	0.00	●	0.00	
Whole Life Pathways	44.32	43.88	(0.44)	F ●	0.01	A ↓
ASC - Whole Life Pathways - Directly Delivered Services	2.40	2.35	(0.04)	F ●	0.01	A ↓
ASC - Whole Life Pathways - LD Cost of care	26.29	26.29	0.00	●	0.00	
ASC - Whole Life Pathways - MH Cost of care	11.53	11.53	0.00	●	0.00	
ASC - Whole Life Pathways - Other Cost of care	0.16	0.16	0.00	●	0.00	
ASC - Whole Life Pathways - Resourcing	3.94	3.55	(0.39)	F ●	0.00	
Total Community Wellbeing	79.18	77.29	(1.89)	F ●	0.02	A ↓

Community Wellbeing: a forecast underspend of £1.89M.

There is an adverse movement of £0.02M from Month 7 to Month 8. This is after £0.35M of sustainable savings have been taken centrally in Month 8. The movement is the net impact of the £0.35M savings being taken centrally, which has broadly been offset by further favourable variances of £0.15M being identified against care cost budgets within Living & Ageing Well - Cost of Care, plus £0.2M of favourable movement across ICU budgets arising from contract savings and further savings against the respite redesign. The overall £1.89M favourable variance is largely due to a favourable variance of £0.82M across Quality, Assurance & Professional Development, Whole Life Pathways Resourcing and Living & Ageing Well Resourcing arising from non-recurrent staffing savings achieved as a result of the Phase 2A restructure. Additionally, there is a £0.15M favourable variance on Living & Ageing Well - Cost of Care attributable to transformation due to lower levels of activity compared to budget. There are other favourable variances in the ICU totalling £0.84M with the Respite Service redesign costing less than budgeted and starting later than anticipated in addition to improved income forecasts and savings from offsetting costs with grant funding. There are also some small favourable variances on Whole Life Pathways - Directly Delivered Services and Grants to Voluntary Organisations. In terms of transformation, savings of £2.9M are forecast.



Adult Client Package Numbers



Number of Clients

The total number of Adults placements has increased by around 100 placements since the end of the 2022-23 financial year, an increase of around 2.25%. However, numbers have been relatively stable since January 2024, holding at around 4,350 clients with current authorised services.

Average Weekly Cost per Client

Average weekly costs per client have generally been between £425 per week and £450 per week for that time period, but we have seen a general downward trend in the total weekly cost for current authorised services since July 2023. This is due to ongoing work undertaken by the service, including resolution of legacy issues arising from the Discharge to Assess process.

N.B.

Figures are subject to change once the position has been finalised



Enabling Services Month 8



	Working Budget 2024/25 £M	Forecast Outturn Month 8 £M	Forecast Variance Month 8 £M		Movement Month 7 to Month 8 £M	
Digital	11.16	10.33	(0.83)	F	(0.64)	F ↑
Digital Services	11.16	10.33	(0.83)	F	(0.64)	F ↑
Enabling Services	1.28	1.27	(0.01)	F	(0.01)	F ↑
Corporate Management	1.03	1.02	(0.01)	F	(0.01)	F ↑
Internal Audit	0.24	0.24	0.00		0.00	
Finance - Corporate & Strategic	(2.88)	(2.68)	0.20	A	0.10	A ↓
Centrally Apportionable Overheads	(7.67)	(7.67)	0.00		0.00	
Corporate Finance	2.45	2.61	0.16	A	0.10	A ↓
Net Housing Benefit Payments	0.00	0.00	0.00		0.00	
Pension & Redundancy Costs	2.34	2.38	0.04	A	0.00	
Finance - Operational	6.03	5.84	(0.20)	F	(0.10)	F ↑
Accounts Payable	0.70	0.77	0.07	A	(0.01)	F ↑
Accounts Receivable	2.50	2.34	(0.15)	F	(0.11)	F ↑
Local Taxation & Benefits Services	2.84	2.72	(0.12)	F	0.02	A ↓
Human Resources & Organisational Development	3.33	3.20	(0.13)	F	(0.03)	F ↑
HR Services	3.33	3.20	(0.13)	F	(0.03)	F ↑
Legal & Governance	4.31	4.31	0.00		0.00	
Democratic Representation & Managemen	2.30	2.26	(0.05)	F	0.00	
Registration of Electors and Elections Costs	0.53	0.57	0.04	A	0.00	
Risk Management	1.48	1.48	0.00		0.00	
Legal Partnership	1.45	1.42	(0.03)	F	0.00	
Land Charges	(0.14)	(0.14)	0.00		0.00	
Legal Services & Customer Relations	1.59	1.56	(0.03)	F	0.00	
Supplier Management	1.44	1.33	(0.11)	F	0.00	
Supplier Management Services	1.44	1.33	(0.11)	F	0.00	
Total Enabling Services	26.13	25.01	(1.11)	F	(0.67)	F ↑

Enabling Services: a forecast underspend of £1.11M.

There is an favourable movement of £0.67M from Month 7. The movement is mainly related to a review of salary budgets for the Digital Team and surpluses being identified and declared.

The overall variance comprises of underspends of £0.90M due to vacancies; £0.13M of additional income for Supplier Management and Finance; £0.09M of savings linked to AVCs and there are other minor adverse variances. £0.14M of Data & Digital transformation savings within the directorate have been taken centrally.



	Working Budget 2024/25 £M	Forecast Outturn Month 8 £M	Forecast Variance Month 8 £M			Movement Month 7 to Month 8 £M		
Corporate Estate & Assets	5.15	4.65	(0.50)	F	●	(0.46)	F	↑
Central Repairs & Maintenance	3.01	3.01	0.00		●	0.00		
Energy Team	0.13	0.13	0.00		●	0.00		
Property Portfolio Management	(6.97)	(6.66)	0.31	A	●	0.00		
Property Services	8.11	7.30	(0.81)	F	●	(0.46)	F	↑
Facilities	0.87	0.87	0.00		●	0.00		
Culture & Tourism	3.75	3.78	0.03	A	●	0.03	A	↓
Cultural Services	1.71	1.77	0.06	A	●	0.03	A	↓
Libraries	2.04	2.01	(0.03)	F	●	0.00		
Economic Development & Regeneration	1.30	1.30	0.00		●	0.00		
City Development	0.71	0.71	0.00		●	0.00		
Economic Development	0.20	0.20	0.00		●	0.00		
Skills & Employment Support	0.39	0.39	0.00		●	0.00		
Growth & Prosperity	0.04	0.04	0.01	A	●	0.00		
Directorate Management	0.04	0.04	0.01	A	●	0.00		
Transport & Planning	25.78	25.00	(0.78)	F	●	0.59	A	↓
Flood Risk Management	0.15	0.15	0.00		●	0.00		
Highways Contracts	9.28	9.29	0.01	A	●	0.78	A	↓
Home To School Transport	10.01	9.18	(0.83)	F	●	(0.10)	F	↑
Planning	0.77	0.88	0.11	A	●	0.01	A	↓
Transportation	5.57	5.50	(0.07)	F	●	(0.10)	F	↑
Total Growth & Prosperity	36.02	34.77	(1.25)	F	●	0.16	A	↓

Growth & Prosperity: a forecast underspend of £1.25M.

There is an adverse movement of £0.16M from Month 7 to Month 8. This is after £1.50M of sustainable savings have been taken centrally in Month 8. The remaining favourable movement is due to £0.83M for the School Travel Service and £0.46M following the deletion of vacant posts in Corporate Estates & Assets team and £0.05M of other movements.

The overall favourable variance of £1.25M in Month 8 is attributable to a favourable variance of £0.83M from the School Travel Service as a result of further route optimisation and introduction of a dynamic purchasing system. A £0.81M favourable variance from Property savings, driven by £0.20M in geothermal cost savings and £0.61M in reduced staffing costs following a review and deletion of vacant positions. Transportation is also forecasting a £0.07M favourable variance due to a £0.09M profit share from Voi e-scooters. However, Cultural Services faces a £0.06M adverse variance due to increased material costs and a potential £0.05M write-off of events income. Highways Contracts show a minor adverse variance of £0.01M, attributed to the transfer of £0.77M of sustainable savings centrally in Month 8. Property Portfolio Management has a £0.31M adverse variance due to post-COVID recovery targets likely being unachievable. In terms of transformation, savings of £3.39M are forecast.



Resident Services Month 8



	Working Budget 2024/25 £M	Forecast Outturn Month 8 £M	Forecast Variance Month 8 £M		Movement Month 7 to Month 8 £M	
City Services	22.03	22.30	0.27	A	0.20	A ↓
City Services - Commercial Services	0.87	0.86	(0.02)	F	(0.06)	F ↑
City Services - District Operating Areas	5.10	5.26	0.17	A	0.16	A ↓
City Services - Management & Compliance	0.54	0.53	(0.02)	F	0.00	
City Services - Waste Operations	16.23	16.29	0.05	A	0.10	A ↓
Fleet Trading Area	(0.93)	(0.86)	0.08	A	0.00	
Landscape Trading Area	0.22	0.22	0.01	A	0.00	
Customer Experience	0.49	0.47	(0.02)	F	0.00	
Customer Experience	0.49	0.47	(0.02)	F	0.00	
Emergency Preparedness, Planning & Response	0.13	0.13	0.00		0.00	
Emergency Planning	0.13	0.13	0.00		0.00	
Environment	(7.87)	(8.27)	(0.40)	F	(0.22)	F ↑
CPRES - Bereavement Services	0.59	0.64	0.05	A	0.05	A ↓
CPRES - Environmental Health & Scientific Services	1.64	1.39	(0.25)	F	(0.09)	F ↑
CPRES - Licensing	(0.06)	(0.05)	0.01	A	0.00	
CPRES - Parking & Itchen Bridge	(10.38)	(10.38)	0.00		0.00	
CPRES - Port Health	(0.78)	(0.96)	(0.18)	F	(0.18)	F ↑
CPRES - Private Sector Housing	0.41	0.42	0.01	A	0.00	
CPRES - Registration Services	(0.19)	(0.19)	0.00		0.00	
Green Cities	0.63	0.58	(0.05)	F	0.00	
Health & Safety	0.29	0.29	0.00		0.00	
Housing	4.97	5.65	0.68	A	0.68	A ↓
DFG Support	(0.01)	(0.01)	0.00		0.00	
Housing Needs	4.83	5.52	0.68	A	0.68	A ↓
Social Fund & Property	0.18	0.18	0.00		0.00	
Travellers Sites	(0.04)	(0.04)	0.00		0.00	
Resident Services	2.80	2.80	0.00		0.00	
Leisure Contracts	2.69	2.69	0.00		0.00	
Leisure Strategy	0.11	0.11	0.00		0.00	
Service Centre	3.43	3.36	(0.08)	F	0.00	
Customer Services	3.43	3.36	(0.08)	F	0.00	
Total Resident Services	25.98	26.44	0.46	A	0.67	A ↓

Page 93

Resident Services: a forecast overspend of £0.46M.

There is an adverse movement of £0.67M from Month 7. This is due to an updated forecast on emergency accommodation costs of £0.68M adverse following a review in month. There are also movements on services previously included in the deficit recovery plan. There is a adverse movement for District Operations of £0.17M on employee costs along with a reduced income forecast in Bereavement of £0.05M and an additional favourable movement on Port Health income of £0.18M. Along with this, there was an adverse movement on Waste of £0.10M and a favourable movement in Environmental Health of £0.09M both predominately to do with staffing.

The overall adverse forecast of £0.46M is mainly due to the adverse position on emergency accommodation of £0.68M along with the adverse on District Operations of £0.17M. This is reduced by favourable positions on Environmental Health and Trading Standards of £0.25M and Port Health of £0.18M. There is a net adverse position of £0.04M across various other services.

There are £0.30M of in-year transformation savings within the directorate, of which, £0.27M has been moved centrally.



	Working Budget 2024/25 £M	Forecast Outturn Month 8 £M	Forecast Variance Month 8 £M		Movement Month 7 to Month 8 £M
Data, Intelligence & Insight	1.21	1.12	(0.08)	F	0.00
Data & Intelligence	1.21	1.12	(0.08)	F	0.00
Marketing & Communications	0.91	0.71	(0.20)	F	0.00
Corporate Communications	0.91	0.71	(0.20)	F	0.00
Projects & Change	1.49	1.49	0.00		0.00
Projects, Policy & Performance	0.00	0.00	0.00		0.00
Strategy & Performance	2.11	2.03	(0.08)	F	0.00
Strategic Management of the Council	2.11	2.03	(0.08)	F	0.00
Total Strategy & Performance	5.71	5.35	(0.36)	F	0.00

Strategy & Performance: a forecast underspend of £0.36M.

There has been no change since Month 7. The overall favourable variance comprises of £0.25M linked to salary underspends due to vacancies in the Data team, Chief Executive's team and Communications. Plus £0.11M of additional income in Communications and Data & Digital. £0.05M of transformation savings are included within the forecast.



General Fund Capital Month 8



	Adjusted 2024-25 Budget £M	Forecast Outturn Month 8 £M	Forecast Variance Month 8 £M	Explained By:	(Slippage)/ Rephasing Month 8 £M	(Surplus)/ Deficit Month 8 £M
Directorates:						
Children & Learning	14.62	14.14	(0.48)	F	0.00	(0.48)
Community Wellbeing	4.25	4.25	0.00		0.00	0.00
Enabling Services	4.15	3.47	(0.68)	F	0.00	(0.68)
Growth & Prosperity	46.99	45.11	(1.86)	F	(1.65)	(0.21)
Resident Services	17.88	5.81	(12.06)	F	(12.11)	0.04
Strategy & Performance	8.13	8.13	0.00		0.00	0.00
Total General Fund	96.01	80.90	(15.09)	F	(13.76)	(1.33)
Financed by:						
Council Resources - Borrowing	11.49	9.21	(2.28)	F	(1.39)	(0.89)
Council Resources - Capital Receipts	8.48	8.48	0.00		0.00	0.00
Contributions	8.07	5.63	(2.44)	F	(2.46)	0.02
Grants	66.26	55.88	(10.37)	F	(9.91)	(0.46)
Council Resources - DRF	1.71	1.71	0.00		0.00	0.00
Minimum Revenue Account	0.00	0.00	0.00		0.00	0.00
Total Financing	96.01	80.90	(15.09)	F	(13.76)	(1.33)

Major Variances

Directorate	Project	Variance type	Variance Month 8 £M
Growth & Prosperity	Belgrave Industrial Estate Roof	Surplus	(0.27)
Growth & Prosperity	Safer Streets	Slippage	(0.30)
Children & Learning	Valentine School	Surplus	(0.39)
Resident Services	Solar Powered Compactor Bins	Slippage	(0.42)
Growth & Prosperity	Bargate North Walls	Slippage	(0.45)
Enabling Services	CareDirector	Surplus	(0.68)
Other minor			(12.59)

The General Fund capital programme is reporting an overall forecast underspend of £15.09M. This is made up of £13.76M net slippage and rephasing, along with £1.33M of net budget surpluses. Of the £13.76M, £13.96M is slippage, which is reduced by £0.20M of rephasing. The net surplus of £1.33M is made up of £1.83M of surpluses, reduced by £0.50M of deficits.



General Fund Earmarked Reserves (excluding Schools Balances)



	Balance As At 01/04/2024 £M	Forecast Balance As At 31/03/2025 £M	Movement 2024/25 £M			Forecast Balance As At 31/03/2026 £M	Movement 2025/26 £M		
Medium Term Financial Risk Reserve	9.72	9.25	(0.47)	A	↓	10.47	1.22	F	↑
Organisational Redesign Reserve	2.50	2.91	0.41	F	↑	2.91	0.00		
Transformation & Improvement Reserve	4.66	6.05	1.39	F	↑	5.96	(0.10)	A	↓
Revenue Contributions to Capital	1.00	0.92	(0.08)	A	↓	0.92	0.00		
Social Care Demand Risk Reserve	2.00	2.20	0.20	F	↑	2.20	0.00		
Revenue Grants Reserve	4.21	0.00	(4.21)	A	↓	0.00	0.00		
Investment Risk Reserve	0.80	1.20	0.40	F	↑	1.60	0.40	F	↑
Directorate Carry Forwards	0.00	0.00	0.00			0.00	0.00		
PFI Sinking Fund	4.35	4.11	(0.24)	A	↓	3.67	(0.43)	A	↓
Insurance Reserve	2.20	2.20	0.00			2.20	0.00		
On Street Parking	2.48	0.54	(1.94)	A	↓	0.02	(0.52)	A	↓
DSG Reserve	3.99	5.19	1.20	F	↑	6.44	1.25	F	↑
Other Reserves	2.69	1.65	(1.03)	A	↓	1.48	(0.17)	A	↓
Total Earmarked Reserves	40.58	36.22	(4.36)	A	↓	37.86	1.64	F	↑
General Fund Balance	10.07	12.00	1.93	F	↑	12.00	0.00		
Total GF Reserves (excl. Schools)	50.65	48.22	(2.43)	A	↓	49.86	1.64	F	↑

There is a forecast balance of £9.25M on the Medium Term Financial Risk (MTFR) Reserve at the end of 2024/25, assuming the forecast in-year surplus is used to reduce the Exceptional Financial Support requirement and not added to the reserve. An increase in the General Fund Balance to £12.0M was included in the 2024/25 budget.



Collection Fund



Collection Fund Balance

Council Tax £M Business Rates £M Total £M

Distribution of previous year's estimated surplus/(contribution towards estimated deficit)	(1.18)	6.61	5.43
Net income and expenditure for 2024/25	0.45	0.23	0.68
(Surplus)/Deficit for the year	(0.73)	6.84	6.11
(Surplus)/Deficit brought forward from 2023/24	1.24	(8.42)	(7.19)
Overall (Surplus)/Deficit Carried Forward	0.50	(1.58)	(1.08)
SCC Share of (Surplus)/Deficit	0.42	(0.78)	(0.35)

For the Collection Fund as a whole there is a forecast cumulative surplus of £1.08M to be carried forward into 2025/26, from an improvement of £1.76M in the 2023/24 outturn position and a £0.68M forecast net deficit for 2024/25.

The £0.68M forecast net deficit for 2024/25 comprises a deficit of £0.45M for council tax and a deficit of £0.23M for business rates. The forecast deficit for council tax relates to an increase in the estimate for non-collection, offset by a reduction in local council tax support costs. The business rates deficit is due to an increase in the provision for appeals and interest on overpayments, offset by a reduction in the estimate for non collection. SCC's share of the forecast cumulative surplus is £0.35M. In addition to this there is a £1.81M adverse variance on estimated government grant income for business rates reliefs, due to a large reduction in funded reliefs, which sits outside of the Collection Fund.

Collection Rates

Over or underachievement of collection rates has a positive or negative impact on the Collection Fund Balance.

Council Tax	April	May	June	July	August	September	October	November
Expected Collection - Projected (93.03%) avg collection	9.82%	8.80%	8.66%	8.61%	8.57%	8.67%	8.75%	8.78%
In month Expected Collection £	14,494,929	12,978,087	12,768,068	12,737,128	12,706,600	12,870,634	13,014,047	13,032,463
Expected Collection - Difference (in month) £	↓ (154,666)	↑ 14,474	↓ (176,580)	↑ 288,357	↓ (2,128)	↓ (103,882)	↓ (59,126)	↓ (125,610)
Expected Collection - Difference year to date £	↓ (154,666)	↓ (125,302)	↓ (312,240)	↓ (132,927)	↓ (262,455)	↓ (476,493)	↓ (649,774)	↓ (598,155)

Business Rates	April	May	June	July	August	September	October	November
Expected Collection - Projected (97.05%) avg collection	16.10%	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%
In month Expected Collection £	17,970,500	9,766,040	9,683,981	9,808,680	9,823,847	9,846,472	9,850,107	9,806,533
Expected Collection - Difference (in month) £	↓ (1,508,405)	↑ 2,336,509	↑ 1,228,332	↑ 2,181,699	↓ (1,312,954)	↓ (1,174,746)	↓ (988,049)	↓ (699,212)
Expected Collection - Difference year to date £	↓ (1,508,405)	↑ 829,089	↑ 2,290,470	↑ 3,993,326	↑ 2,606,964	↑ 1,300,085	↑ 287,172	↓ (70,415)

Council Tax Collection

In-year - As of 30th November 2024 net collectable debt is £148.45M (down £0.29M from last month and up £8.6M on last year). The collection rate is 70.25%. This is down £0.60M to where we expect to be.

A project has started looking at a single view of the customer in conjunction with the Debt Management Centre. Additional recovery resources have been made available to increase collection.

It has been confirmed that the HMRC data sharing pilot will start in December which will help increase collection. HMRC will provide employment information to the council tax department which will increase the number of Attachment to Earnings.

Business Rates Collection

In-year - As of 30th November 2024, net collectable debt is £112.07M of which we have collected £86.62M. The collection rate is 0.06% down on where we expect to be.

NB Due to a change in methodology the previous months figures for the year to date difference have been restated.



Housing Revenue Account Month 8



Housing Revenue Account	Working Budget 2024/25 £M	Forecast Outturn Month 8 £M	Forecast Variance Month 8 £M		Movement Month 7 to Month 8 £M
Income					
Dwelling Rents	(80.29)	(80.22)	0.07	A	0.00
Other Rents	(1.21)	(1.21)	0.00		0.00
Service Charge Income	(2.53)	(2.53)	0.00		0.00
Leaseholder Service Charges	(1.14)	(1.54)	(0.40)	F	(0.15) F ↑
Interest Received	(0.11)	(0.15)	(0.04)	F	0.00
Total Income	(85.27)	(85.64)	(0.37)	F	(0.15) F ↑
Operational Expenditure					
Responsive Repairs	18.10	17.05	(1.05)	F	0.01 A ↓
Cyclical Maintenance	6.99	6.79	(0.21)	F	0.00
Rents Payable	0.45	0.65	0.20	A	0.00
Debt Management	0.09	0.09	0.00		0.00
Supervision & Management	29.80	30.13	0.34	A	0.15 A ↓
Total Operational Expenditure	55.43	54.71	(0.72)	F	0.15 A ↓
Capital Asset Management					
Interest & Principal Repayments	6.46	6.15	(0.31)	F	0.00
Depreciation	22.35	18.12	(4.23)	F	0.00
Direct Revenue Financing of Capital	0.54	6.17	5.63	A	0.00
Total Capital Asset Management	29.35	30.44	1.09	A	0.00
(Surplus)/deficit for year	(0.50)	(0.50)	0.00		0.00
Working Balance B/Fwd	(2.59)	(2.59)			
Working Balance C/Fwd	(3.09)	(3.09)			

Landlord Controlled Heating	2023/24 Outturn £M	Month 8 Forecast £M
Expenditure		
Costs incurred in year	7.39	8.00
Contribution to bad debt provision	0.20	(0.20)
Prior year adjustment	(0.78)	0.00
Gross Expenditure	6.81	7.80
Income		
Rent collected in year	(7.57)	(7.90)
Leaseholder contribution	(0.47)	(0.51)
Total Income	(8.03)	(8.41)
(Surplus)/deficit for year	(1.23)	(0.61)
Balance B/fwd	3.58	2.35
Balance C/fwd	2.35	1.74

HRA POSITION: a balanced position is forecast.

The overall forecast is in line with the business plan position. There is a favourable position forecast on depreciation based on the reduced asset values recognised in the 2023/24 accounts. There is an off-setting increase in direct revenue financing to ensure the capital programme is not underfunded as a result. Additional insurance premium costs and energy costs of £0.40M are covered by increased service charges to leaseholders. Adverse forecast on rents payable, Estate Regeneration and bad debt are covered by favourable forecasts on staffing. The forecast movements in Month 8 is based on movements on energy costs in tower block and leaseholder income. The landlord-controlled heating account deficit brought forward from 2023/24 is £2.35M, and, based on anticipated cost for 2024/25 and additional income from charge increases, is expected to reduce to £1.74M. Modelling will take place to assess the impact on planned future price setting.



Housing Revenue Account Capital Month 8



	Adjusted 2024-25 Budget £M	Forecast Outturn Month 8 £M	Forecast Variance Month 8 £M	Explained By:	(Slippage)/ Rephasing Month 8 £M	(Surplus)/ Deficit Month 8 £M
Scheme Classification:						
Improving Quality of Homes	13.85	12.51	(1.34)	F	(0.72)	(0.62)
Making Homes Energy Efficient	19.57	14.67	(4.90)	F	(1.30)	(3.60)
Making Homes Safe	13.66	13.65	(0.01)	F	1.50	(1.51)
New Homes & Regeneration	4.06	4.06	0.00		0.00	0.00
Supporting Communities	1.95	2.00	0.05	A	0.00	0.05
Supporting Independent Living	5.38	3.08	(2.30)	F	(2.30)	0.00
Total HRA	58.46	49.97	(8.49)	F	(2.81)	(5.68)
Financed by:						
Council Resources - Borrowing	28.36	18.31	(10.05)	F	(4.24)	(5.81)
Council Resources - Capital Receipts	3.46	3.46	0.00		0.00	0.00
Contributions	0.00	0.00	0.00		0.00	0.00
Grants	1.85	1.85	0.00		0.00	0.00
Council Resources - DRF	0.54	0.54	0.00		0.00	0.00
Minimum Revenue Account	24.26	25.81	1.55	A	1.42	0.13
Total Financing	58.46	49.97	(8.49)	F	(2.81)	(5.68)

Page 99

The HRA capital programme is reporting an overall forecast underspend of £8.49M. This is made up of £2.81M net slippage and rephasing, along with £5.68M of net budget surpluses. Of the £2.81M, £6.06M is slippage, which is reduced by £3.24M of rephasing. The net surplus of £5.68M is made up of underspends of £7.96M, reduced by deficits of £2.28M.

Major Variances

Scheme	Project	Variance type	Variance Month 8 £M
Making Homes Safe	Sprinkler Work	Rephase	2.64
Improving Quality of Homes	Wyndham Court Refurbishment	Deficit	0.60
Making Homes Safe	Block Modernisation Programme	Rephase	0.60
Improving Quality of Homes	Lift Refurbishment - Shirley Towers	Deficit	0.41
Improving Quality of Homes	Structural Inspections to High Rise Blocks	Deficit	0.30
Making Homes Safe	Structural Works	Deficit	0.30
Making Homes Safe	HFRS Fire Safety / Sprinkler Project	Deficit	0.25
Making Homes Energy Efficient	Network Heating & District Heating meters (HIU Units)	Deficit	0.20
Making Homes Safe	Fire Detection Upgrades to LD2 - domestic dwellings	Deficit	0.10
Making Homes Safe	Fire Safety - Wyndham Court Upgrade	Deficit	0.05
Supporting Communities	Container Homes	Deficit	0.05
Improving Quality of Homes	Housing Health and Safety Rating System and Disrepair	Deficit	0.02
Improving Quality of Homes	Roofing Lot 2 East	Surplus	(0.20)
Making Homes Safe	Fire Safety - Castle Housing Compartmentation (flat front replacements)	Slippage	(0.20)
Making Homes Safe	Remedial Works Following Compliance Inspections	Surplus	(0.20)
Supporting Independent Living	Telecare Upgrades	Slippage	(0.20)
Making Homes Safe	Fire Safety - Fire Door Remedials	Surplus	(0.25)
Making Homes Energy Efficient	Insulation Upgrades	Surplus	(0.30)
Making Homes Safe	Fire Safety - Additional Asbestos Removal - Walkway Ceilings	Slippage	(0.40)
Making Homes Safe	Fire Safety - Wyndham Court Commercial and car part sprinklers project	Slippage	(0.54)
Making Homes Safe	Fire Safety - Cladding Assessment (A1 & A2 support grant application)	Slippage	(0.60)
Improving Quality of Homes	Holyrood Estate Heating Upgrade	Slippage	(0.72)
Making Homes Energy Efficient	Albion Towers Heating	Surplus	(1.00)
Making Homes Energy Efficient	Holyrood Estate - Underground Aipework Replacement	Slippage	(1.30)
Improving Quality of Homes	Major Works - reactive	Surplus	(1.75)
Making Homes Safe	Fire Safety - High Rise Ventilation Upgrades	Surplus	(1.76)
Supporting Independent Living	Renew Warden Alarm	Slippage	(2.10)
Making Homes Energy Efficient	Millbank House EWI Refurbishment	Surplus	(2.50)



	Working Budget 2024/25 £M	Forecast Outturn Month 8 £M	Forecast Variance Month 8 £M		Movement Month 7 to Month 8 £M
DSG Block					
Schools	109.62	109.62	0.00		0.00
High Needs	40.36	39.15	(1.20) F	●	0.00
Early Years	28.16	28.16	0.00	●	0.00
Central Services	1.61	1.61	0.00	●	0.00
Net Expenditure	179.75	178.54	(1.20) F	●	0.00
Funded By:					
Schools Funding	(109.62)	(109.62)	0.00	●	0.00
High Needs Funding	(40.36)	(40.36)	0.00	●	0.00
Early Years Funding	(28.16)	(28.16)	0.00	●	0.00
Central Services Funding	(1.61)	(1.61)	0.00	●	0.00
Total Funding	(179.75)	(179.75)	0.00	●	0.00
(Surplus)/Deficit for Year	0.00	(1.20)	(1.20) F	●	0.00
Balances:					
	BFwd	CFwd	Movement		
DSG Usable Reserve	(3.99)	(5.19)	(1.20) F	●	0.00
DSG Adjustment Reserve	11.09	11.09	0.00	●	0.00
Total DSG (Surplus)/Deficit	7.11	5.90	(1.20) F	●	0.00

Schools Balances	Budget 2024/25 Deficit	Budget 2024/25 Surplus	Budget 2024/25 Total
Primary			
Net Budget	£2.91M	(£2.06M)	£0.85M
No. of Schools	11	20	31
% of Schools	35%	65%	100%
Secondary			
Net Budget	£0.00M	(£4.86M)	(£4.86M)
No. of Schools	0	6	6
% of Schools	0%	100%	100%
Special			
Net Budget	£1.43M	(£0.27M)	£1.16M
No. of Schools	2	3	5
% of Schools	40%	60%	100%
Total			
Net Budget	£4.34M	(£7.20M)	(£2.85M)
No. of Schools	13	29	42
% of Schools	31%	69%	100%

The DSG deficit reduced by £3.99M to £7.11M in 2023/24 and a further reduction of £1.20M is currently forecast for 2024/25. Schools budget data for 2024/25 indicates there are 13 schools with a deficit balance and where necessary deficit recovery plans are being prepared.



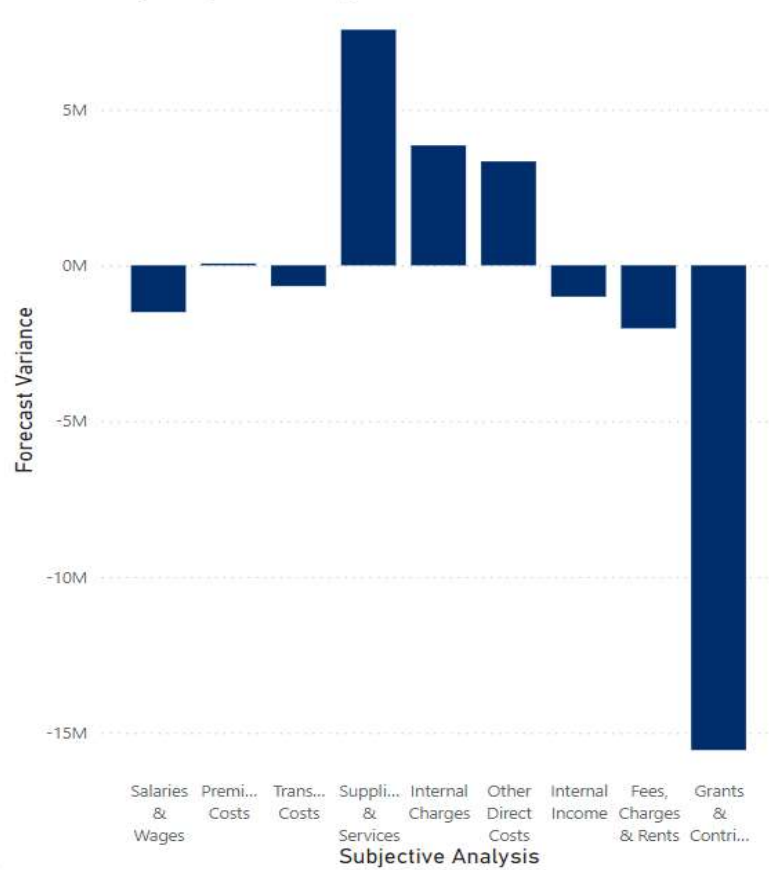
Clear Filters



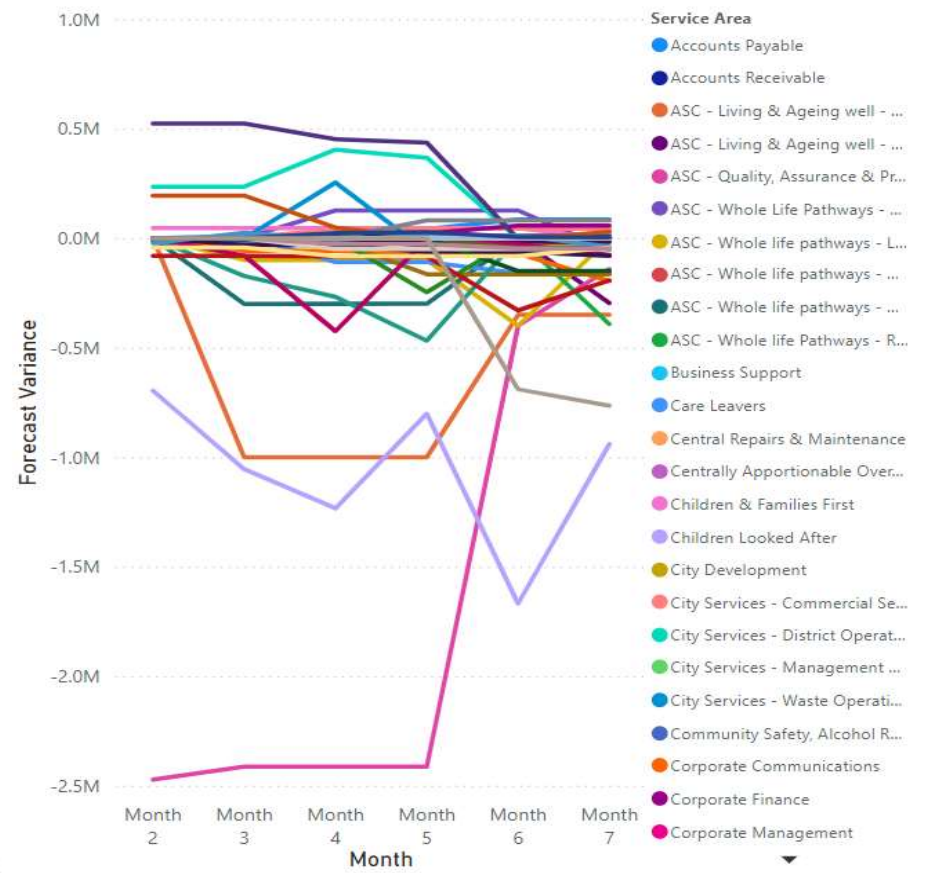
- Adults & Hea...
- Children & Learning
- Compliance & Leisure
- Communities & Safer City
- Economic Development
- Environment & Transport

Page 101

Variance by Subjective Analysis -



Variance Trend -





Clear Filters

Portfolio Position Month 8



Adults & Hea...

Children & Learning

Compliance & Leisure

Communities & Safer City

Economic Development

Environment & Transport

Page 102

Portfolio	Working Budget 2024/25 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Movement Month 6 to Month 7 £'000
▲				
▣ Adults & Health	77,582	75,734	(1,848)	22
▣ Children & Learning	60,180	57,569	(2,611)	(297)
▣ Compliance & Leisure	4,425	4,061	(364)	(213)
▣ Communities & Safer City	2,682	2,640	(42)	0
▣ Economic Development	7,262	6,874	(388)	(447)
▣ Environment & Transport	21,550	21,596	46	718
▣ Finance & Corporate Services	32,736	31,450	(1,286)	(672)
▣ Green City & Net Zero	5,722	5,841	119	163
▣ Housing Operations	5,191	5,882	691	681
▣ Leader	6,765	6,519	(246)	28
▣ Central Expenditure Items	30,199	20,057	(10,142)	(1,853)
▣ General Funding	(215,016)	(215,068)	(52)	0
▣ Exceptional Financial Support (EFS)	(39,276)	(23,153)	16,123	1,870
Total	1	1	0	0

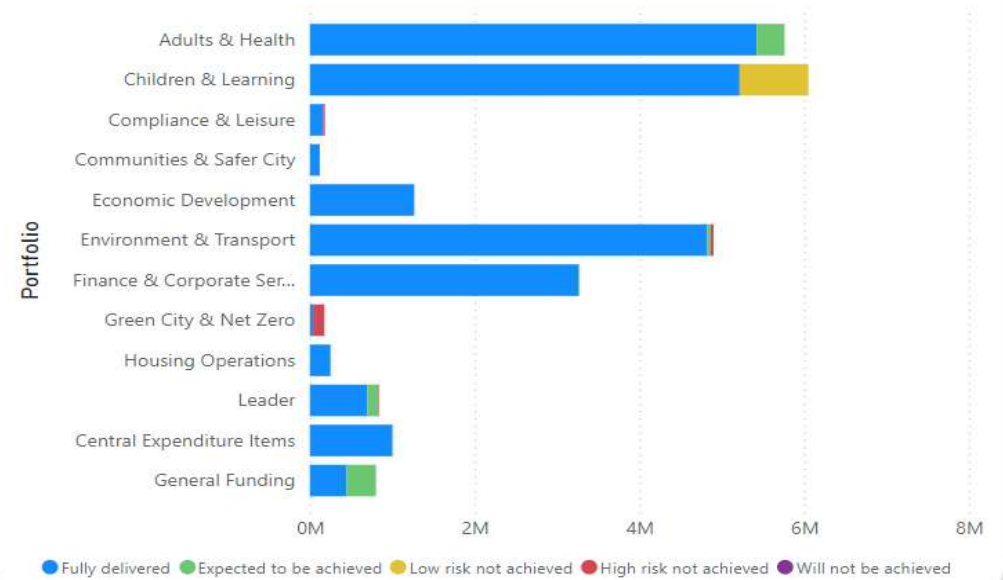


Savings Targets 2024/25 RAG Rated



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

Savings Targets per Portfolio



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

Please select a Portfolio to drillthrough

Key Issues

The current rate of non-achievement of savings is 1% or £0.20M forecast not to be achieved (Red & Purple) and this month £1.45M has moved from expected to be achieved (Green) to delivered (Blue).

This page is intentionally left blank

CAPITAL FINANCIAL MONITORING FOR THE PERIOD TO SEPTEMBER 2024			
1.	Table 1 shows the changes to the individual directorate programmes. The updated programme for the General Fund is £206.99M and £240.53M for the HRA.		
2.	Due to the current financial environment, there is an ongoing need to review the programme. This is against the backdrop of rising construction costs and higher (albeit now falling) interest rates which has seen the cost of borrowing increase.		
3.	Details of changes made since the last reported position, totalling a net increase of £0.94M can be found in Annex 2.1, all of which have been added to the programme by delegated and Cabinet decisions.		
4.	<u>Table 1 – Changes to Programmes</u>		
	Latest Programme £M	Previous Programme £M	Total Change £M
	57.74	57.16	0.59
	8.15	8.00	0.16
	14.65	14.65	0.00
	76.96	76.77	0.19
	41.36	41.36	0.00
	8.13	8.13	0.00
	206.99	206.06	0.94
	240.53	240.53	0.00
	447.53	446.59	0.94
	NB. there may be small arithmetic variations in the table as figures have been rounded		
SLIPPAGE AND REPHASING			
5.	Slippage occurs where works are not expected to take place according to the provisions agreed in the capital programme. Re-phasing of capital expenditure is due to works being carried out sooner than anticipated, budget and funding is brought forward from future years to match the expenditure. Details of schemes with major slippage and where any rephasing has been applied are provided in Annex 2.3.		
6.	Table 2 below summarises resulting net slippage and rephasing by individual capital programmes. There is zero net effect to the budgets over the 5-year capital programme. Approval is sought for the slippage of £17.80M from 2024/25 into later years, £15.04M for GF and £2.76M for HRA.		

7.	<u>Table 2 – Net Slippage</u>	Movement in 2024/25 £M	Annex 2.3 Ref		
	Children & Learning	(5.09)	1-7		
	Community Wellbeing	0.00	-		
	Enabling Services	(0.50)	-		
	Growth & Prosperity	(8.42)	8-13		
	Resident Services	(1.03)	14-17		
	Strategy & Performance	0.00	-		
	Total General Fund	(15.04)			
	Housing Revenue Account	(2.76)	18-21		
	Total Capital Programme	(17.80)			
	NB. there may be small arithmetic variations in the table as figures have been rounded				
2024/25 MONITORING POSITION					
8.	The forecast performance of individual capital programmes in 2024/25 is summarised in table 3 below.				
9.	<u>Table 3 – Summary of the General Fund & HRA Capital Forecast 2024/25</u>	Revised Programme £M	Forecast £M	Forecast Variance £M	Forecast Variance %
	Children & Learning	14.62	14.14	(0.48)	(3.31)
	Community Wellbeing	4.25	4.25	0.00	0.00
	Enabling Services	4.15	3.47	(0.68)	(16.45)
	Growth & Prosperity	47.18	46.91	(0.27)	(0.58)
	Resident Services	17.88	17.92	0.04	0.25
	Strategy & Performance	8.13	8.13	0.00	0.00
	Total General Fund	96.21	94.81	(1.40)	(1.45)
	Housing Revenue Account	58.47	60.17	1.71	2.92
	Total Capital Programme	154.67	154.98	0.31	0.20
	Financed by				
	*CR - GF Borrowing	(11.49)	(10.54)	(0.96)	(8.32)
	*CR - HRA Borrowing	(28.36)	(28.26)	(0.10)	(0.35)
	Capital Receipts	(11.94)	(11.94)	0.00	0.00
	Contributions	(8.07)	(8.09)	(0.02)	0.24
	Capital Grants	(68.30)	(67.84)	(0.46)	(0.67)
	Direct Revenue Financing	(2.25)	(2.25)	0.00	0.00
	HRA – MRA	(24.26)	(26.06)	(1.81)	7.44
	Total Funding	154.67	154.98	0.31	0.20

	<p>*CR – Council Resources NB there may be small arithmetic variations in the table as figures have been rounded</p>
10.	The forecast spend for 2024/25 is £154.98M, giving a total adverse forecast variance of £0.31M, £1.40M favourable on GF offset by £1.71M adverse on HRA. The reasons for the major forecast surplus/deficit variances are detailed in Annex 2.2.
CAPITAL RESOURCES	
11.	<p>The resources which can be used to fund the capital programme are as follows:</p> <ul style="list-style-type: none"> • Central Government Grants and from other bodies • Contributions from third parties • Council Resources - Capital Receipts from the sale of HRA assets • Council Resources - Capital Receipts from the sale of General Fund assets • Revenue Financing • Council Resources – Borrowing
12.	Capital Receipts from the sale of Right to Buy (RTB) properties are passed to the General Fund capital programme to support the Private Sector Housing schemes.
13.	It should be noted that the revised General Fund Capital programme is based on prudent assumptions of future government grants to be received. Most of these grants relate to funding for schools and transport and are un-ringfenced. However, in 2024/25 these grants have been passported to these areas.
OVERALL CAPITAL PROGRAMME AND FINANCING	
14.	The revised overall programme by year, including amendments that are being requested as part of this report and use of resources, can be found in Annex 2.4.
15.	The most significant amount of funding for the General Fund programme is provided by capital grants. There has been a drive to reduce borrowing costs, due to increasing interest rates, to avoid an unbudgeted pressure on the GF revenue account. The HRA programme is primarily funded by Major Repairs Reserve (direct revenue contribution).
<u>SUPPORTING DOCUMENTATION</u>	
Annexes	
1.	GF & HRA Programme Changes Since Last Reported Position
2.	GF & HRA Major Forecast Variances as at September 2024
3.	GF & HRA Slippage & Rephasing as at September 2024
4.	GF & HRA Revised 5 Year Programme and Use of Resources

This page is intentionally left blank

GENERAL FUND & HRA: PROGRAMME AMENDMENTS SINCE LAST REPORTED POSITION

Directorate	Scheme	£M	*Council/Cabinet **Delegated Approval	Funding Source
<u>Additions to the Programme</u>				
Children & Learning	Music Hubs	0.41	**	Grant
	SEND Transformation	0.11	**	Grant
	SEND Unit - Woodlands	0.07	**	Grant
		<u>0.59</u>		
Growth & Prosperity	Future Transport Zone (FTZ)	<u>0.19</u>	**	Grant
Resident Services	UK-SPF Capital	<u>0.16</u>	**	Grant
Total Variations to the Overall Programme		<u>0.94</u>		
		£M		
	* - Approved By Council/Cabinet	0.00		
	** - Approved under Delegated Powers	0.94		
	^ - Require Approval	0.00		
Total Variations to the Overall Programme		<u>0.94</u>		

This page is intentionally left blank

Forecast Major GF & HRA Variance Since Last Reported Position

	Children & Learning
1.	<p><u>Valentine Primary School (surplus of £0.39M)</u></p> <p>The government announced a change in policy regarding mandating schools that received more than two consecutive judgements of “requires improvement” to become academies. Remedial works to prepare for the academisation of the school have been removed from the portfolio.</p>
	Housing Revenue Account
2.	<p><u>Lift Refurbishment - Shirley Towers (deficit of £0.41M)</u></p> <p>Essential works to bring the lifts to a fire evacuation lift standard are to be carried out at the same time as the lift refurbishment as this is more cost effective in the longer term.</p>
3.	<p><u>Wyndham Court Refurbishment (deficit of £0.60M)</u></p> <p>The project has been impacted by a requirement to redesign exterior walls and changes to fire regulations.</p>
4.	<p><u>Structural Inspections to High Rise Blocks (deficit of £0.60M)</u></p> <p>Quotes received are higher than was previously estimated.</p>
5.	<p><u>Fire Safety - Sprinklers Installations (deficit of £0.64M)</u></p> <p>Commitments have been placed for works that have not been provided for within the programme. Reprofiling of the works is being reviewed.</p>
6.	<p><u>Roofing (surplus £0.40M)</u></p> <p>The contract with the current contractor has ended and it is now out for tender.</p>

This page is intentionally left blank

Major GF & HRA Slippage & Rephasing Since Last Reported Position

Children & Learning	
1.	<u>School Condition works (Rephase of £0.27M from 2025/26 to 2024/25)</u> Mainly due to the Compass School Roof project to remove asbestos. Access to the school was obtained earlier than expected, so the work was able to commence in August.
2.	<u>Early Years Expansion Programme & Early Years & Childcare Capital Expansion Programme (Slippage of £0.26M from 2024/25 to 2025/26 and Rephase of £0.06M from 2026/27 to 2025/26)</u> Realignment of budgets was required following the programme of works being finalised and projects agreed. The overall budget has remained the same.
3.	<u>St George's Expansion (Slippage of £2.20M from 2024/25 to 2025/26)</u> St Georges initial scheme was separated into to two phases where phase 1 was delivered over the summer of 2024. The phasing was intended to deliver one portion of the scope whilst other aspects could be value engineered (reduced scope therefore reduced overall cost). As phase 1 was being delivered this summer term phase 2 has been reprogrammed for next summer holidays.
4.	<u>Townhill Junior (Slippage of £0.40M from 2024/25 to 2025/26)</u> The contract is due to be signed imminently and the budget is being reprofiled in accordance with the new works programme.
5.	<u>Childrens Residential Home (Slippage of £1.8M from 2024/25 to 2025/26)</u> At this time, we do not expect to have moved forward enough by the end of this financial year to commit to use this budget. Currently the business case is under review.
6.	<u>Contact Centre at Civic Centre (Slippage of £0.2M from 2024/25 to 2025/26)</u> Linked to the slippage of the residential home, so there is no need to relocate until the next financial year.
7.	<u>Great Oaks Green Lane (Slippage of £0.55M from 2024/25 to 2025/26)</u> Slippage of £0.55M moved into 2025/26 to align with payment schedule provided by Great Oaks for the proposed works. This is a grant payment and the school is managing the works so the timing of the work is outside the council's control.
Growth & Prosperity	
8.	<u>Itchen Bridge Maintenance (Slippage of £3.78M from 2024/25 to 2025/26)</u> It was agreed at Management Board on 24 September 2024, to proceed with the recommended option of continuing to plan for a 2025/26 delivery of this scheme. This is to include both the raised parapets and essential maintenance works, pending the finalisation of all recommended value engineering omissions and the revised level of affordability having gone to market again. To attain a total project cost with the revised tenders (BBLP are reviewing) and the implications of loss of toll revenue.

9.	<p><u>Cycling Programme (Slippage of £1.13M from 2024/25 to 2025/26)</u></p> <p>Two cycling schemes have slipped into 2025/26, Winchester Road scheme £0.51M and Bitterne Road East scheme £0.62M. These two schemes have been delayed due to competing schemes on the Highways Network. It's anticipated that they will both commence on site the 1st quarter of 2025/26.</p>
10.	<p><u>Clean Bus Technology (Slippage of £0.63M from 2024/25 to 2025/26)</u></p> <p>We are currently liaising with Joint Air Quality Unit (JAQU), the government agency on how best to spend the remaining grant. It's anticipated that those results won't be known until next financial year.</p>
11.	<p><u>Safer Streets (Slippage of £0.30M from 2024/25 to 2025/26)</u></p> <p>The slippage is due to additional time required to monitor and evaluate the scheme than originally anticipated.</p>
12.	<p><u>Local Electric Vehicle Infrastructure (LEVI) (Slippage of £0.80M from 2024/25 to 2025/26)</u></p> <p>The LEVI is a grant funded programme, and approval is required from the Department for Transport (DfT), and we are still at this stage of the process. A realistic start on site will be 2025/26 financial year.</p>
13.	<p><u>Future Travel Zone (Slippage of £1.97M from 2024/25 to 2025/26)</u></p> <p>The FTZ programme has recently received approval from the DfT for a six-month extension until December 2025. The rationale for the extension request was to allow the FTZ programme to deliver against its objectives in light of barriers faced to delivery and opportunities that have arisen, with the additional six months allowing more comprehensive project delivery while also reducing financial and delivery risk.</p> <p>In light of this agreement an updated version of the FTZ programme has been undertaken, the request was for an extension in time only with no additional funding requested from DfT.</p>
	<p>Resident Services</p>
14.	<p><u>Skate Park at Hoglands Park (Slippage of £0.26M from 2024/25 to 2025/26)</u></p> <p>Slippage is due to increased cost of construction materials. To enable the delivery of the original scheme Hansard Gallery and Skate Southampton are fund raising during this financial year.</p>
15.	<p><u>Play Areas (Slippage of £0.24M from 2024/25 to 2025/26)</u></p> <p>The programme of works this financial year is the refurbishment of three parks at £0.18M and Houndwell park at £0.22M. There is also work being undertaken for Housing Revenue Account (HRA) and Transforming Cities Fund (TCF). The balance is being slipped into 2025/26 to continue the rolling programme of improvements.</p>
16.	<p><u>Weston Shore Play Area (Slippage of £0.20M from 2024/25 to 2025/26)</u></p> <p>The design work for this project is currently being undertaken and expected to be completed in 2024/25. All purchase orders have been raised and it's anticipated that works will commence in March 2025, with the main works being delivered in 2025/26.</p>

17.	<p><u>SANGS Improvements (Slippage of £0.30M from 2024/25 to 2025/26)</u> Works to be delivered this financial year is to raise Shirley Pond £0.10M and £0.10M for Shoreburs footpath. Projects for the remaining budget are still in the development stage.</p>
	<p>Housing Revenue Account (HRA)</p>
18.	<p><u>Fire Safety - Castle Housing Compartmentation (flat front replacements) – (Slippage of £0.55M from 2024/25 into 2025/26)</u> The front façade at Castle House has been identified as requiring replacement after the introduction of the Building Safety Act 2022 as the façade is now recognised as part of the external makeup of the building and therefore cannot be combustible. A design for replacing this has been very difficult to attain with Independent Fire Inspection LTD involved in part of the design but unable to complete all aspects. This has therefore delayed the project from starting this year.</p>
19.	<p><u>Townhill Park Regeneration (Slippage of £1.01M from 2024/25 into 2025/26)</u> The delivery of the project has changed with an emphasis on future plots to be developed through the Affordable Homes Framework rather than direct delivery. Decommissioning of existing properties is continuing a plot-by-plot basis and can only take place as suitable properties become available. However, the delivery method for Plot 10 is still to be decided. The decommissioning of Plots 12 and 13 are still under review. A decision will shortly be requested to either approve the plot for direct delivery or transfer to the Affordable Homes Framework. As a result, the project has been faced with delays and will incur a slippage.</p>
20.	<p><u>GN New Homes (Slippage of £0.60M from 2024/25 into 2025/26)</u> Due to a review and ongoing preparations the council is working on deciding a delivery route for this project. This in turn has caused delays in delivering the works. Therefore, this project will incur a slippage into 2025/26.</p>
21.	<p><u>Starboard Way (Slippage of £0.50M from 2024/25 into 2025/26)</u> This project is now completed and there is an element of retention that needs to be carried forward into 2025/26. As a result, this project will incur a slippage.</p>

This page is intentionally left blank

Agenda Item 10

Appendix 6

General Fund & HRA - Revised 5 Year Programme Totals and Use of Resources

Programme Comparison

	2024/ 2025 £M	2025/ 2026 £M	2026/ 2027 £M	2027/ 2028 £M	2028/ 2029 £M	Total £M
Revised Programme	154.67	131.32	76.28	45.32	39.94	447.53
Previous Programme	171.82	113.31	76.20	45.32	39.94	446.59
Movement	(17.15)	18.01	0.08	0.00	0.00	0.94

Programme	2024/ 2025 £M	2025/ 2026 £M	2026/ 2027 £M	2027/ 2028 £M	2028/ 2029 £M	Total £M
Children & Learning	14.62	16.10	26.31	0.71	0.00	57.74
Community Wellbeing	4.25	3.35	0.55	0.00	0.00	8.15
Enabling Services	4.15	5.50	3.50	1.50	0.00	14.65
Growth & Prosperity	47.18	19.95	4.63	4.20	1.00	76.96
Resident Services	17.88	22.48	1.00	0.00	0.00	41.36
Strategy & Performance	8.13	0.00	0.00	0.00	0.00	8.13
Total General Fund	96.21	67.39	35.98	6.41	1.00	206.99
Housing Revenue Account	58.46	63.92	40.30	38.91	38.94	240.53
TOTAL CAPITAL PROGRAMME	154.67	131.32	76.28	45.32	39.94	447.53
Use of Resources						
*CR - GF Borrowing	(11.49)	(29.37)	(34.95)	(6.41)	(1.00)	(83.22)
*CR - HRA Borrowing	(28.36)	(37.68)	(12.80)	(11.94)	(11.92)	(102.70)
Capital Receipts	(11.94)	(3.22)	(2.50)	(2.63)	(1.89)	(22.18)
Direct Revenue Financing	(8.07)	(6.60)	(0.05)	0.00	0.00	(14.72)
Capital Grants	(68.30)	(29.85)	(2.14)	0.00	0.00	(100.28)
Contributions	(2.25)	(1.16)	(0.45)	(0.55)	(0.93)	(5.34)
HRA – MRA	(24.26)	(23.44)	(23.40)	(23.79)	(24.20)	(119.09)
Total Financing	(154.67)	(131.32)	(76.28)	(45.32)	(39.94)	(447.53)

*CR – Council Resources

NB. there may be small arithmetic variations in the tables as figures have been rounded

This page is intentionally left blank

DECISION-MAKER:	Cabinet		
SUBJECT:	Devolution and Local Government Reorganisation		
DATE OF DECISION:	7 January 2025		
REPORT OF:	Leader of the Council		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Clare Bull	Tel: 023 8083 2418
	E-mail:	Policy&strategy@southampton.gov.uk	
Director	Name:	Munira Holloway	Tel: 023 8083 4476
	E-mail:	Munira.holloway@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY	
NOT APPLICABLE	
BRIEF SUMMARY	
The Ministry of Housing Communities and Local Government (MHCLG) published a white paper on devolution on 16 December 2024	
Government has written to council leaders to formally invite unitary proposals from all councils in two-tier areas, and small neighbouring unitary councils in addition to an application to be included in a devolution priority programme.	
Devolution provides Hampshire and the Solent region with new opportunities for economic growth, as well as improved prosperity for Hampshire and Solent places and residents through investment in skills, housing, infrastructure and transport.	
RECOMMENDATIONS:	
	(i) To submit, with the agreement of Hampshire, Isle of Wight, and Portsmouth a joint expression of interest to be included on the priority programme for devolution.
	(ii) To work with Councils across the region to develop proposals that reflect the geography of Unitary authorities across Hampshire and the Solent.
	(iii) To report further to Cabinet and Council as proposals are developed.
REASONS FOR REPORT RECOMMENDATIONS	
1.	Clear intention of Government that all regions will be devolved.
2.	Recognition regionally that devolution is wanted.
3.	Government are clear on timelines and are bound by local election cycles.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
1.	Do nothing. This option had been rejected as Government have made clear their intention to progress devolution. The recent white paper suggests Government will pass a ministerial directive which means that if local areas cannot agree on a new model in time, Government will intervene and implement a new structure.
DETAIL (Including consultation carried out)	

1.	Following the general election in July 2024 regions were requested by MHCLG to submit an expression of interest (EOI) to create a combined authority. The leaders of Hampshire, Isle of Wight, Portsmouth and Southampton each submitted a joint EOI.
2.	Further to this submission leaders and chief executives have met with the minister and civil servants to further understand how a devolution could work in Hampshire and the Solent region and seek feedback on the EOI.
3.	<p>The publication of the devolution white paper in December has clarified that a combined authority consisting of Isle of Wight, Portsmouth and Southampton would be too small for Government to consider.</p> <p>The white paper made clear that new unitary councils must be big enough to achieve efficiencies, improve capacity and create financial stability.</p> <p>The white paper also details plans for wider local government reorganisation including the merging of two-tier district and county councils. Government has invited proposals for reorganisation for all areas this affects.</p>
4.	<p>The deadline for applications to the devolution priority programme is 10th January. Further to this, government has signalled it will let areas know early in the new year which have been successful. Subsequent to the necessary approvals both locally and nationally areas in the priority programme will be expected to have arrangements in place in time for May 2026 elections.</p> <p>Those areas will also be allocated capacity funding to support this process.</p>

RESOURCE IMPLICATIONS

Capital/Revenue

5.	There are no additional capital or revenue implications arising directly from this report.
----	--

Property/Other

6.	None as a consequence of the recommendations contained within this report.
----	--

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

7.	<p>A combined authority (CA) is a legal body set up using national legislation that enables a group of two or more councils to collaborate and take collective decisions across council boundaries. This structure provides a more robust, statute based, approach to joint working than informal partnerships or joint committees, allowing member councils to take advantage of powers and resources devolved from the national government.</p> <p>The Local Democracy, Economic Development and Construction Act 2009 introduced combined authorities in England outside Greater London. These authorities are created voluntarily, allowing a group of local authorities to pool appropriate responsibilities and receive certain devolved functions from central government to deliver transport and economic policy more effectively over a wider area.</p>
8.	The Levelling-up and Regeneration Act 2023 introduced a similar type of local government institution called a combined county authority (CCA). CCAs may only be formed by upper-tier authorities, such as county councils and unitary

	authorities. The members of a CCA are appointed by its constituent councils, and additional members may be appointed or nominated by other bodies, although these members are non-voting unless decided otherwise
9.	In summary, the creation of a combined authority currently (including as part of the Priority Programme described in this paper) involves: <ul style="list-style-type: none"> • Voluntary collaboration between local authorities. • Pooling of responsibilities and receiving devolved functions from central government. • Formation under the Local Democracy, Economic Development and Construction Act 2009 or the Levelling-up and Regeneration Act 2023. • Appointment of members by constituent councils, with the possibility of additional non-voting members.
10.	A new English Devolution Bill will be introduced to Parliament in the new year and , if approved, will enable wider powers for Government to introduce strategic and foundation combined authorities (with and without elected Mayors) and to tie the level of combined authority to the specific types of powers and finding they both receive and may exercise. This will require formal Statutory Designation Orders to bring into effect for each area and is likely to follow on from, and further develop, existing CA's and those introduced as part of the pilot programme.
<u>Other Legal Implications:</u>	
11.	None specific for making an Expression of Interest, however detailed consultation and Equalities Impact Assessments will be required if the Council moves forward onto the pilot programme together with supporting Orders from the Secretary of State to create any new Combined Authorities in time for elections in May 2026. The approval of new structures in the Southern Region will require further Cabinet and Council decisions in due course.
RISK MANAGEMENT IMPLICATIONS	
12.	None
POLICY FRAMEWORK IMPLICATIONS	
13.	None

KEY DECISION?	No
WARDS/COMMUNITIES AFFECTED:	All
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	None
Documents In Members' Rooms	
1.	English Devolution White Paper
Equality Impact Assessment	
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	No

Data Protection Impact Assessment		
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.		No
Other Background Documents		
Other Background documents available for inspection at:		
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)	
1.	None	