

Public Document Pack

Cabinet

Tuesday, 16th August, 2016
at 4.30 pm

PLEASE NOTE TIME OF MEETING

Council Chamber - Civic Centre

This meeting is open to the public

Members

Councillor Simon Letts, Leader of the Council
Councillor Mark Chaloner, Cabinet Member for Finance
Councillor Satvir Kaur, Cabinet Member for Communities,
Culture and Leisure
Councillor Jacqui Rayment, Cabinet Member for
Environment and Transport
Councillor Dave Shields, Cabinet Member for Health and
Sustainable Living
Councillor Warwick Payne, Cabinet Member for Housing
and Adult Care
Councillor Christopher Hammond, Cabinet Member for
Transformation Projects
Councillor Paul Lewzey, Cabinet Member for Children's
Social Care
Councillor Dr Darren Paffey, Cabinet Member for
Education and Skills

(QUORUM – 3)

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BACKGROUND AND RELEVANT INFORMATION

The Role of the Executive

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

The Forward Plan

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

Implementation of Decisions

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

Mobile Telephones – Please switch your mobile telephones 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.

Southampton City Council’s Priorities:

- Jobs for local people
- Prevention and early intervention
- Protecting vulnerable people
- Affordable housing
- Services for all
- City pride
- A sustainable Council

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.

Municipal Year Dates (Tuesdays)

2016	2017
21 June	17 January
19 July	14 February (Budget)
16 August	21 February
20 September	21 March
18 October	18 April
15 November	
20 December	

CONDUCT OF MEETING

TERMS OF REFERENCE

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

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.

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.

BUSINESS TO BE DISCUSSED

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

QUORUM

The minimum number of appointed Members required to be in attendance to hold the meeting is 3.

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 - 8)

Record of the decision making held on 19th July and 20th July 2016, 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.

MONITORING REPORTS

8 CORPORATE REVENUE FINANCIAL MONITORING FOR THE PERIOD TO THE END OF 30TH JUNE 2016 (Pages 9 - 48)

Report of the Cabinet Member for Finance summarising the General Fund and Housing Revenue Account (HRA) revenue financial position for the Authority for the 3 months to the end of June 2016, attached.

ITEMS FOR DECISION BY CABINET

9 THE GENERAL FUND CAPITAL PROGRAMME 2016/17 TO 2020/21 (Pages 49 - 74)

Report of the Cabinet Member for Finance seeking to inform Cabinet of any major changes in the overall General Fund Capital Programme for the period 2016/17 to 2020/21, highlighting the changes in the programme since the last reported outturn position to Council in July 2016, attached.

10 CHANGES TO THE HOUSEHOLD WASTE RECYCLING CENTRE (HWRC) (Pages 75 - 90)

Report of the Cabinet Member for Environment and Transport seeking agreement to changes to the current operation of the Household Waste Recycling Centre, attached.

11 ESTATE REGENERATION IN MILLBROOK AND MAYBUSH (Pages 91 - 100)

Report of the Leader of the Council seeking approval for matters related to development of Woodside Lodge and 536-550 Wimpson Lane, attached.

Monday, 8 August 2016

Service Director, Legal and Governance

Agenda Item 4

Minutes of Cabinet Meetings:

- 19 July 2016
- 20 July 2016

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SOUTHAMPTON CITY COUNCIL
EXECUTIVE DECISION MAKING

RECORD OF THE DECISION MAKING HELD ON 19 JULY 2016

Present:

Councillor Letts	Leader of the Council
Councillor Chaloner	Cabinet Member for Finance
Councillor Kaur	Cabinet Member for Communities, Culture and Leisure
Councillor Rayment	Cabinet Member for Environment and Transport
Councillor Shields	Cabinet Member for Health and Sustainable Living
Councillor Payne	Cabinet Member for Housing and Adult Care
Councillor Hammond	Cabinet Member for Transformation Projects
Councillor Lewzey	Cabinet Member for Children's Social Care
Councillor Dr Paffey	Cabinet Member for Education and Skills

4. MAKE THE BASSETT NEIGHBOURHOOD PLAN

DECISION MADE: (CAB 16/17 17291)

On consideration of the report of the Leader of the Council, Cabinet agreed the following:

- (i) To recommend to the Council that the Bassett Neighbourhood Plan (Document 1 in the Members' room) is 'made' (adopted) as part of the Southampton Development Plan
- (ii) To recommend that the Council note that by virtue of section 38(5) of the Planning and Compulsory Purchase Act 2004, policy BAS5 of the Bassett Neighbourhood Plan shall prevail over Core Strategy policy CS5 insofar as it applies to the Bassett Neighbourhood Area and policy BAS13 of the Bassett Neighbourhood Plan shall prevail over Local Plan Review policy CLT8 and to note the impact of the Bassett Neighbourhood Plan on the existing development plan as set out in Appendix 1.

5. LICENSING PARTNERSHIP WITH EASTLEIGH BC

DECISION MADE: (CAB 16/17 17285)

On consideration of the report of the Service Director, Legal and Governance, Cabinet agreed the following:

- (i) That the current Licensing Partnership between the Council and Eastleigh Borough Council (EBC) be extended to include all residual licensing functions undertaken by EBC including the transfer of any staff under TUPE.
- (ii) That the Service Director; Legal and Governance be delegated authority to agree the terms and conditions of the transfer and take all actions required to implement this decision.

6. HRA CAPITAL PROGRAMME PROJECT APPROVALS 2016-17 AND 2017-18
 DECISION MADE: (CAB 16/17 17278)

On consideration of the report of the Cabinet Member for Housing and Adult Care, Cabinet agreed the following:

- (i) To re-phase the capital budget for Renewing Communal Alarm Systems by bringing forward £1,071,000 in 2018/19 to 2016-17 (£250,000) and 2017-18 (£821,000).
- (ii) To note the reduction in required budget for the Copse Road Improvement work from £463,000 to £250,000 and the associated reduction of £213,000 in the level of Direct Revenue Financing required to fund the HRA Capital Programme.
- (iii) To approve, in accordance with Financial Procedure Rules, capital expenditure of £12,471,000, phased as follows:
 £3,509,000 in 2016/17 and
 £8,962,000 in 2017/18, on schemes not exceeding £2,000,000.
 Provision for these schemes exists within the HRA Capital Programme as detailed in the table below.

Safe Wind and Weathertight	2016/17 000s	2017/18 000s	Total 000s
Chimneys	2	42	44
Refurbish Balconies	105	134	239
Renew Porch/Canopies	0	231	231
Copse Road Improvement (Block 17-47)	250	0	250
Shop Walkway Roofing	477	0	477
Roofline Items	280	161	441
Downpipes at Redbridge Towers	350	0	350
Golden Grove/Ridding Close Balconies	171	0	171
Window Replacement	0	980	980
External Doors – Houses and Flats	0	577	577
Structural Works	0	900	900
Total for Safe, Wind and Weathertight	1,635	3,025	4,660
Warm and Energy Efficient			
Communal Building Services	76	158	234
Communal Doors	229	0	229

Communal Heating Systems	35	35	70
Total for Warm and Energy Efficient	340	193	533
Modern Facilities			
Programme Fees	0	665	665
Tenant Alterations	0	100	100
Electrical Systems	0	2,000	2,000
Housing Refurbishment Programme	0	1,351	1,351
Total for Modern Facilities	0	4,116	4,116
Well Maintained Communal Facilities	2016/17 7 000s	2017/18 18 000s	Total 000s
Windows – Communal	28	67	95
Communal Kitchens	56	20	76
Dry Riser Replacement Programme	54	54	108
Communal Central Fan Replacement Programme	33	33	66
Communal Central Water Pump Replacement Programme	40	40	80
Communal Area Works	266	130	396
SHAP (Supported Housing Asset Programme)	580	463	1,043
Replace Roller Shutter Doors	45	0	45
Renew Communal Systems (Alarms)	250	821	1,071
Communal Shed and Storage	182	0	182
Total for Well Maintained Communal Facilities	1,534	1,628	3,162
Total for all areas:	3,509	8,962	12,471

7. SOUTHAMPTON CITY COUNCIL HOUSING STRATEGY 2016-2025

DECISION MADE: (CAB 16/17 17403)

On consideration of the report of the Cabinet Member for Housing and Adult Care, Cabinet agreed to consider and approve the Southampton City Council Housing Strategy 2016-2025 (Appendix 1).

8. CHANGES TO EXISTING REVENUE AND CAPITAL BUDGET

DECISION MADE: (CAB 16/17 17502)

On consideration of the report of the Cabinet Member for Finance, Cabinet agreed to recommend to Council:

- (i) To note the Medium Term Financial Forecast will be further updated for the November budget report to Cabinet.
 - (ii) To approve the savings proposals, as set out in Appendix 2 to this report.
 - (iii) To note the remaining budget shortfall for 2016/17 to 2019/20 as set out in paragraphs 7 to 10.
 - (iv) To note the required change to Treasury Management indicators as set out in paragraphs 32 to 39.
 - (v) Delegate authority to the S151 Officer to action all budget changes arising from the approved efficiencies, income and service reductions and incorporate any other approved amendments into the General Fund Estimates.
- (iv) Delegate authority to the S151 Officer following consultation with the Cabinet Member for Finance to do anything necessary to give effect to the recommendations in this report.

SOUTHAMPTON CITY COUNCIL
EXECUTIVE DECISION MAKING

RECORD OF THE DECISION MAKING HELD ON 20 JULY 2016

Present:

Councillor Letts	-	Leader of the Council
Councillor Chaloner	-	Cabinet Member for Finance
Councillor Kaur	-	Cabinet Member for Communities, Culture and Leisure
Councillor Rayment	-	Cabinet Member for Environment and Transport
Councillor Shields	-	Cabinet Member for Health and Sustainable Living
Councillor Payne	-	Cabinet Member for Housing and Adult Care
Councillor Hammond	-	Cabinet Member for Transformation Projects
Councillor Lewzey	-	Cabinet Member for Children's Social Care
Councillor Dr Paffey	-	Cabinet Member for Education and Skills

9. COMBINED AUTHORITY

DECISION MADE: (CAB 16/17 17422)

On consideration of the report of the Leader of the Council and having complied with paragraph 15 of the Council's Access to Information Procedure Rules, Cabinet agreed to:

- (i) Note the report;
- (ii) Endorse the findings of the Solent Governance Review and its conclusion that in principle a Mayoral Combined Authority is in the best interests of Southampton;
- (iii) Approve, in draft, the Solent Combined Authority Governance Scheme for consultation; and
- (iv) Delegate to the Chief Executive any actions necessary to fulfil the resolutions in this report.

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DECISION-MAKER:	CABINET		
SUBJECT:	CORPORATE REVENUE FINANCIAL MONITORING FOR THE PERIOD TO THE END OF 30 JUNE 2016		
DATE OF DECISION:	16 AUGUST 2016		
REPORT OF:	CABINET MEMBER FOR FINANCE		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Sue Poynter	Tel: 023 8083 4153
	E-mail:	Sue.Poynter@southampton.gov.uk	
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STATEMENT OF CONFIDENTIALITY
N/A

BRIEF SUMMARY

This report summarises the General Fund and Housing Revenue Account (HRA) revenue financial position for the Authority for the three months to the end of June 2016, and highlights any key issues by Portfolio which need to be brought to the attention of Cabinet.

RECOMMENDATIONS:

General Fund

It is recommended that Cabinet:

- i) Note the current General Fund revenue position for 2016/17 as at Qtr. 1, which is a forecast over spend at year end of £5.13M against the working budget, as outlined in paragraph 4.
- ii) Note that the forecast over spend for portfolios is £8.70M as outlined in paragraph 5.
- iii) Note the actions and assumptions being put in place to address the overspend position as described in paragraph 7 and Appendix 2.
- iv) Note the performance to date with regard to the delivery of the agreed savings proposals approved for 2016/17 as detailed in Appendix 3.
- v) Note the performance against the financial health indicators detailed in Appendix 4.
- vi) Note the performance outlined in the Quarterly Treasury Management Report attached as Appendix 5.
- vii) Note the performance outlined in the Quarterly Collection Fund Statement attached as Appendix 7.

Housing Revenue Account

It is recommended that Cabinet:

- viii) Note the current HRA budget monitoring position for 2016/17, as at Qtr. 1. There is a forecast overspend at year end of £0.62M against the working budget as outlined in paragraphs 20 and 21 and in Appendix 6.

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)

3. Service Directors and Service Leads and Managers have been consulted in preparing the reasons for variations contained in the appendices.

Financial Summary

4. Appendix 1 sets out a high level financial summary for the General Fund, and shows that the overall forecast outturn position for the Council is an overspend of £5.13M, as shown below:

Table 1 Summary Forecast Outturn Position

	Forecast Outturn Variance £M	Forecast Outturn Variance %
Baseline Portfolio Total	8.70 A	5.14
Capital Asset Management	3.57 F	
Net Total General Fund	5.13 A	3.03

5. As shown in Table 1, the forecast portfolio revenue outturn on net controllable spend for the end of the year compared to the working budget is an over spend of £8.70M. This is analysed below:

Table 2 Portfolio Forecast Outturn Position

Portfolio	Qtr. 1 Forecast Outturn Variance	
	£M	%
Communities, Culture & Leisure	0.09 A	1.84

Education & Children's Social Care	0.68 A	1.55
Environment & Transport	0.01 A	0.03
Finance	0.07 F	0.19
Health & Sustainable Living	0.04 A	0.79
Housing & Adult Social Care	3.63 A	5.56
Leader's	0.92 A	7.59
Transformation	3.39 A	34.59
Portfolio Total	8.70 A	5.14

6. The significant issues affecting each portfolio are set out in Appendix 2.
7. The adverse variance in 2016/17 needs to be addressed and therefore Service Directors plan to take remedial action to manage a number of the significant issues highlighted in this report. Specific actions are included within Appendix 2 where applicable. Individual service areas are working with Finance and Transformation Officers to draw up recovery action plans to minimise the amount of pressure being carried forward into 2017/18.

Risk Fund

8. Potential pressures that may arise during 2016/17 relating to volatile areas of both expenditure and income are managed through the Risk Fund. A sum of £3.57M is included in the working budget to cover these pressures. This has been forecast to be released to offset the identified overall Portfolio adverse position.

Approved Carry Forward Requests

9. Carry forwards from 2015/16 totalling £0.13M were approved by Council on 20th July 2016. The appropriate budgets and forecast spend will be included within the reported portfolio position for Qtr. 2 2016/17.

Significant Portfolio Issues

10. The significant issues for each portfolio are detailed in Appendix 2 by Portfolio.
11. It is good practice to recognise that any forecast is based on assumptions about key variables and to undertake an assessment of the risk surrounding these assumptions. Having done this a forecast range has been produced for each significant issue, where applicable, which represents the pessimistic and optimistic forecast outturn position. This range is included within the detail contained in Appendix 2.
12. There are, however, certain issues which are highlighted in the tables below as being the most significant for Cabinet to note. The adverse variances are noted in the first table below and the favourable variances in the second.

Table 4 Significant Adverse Variances

Portfolio	Significant Issue	Adverse Forecast £M	See Reference
Education & Children' Social Care	Looked After Children & Provision	0.84	E&CSC 1
Environment & Transport	Domestic Waste Collection	0.32	E&T 1

Environment & Transport	Commercial Waste Collection	0.10	E&T 2
Environment & Transport	Waste Disposal	0.10	E&T 3
Health & Sustainability	Public Health	0.12	HSL 1
Housing & Adult Social Care	Long Term	2.38	ASC 1
Housing & Adult Social Care	Safeguarding Adult Mental Health & Out of Hours	0.30	ASC 2
Housing & Adult Social Care	Provider Services	0.17	ASC 3
Housing & Adult Social Care	Reablement	0.62	ASC 4
Housing & Adult Social Care	Integrated Commissioning Unit Provider Relationships	0.19	ASC 5
Leader's	Property Portfolio Management	1.31	LPOR 3
Transformation	Transformation Savings	3.39	TRANS 1 - 4

Table 5 Significant Favourable Variances

Portfolio	Significant Issue	Favourable Forecast £M	See Reference
Environment & Transport	Contacts Management	0.18	E&T 4
Environment & Transport	Off Street Parking	0.14	E&T 5
Environment & Transport	Travel	0.15	E&T 6
Leader's	Central R&M	0.10	LPOR 1
Leader's	Property Services	0.21	LPOR 4

Implementation of Savings Proposals

13. Savings proposals of £29.86M were approved by Council in February 2016 (and following consultation in July 2016) as part of the overall budget package for 2016/17. Additionally £1.62M of non-achieved 2015/16 savings have been identified to be achieved in 2016/17 giving a total of £31.48M savings to be achieved in 2016/17. The delivery of the savings is crucial to the financial position of the authority. Below is a summary of the progress as at the end of the first quarter to highlight the level of risk associated with delivery and Appendix 3 contains further details:

Table 6 Analysis of Achievement of Savings

	%
Implemented and Saving Achieved	24.8
Not Yet Fully Implemented and Achieved But Broadly on Track	40.7
Saving Not on Track to be Achieved	34.5

14. Where savings are not on track to be achieved and a high level of risk is associated with delivery, this is due to non-implementation in some cases but also due to the impact of

factors such as rising demand for services which have meant that despite being implemented the estimated level of financial savings have not materialised.

15. The overall financial shortfall in the delivery of the savings proposals is currently forecast as £7.43M or 23.6% of the total to be delivered which is shown by Portfolio in Appendix 3.
16. The financial implications of the delivery of these proposals are reflected in the current forecast position, areas of ongoing concern have been fully reviewed, and appropriate action plans are being put into place. In addition, any implications for the budget for 2017/18 and future years will be addressed as part of setting the budget.

Financial Health Indicators

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

Quarterly Treasury Management Report

18. The Council approved a number of indicators at its meeting in February 2016 and Appendix 5 outlines current performance against these indicators in more detail, along with an economic update and key information about the Council's borrowing and investments.
19. As at the 30 June 2016 the Council held the following levels of borrowings and investment:

Table 7 Investment and Borrowing as at 30th June 2016

	£M	Average Yield/Rate %
Investments		
Cash	37.69	0.60
Long Term Bonds	15.56	2.08
Corporate Bonds	9.44	1.09
Other Bonds	16.08	0.75
Property Fund	7.00	4.99
Total Investments	85.77	-
External Borrowing		
Public Works Loan Board (PWLB)	229.00	-
Market Loans	9.00	-
Total External Borrowing	238.00	3.33

Housing Revenue Account

20. The expenditure budget for the HRA was set at £75.14M and the income budget at £76.15M, resulting in a net transfer to balances of £1.01M. The forecast position for the year end on income and expenditure items shows an adverse variance of £0.62M

compared to this budget.

21. The significant variances are detailed in Appendix 6 but include:

- Overspend on Responsive Repairs £0.98M;
- Overspend on Housing Investment £0.13M; and
- Reduction in Tenant Service Charges £0.20M;

Offset by:

- Decrease in Supervision & Management Costs £0.24M; and
- Reduced borrowing requirement for Capital Programme £0.45M.

Collection Fund

22. Each billing authority is required to estimate the level of surplus or deficit on the Council Tax and Business Rate Element of the Collection Fund at the end of each financial year in order that these amounts can be included in the budget calculations for the coming financial year.
23. A forecast position for the Collection Fund as at the end of June 2016 has been made. The following table details the overall forecast changes.

	Council Tax £M	NDR £M	Total £M
Change in 2016/17 Surplus	0.94	4.62	5.56
(Reduction)/Increase in year-end Surplus brought forward from 2015/16	1.13	1.68	2.81
Overall 2016/17 Surplus	2.07	6.30	8.37
SCC Share of Surplus	1.78	3.09	4.87

24. The council's share of the surplus for council tax is £1.78M and its share of the business rates surplus is £3.09M, giving a net surplus of £4.87M. These will be taken into account in setting the 2017/18 Council Tax and General Fund Budget. The current approved Medium Term Financial Forecast (MTFF) assumes business rate growth at 1% per annum. Appendix 7 details the Collection Fund Account for 2016/17.
25. It should be noted that a reduction in the bad debt provision of £0.97M is included within the change in surplus for Council Tax of £2.07M. Bad debt provision is based on an estimate of the likely level of bad debts linked to collection rates. A review has been undertaken and this has led to a reduced estimated requirement for 2016/17.

RESOURCE IMPLICATIONS

Capital/Revenue

26. The revenue implications are contained in the report. There are no capital implications.

Property/Other

27. None.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

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

Other Legal Implications:

29. None.

POLICY FRAMEWORK IMPLICATIONS

30. None.

KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:	All
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SUPPORTING DOCUMENTATION

Appendices

1.	Forecast Revenue Position Qtr. 1
2.	Portfolio Summaries.
3.	Savings Position 2016/17.
4.	Health Indicators.
5.	Treasury Management Qtr. 1
6.	HRA Qtr. 1
7.	Collection Fund Qtr. 1

Documents In Members' Rooms

1.	None
2.	

Equality Impact Assessment

Do the implications/subject of the report require an Equality Impact	No
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Assessment (EIA) to be carried out.		
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.	General Fund Revenue Budget Report 2016/17 to 2019/20 (Approved by Council on 10 February 2016)	

Agenda Item 8

Appendix 1

GENERAL FUND 2016/17 OVERALL SUMMARY

Portfolios	Working Budget 2016/17 £M	Qtr. 1 Forecast 2016/17 £M	Variance £M
Communities, Culture & Leisure	4.83	4.92	0.09 A
Education & Children's Social Care	44.09	44.77	0.68 A
Environment & Transport	21.44	21.45	0.01 A
Finance	36.16	36.09	0.07 F
Health & Sustainable Living	(4.92)	(4.88)	0.04 A
Housing & Adult Social Care	65.40	69.03	3.63 A
Leader's Portfolio	12.16	13.08	0.92 A
Transformation	(9.81)	(6.42)	3.39 A
Sub-total for Portfolios	169.34	178.04	8.70 A
Levies & Contributions	0.63	0.63	0.00
Capital Asset Management	4.03	4.03	0.00
Trading Services	(0.45)	(0.45)	0.00
Net Housing Benefits	(0.76)	(0.76)	0.00
Other Expenditure & Income	8.19	4.62	3.57 F
Net Council Expenditure	180.98	186.11	5.13 A
Financed By:			
(Addition)/Draw on Balances	(3.89)	(3.89)	0.00
Council Tax	(84.81)	(84.81)	0.00
Business Rates	(50.72)	(50.72)	0.00
General Government Grants	(41.56)	(41.56)	0.00
Total Financing	(180.98)	(180.98)	0.00
(SURPLUS)/DEFICIT	0.00	5.13	5.13 A

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KEY ISSUES – QTR 1

The Portfolio is currently forecast to over spend by **£0.09M** at year-end, which represents a percentage over spend against budget of **1.84%**. As this is the first reported position for the year there are no forecast variance changes to compare against a previously reported position.

	Forecast Variance £M	%
Communities, Culture & Leisure	0.09 A	1.84
Potential Carry Forward Requests	0.00	

A summary of the Portfolio forecast variance are shown in the table below:

Division / Service Activity	Forecast Variance Qtr. 1 £M	Ref.
Gallery & Museums	0.16 A	COMM 1
Other	0.07 F	
Total	0.09 A	

The **SIGNIFICANT** issues for the Portfolio are:

COMM 1 - Gallery & Museums (forecast adverse variance £0.16M)

There is a shortfall in venue income.

Forecast Range £0.25M adverse to £0.10M adverse

There is a shortfall in income of £0.14M for SeaCity Museum and £0.04M for Tudor House Museum, due to a forecast of lower visitor numbers than budgeted. There are other variances of £0.02M favourable.

EDUCATION AND CHILDREN'S SOCIAL CARE PORTFOLIO

KEY ISSUES – QTR 1

The Portfolio is currently forecast to over spend by **£0.68M** at year-end, which represents a percentage over spend against budget of **1.55%**. As this is the first reported position for the year there are no forecast variance changes to compare against a previously reported position

	Forecast Variance £M	%
Education and Children's Social Care	0.68 A	1.55
Potential Carry Forward Requests	0.00	

A summary of the Portfolio forecast variance are shown in the table below:

Division / Service Activity	Forecast Variance Qtr 1 £M	Ref.
Looked After Children & Provision	0.84 A	E&CSC 1
ICU – Children's Services	0.13 F	E&CSC 2
Other	0.03 F	
Total	0.68 A	

The **SIGNIFICANT** issues for the Portfolio are:

E&CS 1 - Looked after Children and Provision (forecast adverse variance £0.84M)

The numbers of children in care is higher than the budgeted level, in particular, with residential placements. Also there has been an increase in special guardianship placements issued which is above the budgeted level.

Forecast Range £0.90M adverse to £0.70M adverse

The total forecast adverse variance is £0.84M, of which £0.65M relates to forecast additional placement costs and the balance relates to forecast additional staffing costs.

Most of the £0.65M relates to increasing demand for residential placements, which has led to a forecast overspend of £0.71M on residential placements. There has been three new residential placements made between April and June 2016 above the budgeted level. Additionally, the average cost per placement is £0.02M higher than the budgeted level. Thus generating a significant pressure on the service.

The number of children in fostering to 18 and placed with Independent Foster Agencies is below budgeted levels. The service are undertaking targeted work on children's pathways within the care system at an individual child level. This has resulted in more special guardianship placements being made within the City, and less foster care placements.

The table below outlines the budgeted and Qtr 1 actual activity levels for 2016/17:

No's of Children 2016/17	Cost Centre	Budgeted			Q1 Actuals					
		1617 Budgeted Numbers	Average Weekly Unit Cost	1617 Working Budget (Month 3)	Q1 Numbers	Average Weekly Unit Cost	Q1 Forecast	Q1 Forecast variance	Q1 Unit Cost variance	Q1 Numbers variance
Fostering up to 18	SL78D	315	£171.65	£4,887,500	296	£171.65	£4,737,800	£-149,700	£0	-19
Independent Fostering Agencies (inc Jigsaw)	SC41D / SL86D	199	£854.11	£8,862,100	187	£904.27	£8,816,800	£-45,300	£50	-12
Supported Placements or Rent	S9760	9	£123.22	£85,300	9	£123.22	£85,300	£0	£0	0
Residential - Independent Sector	SC40D	23	£3,409.55	£3,441,000	22	£3,618.14	£4,150,300	£709,300	£209	-1
Unaccompanied Asylum Seekers	SL820	5	£264.53	£147,200	4	£264.53	£147,200	£0	£0	-1
Inter-Agency	SC33E	36	£345.22	£328,600	36	£345.22	£328,600	£0	£0	0
Sub-total: Children Looked After		587		£17,751,700	554		£18,266,000	£514,300	£259	-33
Care Leavers	S9780	59	£304.52	£636,300	26	£437.73	£593,400	£-42,900	£133	-33
Adoption Allowances	SL89D	96	£126.89	£632,800	96	£128.25	£647,900	£15,100	£1	0
Special Guardianship Allowances	SC25D	115	£102.69	£608,000	133	£109.63	£768,400	£160,400	£7	18
Residence Order Allowances	SL89D	14	£91.17	£75,700	17	£86.98	£77,100	£1,400	£-4	3
Sub-total: Children in Need		284		£1,952,800	272		£2,086,800	£134,000	£137	-12
Total		871		£19,704,500	826		£20,352,800	£648,300	£396	-45

E&CS 2 - ICU Children's Services (forecast favourable variance £0.13M)

The service are not commissioning a contract (previously in place in 2015/16) for midwifery services in 2016/17, thus generating a saving.

Forecast Range nil to £0.20M favourable

During 2015/16 the service decided to not continue with a contract for midwifery services, thus generating a saving of £0.16M. However, there are additional contract pressures emerging as demand for services increases, which have reduced the overall favourable variance.

ENVIRONMENT & TRANSPORT PORTFOLIO

KEY ISSUES – QTR 1

The Portfolio is currently forecast to over spend by **£0.01M** at year-end, which represents a percentage over spend against budget of **0.03%**. As this is the first reported position for the year there are no forecast variance changes to compare against a previously reported position.

	Forecast Variance £M	%
Environment & Transport	0.01 A	0.03
Potential Carry Forward Requests	0.00	

A summary of the Portfolio forecast variances are shown in the table below:

Division / Service Activity	Forecast Variance Qtr 1 £M	Ref.
Domestic Waste Collection	0.32 A	E&T 1
Commercial Waste Collection	0.10 A	E&T 2
Waste Disposal	0.10 A	E&T 3
E&T Contracts Management	0.18 F	E&T 4
Off Street Parking	0.14 F	E&T 5
Travel	0.15 F	E&T 6
Other	0.04 F	
Total	0.01 A	

An exercise will be undertaken to realign the budgets for Environment & Transport Portfolio prior to quarter 2 monitoring.

The SIGNIFICANT issues for the Portfolio are:

E&T 1 - Domestic Waste Collection (forecast adverse variance £0.32M)

There is a forecast adverse variance on employee costs and fleet charges.

Forecast Range £0.40M adverse to £0.30M adverse

There is an adverse forecast variance of £0.12M relating to the estimated additional cost of temporary agency cover for staff sickness absences and related issues. In addition, there is an adverse forecast variance of £0.17M for fleet charges. The procured new fleet

of ten refuse collection vehicles have a forecast part year additional cost of £0.06M, with the balance of £0.11M mainly being additional hire charges for replacement vehicles. Also there is an adverse forecast variance of £0.03M, for the cost of bin storage.

E&T 2 - Commercial Waste Collection (forecast adverse variance £0.10M)

There is a forecast adverse variance in fleet charges and disposal costs.

Forecast Range £0.15M adverse to £0.05M adverse

There is an adverse forecast variance of £0.08M for fleet charges. Also there is an adverse forecast variance of £0.05M, for trade waste disposal costs. However there is a favourable variance on Garden waste income of £0.05M.

E&T 3 - Waste Disposal (forecast adverse variance £0.10M)

There are various forecast changes with an adverse overall variance.

Forecast Range £0.15M adverse to £0.05M adverse

There is an adverse forecast variance on disposal costs fixed fees within the contract for general collected household waste of £0.04M, due to the final agreed re-negotiated contract not fully achieving the required reductions in the early years. There are also adverse forecast variance of £0.05M due to the additional disposal costs of contaminated recyclables within the Dry Mixed Recyclables collections.

E&T 4 - E&T Contracts Management (forecast favourable variance £0.18M)

There are forecast savings on contracts and additional income forecasts.

Forecast Range £0.15M favourable to £0.25M favourable

There is a favourable forecast variance on the PFI Street Lighting contract sum. This is favourable by £0.05M, due to contract deductions, and £0.02M, due to contract indexation adjustments. Also, there is a favourable forecast variance on the Highways contract sum of £0.02M, due to contract indexation adjustments. There is a favourable forecast variance on the Highways Partnership Third Party Income share for 2015/16 of £0.09M, as the income is higher than was anticipated.

E&T 5 - Off-Street Parking (forecast favourable variance £0.14M)

There is a forecast favourable variance due to additional income forecasts and lower business rate payments.

Forecast Range Nil to £0.25M favourable

There is a favourable forecast variance on Off-Street Parking income of £0.12M. This consists of a favourable variance from ticket income of £0.11M and £0.01M from other income, mainly penalty charge notices and suspended parking bays charges. Also, there is a favourable variance on business rate payments of £0.08M. The favourable variances are offset by a forecast adverse variance, due to higher spend on operational costs of £0.06M.

E&T 6 - Travel (forecast favourable variance £0.15M)

There is a forecast favourable variance due to lower Concessionary Fares costs.

Forecast Range £0.10M favourable to £0.20M favourable

The total forecast number of Concessionary Fare journeys and the forecast average fare are being monitored closely throughout the year. Based upon the current passenger journeys and the calculated average fare, a favourable variance on the scheme of £0.15M has been forecast.

FINANCE PORTFOLIO

KEY ISSUES – QTR 1

The Portfolio is currently forecast to under spend by **£0.07M** at year-end, which represents a percentage under spend against budget of **0.19%**. As this is the first reported position for the year there are no forecast variance changes to compare against a previously reported position.

	Forecast Variance £M	%
Finance	0.07 F	0.19
Potential Carry Forward Requests	0.00	

A summary of the Portfolio forecast variance are shown in the table below:

Division / Service Activity	Forecast Variance Qtr 1 £M	Ref.
Audit and Risk Management	0.04 F	FIN 1
Other	0.03 F	
Total	0.07 F	

The SIGNIFICANT issues for the Portfolio are:

FIN 1 - Audit and Risk Management (forecast favourable variance £0.04M)

Under spend on Audit contract

Forecast range not applicable

The favourable variance relates to an in-year under spend against the annual budget for the Southern Internal Audit Partnership, following formal notification of the 2016/17 annual fee. This will be reviewed as part of the budget process to determine whether an ongoing saving can be declared.

HEALTH & SUSTAINABLE LIVING PORTFOLIO

KEY ISSUES – QTR 1

The Portfolio is currently forecast to over spend by **£0.04M** at year-end, which represents a percentage over spend against budget of **0.79%**. As this is the first reported position for the year there are no forecast variance changes to compare against a previously reported position.

	Forecast Variance £M	%
Health & Sustainable Living	0.04 A	0.79
Potential Carry Forward Requests	0.00	

A summary of the Portfolio forecast variance are shown in the table below:

Division / Service Activity	Forecast Variance Qtr 1 £M	Ref.
Public Health	0.12 A	HSL 1
Sustainability	0.04 F	HSL 2
Other	0.04 F	
Total	0.04 A	

The SIGNIFICANT issues for the Portfolio are:

HSL 1 - Public Health (forecast adverse variance £0.12M)

Currently not achieving the full Public Health grant cut for 2016/17

Forecast range £0.15M adverse to £0.05M adverse

Public Health have a current funding shortfall of £0.12M on a grant reduction of £1.47M. The majority of the savings required, due to the Public Health England grant reduction in 2016/17, has been delivered, from ceasing services and reducing contracts. The Public Health Management Team are investigating further saving options to meet the remaining shortfall.

HSL 2 - Sustainability (forecast favourable variance £0.04M)

There is a forecast under spend on Carbon Reduction Certificates

Forecast range £0.03M favourable to £0.04M favourable

Based on the actual consumption for 2015/16, the estimated number of Carbon Reduction Certificates (CRCs) required for 2016/17 is expected to be £0.04M lower than budgeted. The budget for 2016/17 for the purchase of CRCs is £0.23M. Unused CRCs to the value of £0.04M were brought forward from 2015/16 and a further purchase to the value of £0.15M was made in June 2016.

HOUSING & ADULT SOCIAL CARE PORTFOLIO

KEY ISSUES – QTR 1

The Portfolio is currently forecast to over spend by **£3.63M** at year-end, which represents a percentage over spend against budget of **5.56%**. As this is the first reported position for the year there are no forecast variance changes to compare against a previously reported position.

	Forecast Variance £M	%
Housing & Adult Social Care	3.63 A	5.56
Potential Carry Forward Requests	0.00	

A summary of the Portfolio forecast variance are shown in the table below:

Division / Service Activity	Forecast Variance Qtr. 1 £M	Ref.
Long Term	2.38 A	ASC 1
Safeguarding Adult Mental Health & Out of Hours	0.30 A	ASC 2
Provider Services	0.17 A	ASC 3
Reablement	0.62 A	ASC 4
Integrated Commissioning Unit Provider Relationships	0.19 A	ASC 5
Other	0.03 F	
Total	3.63 A	

The SIGNIFICANT issues for the Portfolio are:

ASC 1 - Long Term (forecast adverse variance £2.38M)

Slippage has occurred in the achievement of savings agreed in February 2016 for reductions in volume of care.

Forecast range £3.00M to £2.00M adverse.

The budget for externally purchased care for Older Persons and clients with either a Physical Disability or Learning Disability is forecast to over spend by £2.38M.

It is forecast that the actions to achieve the approved savings will achieve £0.95M of the required £3.24M, leaving a pressure of £2.30M. The Integrated Commissioning Unit (ICU) have commenced work on the various savings elements but are not yet in a position to evidence the likely cohort of packages to be impacted. Where saving targets are now not achievable the ICU are looking at alternative savings proposals.

This adverse position is increased due to a forecast rise in Learning Disability packages of £0.08M.

ASC 2 - Safeguarding Adult Mental Health & Out of Hours (forecast adverse variance £0.30M)

Increase in Mental Health clients' care packages.

Forecast range £0.35M to £0.25M adverse.

There has been an increase cost for Mental Health clients' packages of £0.30M above the budget. Work is currently being undertaken to review all of the Mental Health client packages to ensure that the care being provided is appropriate for each client's needs.

ASC 3 - Provider Services (forecast adverse variance £0.17M)

Increased staffing costs for Kentish Road.

Forecast range £0.20M to £0.14M adverse.

Kentish Road respite centre is forecast to overspend by £0.16M due to an increase in staffing costs to meet client demand. The Manager of the unit is investigating potential savings to offset this adverse position.

ASC 4 - Reablement (forecast adverse variance £0.62M)

Additional staffing costs for the Hospital Discharge Team and the Urgent Response Service.

Forecast range £0.70M to £0.50M adverse.

The Hospital Discharge Team is forecast to overspend by £0.23M due to additional staffing costs to meet the current level of client demand. Any delay in the transfer of care of clients from hospital has the potential risk that the City Council could face fines for bed blocking.

Due to a delay in finalising the staffing arrangements connected with the closure of Brownhill House £0.16M, savings will not be achieved this year.

Additional staffing costs of £0.24M above the budget are forecast to be incurred by the Urgent Response Service. This is due to greater than anticipated management costs of £0.11M following the restructure of the service, non-achievement of the vacancy management target of £0.06M and increased allowances and shift pay costs of £0.07M. The reablement management team are reviewing the current staffing levels to look at ways of reducing this deficit.

ASC 5 - Integrated Commissioning Unit Provider Relationships (forecast adverse variance £0.19M)

Savings target for contract cost reductions is forecast not to be achieved.

Forecast range £0.25M to £0.15M adverse.

The contract saving target of £0.20M brought forward from February 2015 is forecast not to be achieved. This adverse position is reduced by staff vacancies within the Provider Relationships Staffing team of £0.01M.

LEADERS PORTFOLIO

KEY ISSUES – QTR 1

The Portfolio is currently forecast to over spend by **£0.92M** at year-end, which represents a percentage over spend against budget of **7.59%**. As this is the first reported position for the year there are no forecast variance changes to compare against a previously reported position.

	Forecast Variance £M	%
Leaders	0.92 A	7.59
Potential Carry Forward Requests	0.00	

A summary of the Portfolio forecast variance are shown in the table below:

Division / Service Activity	Forecast Variance Qtr. 1 £M	Ref.
Central Repairs & Maintenance	0.10 F	LPOR 1
Legal Services & Customer Relations	0.07 F	LPOR 2
Property Portfolio Management	1.31 A	LPOR 3
Property Services	0.21 F	LPOR 4
Other	0.01 F	
Total	0.92 A	

The SIGNIFICANT issues for the Portfolio are:

LPOR 1 - Central Repairs & Maintenance (forecast favourable variance £0.10M)

Under spend on Reactive Repairs/Fees.

Forecast range not applicable

A favourable forecast variance of £0.10M is predicted against the reactive repairs/fee budgets. However this will be kept under close review as the year-end position will be subject to demand for essential works during the winter months.

LPOR 2 - Legal Services & Customer Relations (forecast variance favourable £0.07M)

Additional Income.

Forecast range not applicable

The favourable forecast variance of £0.07M relates to the receipt of additional in-year section 106 revenue income. This income is variable by nature and therefore difficult to precisely predict so will be kept under review during the year.

LPOR 3 - Property Portfolio Management (forecast adverse variance £1.31M)

Non Achievement of approved savings.

Forecast range not applicable

The adverse variance relates primarily to the non-achievement of £1.30M savings approved by Council on 16th Feb 2016. This relates to:

- Property Rationalisation and Disposal £0.3M – relating to the disposal of service properties. As no potential disposals have been identified to date the saving is not likely to be achieved.
- Property Investment Fund £1.0M – Due to the volatile economic environment following 'Brexit' it is not anticipated that any investments will be undertaken until the property market stabilises. This will be reviewed and updated throughout the year.

LPOR 4 - Property Services (forecast favourable variance £0.21M)

Under spends on utilities and supplies & services.

Forecast range not applicable

The favourable variance has arisen within Admin Buildings and comprises a £0.13M under spend on supplies and services, together with £0.08M on utility costs. A detailed review of the supplies and services budgets has been undertaken to identify essential spend only, the forecast for which will be kept under review subject to any additional demands during the remainder of the year. Utility costs have also been reviewed in detail, looking at both current and historical data, but could be affected by winter conditions and the impact of increased occupation of the Civic Centre.

TRANSFORMATION PORTFOLIO

KEY ISSUES – QTR 1

The Portfolio is currently forecast to over spend by **£3.39M** at year-end, which represents a percentage over spend against budget of **34.59%**. As this is the first reported position for the year there are no forecast variance changes to compare against a previously reported position.

	Forecast Variance £M	%
Transformation	3.39 A	34.59
Potential Carry Forward Requests	0.00	

A summary of the Portfolio forecast variance are shown in the table below:

Division / Service Activity	Forecast Variance Qtr 1 £M	Ref.
Phase 2 Restructure	1.85 A	TRANS 1
Phase 3 Digital & Business Ops	0.23 A	TRANS 2
Capita Contract – Core Services	0.51 A	TRANS 3
SCR – Schools	0.80 A	TRANS 4
Total	3.39 A	

The **SIGNIFICANT** issues for the Portfolio are:

TRANS 1 - Phase 2 Restructure (forecast adverse variance £1.85M)

Phase 2 management restructure has generated savings of £0.65M compared to target of £2.50M

Forecast range £2.00M adverse to £1.50M adverse

Following the review of the Organisational Design, the reduction of posts in phase 2 of the management restructure was lower than anticipated.

TRANS 2 - Phase 3 Digital & Business Ops (forecast adverse variance £0.23M)

Restructures are expected to generate savings of £0.36M.

Forecast range £0.20M adverse to £0.20M favourable

A number of changes have been made to the original project scope and timetable There is likely to be further savings in 2016/17 as further initiatives are developed.

TRANS 3 - Capita Contract – Core Services (forecast adverse variance £0.51M)

Contract re-negotiation has resulted in savings of £2.8M.

Forecast range £3.00M adverse to £2.50M adverse

A saving will be achieved against the contract reset, however the profile of savings results in a shortfall in 2016/17, but this should be achieved in future years.

TRANS 4 – Service Cost Recovery - Schools (forecast adverse variance £0.80M)

In-year savings target short of target built into budget.

Forecast range £0.80M adverse to £0.20M adverse

No income is currently being assumed against this budget. As schools finalise their Service level agreements with the Council in July to September, a review will be undertaken for quarter 2.

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IMPLEMENTATION OF SAVINGS PROPOSALS

	Total Savings 2016/17		Forecast Shortfall 2016/17		Implemented and Saving Achieved			Not Fully Implemented and Achieved But Broadly on Track			Saving Not on Track to be Achieved		
	Budget £M	Forecast £M	£M	%	%	Budget £M	Forecast £M	%	Budget £M	Forecast £M	%	Budget £M	Forecast £M
Portfolio Savings													
Communities, Culture & Leisure	(0.38)	(0.38)	0.00	0.0%	100.0%	(0.38)	(0.38)	0.0%	0.00	0.00	0.0%	0.00	0.00
Education and Childrens Social Care	(1.03)	(1.03)	0.00	0.0%	10.0%	(0.10)	(0.10)	90.0%	(0.93)	(0.93)	0.0%	0.00	0.00
Environment & Transport	(3.25)	(3.22)	0.03	0.9%	45.4%	(1.48)	(1.48)	53.9%	(1.75)	(1.74)	0.7%	(0.02)	0.00
Finance	(9.89)	(9.85)	0.04	0.4%	34.9%	(3.45)	(3.45)	64.7%	(6.40)	(6.40)	0.4%	(0.04)	0.00
Health & Adult Social Care	(4.21)	(1.54)	2.67	63.4%	5.8%	(0.24)	(0.25)	40.4%	(1.70)	(1.04)	53.8%	(2.27)	(0.26)
Housing & Sustainability	(0.11)	(0.10)	0.01	5.6%	65.7%	(0.07)	(0.07)	34.3%	(0.04)	(0.03)	0.0%	0.00	0.00
Leader's	(2.87)	(1.57)	1.30	45.3%	47.3%	(1.36)	(1.36)	7.3%	(0.21)	(0.21)	45.3%	(1.30)	0.00
Transformation	(9.74)	(6.35)	3.39	34.8%	7.6%	(0.72)	(0.74)	18.5%	(1.80)	(1.80)	74.1%	(7.22)	(3.81)
Total	(31.48)	(24.04)	7.43	23.6%	24.8%	(7.80)	(7.82)	40.7%	(12.83)	(12.15)	34.5%	(10.85)	(4.07)

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FINANCIAL HEALTH INDICATORS – QTR 1

Prudential Indicators Relating to Treasury

	<u>Maximum</u>	<u>Forecast</u>	<u>Status</u>
Maximum Level of External Debt £M	£863M	£468M	Green
As % of Authorised Limit	100%	54.23%	Green
	<u>Target</u>	<u>Actual YTD</u>	<u>Status</u>
Average % Rate New Borrowing	4.00%	0.0%	Green
Average % Rate Existing Long Term Borrowing	4.00%	3.33%	Green
Average Short Term Investment Rate - Cash	0.45%	0.60%	Green
Average Short Term Investment Rate - Bonds	0.49%	0.94%	Green
Average Long Term Investment Rate - Bonds	0.94%	2.19%	Green
Average Return on Property Fund	2.50%	4.99%	Green

Minimum Level of General Fund Balances

		<u>Status</u>
Minimum General Fund Balance	£5.5M	
Forecast Year End General Fund balance	£8.9M	Green

Income Collection

	<u>2016/17 Target</u>	<u>Qtr. 1 YTD</u>	<u>Status</u>
Outstanding Debt:			
More Than 12 Months Old	25%	11%	Green
Less Than 12 Months But More Than 6 Months Old	6%	7%	Green
Less Than 6 Months But More Than 60 Days Old	14%	18%	Green
Less Than 60 Days Old	55%	64%	Green

Creditor Payments

		<u>Status</u>
Target Payment Days	20	
Actual Current Average Payment Days	18	Green
Target % of undisputed invoices paid within 30 days	95.0%	
Actual % of undisputed invoices paid within 30 days	96.9%	Green

Tax Collection rate

	<u>Target Collection Rate</u>	<u>QTR 1 Collection Rate Last Year</u>	<u>This Year</u>	<u>Status</u>
Council Tax	94.9%	28.2%	28.0%	Amber
National Non Domestic Rates	98.7%	32.3%	35.8%	Amber

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QUARTERLY TREASURY MANAGEMENT REPORT – QTR. 1

1. Borrowing Requirement and Debt Management

The Authority's chief objective when borrowing continues to be striking an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective

As at the 30 June 2016, the council's overall outstanding long term borrowing was £238M, at an average rate of 3.33% and an average maturity of 23 years, this has fallen by £3M since the last reported figure at 31 March due to maturing debt which has not yet been replaced. The total long term debt portfolio is made up of loans from the Public Works Loan Board (PWLB) of £229M and market loans of £9M.

Included within the PWLB portfolio is £35M of variable rate loans, which are currently averaging 0.69% and are helping to keep overall borrowing costs down. Whilst in the current climate of low interest rates this remains a sound strategy, the Council need to review these regularly and if appropriate switching into fixed rate loans if interest rates start to rise rapidly.

The Council does not have any temporary borrowing at present having repaid outstanding balances in April, and whilst these have remained affordable and attractive, due to our continued high level of cash (and subsequent investments) no need has arisen.

As at the 31 March 2016 the Council used £106M of internal resources in lieu of borrowing which has been the most cost effective means of funding past capital expenditure to date. This has lowered overall treasury risk by reducing both external debt and temporary investments. However, this position will not be sustainable over the medium to long term and the Council will need to borrow to cover this amount as balances fall.

Based on the latest Capital update the Council is expected to have a borrowing need up to £159.3M between 2016/17 and 2018/19. Of this £48.3M relates to new HRA capital spend, £92.9M for new capital spend on the GF, including £65M that has been allocated for the purchase of property for income generation, the remainder relates to the refinancing of existing debt and externalising internal debt to cover expected fall in balances.

No new borrowing has been taken to date and none is expected to be taken until later in the year and will be assessed in conjunction with the development of the capital programme, cash balances and advice from the Council's treasury advisor.

Any borrowing taken this year is likely to be short term in nature to take advantage of the existing low interest rate and to protect ourselves against a predicted fall in interest rates following the UK's vote to leave the European Union and the subsequent uncertainty. It will take some time before the full implications of 'Brexit' are known.

Budgeted Expenditure

The interest cost of financing the Authority's long term and short term loan debt is charged corporately to the Income and Expenditure account. The interest cost in 2016/17 of financing the Authority's loan debt is currently expected to be £11.8M of which £5.9M relates to the HRA

2. Investment Activity

The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves.

The Guidance on Local Government Investments in England gives priority to security and liquidity and the Council's aim is to achieve a yield commensurate with these principles. Security of capital has remained the Council's main investment objective. This has been maintained by following the Council's counterparty policy as set out in its TM Strategy Statement for 2016/17.

Counterparty credit quality is assessed and monitored with reference to: Credit Ratings; credit default swaps; financial statements, information on potential government support and reports in the quality financial press.

Internal investments

Balances initially increased at the beginning of the year rising from £89M to £106M in mid-April, but have since fallen back to £84M, £16M less than the same time last year. Current cash flow forecast indicate that this will fall further to around £60M by the end of September, of which £42M is in fixed term deals. If this forecast materialises in order to maintain our working cash flow balance of between £20M and £25M we may need an input of temporary borrowing towards the end of September.

As reported previously, following advice from our advisors Arlingclose, we have invested in bonds to optimise investment income, including corporate bonds as an alternative to fixed term deposits with banks as although the risk of insolvency remains, there is no risk of pre-emptive bail-in by the regulator and corporates are far less geared than banks. These deals will generate around £0.45M for the year.

The Authority has internal investments amounting to £78.8M, with an average rate of return of 1.43% as detailed in Table 1 below:

Table 1: Quarter 1 Internal Investments

Investments	At 30 June 2016 £000	Date of Maturity	Yield %	Rating
Cash				
Barclays Bank PLC	3,000	Call	0.40	A
Santander UK Plc	5,000	180 Day Notice	1.16	A
Aberdeen MMF	9,000	MMF	0.53	A+
Blackrock MMF	70	MMF	0.49	AA-
Deutsche MMF	8	MMF	0.43	AA-
Federated Prime MMF	8,620	MMF	0.54	AA-
Goldman Sachs MMF	26	MMF	0.44	AA
Insight MMF	20	MMF	0.46	A+

Invesco MMF	4,000	MMF	0.52	AA-
J P Morgan MMF	287	MMF	0.49	AA-
Standard Life MMF	7,660	MMF	0.53	A+
Total Cash	37,691		0.60	
Corporate Bonds				
Mobility Operations Group Plc	3,801	28/09/2016	1.06	A+
Places for People Capital Markets	2,486	27/12/2016	1.34	A
National Grid Gas plc	3,154	07/06/2017	0.87	A-
Total Corporate Bonds	9,441		1.09	
Other Short Term Bonds				
Nederlandse Waterschapsbank	4,843	07/09/2016	0.72	AA+
Bank of Scotland PLC Covered Bond	4,176	08/11/2016	0.74	AAA
Laneskreditbank Baden-Wuert	2,043	15/12/2016	0.72	AAA
Lloyds Bank Covered Bond	2,006	16/01/2017	0.68	AAA
Abbey National Treasury plc Covered Bond	3,008	20/01/2017	0.81	AAA
Total Other Bonds	16,076		0.75	
Long Term Bonds				
Nationwide Building Society Covered Bond	1,485	17/07/2017	0.68	AAA
Leeds Building Society Covered Bond	2,004	09/02/2018	0.82	AAA
Barclays Bank Covered Bond	1,002	12/02/2018	0.71	AAA
Yorkshire Building Society Covered Bond	3,297	12/08/2018	1.94	AA+
Nationwide Building Society Covered Bond	1,601	25/04/2019	1.05	AAA

Leeds Building Society Covered Bond	3,010	01/10/2019	0.82	AAA
European Investment Bank - Bond	1,069	15/04/2025	5.27	AAA
European Investment Bank - Bond	1,054	07/06/2025	5.16	AAA
European Investment Bank - Bond	1,039	07/06/2025	5.49	AAA
Total Long Term Bonds	15,561		2.08	
Total Bonds	41,078		1.44	
Total Investments	78,769		1.43	

External Managed investments

The Council currently has £7M in property funds which offer the potential for enhanced returns over the longer term, but may be more volatile in the shorter term. These funds are managed by professional fund managers which allows the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. As at the 30 June the sell price of our total investments were valued at £7.2M a notional "gain" of £0.2M against investments, this is lower than that previously reported as following 'Brexit' CCLA have prudently adjusting the fund value downwards by approximately 4% for the end of June price, based on their valuer's advice. This is in line with the 4 or 5% adjustments being made by other property funds at this time. Our advisers Arlingclose have issued the following statement, 'We believe this is a prudent step taken by CCLA to protect continuing investors in the fund from anyone attempting to sell at "off-market" pre-referendum prices. After all, Brexit is a significant event with wide but largely unknown implications. We advise clients to invest in this fund with a rolling five year investment horizon, with the aim of collecting steady income and to see through price volatility. Our advice therefore continues to be that clients should not sell strategic investments at this time, and we are confident that income distribution will remain significantly higher than cash over the coming years'.

The current quoted dividend yield on the fund is currently 4.99% and is expected to return £0.33M for the year (based on the average return of the last 12 months 4.76%)

Budgeted Income

The Council does not expect any losses from non-performance in relation to its investments by any of its counterparties. The UK Bank Rate has been maintained at 0.5% since March 2009 and as a consequence short-term money market rates have remained at relatively low levels and are expected to fall further following 'Brexit'. Investments in Money Market Funds and call accounts currently generated an average rate of 0.60%. Investments in bonds have performed better returning an average of 1.47% for the year to date. The average cash balances during the quarter was £91.8M; these are expected to decline during the financial year as the incidence of government grant income and council tax income is skewed towards the earlier part of the year.

The Authority's budgeted investment income for the year is forecast at £0.4M. As reported previously the Authority continues to review investments in suitable longer term financial instruments which will generate a better return, as it is envisaged that there be sufficient cash balances over the medium term.

3. Compliance with Prudential Indicators

The Council can confirm that it has complied with its Prudential Indicators for 2016/17 approved by Full Council on 10 February 2016. Table 2 below summarises the Key Prudential Indicators and performance to date:

Table 2: Compliance with Prudential Indicators

Indicator	Limit	Actual at 30 June 2016
Authorised Limit for external debt £M	£863M	£318M
Operational Limit for external debt £M	£700M	£318M
Maximum external borrowing year to date		£238M
Limit of fixed interest debt %	100%	82%
Limit of variable interest debt %	50%	18%
Limit for Non-specified investments £M	£70M	£32M

5. Financial Advisor's (Arlingclose) Outlook for the remainder of 2016/17

Following the UK's vote to leave the European Union, the economic outlook for the UK has immeasurably altered. It will to a large extent be dependent on the nature of the future relationship negotiated with the EU, particularly in relationship to trade. The negotiations crucially hinge on domestic politics which, at the end of the June quarter, were unsettled themselves.

The domestic outlook is uncertain, but likely to be substantially weaker in the short term than previously forecast. Arlingclose has changed its central case for the path of Bank Rate over the next three years. Arlingclose believes any currency-driven inflationary pressure will be looked through by Bank of England policymakers. The likely path for Bank Rate is downwards and the central case is 0.25%, but there is a 40% possibility of that the rate is cut to zero.

	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19
Official Bank Rate													
Upside risk	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Arlingclose Central Case	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25

In addition, Arlingclose believes that the Government and the Bank of England have both the tools and the willingness to use them to prevent any immediate market-wide problems leading to bank insolvencies. The cautious approach to credit advice means that the banks currently on the Authority's counterparty list have sufficient equity buffers to deal with any localised problems in the short term.

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HOUSING REVENUE ACCOUNT PORTFOLIO

KEY ISSUES – QTR 1

The Portfolio is currently forecast to over spend by **£0.62M** at year-end, which represents a percentage over spend against the Gross Expenditure budget of **0.83%**. As this is the first reported position for the year there are no forecast variance changes to compare against a previously reported position. All forecasts are constructed from the bottom up through discussions with individual budget holders and are then adjusted to take into account the wider Portfolio view.

	Forecast Variance £M	%
Housing Revenue Account	0.62 A	0.83
Potential Carry Forward Requests	0.00	

A summary of the monthly movements in the Portfolio forecast variance, are shown in the table below:

Division / Service Activity	Forecast Variance Qtr. 1 £M	Ref.
Supervision & Management	0.24 F	HRA 1
Interest & Capital Repayments	0.45 F	HRA 2
Housing Investment	0.13 A	HRA 3
Repairs	0.98 A	HRA 4
Tenant Service Charges	0.20 A	HRA 5
Total	0.62 A	

The SIGNIFICANT issues for the Portfolio are:

HRA 1 – Supervision & Management (forecast favourable variance £0.24M)

There is a reduction in the required contribution to the bad debt provision.

Forecast range £0.20M favourable to £0.30M favourable

The continuing downward trend in current tenant arrears has led to a reduction of £0.30M in the required yearly contribution to the bad debt provision.

A one-off savings proposal of £0.05M, which was to be generated by the removal of the cash collection facility at a Local Housing Office, cannot now be achieved.

HRA 2 – Interest & Capital Repayments (forecast favourable variance £0.45M)

There is a reduction in the borrowing requirement for funding of capital programme.

Forecast range £0.40M favourable to £0.50M favourable

A re-evaluation of the capital programme from 2015-16 to 2016-17 has resulted in a reduction in the borrowing requirement. This short term movement in the borrowing requirement has therefore reduced the financing cost charged to revenue for 2016-17.

HRA 3 – Housing Investment (forecast adverse variance £0.13M)

Some decoration work has been brought forward.

Forecast range £0.20M adverse to £0.10M adverse

In order to maximise the efficiency of the resources used by the ECO project, it was agreed to bring forward the decorations work planned for Irving Road.

HRA 4 – Responsive Repairs (forecast adverse variance £0.98M)

Not all expected efficiencies are to be realised this year.

Forecast range £1.20M adverse to £0.80M adverse

Good progress has been made in restructuring the Housing Operations team across the four elements of trade staff and management restructuring, void efficiencies and reductions in fleet usage.

The reduced staffing structure was not fully implemented until June 2016 and currently there is a forecasted adverse variance of £0.98M. This overspend should be seen in the context of a reduction in budget of £2.75M across the Housing Operations and Repairs service since 2015/16 and management are working towards reducing this adverse variance through the year.

HRA 5 – Tenant Service Charges (forecast adverse variance £0.20M)

A revised charging proposal is not deliverable.

Forecast range £0.20M to £0.10M adverse

A budget proposal to introduce a revised charging model for Community Alarm customers will not now be implemented due to Housing Benefit restrictions and future unknown changes in Supporting People income.

COUNCIL TAX COLLECTION FUND REVENUE ACCOUNT
FOR YEAR ENDED 31ST MARCH 2017

	Original Estimate 2016/17 £M	Forecast 2016/17 £M	Variance Adverse / (Favourable) 2016/17 £M
Council Tax			
<u>Income</u>			
Income due from Council Tax Payers	(97.27)	(97.24)	0.03
Transfers to General Fund - Hardship Fund	(0.20)	(0.20)	0.00
	(97.47)	(97.44)	0.03
<u>Expenditure</u>			
Southampton City Council Precept	81.01	81.01	0.00
Hampshire Police Authority Precept	9.70	9.70	0.00
Fire & Rescue Services Precept	3.79	3.79	0.00
Distribution of previous year's surplus	1.02	1.02	0.00
Provision for Bad Debts CT	2.97	2.00	(0.97)
	98.49	97.52	(0.97)
CT - Deficit / (Surplus) for the Year	1.02	0.08	(0.94)
CT - Deficit / (Surplus) Brought Forward	(1.02)	(2.15)	(1.13)
CT Deficit / (Surplus) Carried Forward	0.00	(2.07)	(2.07)
NDR			
<u>Income</u>			
Income from NDR Payers	(106.02)	(105.39)	0.63
<u>Apportionment of Previous Years Deficit</u>			
SCC	3.01	3.01	0.00
DCLG	3.07	3.07	0.00
Hampshire Fire & Rescue Authority	0.06	0.06	0.00
	(99.88)	(99.25)	0.63
<u>Expenditure</u>			
Payment to DCLG Transitional Arrangements	0.00	0.42	0.42
Payments to DCLG	48.45	48.45	0.00
SCC - NNDR Dist to General Fund	47.48	47.48	0.00
Hampshire Fire & Rescue NNDR Distrib.	0.97	0.97	0.00
Allowance to General Fund for NNDR Collection	0.32	0.32	0.00
Provision for Bad Debts NNDR	1.11	1.01	(0.10)
Appeals Provision 16/17	7.70	4.91	(2.79)
Appeals Provision Prior Years	0.00	(2.79)	(2.79)
	106.03	100.77	(5.26)
NDR Deficit / (Surplus) for the Year	6.15	1.52	(4.63)
NDR - Deficit / (Surplus) Brought Forward	(6.15)	(7.83)	(1.68)
NDR Deficit / (Surplus) Carried Forward	0.00	(6.31)	(6.31)
Total Deficit Deficit / (Surplus) Carried Forward	0.00	(8.38)	(8.38)
Council Tax (Surplus)/Deficit			
Contribution (to)/ from SCC		(2.29)	(1.78)
Contribution (to)/ from HPA		(0.27)	(0.21)
Contribution (to)/ from F&RS		(0.11)	(0.08)
Council Tax Collection Fund Balance c/f		(2.67)	(2.07)
NDR (Surplus)/Deficit			
Contribution (to)/ from SCC		(2.45)	(3.09)
Contribution (to)/ from DCLG		(2.50)	(3.15)
Contribution (to)/ from HF&R		(0.05)	(0.06)
NDR Collection Fund Balance c/f		(4.99)	(6.30)
Additional SCC Surplus		(4.74)	(4.87)

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DECISION-MAKER:	CABINET		
SUBJECT:	THE GENERAL FUND CAPITAL PROGRAMME 2016/17 TO 2020/21		
DATE OF DECISION:	16 AUGUST 2016		
REPORT OF:	CABINET MEMBER FOR FINANCE		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Sue Poynter	Tel: 023 8083 4153
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STATEMENT OF CONFIDENTIALITY

N/A

BRIEF SUMMARY

The purpose of this report is to inform Cabinet of any major changes in the overall General Fund Capital Programme for the period of 2016/17 to 2020/21, highlighting the changes in the programme since the last reported outturn position to Council in July 2016.

The net result of the changes since the previous report is that the current overall programme has decreased by £0.35M.

RECOMMENDATIONS:

- (i) To note the revised General Fund Capital Programme 2016/17 to 2020/21, which totals £145.42M (as detailed in paragraph 4) and the associated use of resources.
- (ii) To note that £0.28M has been added to the overall programme, with approval to spend, under delegated powers (£0.26M 2016/17 and £0.02M 2017/18). These additions are detailed in paragraph 6 and Appendix 2.
- (iii) To note that £0.63M has been removed from the overall programme, as detailed in paragraph 6 and Appendix 2.
- (iv) To note that £0.01M has been rephased from 2017/18 to 2016/17 within the Transport portfolio, as detailed in paragraph 11 and Appendix 3.
- (v) To note that the revised General Fund Capital Programme is based on prudent assumptions of future Government Grants to be received.
- (vi) To note the changes to the programme, as summarised in Appendix 2 and described in detail in Appendix 3.

- (vii) To note that the forecast position at Quarter 1 is £121.18M, resulting in a potential underspend of £24.24M, as detailed in paragraph 13 and Appendix 4.

REASONS FOR REPORT RECOMMENDATIONS

1. The Capital Programme is now reviewed on a quarterly basis in accordance with the Council's Capital Strategy. The forecast position is reported to the Council Capital Board with any required programme update reported to Cabinet and Council for approval. This is required to enable schemes in the programme to proceed and to approve additions and changes to the programme. There are currently no additions to the programme, therefore this paper is for information only.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2. The update of the Capital Programme is undertaken within the resource constraints imposed on it. No new schemes can be added unless specific additional resources are identified. Alternative options for new capital spending are considered as part of the budget setting process in the light of the funding available and the overall financial position.

DETAIL (Including consultation carried out)

CONSULTATION

3. The General Fund Capital Programme update summarises additions to the capital programme since the last approved programme set in the Outturn report in July 2016. Each addition to the capital programme has been subject to the relevant consultation process which now reflects the role played by Council Capital Board. The content of this report has been subject to consultation with Finance Officers from each portfolio.

THE FORWARD CAPITAL PROGRAMME

4. Table 1 below shows a comparison of the latest approved capital expenditure for the period 2016/17 to 2020/21 compared to the previously reported programme.

Table 1 – Programme Comparison

	2016/17 £M	2017/18 £M	2018/19 £M	2019/20 £M	2020/21 £M	Total £M
Latest Programme	129.97	13.91	1.44	0.10	0.00	145.42
Previous Programme	130.33	13.90	1.44	0.10	0.00	145.77
Variance	(0.36)	0.01	0.00	0.00	0.00	(0.35)

5. The above table shows that the General Fund Capital Programme has decreased by £0.35M. Appendix 1 provides details of each portfolios latest programme and

the financing of that programme.

6. There was an overall decrease of £0.63M which is offset by an increase of £0.28M relating to additions to the programme approved under delegated powers, £0.26M in 2016/17 and £0.02M in 2017/18. These changes are detailed in Appendix 3.
7. Within the Transport portfolio programme there was also rephasing of £0.01M from 2017/18 into 2016/17, also approved under delegated powers. This is detailed in Appendix 3.

CHANGES TO THE OVERALL PROGRAMME

8. The change in individual portfolios' capital programmes is shown in Table 2.

Table 2 – Changes in Portfolio Programmes

	Latest Programme £M	Previous Programme £M	Total Change £M
City Services	1.91	1.85	0.06
Communities, Culture & Leisure	1.21	1.21	0.00
Education & Childrens Social Care	31.70	31.70	0.00
Finance	1.27	1.77	(0.50)
Health & Adult Social Care	0.13	0.26	(0.13)
Housing & Sustainability	3.65	3.45	0.20
Leaders	82.38	82.38	0.00
Transformation	3.71	3.71	0.00
Transport	19.46	19.44	0.02
Total GF Capital Programme	145.42	145.77	(0.35)

9. Appendix 3 details the changes by individual portfolio programmes. This includes new schemes and changes to existing schemes where approval has been previously given by Council, Cabinet or made under delegated authority to amend the programme.
10. Funding for the Councils capital programme is a scarce resource therefore additions need to be considered in terms of the priorities and desired outcomes of the Council.

SLIPPAGE AND REPHASING

11. The programme identifies £0.01M of rephasing from 2017/18 into 2016/17 within the Transport programme, to fund cycling improvement works completed ahead of schedule. This was approved under delegated powers and is detailed in Appendix 3.

UNDER AND OVERSPENDS

12. The capital programme is now being monitored on a quarterly basis. Identified under and overspends are reported to the Council Capital Board. Programme

changes for these will not be made until the outturn position is known and will be reported as part of the outturn report in June 2017, with approval to update the programme for these being sought at that time.

13. Currently the programme is forecast to be underspent by £24.24M. The reasons for this are detailed in Appendix 4.
14. Table 3 below shows the forecast underspend by portfolio which have an overall variance:

Table 3 – Overall Programme Forecast Variance

	Latest Programme	Forecast Programme	Forecast Variance
	£M	£M	£M
Communities, Culture & Leisure	1.21	1.25	0.04
Leaders	82.38	58.16	(24.22)
Transport	19.45	19.39	(0.06)
Total Forecast (Under)/Overspend	103.04	78.80	(24.24)

CAPITAL RESOURCES

14. The resources which can be used to fund the capital programme are as follows:
 - Council Resources - Borrowing
 - Council Resources - Capital Receipts from the sale of HRA assets
 - Council Resources - Capital Receipts from the sale of General Fund assets
 - Contributions from third parties
 - Central Government Grants and from other bodies
 - Direct Revenue Financing (DRF)
15. 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 within the Housing & Sustainability Portfolio.

CHANGES IN AVAILABLE RESOURCES

16. The additional spending within the Capital programme must be met from additional sources of finance. Table 4 shows the resource changes that have taken place.

Table 4 – Changes in Resource Requirements

	£M
Council Resources	(1.07)
Contributions	0.65
Capital Grants	0.07
Total Change in Available Resources	(0.35)

17. It should be noted that the revised General Fund Capital Programme is based on prudent assumptions of future Government Grants to be received. The majority of these grants relate to funding for schools and transport and are unringfenced. However in 2016/17 these grants have been passported to these areas.
18. It can be seen that the decrease in resources primarily relate to council resources. The decrease in the finance portfolio programme (£0.50M) along with updated funding requirements in the Housing & Sustainability portfolio programme (£0.45M) contributed this.
19. Table 5 shows the current level of available resources.

Table 5 – Available Capital Funding

Resource	Balance B/Fwd £M	Received to Date 2016/17 £M	Allocated To Current Programme £M	Available Funding £M	Anticipated Receipts 2016/17 £M
Capital Receipts	(2.67)	(0.08)	3.40	0.65	(15.31)
CIL	(3.03)	(0.39)	0.90	(2.52)	(1.71)
S106	(9.78)	(0.11)	4.90	(4.99)	0.00
Misc Grants	(1.70)	0.00	1.70	0.00	0.00
	(17.18)	(0.58)	10.90	(6.86)	(17.02)

20. The table shows that the largest resource currently available is Section 106 (S106) funding. A review is underway of all S106 and Community Infrastructure Levy (CIL) monies to ensure that programmes of work are matched to the appropriate funding and to potentially identify areas where business cases could be commissioned for new projects.
21. Capital receipts of £3.40M have been allocated to fund the current programme based on the knowledge of guaranteed future receipts, where contracts have been signed/exchanged, and payment due in 2016/17.

OVERALL CAPITAL PROGRAMME (GF ONLY)

22. Table 6 and 7 show capital expenditure by portfolio and the use of resources to finance the General Fund Capital Programme up to and including 2020/21.

Table 6 – Capital Expenditure by Programme

	2016/17 £M	2017/18 £M	2018/19 £M	2019/20 £M	2020/21 £M	Total £M
City Services	1.91	0.00	0.00	0.00	0.00	1.91
Communities, Culture & Leisure	1.21	0.00	0.00	0.00	0.00	1.21
Education & Childrens Social Care	17.89	12.65	1.17	0.00	0.00	31.71
Finance	0.98	0.29	0.00	0.00	0.00	1.27
Health & Adult Social Care	0.13	0.00	0.00	0.00	0.00	0.13
Housing & Sustainability	3.63	0.02	0.00	0.00	0.00	3.66
Leaders	81.93	0.35	0.10	0.00	0.00	82.38
Transformation	3.71	0.00	0.00	0.00	0.00	3.71
Transport	18.58	0.61	0.17	0.10	0.00	19.46
Total General Fund Programme	129.97	13.91	1.44	0.10	0.00	145.42

Table 7 – Use of Resources

	2016/17 £M	2017/18 £M	2018/19 £M	2019/20 £M	2020/21 £M	Total £M
Council Resources	88.99	7.97	1.26	3.45	0.00	98.32
Contributions	5.12	0.52	0.08	0.00	0.00	5.71
Capital Grants	33.13	4.97	0.00	0.00	0.00	38.10
DRF from Portfolios	2.74	0.46	0.10	0.00	0.00	3.29
Total Financing	129.97	13.91	1.44	0.10	0.00	145.42

23. It can be seen from Table 5 that the significant programme spend relates to Education and Childrens Social Care Portfolio (Schools Programme); Transport Portfolio (Roads Programme); and Leaders Portfolio (Property Investment Fund). It should be noted that 2016/17 capital grant assumptions have now been built in where relevant.
24. Table 6 demonstrates that after allowing for Capital Grants, which primarily relate to the Basic Needs grants for schools, a significant amount of funding is provided by Council Resources. In this financial year this will be mainly through borrowing.

CAPITAL RECEIPTS

25. Capital receipts funding assumptions have been previously based on an estimated value of the receipt, in the year of disposal. The estimate was further risk adjusted depending on where in the process the disposal had progressed i.e. 'On Market', 'Contract Under Negotiation' etc.
26. Capital receipts are now monitored and reported based on the agreed sale price and expected year of receipt in order to achieve certainty around the level of useable receipts within each financial year. Further, it has been agreed by the Council Capital Board that receipts for properties that are on the disposal list but not yet on the market will not be included in capital receipt assumptions.

27. Table 8 shows the previous and current capital receipt assumptions based on either original sale price or where known the actual sale price in the year that the receipt is expected rather than the year of disposal. It should be noted that both the previous and latest forecast positions have been adjusted to remove receipts for properties not yet on the market.

Table 8 – Capital Receipt Assumptions

	2016/17 £M	2017/18 £M	2018/19 £M	2019/20 £M	2020/21 £M	Total £M
Latest Forecast	15.39	1.17	0.00	0.00	0.00	16.56
Previous Forecast	15.31	1.17	0.00	0.00	0.00	16.48
Change	0.08	0.00	0.00	0.00	0.00	0.08

28. It can be seen that there is likely to be an overall small increase in the level of capital receipts of £0.08M mainly due to the higher sale values. It should be noted that if alternative options to disposal are considered this will affect the overall level of receipts. Further work is being undertaken on capital receipts to ascertain disposal methods and timing to ensure the Council receives best value.

CAPITAL STRATEGY

29. The Council needs to have a fit for purpose Capital Strategy to ensure that all the priorities within the Council Strategy are accounted for in the allocation of resources to the capital programme. A full update of the strategy will be reported to Council in February 2017, however the strategy will be reviewed throughout the year.

RESOURCE IMPLICATIONS

Capital

30. As set out in the report details.

Revenue

31. This report principally deals with capital. However, the revenue implications arising from borrowing to support the capital programme are included as part of the General Fund Revenue Budget considered elsewhere on this agenda. In addition any revenue consequences arising from new capital schemes are considered as part of the approval process for each individual scheme.

Property/Other

32. There are no specific property implications arising from this report other than the schemes already referred to within the main body of the report.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

33. The General Fund Capital Programme update is prepared in accordance with the Local Government Acts 1972 – 2003.

Other Legal Implications:

34. None directly, but in preparing this report, the Council has had regard to the Human Rights Act 1998, the Equality Act 2010, the duty to achieve best value and statutory guidance issued associated with that, and other associated legislation.

POLICY FRAMEWORK IMPLICATIONS

35. The update of the Capital Programme forms part of the overall Budget Strategy of the Council.

KEY DECISION?	Yes/No	
WARDS/COMMUNITIES AFFECTED:	All	
<u>SUPPORTING DOCUMENTATION</u>		
Appendices		
1.	General Fund Capital Programme – Scheme Details	
2.	Variations Since the February 2016 Programme Update	
3.	Key Issues – June 2016 Programme Update	
4.	Significant Forecast Underspends	
Documents In Members’ Rooms		
1.	None	
2.		
Equality Impact Assessment		
Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.		NO
Privacy Impact Assessment		
Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.		NO
Other Background Documents		
Equality Impact Assessment and Other Background documents available for inspection at:		
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)	

CITY SERVICES

Scheme No.	Description	Estimate 2016/17 £M	Forecast 2017/18 £M	Forecast 2018/19 £M	Forecast 2019/20 £M	Forecast 2020/21 £M	Total £M	Project Manager
C2921	Weekly Collection Support Scheme	0.015	0.000	0.000	0.000	0.000	0.015	Williams, Gale
E3001	Houndwell Park Play Area	0.005	0.000	0.000	0.000	0.000	0.005	Yeats, Nicholas
E3007	Freemantle Common Play Area	0.006	0.000	0.000	0.000	0.000	0.006	Hill, Tony
E3011	Deep Dene Play Area	0.009	0.000	0.000	0.000	0.000	0.009	Hill, Tony
E3013	The Common Play Area	0.500	0.000	0.000	0.000	0.000	0.500	Hill, Tony
E3025	Bitterne Precinct Play Area	0.001	0.000	0.000	0.000	0.000	0.001	Hill, Tony
J333A	Central Depot - Feasibility	0.002	0.000	0.000	0.000	0.000	0.002	Cooper, Malcolm
J333B	Central Depot Development	0.835	0.000	0.000	0.000	0.000	0.835	Cooper, Malcolm
J426L	Southampton Common	0.014	0.000	0.000	0.000	0.000	0.014	Yeats, Nicholas
J4310	Deep Dene Improvements	0.003	0.000	0.000	0.000	0.000	0.003	Brown, Clifford
J4370	Park Code for Green Space	0.007	0.000	0.000	0.000	0.000	0.007	Yeats, Nicholas
J4410	Mayflower Park Basket Ball Court Renovation	0.026	0.000	0.000	0.000	0.000	0.026	Brown, Clifford
J4430	Weston Shore Improvements Phase 2	0.006	0.000	0.000	0.000	0.000	0.006	Brown, Clifford
J4440	Sports Centre Water Supply Upgrade	0.015	0.000	0.000	0.000	0.000	0.015	Brown, Clifford
J4450	Riverside Park Pitch & Putt Irrigation System Upgrade	0.050	0.000	0.000	0.000	0.000	0.050	Brown, Clifford
J4460	Cedar Lodge Open Space	0.017	0.000	0.000	0.000	0.000	0.017	Brown, Clifford
J4480	Green Park	0.002	0.000	0.000	0.000	0.000	0.002	Brown, Clifford
J4490	Hum Hole	0.008	0.000	0.000	0.000	0.000	0.008	Brown, Clifford
J4500	Lordsdale Greenway	0.005	0.000	0.000	0.000	0.000	0.005	Brown, Clifford
J4510	Mansbridge Open Space	0.002	0.000	0.000	0.000	0.000	0.002	Brown, Clifford
J4520	Riverside Park	0.035	0.000	0.000	0.000	0.000	0.035	Brown, Clifford
J4540	Sullivan Recreation Ground	0.002	0.000	0.000	0.000	0.000	0.002	Brown, Clifford
J4560	Westwood Greenway	0.003	0.000	0.000	0.000	0.000	0.003	Brown, Clifford
J4570	Mayfield Park Improvements	0.024	0.000	0.000	0.000	0.000	0.024	Brown, Clifford
J8100	Mobile Working for P & C Frontline	0.007	0.000	0.000	0.000	0.000	0.007	Horton, John
J814B	St James Park - Implementation	0.003	0.000	0.000	0.000	0.000	0.003	Yeats, Nicholas
J8240	Parks Safety Improvements Yrs 2009-11	0.002	0.000	0.000	0.000	0.000	0.002	Horton, John
J4610	City Pride - Improvements to Queens Park	0.091	0.000	0.000	0.000	0.000	0.091	Brown, Clifford
J8290	Realignment of Park Walk Entrance to East Park	0.090	0.000	0.000	0.000	0.000	0.090	Brown, Clifford
E3027	Adey Close Play Area	0.018	0.000	0.000	0.000	0.000	0.018	Hill, Tony
E3029	Cedar Lodge Play Area	0.045	0.000	0.000	0.000	0.000	0.045	Hill, Tony
J4550	Veracity Recreation Ground	0.061	0.000	0.000	0.000	0.000	0.061	Yeats, Nicholas
Total Programme		1.909	0.000	0.000	0.000	0.000	1.909	

Sources of Finance

Council Resources	1.339	0.000	0.000	0.000	0.000	1.339
Contributions	0.552	0.000	0.000	0.000	0.000	0.552
Central Govt Grants	0.015	0.000	0.000	0.000	0.000	0.015
Other Grants	0.003	0.000	0.000	0.000	0.000	0.003
Total Programme	1.909	0.000	0.000	0.000	0.000	1.909

COMMUNITIES, CULTURE & LEISURE

Scheme No.	Description	Estimate 2016/17 £M	Forecast 2017/18 £M	Forecast 2018/19 £M	Forecast 2019/20 £M	Forecast 2020/21 £M	Total £M	Project Manager
L1000	Oaklands Swimming Pool Feasibility	0.065	0.000	0.000	0.000	0.000	0.065	Dyer-Slade, Tina
L1010	Bargate Monument Repairs	0.236	0.000	0.000	0.000	0.000	0.236	Shepherd, Lisa
L1020	Guildhall Square Electricity Supply Enhancement	0.040	0.000	0.000	0.000	0.000	0.040	Lintott, Craig
L1440	Tudor House Museum Phase 1	0.005	0.000	0.000	0.000	0.000	0.005	Matthews, Daniel
L6790	Sections 106 Playing Field Improvement	0.080	0.000	0.000	0.000	0.000	0.080	Dyer-Slade, Tina
L6791	Lordshill Playing Field Drainage	0.027	0.000	0.000	0.000	0.000	0.027	Yeats, Nicholas
L810U	Art in Public Places – Millbrook and Weston	0.017	0.000	0.000	0.000	0.000	0.017	Harris, Michael
L8260	Tudor House Museum Phase 2 Implementation	0.030	0.000	0.000	0.000	0.000	0.030	Matthews, Daniel
L8370	Woolston Library	0.713	0.000	0.000	0.000	0.000	0.713	Baldwin, David
Total Programme		1.213	0.000	0.000	0.000	0.000	1.213	

Sources of Finance

Council Resources	1.081	0.000	0.000	0.000	0.000	1.081
Contributions	0.097	0.000	0.000	0.000	0.000	0.097
Other Grants	0.035	0.000	0.000	0.000	0.000	0.035
Total Programme	1.213	0.000	0.000	0.000	0.000	1.213

EDUCATION & CHILDREN'S SOCIAL CARE

Scheme No.	Description	Estimate 2016/17 £M	Forecast 2017/18 £M	Forecast 2018/19 £M	Forecast 2019/20 £M	Forecast 2020/21 £M	Total £M	Project Manager
E5005	Primary Review P2 - Shirley Warren Primary	0.097	0.000	0.000	0.000	0.000	0.097	Floyd, Colin
E5011	Primary Review P2 - Fairisle Infant & Nursery	0.040	0.000	0.000	0.000	0.000	0.040	Floyd, Colin
E5017	Primary Review P2 - Heathfield Junior School	0.749	0.000	0.000	0.000	0.000	0.749	Floyd, Colin
E5018	Primary Review P2 - Sholing Junior	1.275	0.000	0.000	0.000	0.000	1.275	Floyd, Colin
E5019	Primary Review P2 - Tanners Brook Junior	0.397	0.000	0.000	0.000	0.000	0.397	Floyd, Colin
E5020	Primary Review P2 - Fairisle Junior	1.259	0.000	0.000	0.000	0.000	1.259	Floyd, Colin
E5022	Primary Review Contingency	0.100	0.000	0.000	0.000	0.000	0.100	Mullan, Nigel
E5027	Expansion of St Johns Primary & Nursery	0.231	0.000	0.000	0.000	0.000	0.231	Hards, Richard
E5030	Portswood Primary Expansion	0.740	0.000	0.000	0.000	0.000	0.740	Read, Maureen
E5031	Bitterne Manor Primary Expansion	0.022	0.000	0.000	0.000	0.000	0.022	Floyd, Colin
E5035	Great Oaks Special School Expansion	0.001	0.000	0.000	0.000	0.000	0.001	Mullan, Nigel
E5037	Springwell School - Main Expansion 15/16	2.427	0.000	0.000	0.000	0.000	2.427	Read, Maureen
E5039	Remedial works at Sholing - spring well intake 2015	0.007	0.000	0.000	0.000	0.000	0.007	Mullan, Nigel
E5041	Springhill Primary Academy School one modular building	0.050	0.000	0.000	0.000	0.000	0.050	Mullan, Nigel
E5042	St Patricks Expansion	0.210	0.000	0.000	0.000	0.000	0.210	Floyd, Colin
E5043	Springwell School-Phase 2	0.800	7.700	1.170	0.000	0.000	9.670	Read, Maureen
E5044	St Monica (bulge class)	0.677	0.000	0.000	0.000	0.000	0.677	Floyd, Colin
E5046	Thornhill Expansion	0.030	0.000	0.000	0.000	0.000	0.030	Mullan, Nigel
E5047	PSBP Valentine and St Denys	0.456	0.000	0.000	0.000	0.000	0.456	Mullan, Nigel
E7200	Secondary School Estates Capital	0.049	0.000	0.000	0.000	0.000	0.049	Hards, Richard
E7203	Health and Safety Capital	0.313	0.000	0.000	0.000	0.000	0.313	Saxby, Jacqueline
E7204	School Capital Maintenance	0.100	0.000	0.000	0.000	0.000	0.100	Mullan, Nigel
E7205	Solar PV Resources Project	0.107	0.000	0.000	0.000	0.000	0.107	Davies, Ian
E7206	Renewable Heat Incentive	0.008	0.000	0.000	0.000	0.000	0.008	Davies, Ian
E7209	Chamberlayne Capital Maintenance	0.031	0.000	0.000	0.000	0.000	0.031	Hards, Richard
E7214	Upper Shirley High	0.002	0.000	0.000	0.000	0.000	0.002	Hards, Richard
E7217	R&M Planned Programme 14-15	1.834	0.000	0.000	0.000	0.000	1.834	Mullan, Nigel
E7218	R&M Planned Programme 16-17	2.900	3.300	0.000	0.000	0.000	6.200	Floyd, Colin
E7220	Early Years Expansion Programme	0.476	0.000	0.000	0.000	0.000	0.476	Read, Maureen
E7221	Early Years Expansion	0.500	0.550	0.000	0.000	0.000	1.050	Read, Maureen
E8134	Middlecroft Lane Loft Extension	0.003	0.000	0.000	0.000	0.000	0.003	Floyd, Colin
E8160	ICT Harnessing Technology Grant	0.028	0.000	0.000	0.000	0.000	0.028	Taylor, Nicholas
E9022	Schools Access Initiative	0.135	0.000	0.000	0.000	0.000	0.135	Read, Maureen
E9061	Mayfield Academy	0.057	0.000	0.000	0.000	0.000	0.057	Mullan, Nigel
E9062	Lordshill Academy	0.241	0.000	0.000	0.000	0.000	0.241	Mullan, Nigel
E9093	Increased Places at St Mary's Primary - Phase 2	0.010	0.000	0.000	0.000	0.000	0.010	Floyd, Colin
E9117	Asbestos Removal	0.076	0.000	0.000	0.000	0.000	0.076	Saxby, Jacqueline
E9121	Bitterne Park Secondary Building programme -planning contributio	0.197	0.000	0.000	0.000	0.000	0.197	Hards, Richard
E9122	Bitterne Park Autism Resource Base	0.150	0.000	0.000	0.000	0.000	0.150	Hards, Richard
E9130	Building for Excellence	0.500	0.500	0.000	0.000	0.000	1.000	Mullan, Nigel
E9131	Health & Safety Programme	0.200	0.200	0.000	0.000	0.000	0.400	Saxby, Jacqueline
E9133	Schools Access Initiative	0.150	0.150	0.000	0.000	0.000	0.300	Read, Maureen
E9140	Asbestos	0.250	0.250	0.000	0.000	0.000	0.500	Saxby, Jacqueline
Total Programme		17.885	12.650	1.170	0.000	0.000	31.705	

Sources of Finance

Council Resources	0.834	7.700	1.170	0.000	0.000	9.704
Contributions	0.002	0.000	0.000	0.000	0.000	0.002
Central Govt Grants	17.049	4.950	0.000	0.000	0.000	21.999
Total Programme	17.885	12.650	1.170	0.000	0.000	31.705

FINANCE

Scheme No.	Description	Estimate 2016/17 £M	Forecast 2017/18 £M	Forecast 2018/19 £M	Forecast 2019/20 £M	Forecast 2020/21 £M	Total £M	Project Manager
M9710	Accommodation Strategy Action Programme (ASAP)	0.278	0.000	0.000	0.000	0.000	0.278	Fox, Annabel
P5100	Desktop Refresh Programme	0.373	0.285	0.000	0.000	0.000	0.658	Bendall, Tony
P5120	Works to Enable Accommodation Strategy	0.260	0.000	0.000	0.000	0.000	0.260	Fox, Annabel
P5140	Customer Portal	0.073	0.000	0.000	0.000	0.000	0.073	Dawtry, Sean
Total Programme		0.984	0.285	0.000	0.000	0.000	1.269	

Sources of Finance

Council Resources	0.318	0.000	0.000	0.000	0.000	0.318
Direct Revenue	0.666	0.285	0.000	0.000	0.000	0.951
Total Programme	0.984	0.285	0.000	0.000	0.000	1.269

HEALTH & ADULT SOCIAL CARE

Scheme No.	Description	Estimate 2016/17 £M	Forecast 2017/18 £M	Forecast 2018/19 £M	Forecast 2019/20 £M	Forecast 2020/21 £M	Total £M	Project Manager
R9330	National Care Standards and H&S Work	0.070	0.000	0.000	0.000	0.000	0.070	Rossiter, Ricky
R9340	Replacement of Appliances and Equipment	0.036	0.000	0.000	0.000	0.000	0.036	Rossiter, Ricky
R9700	Common Assessment Framework	0.015	0.000	0.000	0.000	0.000	0.015	Frankcom, Alan
R9720	Residential Homes fabric furnishing CQC	0.012	0.000	0.000	0.000	0.000	0.012	Rossiter, Ricky
Total Programme		0.133	0.000	0.000	0.000	0.000	0.133	

Sources of Finance

Central Govt Grants	0.133	0.000	0.000	0.000	0.000	0.133
Total Programme	0.133	0.000	0.000	0.000	0.000	0.133

HOUSING & SUSTAINABILITY

Scheme No.	Description	Estimate 2016/17 £M	Forecast 2017/18 £M	Forecast 2018/19 £M	Forecast 2019/20 £M	Forecast 2020/21 £M	Total £M	Project Manager
C257F	Civic Centre IT server room	0.078	0.000	0.000	0.000	0.000	0.078	Taylor, Jason
C257G	Lighting Upgrades Salix Works	0.009	0.000	0.000	0.000	0.000	0.009	Taylor, Jason
C257I	Insulation Salix Works	0.005	0.000	0.000	0.000	0.000	0.005	Taylor, Jason
G4310	Green Projects	0.378	0.000	0.000	0.000	0.000	0.378	Hawkins, Janet
G4490	Insulation and Fuel Poverty Initiatives	0.047	0.000	0.000	0.000	0.000	0.047	Hawkins, Janet
G4620	Handyperson Service	0.110	0.000	0.000	0.000	0.000	0.110	Hawkins, Janet
G4670	Disabled Facilities Grants approved in 2014/15	0.102	0.000	0.000	0.000	0.000	0.102	Hawkins, Janet
G4690	Disabled Facilities Grants Approved in 2015/16	0.410	0.000	0.000	0.000	0.000	0.410	Hawkins, Janet
G4710	Green Deal Communities Engagement	0.453	0.000	0.000	0.000	0.000	0.453	Hawkins, Janet
G4720	HIL/DFG Repayments	0.455	0.000	0.000	0.000	0.000	0.455	Hawkins, Janet
G6430	Support for Estate Regeneration	0.932	0.000	0.000	0.000	0.000	0.932	Bradbury, Mark
G6580	Estate Parking Improvements	0.296	0.000	0.000	0.000	0.000	0.296	Cooper, Aidan
G6610	DevCo Setup	0.178	0.000	0.000	0.000	0.000	0.178	Bradbury, Mark
C2440	Priory Road Property Level Protection Scheme	0.180	0.023	0.000	0.000	0.000	0.203	Maguire, Bernadine
Total Programme		3.633	0.023	0.000	0.000	0.000	3.656	

Sources of Finance

Council Resources	0.178	0.000	0.000	0.000	0.000	0.178
Earmarked Capital Receipts	0.394	0.000	0.000	0.000	0.000	0.394
Contributions	2.338	0.000	0.000	0.000	0.000	2.338
Central Govt Grants	0.723	0.023	0.000	0.000	0.000	0.746
Total Programme	3.633	0.023	0.000	0.000	0.000	3.656

LEADER'S

Scheme No.	Description	Estimate 2016/17 £M	Forecast 2017/18 £M	Forecast 2018/19 £M	Forecast 2019/20 £M	Forecast 2020/21 £M	Total £M	Project Manager
C620Y	QE2 Mile - Bargate Square	0.960	0.000	0.000	0.000	0.000	0.960	Bennett, Wendy
L8200	Southampton New Arts Centre (SNAC)	11.552	0.178	0.000	0.000	0.000	11.730	Low, Jill
L8201	Southampton New Arts Centre - Developer Payments	0.103	0.000	0.000	0.000	0.000	0.103	Low, Jill
M8000	Station Quarter Southside	0.352	0.000	0.000	0.000	0.000	0.352	Hobday, Grant
M9370	Town Depot	0.046	0.000	0.000	0.000	0.000	0.046	Hobday, Grant
M9390	Royal Pier	0.206	0.100	0.100	0.000	0.000	0.406	Meredith, Emma
M9400	Mayflower Park Spitfire Memorial	0.013	0.000	0.000	0.000	0.000	0.013	Meredith, Emma
M9420	West Quay Phase 3 WWQ	0.410	0.070	0.000	0.000	0.000	0.480	Bennett, Wendy
M9425	Watermark WestQuay	2.931	0.000	0.000	0.000	0.000	2.931	Bennett, Wendy
M942B	West Quay Phase 3 Site B	0.065	0.000	0.000	0.000	0.000	0.065	Bennett, Wendy
M9430	Northern Above Bar Fees - T&G Marketing Fees	0.023	0.000	0.000	0.000	0.000	0.023	Meredith, Emma
M9480	Fruit & Veg (Disposal)	0.010	0.000	0.000	0.000	0.000	0.010	Hobday, Grant
M9500	Northern Above Bar - Guildhall Square	0.197	0.000	0.000	0.000	0.000	0.197	Bennett, Wendy
M9830	Feasibility - Major Site Devlpmt	0.059	0.000	0.000	0.000	0.000	0.059	Bennett, Wendy
MOPIF	Property Investment Fund	65.000	0.000	0.000	0.000	0.000	65.000	Mark Bradbury
Total Programme		81.927	0.348	0.100	0.000	0.000	82.375	

Sources of Finance

Council Resources	73.242	0.178	0.000	0.000	0.000	73.420
Earmarked Capital Receipts	0.100	0.000	0.000	0.000	0.000	0.100
Contributions	0.386	0.000	0.000	0.000	0.000	0.386
Central Govt Grants	2.931	0.000	0.000	0.000	0.000	2.931
Other Grants	4.241	0.000	0.000	0.000	0.000	4.241
Direct Revenue	1.027	0.170	0.100	0.000	0.000	1.297
Total Programme	81.927	0.348	0.100	0.000	0.000	82.375

TRANSFORMATION

Scheme No.	Description	Estimate 2016/17 £M	Forecast 2017/18 £M	Forecast 2018/19 £M	Forecast 2019/20 £M	Forecast 2020/21 £M	Total £M	Project Manager
T1000	Digital Investment Phase 1	0.405	0.000	0.000	0.000	0.000	0.405	Davis, Rebecca
T2000	Digital Investment Phase 2	3.300	0.000	0.000	0.000	0.000	3.300	Davis, Rebecca
Total Programme		3.705	0.000	0.000	0.000	0.000	3.705	

Sources of Finance

Council Resources	0.405	0.000	0.000	0.000	0.000	0.405
Earmarked Capital Receipts	3.300	0.000	0.000	0.000	0.000	3.300
Total Programme	3.705	0.000	0.000	0.000	0.000	3.705

ENVIRONMENT & TRANSPORT

Scheme No.	Description	Estimate 2016/17 £M	Forecast 2017/18 £M	Forecast 2018/19 £M	Forecast 2019/20 £M	Forecast 2020/21 £M	Total £M	Project Manager
C2100	Purchase of Vehicles	2.292	0.090	0.090	0.100	0.000	2.572	Wheeler, Paul
C230A	Digital Radio Service	0.003	0.000	0.000	0.000	0.000	0.003	Walker, Paul
C240E	Itchen Masterplan	0.003	0.000	0.000	0.000	0.000	0.003	Brown, Kay
C2410	Mobile Working	0.048	0.000	0.000	0.000	0.000	0.048	Ferris, Neil
C269M	Dock Gate 20 - Contingency	0.007	0.000	0.000	0.000	0.000	0.007	Cooper, Malcolm
C273C	Itchen Bridge Toll Automation Delivery Supervision	0.018	0.000	0.000	0.000	0.000	0.018	Bell, Simon
C550G	Improved Safety 2015/16 - Engineering	0.334	0.000	0.000	0.000	0.000	0.334	Churcher, Greg
C7112	Road Safety Partnership	0.042	0.000	0.000	0.000	0.000	0.042	Churcher, Greg
C7131	Cycling	0.307	0.213	0.030	0.000	0.000	0.550	Bostock, Dale
C713S	Cycle Network Improvements	0.050	0.000	0.000	0.000	0.000	0.050	Bostock, Dale
C714F	Traveline (PTI 2005)	0.020	0.000	0.000	0.000	0.000	0.020	Bell, Simon
C7151	Improved Safety	0.072	0.000	0.006	0.000	0.000	0.078	Churcher, Greg
C715Q	Improved Safety - Minor Works	0.050	0.000	0.000	0.000	0.000	0.050	Perris, Colin
C716M	Workplace Travel Plan Measures	0.106	0.000	0.018	0.000	0.000	0.124	Tuck, Neil
C716N	School Travel Plan Measures	0.131	0.000	0.000	0.000	0.000	0.131	Tuck, Neil
C7171	Accessibility	0.015	0.017	0.000	0.000	0.000	0.032	Walker, Paul
C717C	District Schemes Programme	0.006	0.000	0.000	0.000	0.000	0.006	Alderson, Richard
C717N	Estate Regeneration - Transport Policy Contribution	0.076	0.000	0.000	0.000	0.000	0.076	Walker, Paul
C717R	Kingsbridge Lne Public Realm Enhancements	0.031	0.000	0.000	0.000	0.000	0.031	Churcher, Greg
C717S	Station Boulevard	0.139	0.000	0.000	0.000	0.000	0.139	Boustred, Pete
C717T	Local Transport Improvement Fund	0.258	0.000	0.000	0.000	0.000	0.258	Boustred, Pete
C717U	Albert Road North Study	0.025	0.000	0.000	0.000	0.000	0.025	Steane, Ian
C717V	Legible Cities Phase 6	0.040	0.000	0.000	0.000	0.000	0.040	Churcher, Greg
C7181	ITS	0.293	0.000	0.000	0.000	0.000	0.293	Walker, Paul
C718D	CCTV Cameras	0.015	0.000	0.000	0.000	0.000	0.015	Perris, Colin
C718F	LTP Monitoring	0.043	0.000	0.000	0.000	0.000	0.043	Alderson, Richard
C718G	Micro Simulation	0.050	0.000	0.000	0.000	0.000	0.050	Boustred, Pete
C718H	Network Capacity Improvements	0.100	0.000	0.000	0.000	0.000	0.100	Churcher, Greg
C718Q	Cleaner Bus Transport Fund	0.786	0.000	0.000	0.000	0.000	0.786	Churcher, Greg
C718S	Redbridge Roundabout Junction Improvements	0.150	0.000	0.000	0.000	0.000	0.150	Boustred, Pete
C718T	Urban Freight Strategy - Delivery Service Plans	0.070	0.000	0.000	0.000	0.000	0.070	Fry, Simon
C718U	Upper Shirley High Street	0.050	0.000	0.000	0.000	0.000	0.050	Churcher, Greg
C718Z	Motor Cycle Parking	0.033	0.000	0.000	0.000	0.000	0.033	Churcher, Greg
C719B	Essential Highways Minor Works	0.126	0.000	0.000	0.000	0.000	0.126	Perris, Colin
C723B	Major Cycle Route Signage	0.034	0.000	0.000	0.000	0.000	0.034	Bostock, Dale
C723E	Second Avenue Millbrook Cycle Scheme	0.433	0.000	0.000	0.000	0.000	0.433	Bostock, Dale
C723J	Eastern strategic cycle route development	0.165	0.027	0.000	0.000	0.000	0.192	Bostock, Dale
C723K	Northern strategic cycle route development	0.415	0.000	0.000	0.000	0.000	0.415	Bostock, Dale
C723L	Cycle parking at key locations	0.043	0.000	0.000	0.000	0.000	0.043	Bostock, Dale
C724B	Bus Lane & Traffic Enforcement	0.200	0.000	0.000	0.000	0.000	0.200	Churcher, Greg
C724D	Bus Corridor Minor Works	0.378	0.259	0.022	0.000	0.000	0.659	Churcher, Greg
C772A	Millbrook Roundabout Highway Capacity Improvements	0.500	0.000	0.000	0.000	0.000	0.500	Boustred, Pete
C773A	Redbridge Roundabout New Scheme 16/17	0.150	0.000	0.000	0.000	0.000	0.150	Boustred, Pete
C774A	Northam Rail Bridge Replacement and corridor improvements	0.050	0.000	0.000	0.000	0.000	0.050	Boustred, Pete
C777B	B2P Western Approach Rail	0.013	0.000	0.000	0.000	0.000	0.013	Harvey, John
C777C	B2P Northam River Bridge	0.063	0.000	0.000	0.000	0.000	0.063	Harvey, John
C777E	b2P - Vicarage Bridge	0.397	0.000	0.000	0.000	0.000	0.397	Harvey, John
C791H	Other Bridge Works	0.314	0.000	0.000	0.000	0.000	0.314	Harvey, John
C791Q	Wilton Avenue Culvert Repair	0.155	0.000	0.000	0.000	0.000	0.155	Harvey, John
C791U	Northam River Bridge Containment	0.200	0.000	0.000	0.000	0.000	0.200	Harvey, John
C7921	Principal Roads	0.498	0.000	0.000	0.000	0.000	0.498	Armstrong, David
C8000	Classified Roads	0.045	0.000	0.000	0.000	0.000	0.045	Armstrong, David
C808M	Bitterne Road West (Athelstan Road to Rampart Road)	0.426	0.000	0.000	0.000	0.000	0.426	Armstrong, David
C808N	Bitterne Road West (Outside 509 to outside 693)	0.617	0.000	0.000	0.000	0.000	0.617	Armstrong, David
C808P	West Quay Road (Mayflower Roundabout to Southern Road)	1.867	0.000	0.000	0.000	0.000	1.867	Armstrong, David
C809A	Millbrook Roundabout Detailed Design	0.008	0.000	0.000	0.000	0.000	0.008	Armstrong, David
C8100	Unclassified Roads	0.296	0.000	0.000	0.000	0.000	0.296	Armstrong, David
C816C	Footways - Various Treatments	0.200	0.000	0.000	0.000	0.000	0.200	Perris, Colin
C818R	Rother Dale Investigation	0.141	0.000	0.000	0.000	0.000	0.141	Armstrong, David
C818S	Footways Improvements - Kathleen Road	0.132	0.000	0.000	0.000	0.000	0.132	Armstrong, David
C818T	Footways Improvements - Dale Valley Gardens	0.015	0.000	0.000	0.000	0.000	0.015	Armstrong, David
C818U	Footways Improvements - Firgrove Road	0.014	0.000	0.000	0.000	0.000	0.014	Armstrong, David
C818V	Footways Improvements - Greywell Avenue	0.018	0.000	0.000	0.000	0.000	0.018	Armstrong, David
C818W	Footways Improvements - Ingleton Road	0.011	0.000	0.000	0.000	0.000	0.011	Armstrong, David
C818X	Footways Improvements - Turnstone Gardens	0.009	0.000	0.000	0.000	0.000	0.009	Armstrong, David
C818Y	Pepys Avenue	0.027	0.000	0.000	0.000	0.000	0.027	Armstrong, David
C820A	Highways Drainage Investigations	0.077	0.000	0.000	0.000	0.000	0.077	Perris, Colin
C822J	Decent Neighbourhoods	0.023	0.000	0.000	0.000	0.000	0.023	Armstrong, David
C825B	Burgess Road (Approach to Bassett Ave / The Avenue)	0.146	0.000	0.000	0.000	0.000	0.146	Armstrong, David
C826P	Portswood Road (Grosvenor Road to outside Waggoners Arms PH)	0.089	0.000	0.000	0.000	0.000	0.089	Armstrong, David
C826Q	Bath Road (Bursledon Road to Bitterne Road East)	0.119	0.000	0.000	0.000	0.000	0.119	Armstrong, David
C826R	Middle Road (South east Road to Station Road)	0.304	0.000	0.000	0.000	0.000	0.304	Armstrong, David
C826S	Stoneham lane (Bassett Green Road to Channel farm Road)	0.094	0.000	0.000	0.000	0.000	0.094	Armstrong, David
C826T	Butts Road (Shooters Hill Close to outside Butts Crescent)	0.506	0.000	0.000	0.000	0.000	0.506	Armstrong, David

ENVIRONMENT & TRANSPORT

Scheme No.	Description	Estimate 2016/17 £M	Forecast 2017/18 £M	Forecast 2018/19 £M	Forecast 2019/20 £M	Forecast 2020/21 £M	Total £M	Project Manager
C826U	Mousehole lane (Witts Hill to West End Road roundabout)	0.235	0.000	0.000	0.000	0.000	0.235	Armstrong, David
C826V	Botley Road (Portsmouth Road to Bursledon Road)	0.150	0.000	0.000	0.000	0.000	0.150	Armstrong, David
C826W	Cobden Avenue (Midanbury lane to outside 50 Cobden Avenue)	0.174	0.000	0.000	0.000	0.000	0.174	Armstrong, David
C826X	Athelstan Road (Cross Road to outside 5 Athelstan Road)	0.046	0.000	0.000	0.000	0.000	0.046	Armstrong, David
C826Y	Woodmill Lane (Oliver Road to approach to Thomas Lewis Way)	0.148	0.000	0.000	0.000	0.000	0.148	Armstrong, David
C828H	Footway Improvement Programme 2015/16	0.003	0.000	0.000	0.000	0.000	0.003	Armstrong, David
C829A	Glenfield Crescent	0.132	0.000	0.000	0.000	0.000	0.132	Armstrong, David
C829B	Bramdean Road (part)	0.082	0.000	0.000	0.000	0.000	0.082	Armstrong, David
C829C	Summit way	0.058	0.000	0.000	0.000	0.000	0.058	Armstrong, David
C829D	Lydgate Road	0.148	0.000	0.000	0.000	0.000	0.148	Armstrong, David
C829E	Cunningham Crescent	0.087	0.000	0.000	0.000	0.000	0.087	Armstrong, David
C829F	Heathfield Road	0.111	0.000	0.000	0.000	0.000	0.111	Armstrong, David
C829J	Milbury Crescent	0.162	0.000	0.000	0.000	0.000	0.162	Armstrong, David
C829L	Brookwood Road	0.217	0.000	0.000	0.000	0.000	0.217	Armstrong, David
C829M	Braeside Crescent	0.030	0.000	0.000	0.000	0.000	0.030	Armstrong, David
C829N	Drayton Close	0.064	0.000	0.000	0.000	0.000	0.064	Armstrong, David
C829P	Durlston Road	0.063	0.000	0.000	0.000	0.000	0.063	Armstrong, David
C829Q	Fullerton Close (part)	0.041	0.000	0.000	0.000	0.000	0.041	Armstrong, David
C829R	Longstock Close	0.030	0.000	0.000	0.000	0.000	0.030	Armstrong, David
C8300	St Lighting	0.065	0.000	0.000	0.000	0.000	0.065	Perris, Colin
C881B	St Nameplates	0.010	0.000	0.000	0.000	0.000	0.010	Perris, Colin
C881F	Road Restraint Systems	0.050	0.000	0.000	0.000	0.000	0.050	Perris, Colin
C8900	City Centre Improvements	0.304	0.000	0.000	0.000	0.000	0.304	Bousted, Pete
C890G	Platform Road – Town Quay Design	0.040	0.000	0.000	0.000	0.000	0.040	Cheal, Matthew
C890L	Platform Road Construction	0.025	0.000	0.000	0.000	0.000	0.025	Cheal, Matthew
C8911	Platform for Prosperity	0.061	0.000	0.000	0.000	0.000	0.061	Cheal, Matthew
C892B	Centenary Quay - Design & Assessment	0.004	0.000	0.000	0.000	0.000	0.004	Bousted, Pete
C893B	North of Station - Phase 2	0.497	0.000	0.000	0.000	0.000	0.497	Bousted, Pete
C9120	Highways Improvements (Developer)	0.253	0.000	0.000	0.000	0.000	0.253	Armstrong, David
C920A	Highways Maintenance Risk Fund	0.160	0.000	0.000	0.000	0.000	0.160	Armstrong, David
C920B	Highways Maintenance Compensation Event Fund	0.018	0.000	0.000	0.000	0.000	0.018	Armstrong, David
C947J	Emergency Repairs to MSCPs	0.134	0.000	0.000	0.000	0.000	0.134	Sahota, Jaswinder

Total Programme

18.583	0.606	0.166	0.100	0.000	19.455
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Sources of Finance

Council Resources	7.797	0.090	0.090	0.100	0.000	8.077
Contributions	1.746	0.516	0.076	0.000	0.000	2.338
Central Govt Grants	7.996	0.000	0.000	0.000	0.000	7.996
Direct Revenue	1.044	0.000	0.000	0.000	0.000	1.044

Total Programme

18.583	0.606	0.166	0.100	0.000	19.455
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Overall General Fund Capital Programme

129.972	13.912	1.436	0.100	0.000	145.420
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VARIATIONS SINCE FEBRUARY 2016 CAPITAL UPDATE

Portfolio	Scheme	£M	Funding Source
City Services	Veracity Recreation Grant	0.06	S106/CIL
Housing & Sustainability	Priory Road Property Level Protection	0.20	Government Grants
Transport	Cycling Improvements	0.02	S106
Additions to the Programme		<u>0.28</u>	
Finance	Works to Enable Acomodation Strategy	(0.50)	Council Resources
Health & Adults Social Care	Common Assessment Framework	(0.13)	Government Grants
Deletions from the Programme		<u>(0.63)</u>	
Total Variations to the Overall Programme		<u><u>(0.35)</u></u>	

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KEY ISSUES – QTR 1

CITY SERVICES PORTFOLIO

The portfolio programme currently totals **£1.91M**. This can be compared to the previous reported programme position of **£1.85M** resulting in an increase of **£0.06M** movement on the programme, which represents a percentage increase of **3.2%**.

The changes to the programme are shown in the following summarised table:

	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£M	£M	£M	£M	£M	£M
Programme at last report	1.85	0.00	0.00	0.00	0.00	1.85
Approvals since last report	0.06	0.00	0.00	0.00	0.00	0.06
New Additions for Approval	0.00	0.00	0.00	0.00	0.00	0.00
Other Changes for Approval	0.00	0.00	0.00	0.00	0.00	0.00
Slippage/Re-phasing	0.00	0.00	0.00	0.00	0.00	0.00
Programme Total	1.91	0.00	0.00	0.00	0.00	1.91

The forecast position of the revised 2016/17 programme is **£1.91M**.

PROGRAMME CHANGES

APPROVALS SINCE LAST REPORT

CS1 - Veracity Recreation Ground (£0.06M Increase)

The service director, Growth on the 3/06/2016 approved the addition of £0.05M of section 106 developer contributions and £0.01M of C.I.L monies in order to redevelop the Play Area at the Veracity Recreation Ground in 2016/17.

COMMUNITIES, CULTURE & LEISURE PORTFOLIO

The portfolio programme currently totals **£1.21M**. This can be compared to the previous reported programme position of **£1.21M** resulting in a **nil** movement on the programme.

The changes to the programme are shown in the following summarised table:

	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£M	£M	£M	£M	£M	£M
Programme at last report	1.21	0.00	0.00	0.00	0.00	1.21
Approvals since last report	0.00	0.00	0.00	0.00	0.00	0.00
New Additions for Approval	0.00	0.00	0.00	0.00	0.00	0.00
Other Changes for Approval	0.00	0.00	0.00	0.00	0.00	0.00
Slippage/Re-phasing	0.00	0.00	0.00	0.00	0.00	0.00
Programme Total	1.21	0.00	0.00	0.00	0.00	1.21

The forecast position of the revised 2016/17 programme is **£1.25M** which represents a **£0.04M** overspend.

FORECAST CHANGES

(UNDER)/OVERSPENDS

CCL1 – Guildhall Refurbishment (£0.03M Increase)

There is a forecast over spend of £0.03M in 2016/17 on stone work repairs, which will need to be funded from Council resources. Early indications suggest that the stone repairs to the Bargate monument may underspend; once the final contractor payments are known in month 5 it will be reflected in the forecast.

EDUCATION & CHILDRENS SOCIAL CARE PORTFOLIO

The portfolio programme currently totals **£31.70M**. This can be compared to the previous reported programme position of **£31.70M** resulting in a **nil** movement on the programme.

The changes to the programme are shown in the following summarised table:

	2016/17 £M	2017/18 £M	2018/19 £M	2019/20 £M	2020/21 £M	Total £M
Programme at last report	17.88	12.65	1.17	0.00	0.00	31.70
Approvals since last report	0.00	0.00	0.00	0.00	0.00	0.00
New Additions for Approval	0.00	0.00	0.00	0.00	0.00	0.00
Other Changes for Approval	0.00	0.00	0.00	0.00	0.00	0.00
Slippage/Re-phasing	0.00	0.00	0.00	0.00	0.00	0.00
Programme Total	17.88	12.65	1.17	0.00	0.00	31.70

The forecast position of the revised 2016/17 programme is **£17.88M**.

FINANCE PORTFOLIO

The portfolio programme currently totals **£1.27M**. This can be compared to the previous reported programme position of **£1.77M** resulting in a **£0.50M** movement on the programme, which represents a percentage decrease of **28.2%**.

The changes to the programme are shown in the following summarised table:

	2016/17 £M	2017/18 £M	2018/19 £M	2019/20 £M	2020/21 £M	Total £M
Programme at last report	1.48	0.29	0.00	0.00	0.00	1.77
Approvals since last report	0.00	0.00	0.00	0.00	0.00	0.00
New Additions for Approval	0.00	0.00	0.00	0.00	0.00	0.00
Other Changes for Approval	(0.50)	0.00	0.00	0.00	0.00	(0.50)
Slippage/Re-phasing	0.00	0.00	0.00	0.00	0.00	0.00
Programme Total	0.98	0.29	0.00	0.00	0.00	1.27

The forecast position of the revised 2016/17 programme is **£0.98M**.

PROGRAMME CHANGES

FIN 1 – Works to Enable Accommodation Strategy (£0.50M Decrease)

Reduction in assumed future accommodation changes as a result of a review of the Accommodation Strategy.

The scheme meets the costs of further accommodation changes required to implement the overall accommodation strategy, to include where possible the future vacation and disposal of Service Properties and any required Civic Centre adaptations. Following a detailed review of the remaining budget it has been agreed by the Accommodation Board that a sum of £0.50M can be released to be considered as part of any wider prioritisation of resources.

HEALTH & ADULTS SOCIAL CARE PORTFOLIO

The portfolio programme currently totals **£0.13M**. This can be compared to the previous reported programme position of **£0.26M** resulting in a **£0.13M** movement on the programme, which represents a percentage decrease of **50.0%**.

The changes to the programme are shown in the following summarised table:

	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£M	£M	£M	£M	£M	£M
Programme at last report	0.26	0.00	0.00	0.00	0.00	0.26
Approvals since last report	0.00	0.00	0.00	0.00	0.00	0.00
New Additions for Approval	0.00	0.00	0.00	0.00	0.00	0.00
Other Changes for Approval	(0.13)	0.00	0.00	0.00	0.00	(0.13)
Slippage/Re-phasing	0.00	0.00	0.00	0.00	0.00	0.00
Programme Total	0.13	0.00	0.00	0.00	0.00	0.13

The forecast position of the revised 2016/17 programme is **£0.13M**.

PROGRAMME CHANGES:

HASC1 – Common Assessment Framework (CAFA) - (£0.13M Decrease)

This project is almost completed, an under spend of £0.13M has been identified as a result of overall costs being less than anticipated.

HOUSING & SUSTAINABILITY PORTFOLIO

The portfolio programme currently totals **£3.65M**. This can be compared to the previous reported programme position of **£3.45M** resulting in a **£0.20M** movement on the programme, which represents a percentage increase of **5.8%**.

The changes to the programme are shown in the following summarised table:

	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£M	£M	£M	£M	£M	£M
Programme at last report	3.45	0.00	0.00	0.00	0.00	3.45
Approvals since last report	0.18	0.02	0.00	0.00	0.00	0.20
New Additions for Approval	0.00	0.00	0.00	0.00	0.00	0.00
Other Changes for Approval	0.00	0.00	0.00	0.00	0.00	0.00
Slippage/Re-phasing	0.00	0.00	0.00	0.00	0.00	0.00
Programme Total	3.63	0.02	0.00	0.00	0.00	3.65

The forecast position of the revised 2016/17 programme is **£3.63M**.

PROGRAMME CHANGES

APPROVALS SINCE LAST REPORT

H&S 1 – Priory Road Property Level Protection Scheme (£0.20M increase)

A Flood Risk Management grant of £0.20M has been awarded by the Environment Agency with the aim of reducing the impact of flooding to properties identified as at risk in Priory Road. £0.18M of this grant is expected to be spent in 2016/17 and the remaining £0.02M in 2017/18.

LEADERS PORTFOLIO

The portfolio programme currently totals **£82.38M**. This can be compared to the previous reported programme position of **£82.38M** resulting in a **nil** movement on the programme.

The changes to the programme are shown in the following summarised table:

	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£M	£M	£M	£M	£M	£M
Programme at last report	81.93	0.35	0.10	0.00	0.00	82.38
Approvals since last report	0.00	0.00	0.00	0.00	0.00	0.00
New Additions for Approval	0.00	0.00	0.00	0.00	0.00	0.00
Other Changes for Approval	0.00	0.00	0.00	0.00	0.00	0.00
Slippage/Rephasing	0.00	0.00	0.00	0.00	0.00	0.00
Programme Total	81.93	0.35	0.10	0.00	0.00	82.38

The forecast position of the revised 2016/17 programme is **£57.71M** which represents a **£24.22M** underspend.

FORECAST CHANGES

(UNDER)/OVERSPENDS

LD 1 – Southampton New Arts Centre (SNAC) (£0.79M increase)

An overspend is expected due to a delay in the fit-out of the centre

There has been a delay in the fit-out of the New Arts Centre, 10 weeks in the South Building and 12 weeks in the North Building.

This delay has been due in part to substantial flooding of the South Building due to a disconnected mains water supply pipe in the residential section of the building. Although the cost of labour and materials to replace the damaged elements is expected to be covered by insurance, there is an additional cost due to the necessary extension of the fit-out contract.

In addition to this, the building contractor was due to complete before the fit-out contractor arrived on site. However, project completion for the Arts elements was given before the Residential elements were completed. Since the building contractor was on site at the same time as the fit-out contractor this has resulted in further delays.

This will be funded from Council resources.

LD2 – Fruit & Veg (Disposal) (£0.01M decrease)

The final legal costs are lower than expected

This site has now been passed to the developer and the final legal costs are expected to be lower than originally budgeted.

LD3 – Property Investment Fund (£25.00M decrease)

Due to prevailing market conditions and the EU referendum outcome to leave the EU, it is expected that fewer investment opportunities will be available. In order to achieve the revenue saving we will be investing in the CCLA, which is a Treasury Management investment and is therefore not capital expenditure. Property service managers will continue scanning the market for any opportunities that may arise.

TRANSFORMATION PORTFOLIO

The portfolio programme currently totals **£3.71M**. This can be compared to the previous reported programme position of **£3.71M** resulting in a **nil** movement on the programme.

The changes to the programme are shown in the following summarised table:

	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£M	£M	£M	£M	£M	£M
Programme at last report	3.71	0.00	0.00	0.00	0.00	3.71
Approvals since last report	0.00	0.00	0.00	0.00	0.00	0.00
New Additions for Approval	0.00	0.00	0.00	0.00	0.00	0.00
Other Changes for Approval	0.00	0.00	0.00	0.00	0.00	0.00
Slippage/Re-phasing	0.00	0.00	0.00	0.00	0.00	0.00

Programme Total	3.71	0.00	0.00	0.00	0.00	3.71
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The forecast position of the revised 2016/17 programme is **£3.71M**.

TRANSPORT PORTFOLIO

The portfolio programme currently totals **£19.46M**. This can be compared to the previous reported programme position of **£19.44M** resulting in a **£0.02M** movement in the programme, which represents a percentage increase of **0.1%**.

The changes to the programme are shown in the following summarised table:

	2016/17 £M	2017/18 £M	2018/19 £M	2019/20 £M	2020/21 £M	Total £M
Programme at last report	18.55	0.62	0.17	0.10	0.00	19.44
Approvals since last report	0.02	0.00	0.00	0.00	0.00	0.02
New Additions for Approval	0.00	0.00	0.00	0.00	0.00	0.00
Other Changes for Approval	0.00	0.00	0.00	0.00	0.00	0.00
Slippage/Re-phasing	0.01	(0.01)	0.00	0.00	0.00	0.00
Programme Total	18.58	0.61	0.17	0.10	0.00	19.46

The forecast position of the revised 2016/17 programme is **£18.52M** which represents a **£0.06M** underspend.

PROGRAMME CHANGES

APPROVALS SINCE LAST REPORT

E&T 1 – Cycling Improvements (£0.02M Increase)

The Service Director, Growth on the 28/06/2016 approved the addition of £0.02M to the Cycle Parking project within the Cycling Improvements scheme - funded by Site Specific S106 new monies.

The project will adapt footway space and provide cycle parking, “Sheffield” stands, in Oxford Street.

OTHER CHANGES TO EXISTING SCHEMES

E&T 2 – Cycling Improvements (£0.01M Decrease) and Sustainable Travel (£0.01M Increase)

The Service Director, Growth on the 28/06/2016 approved the capital variation of £0.01 M in 2016/17 from the Cycling project within the Cycling Improvements scheme - funded by site specific section 106 monies to the School Travel Plan Measures project within the Sustainable Travel scheme. This will contribute to an improved school accessibility scheme at Bevois Town School.

E&T 3 – Principal Roads (£0.03M Decrease) and Unclassified Roads (£0.03M Increase)

The Service Director, Growth on the 24/05/2016 approved the capital variation of £0.03M in 2016/17 from the Romsey Road project (£0.01M) and the Inner Avenue project (0.02M) within the Principal Roads scheme - funded by LTP government grant to the Pepys Avenue project, £0.03M within the Unclassified Roads scheme. The works will deliver highways improvements at Pepys Avenue.

SLIPPAGE/REPHASING

E&T 4 – Cycling Improvements (Re-phasing of £0.01M from 2017/18 to 2016/17)

The Service Director, Growth on the 28/06/2016 approved the re-phasing from 2017/18 to 2016/17 of £0.01M on the Cycling project within the Cycling Improvements scheme - funded by site specific section 106 monies. This will deliver works on the Second Avenue Millbrook Cycle project to support the Western cycle route.

FORECAST CHANGES

(UNDER)/OVERSPENDS

E&T 5 – MSCP 10 Year Maintenance Programme (Slippage of £0.06M from 2016/17 to 2017/18)

There is slippage on the minor works to the Multi-Storey Car Parks (MSCPs) project contained within the MSCP 10 Year Maintenance Programme scheme as currently there is no other planned expenditure for the year. There is no overall change in the scheme.

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Agenda Item 9

Appendix 4

FORECAST VARIANCES as at JUNE 2016

Portfolio	Ref (see Appendix 3)	Scheme	Forecast (Under)/ Overspend £M
Communities, Culture & Leisure	CCL1	Guildhall Refurbishment	0.03
	CCL2	Lordshill Community Hall	0.01
	Communities, Culture & Leisure Total		0.04
Leaders	LD1	Studio 144 (Formerly SNAC)	0.79
	LD2	Fruit & Veg Disposal	(0.01)
	LD3	Property Investment Fund	(25.00)
	Leaders' Total		(24.22)
Transport	E&T5	MSCP 10 Year Maintenance Programme	(0.06)
	Transport Total		(0.06)
		Total	(24.24)

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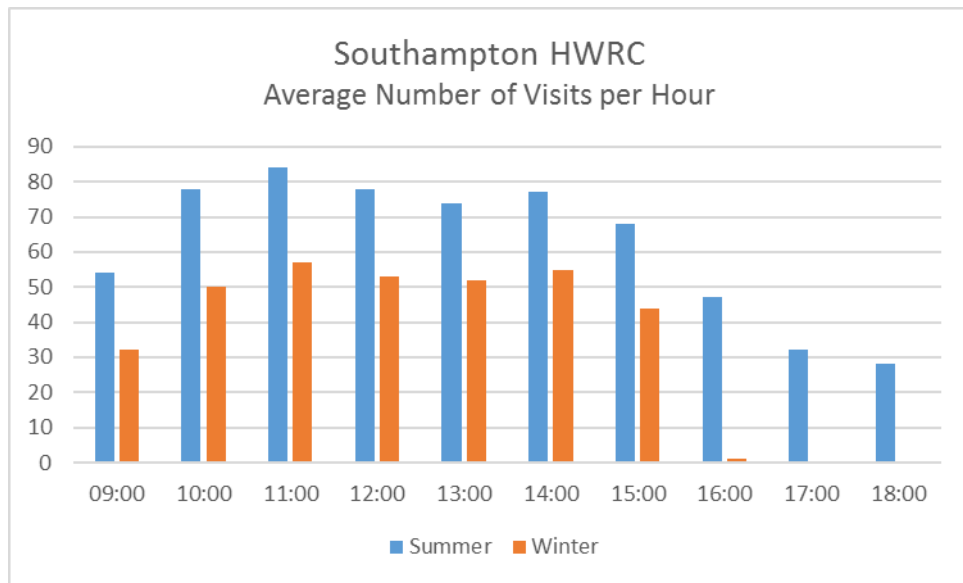
DECISION-MAKER:	CABINET		
SUBJECT:	HOUSEHOLD WASTE RECYCLING CENTRE - SERVICE EFFICIENCIES		
DATE OF DECISION:	16 AUGUST 2016		
REPORT OF:	CABINET MEMBER FOR ENVIRONMENT AND TRANSPORT		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Gale Williams	Tel: 023 8083 2536
	E-mail:	gale.williams@southampton.gov.uk	
Director	Name:	Mitch Sanders	Tel: 023 8083 3613
	E-mail:	mitch.sanders@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY	
NOT APPLICABLE	
BRIEF SUMMARY	
<p>To agree opportunities to operate the Household Waste Recycling Centre (HWRC) at City Depot and Recycling Park more efficiently, which would require changes to the current operation. Service efficiencies would contribute to an existing approved savings target for the Waste & Recycling Service.</p>	
<p>Any future changes need to be consistent as far as possible across Southampton City Council, Hampshire County Council (HCC) and Portsmouth City Council (PCC) as different opening times may result in increased numbers of visitors from outside the City and a resultant increase in disposal costs.</p>	
RECOMMENDATIONS:	
(i)	<p>To reduce opening hours at the HWRC by two hours per day in the winter and Monday – Friday in the summer and by one hour per day on Saturday and Sunday in the summer. To close the HWRC, one day per week on a Thursday each week. Revised opening times would be 11am – 6pm, Monday – Friday and 10am – 6pm, Saturday and Sunday in the Summer and 11am – 4pm in the Winter, starting from 1 January 2017;</p>
(ii)	<p>That authority be delegated to the Service Director – Transactions and Universal Service, following consultation with the Executive Member for Environment and Transport and the Service Director, Legal & Governance, to implement all of the necessary operational and contractual changes and other actions for the recommendations to take effect.</p>

REASONS FOR REPORT RECOMMENDATIONS	
1.	To realise savings from the cost of running the HWRC service.
2.	To ensure there is consistency as far as is reasonably possible with regard to future service changes with Hampshire County Council and Portsmouth City Council.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
3.	A range of options were consulted on during the HWRC consultation as set out in the HWRC consultation document, some of which were rejected.
DETAIL (Including consultation carried out)	
4.	Public consultation was undertaken in 2016 by SCC and members of the public were asked their views on how they think savings can best be made in the cost of running Southampton's HWRC. The analysis of this is covered in this report and Appendix 1.
5.	Under the Refuse Disposal (Amenity) Act and Section 51 of the Environmental Protection Act 1990 Southampton City Council has a legal duty to provide residents of its area with a free household (including bulky) waste disposal route through an HWRC. The HWRC must be reasonably accessible and available at reasonable times for residents to deposit their bulky waste, including a period of time on a Saturday.
6.	Southampton has one HWRC, whilst HCC operates network of 24 HWRC sites. Portsmouth also has one HWRC. These are currently all open seven days a week, except for Christmas Day, Boxing Day and New Year's Day.
7.	In order to gain an understanding of residents and site users' views on how savings can best be made. Southampton City Council undertook a public consultation from 12 th April to 25 th May 2016. In total there were 935 responses to the consultation on the proposal for changes to the Household Waste & Recycling Centre. They were received as online surveys. All the questionnaire submissions that had at least one question completed were included in the analysis, to ensure every piece of feedback was considered.
8.	There were a further 75 responses from the Hampshire County Council consultation carried out between 16 th March to 25 th May 2016. All responses received within the timescales set out have been analysed, with a brief summary of key results presented in the next section. The statistical analysis is presented as Appendix 1 to this report.
9.	To help reduce the cost of running Southampton's HWRC, a number of savings proposals were developed, including either reducing the number of hours, or days, that the site is open – these were included in the public consultation online survey.
10.	The consultation was promoted in the following ways: <ul style="list-style-type: none"> • E-alerts, sent to subscribers of the Council's email marketing service. These featured hyperlinks to further information about the consultation and the questionnaire itself. • A link to the proposal for changes to the Household Waste Recycling Centre consultation web pages was included on the Council website 'have your say' page for the duration of the consultation along with a link to the webpage for the HCC consultation.

11.	<p>SCC and HCC were interested in gathering residents' views about charging for access to the HWRC. Therefore, in addition to the proposals around the savings, respondents were also asked to answer a question regarding charging for access to the site, in order to gauge public opinion. In early 2015, Central Government prohibited by law the charging of residents to access their local HWRC. However, such an approach would be likely to generate sufficient funds so that the requirements to further reduce opening hours at sites, would be greatly reduced. Support for such a charge could be used as evidence to lobby for a change in legislation. It is noted that the HCC, Executive Member for Environment and Transport has been requested to give approval for a request to be made to central government to review the legislation that currently prohibits the charging of residents to access the HWRCs, and to enable a charge to be made by Waste Disposal Authorities if they choose to do so.</p>
12.	<p>Data has been analysed regarding the usage of the site, which informs the Council of the busiest and quietest times.</p>
13.	<p>Respondents were asked to rank a number of options related to the various savings proposals; they were allowed to select "Least Preferred" for multiple options on any questions that asked them to rank options, and also were not obliged to rank all options. In addition, 'free-text' boxes were provided at a number of points within the consultation to allow respondents to put forward comments and views on the proposals, as well as any additional information they wished to submit for consideration. A summary of the results is contained in Appendix 1.</p>
14.	<p>A demographic breakdown of respondents to the consultation can be found in Appendix 2.</p>
15.	<p>The majority of respondents (61%) most preferred the option of reducing opening hours with a number of respondents offering alternative proposals and cited time changes in their feedback.</p>
16.	<p>Data collected from the Southampton HWRC (see Figure 1 below) showing average visits per hour in summer and winter shows that early morning and late afternoon are less busy than the middle part of the day.</p>

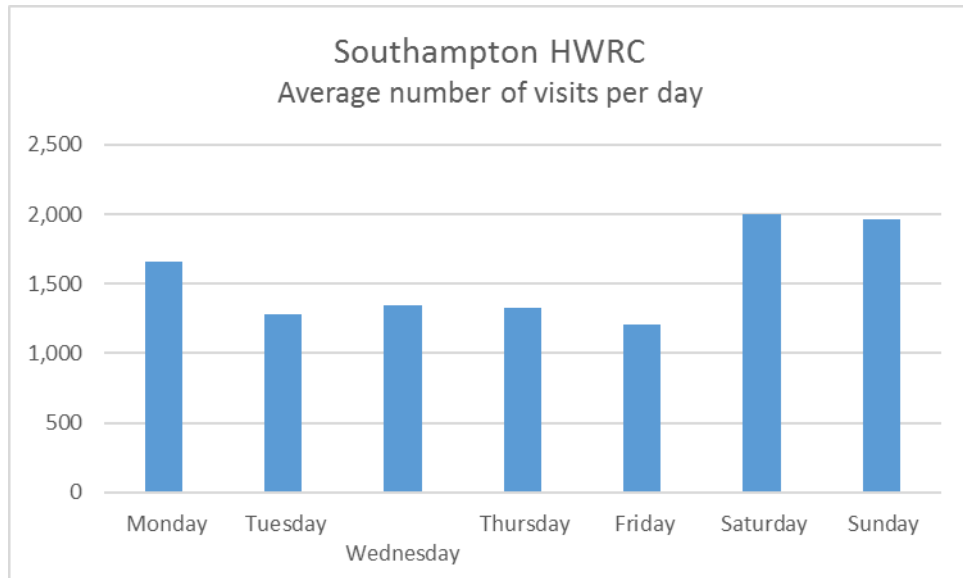
Figure 1



17.

A number of respondents also commented about the option of closing Southampton HWRC for a period of time. 58% of respondents preferred later opening times with later closing times. Data collected from the Southampton HWRC (see Figure 2 below) showing average number of visits per hour shows that Tuesday to Friday are the least busy days of the week with Monday, Saturday and Sunday the busiest days.

Figure 2



18.

Regarding the option of charging for using the HWRC, 71% of Southampton respondents did not support this change.

19.

It is proposed that the HWRC at City Depot & Recycling Park reduces its opening hours by 2 hours per day in the winter, by 2 hours per day Monday – Friday in the summer and by one hour per day Saturday and Sunday in the summer. To also close one day per week on a Thursday each week, which will produce savings of approximately £51,300 per annum. The table below sets out opening times for the winter/summer:

	Day	Current winter hours	Proposed winter hours	Current summer hours	Proposed summer hours
	Monday	9 – 4pm	11 – 4pm	9 – 6pm	11 – 6pm
	Tuesday	9 – 4pm	11 – 4pm	9 – 6pm	11 – 6pm
	Wednesday	9 – 4pm	11 – 4pm	9 – 6pm	11 – 6pm
	Thursday	9 – 4pm	Close	9 – 6pm	Close
	Friday	9 – 4pm	11 – 4pm	9 – 6pm	11 – 6pm
	Saturday	9 – 4pm	11 – 4pm	9 – 6pm	10 – 6pm
	Sunday	9 – 4pm	11 – 4pm	9 – 6pm	10 – 6pm
	It is intended to monitor the impact of the above changes.				
20.	Implementation of the recommended option to reduce opening hours and close the HWRC one day a week, will require adequate time for communication, but should be delivered as soon as practically possible. This would commence 1 January 2017.				
21.	Fly-tipping was raised as a concern as part of the consultation. Incidents will be monitored.				
22.	It is noted that Hampshire County Council (HCC) are recommending, that a system of cross-border charging is introduced of £2 per visit for non-Hampshire residents to commence from 1 September 2017. (It has been confirmed by HCC that there are no plans to change the existing arrangements between HCC/PCC/SCC, which allows residents to use any site in Southampton, Hampshire and Portsmouth without a charge).				
RESOURCE IMPLICATIONS					
<u>Capital/Revenue</u>					
22.	There are no capital/revenue costs incurred by the Council as part of implementing the recommended option to reduce opening hours and close the HWRC one day a week. There are no set up costs in delivering the proposal. At this stage it is not anticipated that disposal costs themselves will be reduced. However, the proposal that the HWRC at City Depot & Recycling Park reduces its opening hours, as set out in recommendation (i), is estimated to reduce contract payments by £51,300 per annum. This change in Service will contribute to an existing approved savings target for the Waste & Recycling Service.				
<u>Property/Other</u>					
23.	No property implications are identified.				
LEGAL IMPLICATIONS					
<u>Statutory power to undertake proposals in the report:</u>					
24.	There are no legal implications to current proposals. If charging for the use of Southampton HWRC is introduced in the future, legislation changes may need to be passed by central government.				
<u>Other Legal Implications:</u>					
25.	Fly-tipping is an existing issue and this will be monitored.				

POLICY FRAMEWORK IMPLICATIONS	
26.	The proposals support the Council's policy framework.

KEY DECISION?	Yes
WARDS/COMMUNITIES AFFECTED:	All wards
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Consultation results A full list of comments received as part of the consultation are available on request.
2.	HWRC Consultation Respondents Demographic Breakdown
3.	Equality and Safety Impact Assessment
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.	Yes
Privacy Impact Assessment	
Do the implications/subject of the report require a Privacy Impact Assessment (PIA) 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)

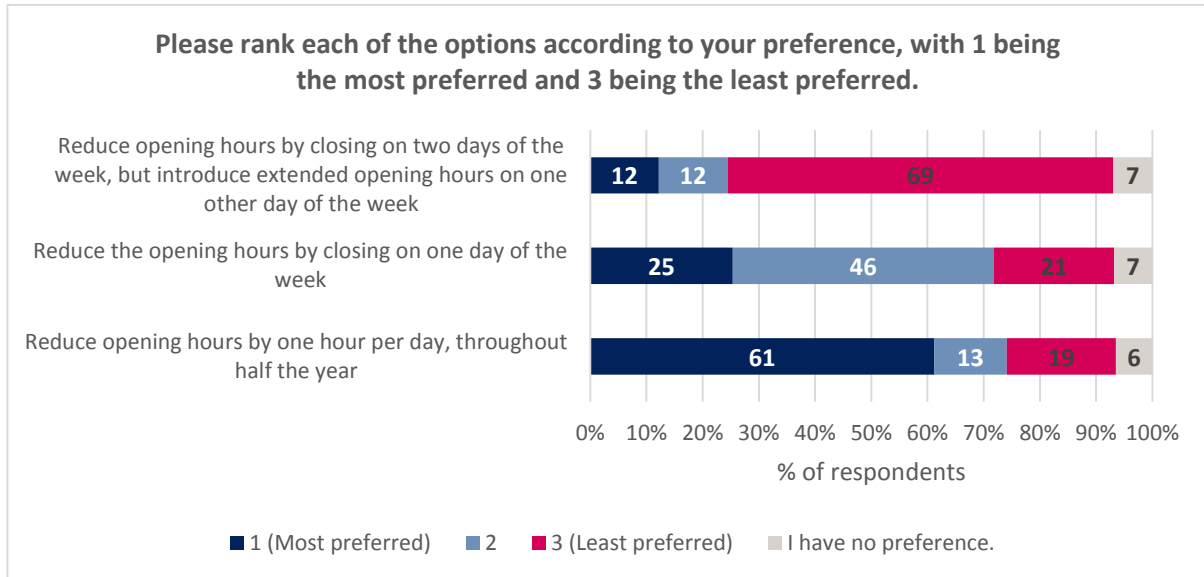
Proposal for changes to the Household Waste & Recycling Centre

Overall 935 respondents completed this survey. The survey was opened on 12 of April and closed on 25 of May 2016.

Section 1: The Proposals

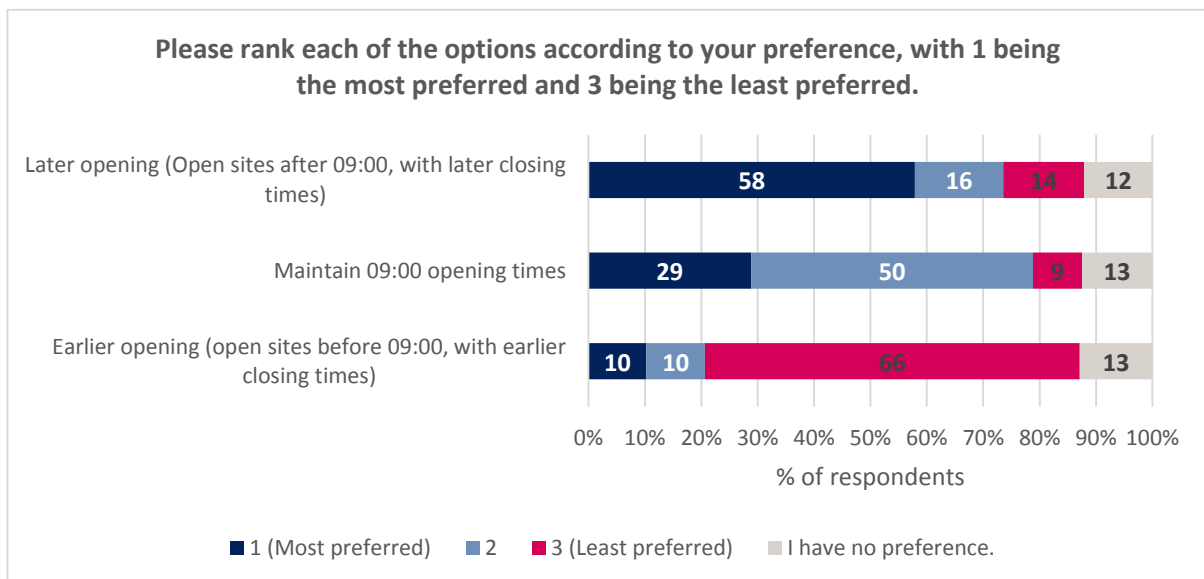
- Please rank each of the options according to your preference, with 1 being the most preferred and 3 being the least preferred. Please indicate if you have no preference by selecting the option below the statements:

Respondents: 881



- Please rank each of the options according to your preference, with 1 being the most preferred and 3 being the least preferred. Please indicate if you have no preference by selecting the option below the statements:

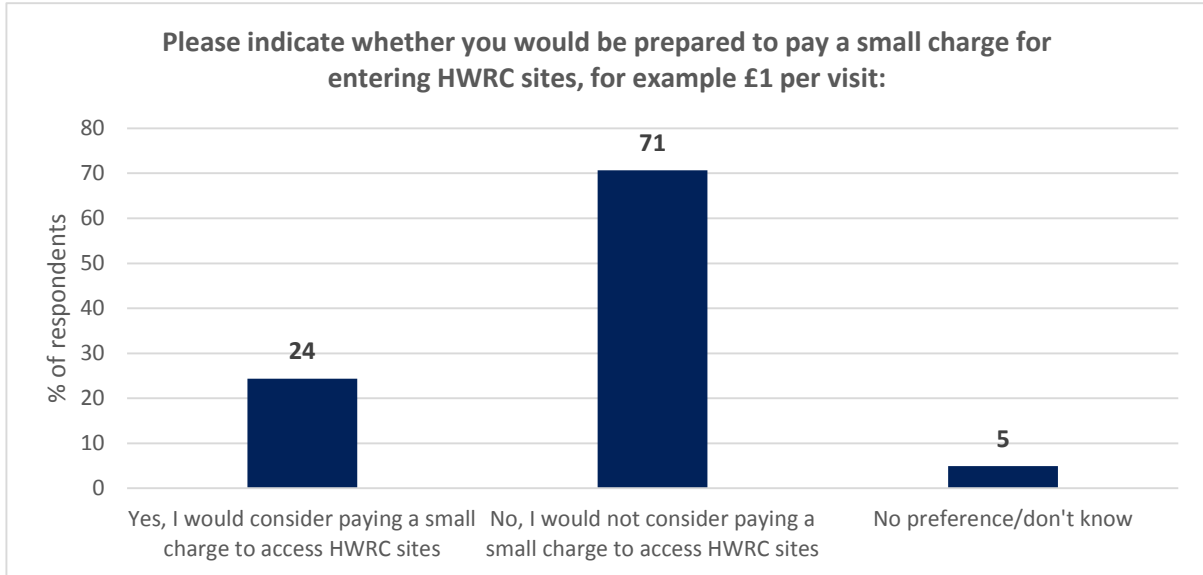
Respondents: 862



Section 2: Charging for access to the HWRC sites

- Please indicate whether you would be prepared to pay a small charge for entering HWRC sites, for example £1 per visit:

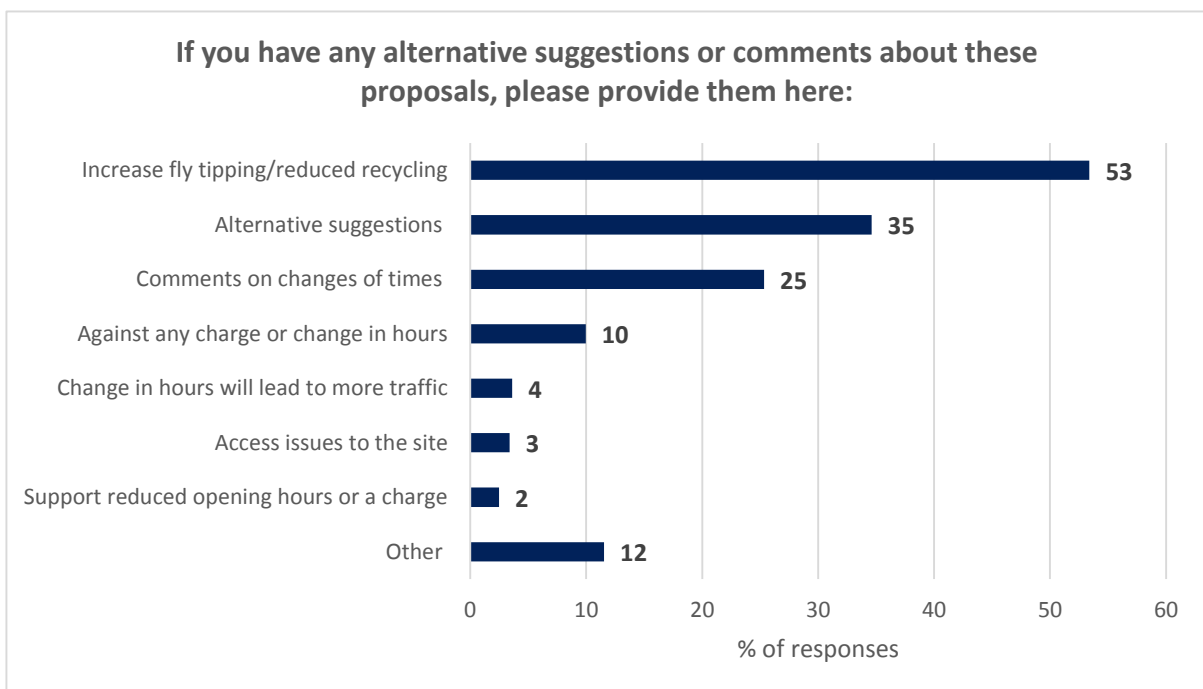
Respondents: 927



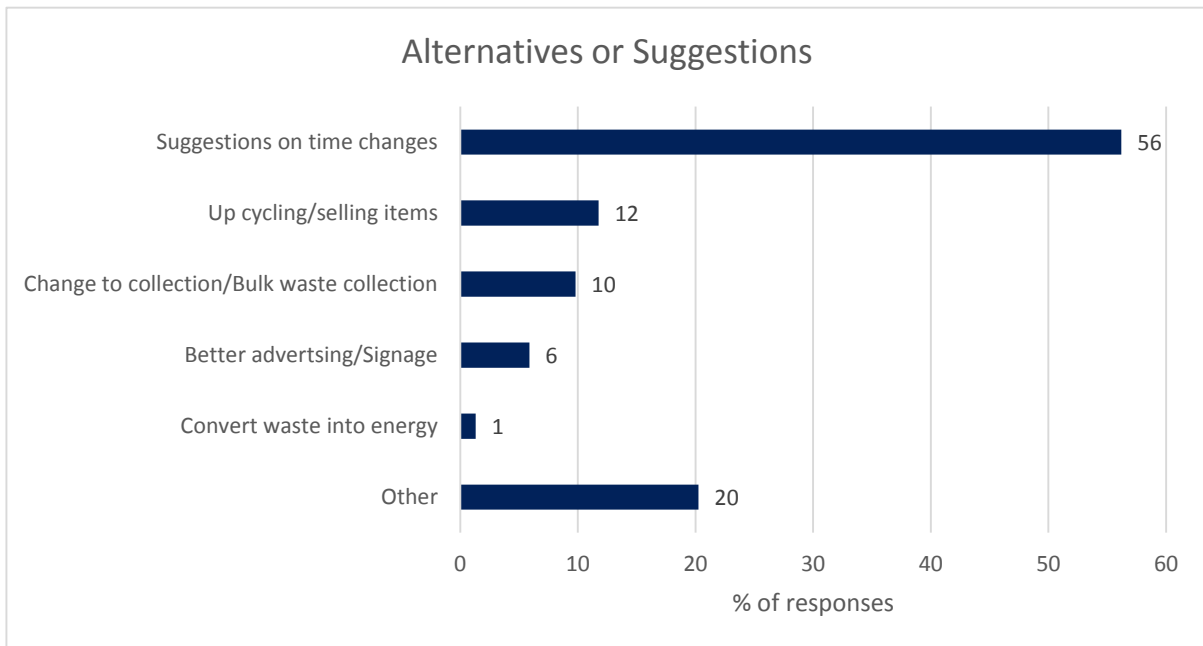
Section 3: Further comments

- If you have any alternative suggestions or comments about these proposals, please provide them here:

Respondents: 442



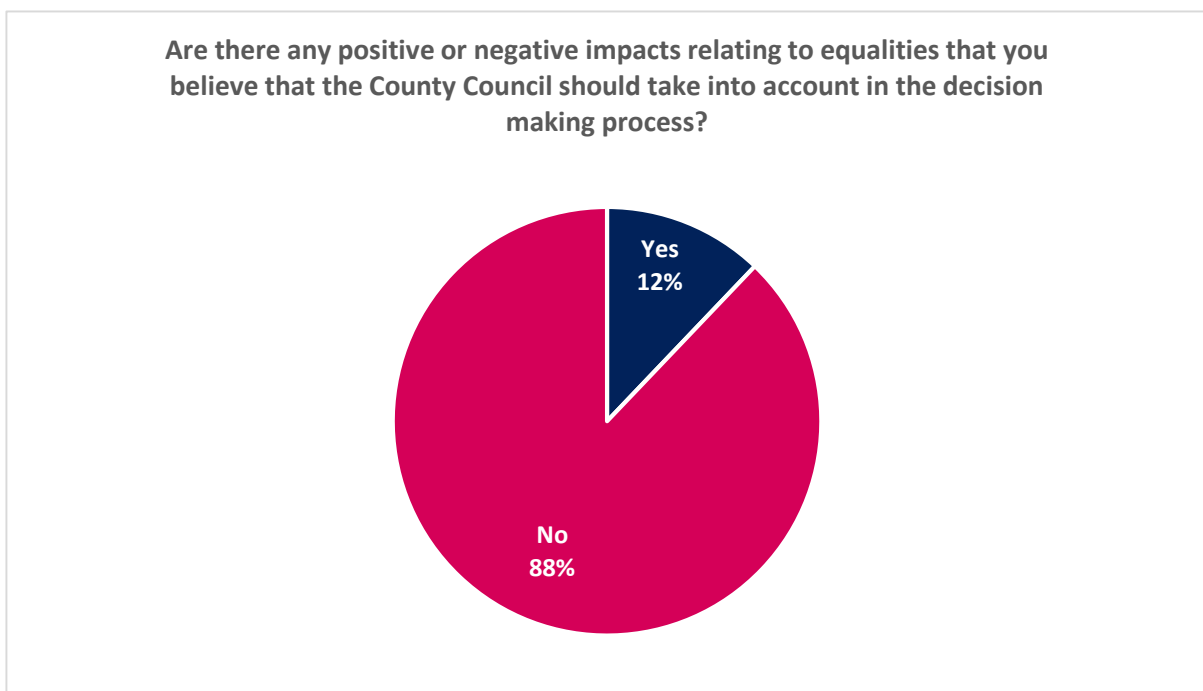
- If respondents had an alternative suggestions these comments were broken down further and that breakdown is listed below.
Respondents: 153



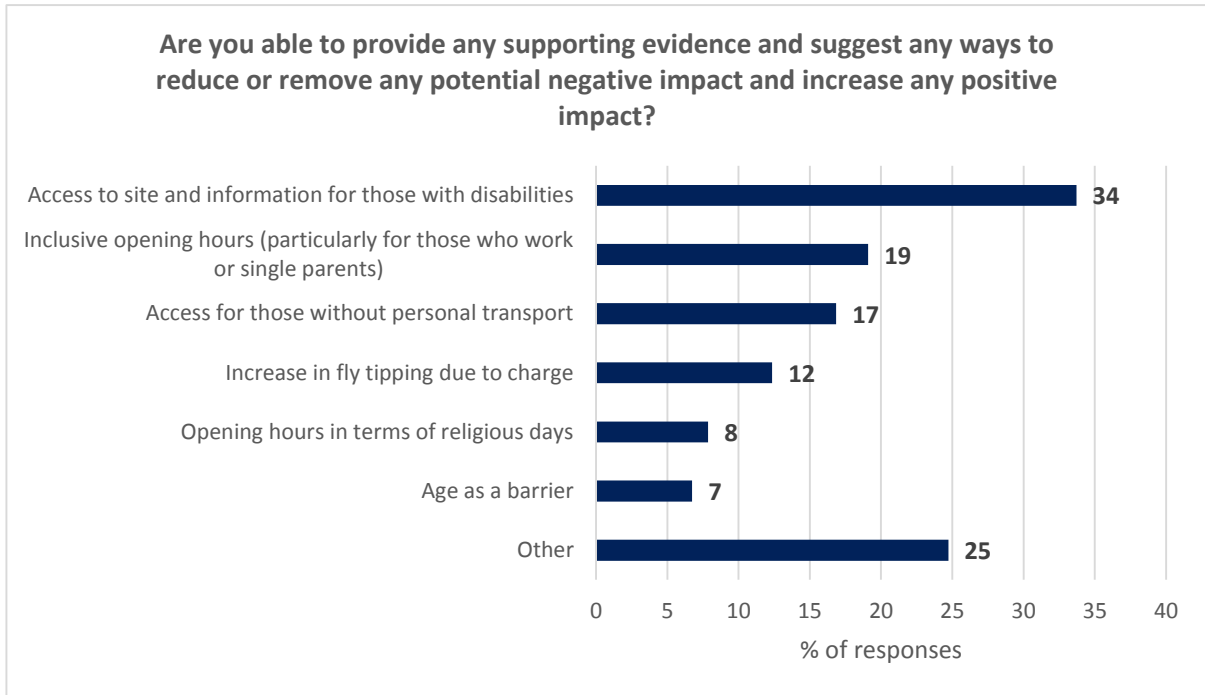
For a full list of comments please see Appendix 1.

Section 4: Equality considerations

- Are there any positive or negative impacts relating to equalities that you believe that the County Council should take into account in the decision making process?
Respondents: 899



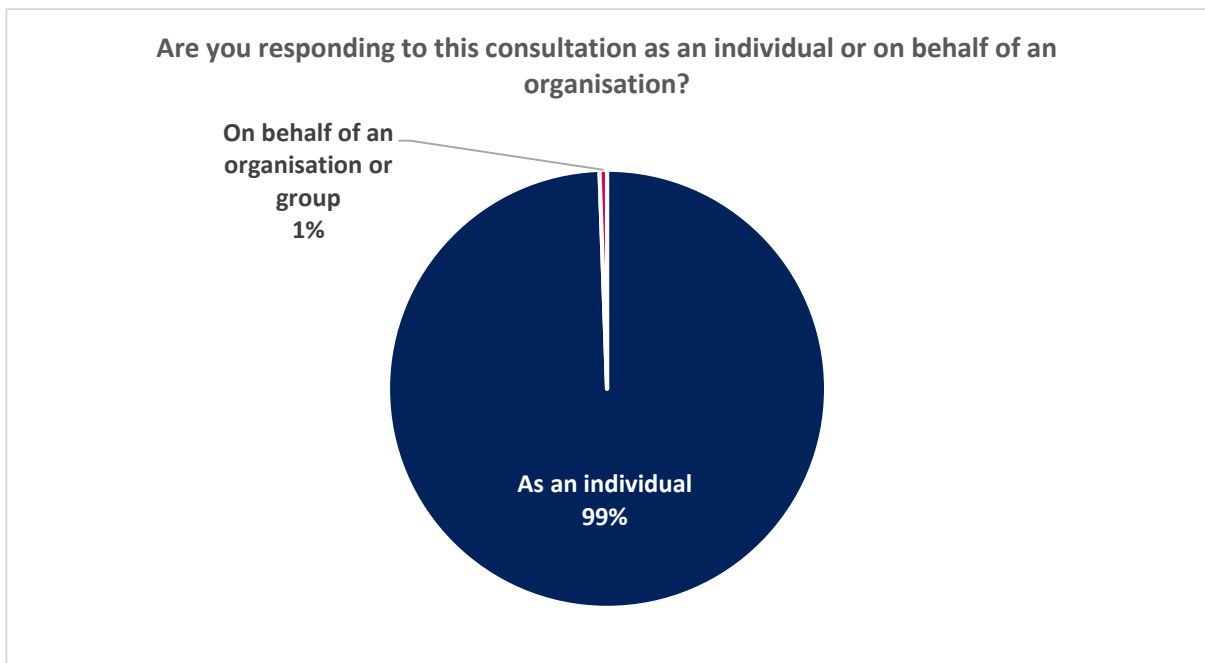
- **Are you able to provide any supporting evidence and suggest any ways to reduce or remove any potential negative impact and increase any positive impact?**
Respondents: 89



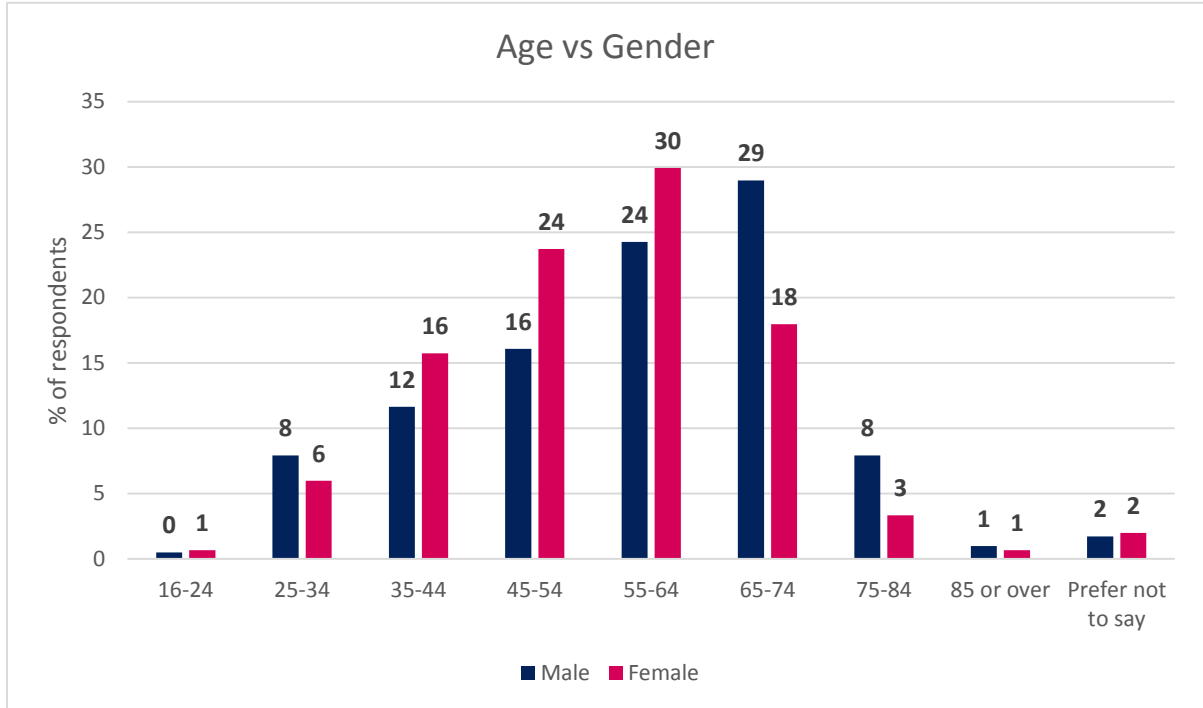
For a full list of comments please see Appendix 1.

Section 5: Demographics

- **Which of the following best describes you:**
Respondents: 908



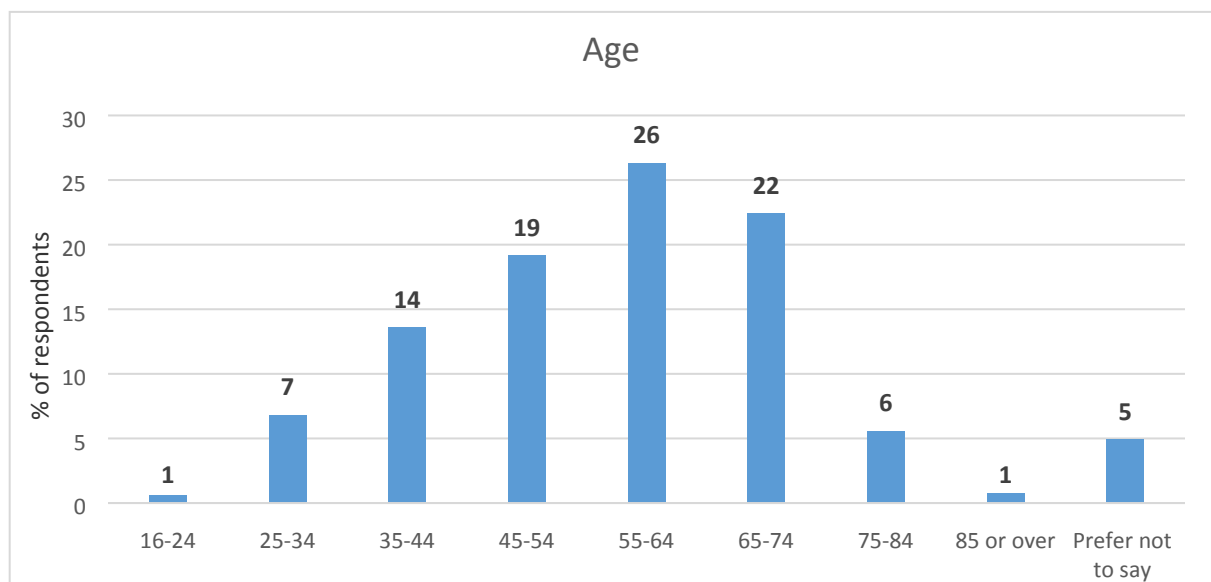
- **Age vs Gender**
Respondents: 855



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HWRC Consultation Respondents Demographic Breakdown

1. This section shows the demographic makeup of respondents to the main questionnaires, enabling us to see which groups were represented in terms of age and gender. It is important to note that:
 - As consultations should be open for anyone to answer, they will not necessarily be representative of the whole population of Southampton. It is however important that as wide a range as possible are engaged and are given the opportunity to share their views on the proposal
 - The analysis provided below does not cover all respondents, as some did not complete this section.
2. The gender breakdown of consultation respondents was 45% male, 51% female and 4% preferring not state.
3. The graph below shows the age breakdown of the respondents. The least represented groups were that of the youngest and oldest age categories listed (16-24 and 85 or over). Both of which had only 1% fitting into these ages. The most represented group were the 55-64 year olds. This groups made up over a quarter of all of those who answered this question. This is in line with normal expectations within consultations as people over 45 tend to participate in greater numbers. As an example, in Southampton City Council's budget consultation for 2016/2017 (phase 2), 63% of respondents were between the ages of 45-74. In this particular consultation, 67% of those who engaged with this question were between the ages of 45-74. 5% preferred not to state their ages.



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Equality and Safety Impact Assessment

Appendix 3

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

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

Name or Brief Description of Proposal	Household Waste Recycling Centre - Service Efficiencies
Brief Service Profile (including number of customers)	Household Waste Recycling Centre providing waste disposal and recycling facilities for the 249,500 residents of Southampton.
Summary of Impact and Issues	<u>No impacts expected</u>
Potential Positive Impacts	<u>Efficiency savings</u>
Responsible Service Manager	<u>Gale Williams</u>
Date	<u>19 July 2016</u>

Approved by Senior Manager	
Signature	
Date	

Potential Impact

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
Age	None	
Disability	None	
Gender Reassignment	None	
Marriage and Civil Partnership	None	
Pregnancy and Maternity	None	
Race	None	
Religion or Belief	None	
Sex	None	
Sexual Orientation	None	
Community Safety	None	
Poverty	None	
Other Significant Impacts	None	

DECISION-MAKER:	CABINET		
SUBJECT:	ESTATE REGENERATION IN MILLBROOK AND MAYBUSH		
DATE OF DECISION:	16 AUGUST 2016		
REPORT OF:	THE LEADER OF THE COUNCIL		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Fiona Astin	Tel: 023 8091 7646
	E-mail:	fiona.astin@southampton.gov.uk	
Director	Name:	Mike Harris	Tel: 023 8083 2882
	E-mail:	mike.harris@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY	
Not applicable	
BRIEF SUMMARY	
<p>This report seeks formal approval in accordance with Financial Procedure Rules for further expenditure to progress a new housing with care scheme at Woodside Lodge, Wimpson Lane, together with a new block of age-restricted general needs flats (over the age of 55). The redevelopment of this as an extra care housing scheme will contribute to the Council's strategic housing objectives by providing new affordable housing, including the Council's wider public health and adult social care priorities around the provision of housing and care for older people.</p> <p>The proposals are consistent with the principles set out in the Housing Revenue Account (HRA) Business Plan approved by Council on 10/02/16 but would require an addition to the Capital Programme under the HRA self-financing regime that was agreed at Council in February 2013.</p>	
RECOMMENDATION:	
CABINET:	
(i)	To approve, in accordance with Financial Procedure Rules, additional expenditure of £850,000 to carry out the necessary design development to submit a detailed planning application for a new build scheme and tender the works contract for Woodside Lodge and 536-550 Wimpson Lane. Provision for this exists within the Estate Regeneration & New Build section of the HRA Capital Programme.
REASONS FOR REPORT RECOMMENDATIONS	
1.	On 18 th November 2015, Cabinet approved, in principle, to develop both Woodside Lodge and the adjacent site at 536 – 550 Wimpson Lane. All buildings (other than the slab) have since been demolished.
2.	It was noted that the Integrated Commissioning Unit had identified that demand for specialist and older persons housing will continue to grow due to demographic factors and a modern scheme where care and support can be efficiently provided to a larger number of residents with multiple care and

	support needs will help provide a cost effective alternative to high cost residential care provision, support independence and help to deliver improved health and social care outcomes.
3.	It was also noted that there is also a continued need for smaller general needs accommodation which combined with specialist and older person's accommodation would create a greater mix of community feel and allow for general needs housing to be able to flex its support locally as needed. These sites provide an ideal opportunity to develop homes to meet these varied housing needs.
4.	An initial budget of £500,000 was approved in order to commence feasibility work on the scheme. Approximately £350,000 of this budget has already been spent on site security and demolition. This early spend on demolition was desirable in order to retain Right to Buy (RTB) monies.
5.	It is now necessary to commission a variety of site surveys, specialist advice and consultancy services in order to work the scheme up for planning. The value of these commitments has been estimated at up to £850,000 beyond the previously approved budget.
6.	Much of the work arising from these commissions is necessary to collate a well-informed cost estimate and scheme delivery timetable. It will also allow formulation of a forward thinking approach to a design, heating and ventilation solution for replication on future large flatted schemes to be developed by the Council.
7.	An up-to-date revised project cost estimate has been calculated (July 2016) putting the current build cost at just under £19m. Allowing for on costs assumed at 15%, this means a total capital budget of £21.85m should be put aside in order to deliver the project. However, the budget allocation recommended for approval in this report will enable a more accurate estimate to be formulated and presented for approval.
8.	If agreed, a further report will come to Cabinet during the last quarter this financial year setting out the full capital budget and timescale for the project, by which time it is anticipated that tenders will have been returned so accurate project costs and timings can be presented.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
9.	At this stage, the previous accommodation on the site has been decanted and the buildings demolished. Without the additional expenditure sought in this report, the scheme design and specification cannot be worked up in sufficient detail to produce an accurate and reliable project cost and timescale. It is intended that the mechanical and electrical elements of this scheme be designed as a forerunner to other large flatted blocks to be delivered in the City, so it is important that the appropriate investment of time and expertise is made in the design development.

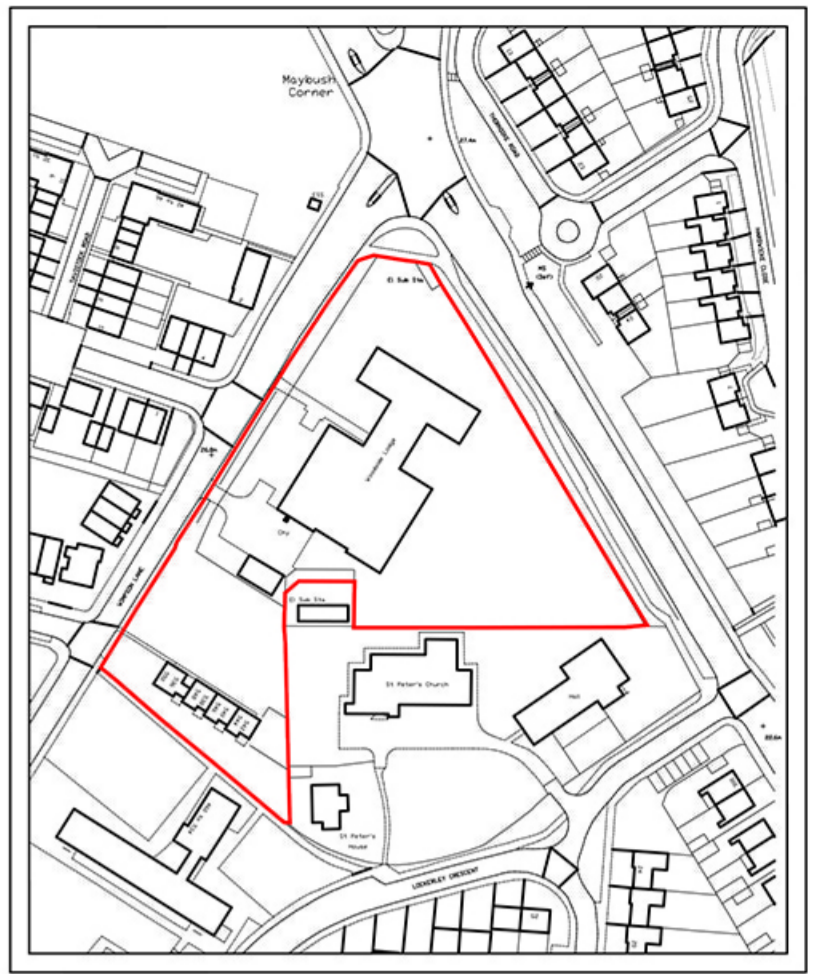
DETAIL (Including consultation carried out)	
10.	A public consultation exercise took place on the proposed scheme in January 2016. Overall, the feedback was positive, with general concerns regarding the traffic management and parking within the area as a whole rather than this specific scheme. The idea of individual apartments within a housing with care scheme was supported and residents recognised the need for this type of scheme. The layout and appearance of the general needs apartments was supported as they remain within the original site footprint and provide on-site parking.
11.	Since the public consultation, the balance of one and two bedroom flats within the Housing with Care block has been adjusted to better suit local needs and welfare benefit reform concerns. However, the proposed scheme is not substantially different to the previous version so no further public consultation is considered necessary beyond what will be part of the statutory planning application process.
12.	A Project Brief was developed at scheme inception. This document has developed in line with the evolution of the project and is in the process of being expanded to include more detail.
13.	The Council is using the Development Agency services of First Wessex (a member of the Wayfarer Consortium) and is accessing their OJEU compliant framework for the procurement of services.
14.	Hyde Housing has recently carried out an OJEU tender for construction services which offers the opportunity for the Council to join and carry out a mini-tender selection process for a fee. After due consideration of a number of options this is the intended route for contractor selection.
15.	Current designs indicate that the General Needs block will consist of 15 apartments, whilst the Housing With Care block will offer between 80 and 85 apartments with associated communal facilities.
16.	Pre-application discussions have already taken place and the Planning Service has confirmed that the principle of the development meets local and national planning policy. Further discussions with Planning are ongoing in relation to more detailed design development and adjustments to the unit mix.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
17.	The 2016/17 HRA Budget Report and Business Plan, agreed by Council on 10 February 2016, added a £16M scheme split between 2016/17, 2017/18 and 2018/19 to the HRA Capital Programme for the development of the Woodside / Wimpson site. This budget allocation represented the utilisation of the majority of the retained RTB capital receipts (30%) for those financial years plus the associated borrowing (70%). Further RTB receipts are expected to be available for use in future years for the provision of housing. Approval of a further £850,000 of this budget allocation is sought in this report to cover the costs of architects, surveys, development agents' fees and specialist technical advice.
18.	For clarity, the £850k requested is in addition to the £500k previously approved, making a total demolition and feasibility budget allocation of £1,350,000. If for any reason the scheme did not go ahead, the feasibility costs would become abortive. However, it may be possible to recoup some of these costs by selling the site with the benefit of survey work and possibly

	planning consent.
19.	Some of the RTB receipts originally allocated to this scheme have been reallocated to be spent on other projects to reflect the revised programme. If the RTB receipts are not used on this scheme then there is a risk that they may not be spent within the timescales set by the Government and would have to be repaid to the CLG with additional financial penalties for the council.
<u>Property/Other</u>	
20.	A Deed of Variation had previously been sought from Scottish and Southern Energy relating to the lease of an electricity sub-station impinging upon one part of the site. This Deed has proved to be extremely slow in negotiation therefore the scheme design has been adjusted to avoid the need for this strip of land.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
21.	Section 11(6) of the Local Government Act 2003 relates to the council's ability to retain and use Right to Buy receipts to fund affordable housing.
<u>Other Legal Implications:</u>	
22.	Part of the land is subject to an old restrictive covenant, imposed in 1939, which requires approval of any development scheme, plans and specification by the owner. Legal Services have confirmed that this covenant is no longer enforceable and therefore presents no impediment to the proposed redevelopment.
POLICY FRAMEWORK IMPLICATIONS	
23.	These proposals are aligned to the following priorities set out in the Council Strategy 2014-17:- <ul style="list-style-type: none"> • Prevention & early intervention; • Protecting Vulnerable People; • Good Quality & Affordable Housing; and • A sustainable council.

KEY DECISION?	Yes
WARDS/COMMUNITIES AFFECTED:	Millbrook & Maybush
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Indicative site layout
2.	Consultation report

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

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SITE LOCATION PLAN
 scale 1:2000

Schedule of Accommodation

- Extra Care**
- 56 No. 1 Bed 2 person Flats- 60m²
 - 2 No. 1 Bed DPU Flats- 66m²
 - 4 No. 2 Bed DPU Flats- 84m²
 - 2 No. 1 Bed Bariatric Flats- 70m²
 - 19 No. 2 Bed 3 Person Flats- 65 - 71m²
 - 1No. Studio/sleepover -18m²

Total - 84 Units (inc. sleepover room)
GIFA - TBCm²

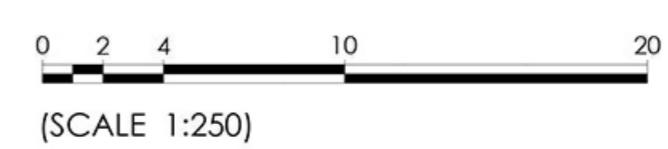
Car parking spaces - 35

- General needs**
- 9 No. 1 Bed 2 person Flats - 52-57m²
 - 6 No. 2 Bed 4 person Flats - 70m²
- Total - 15 Units**

Car parking spaces - 15

Total - 100 Units
TOTAL CAR PARKING SPACES - 50

- TREES TO BE REMOVED /CANOPY REDUCTION
- FOUNDATIONS WITHIN RPZ TO SPECIALIST FOUNDATION DESIGN
- NO DIG CONSTRUCTION
- EXISTING BUILDING TO BE DEMOLISHED
- RPZ / RPA
- 1.8m RAILINGS
- 1.8m CLOSE TIMBER BOARD FENCING
- 1.2m BRICK WALL WITH RAILINGS



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WOODSIDE LODGE AND 536 – 550 WIMPSON LANE

Feedback from Consultation Events

Purpose: Viewing of proposed plans where the public have the opportunity to discuss the scheme and comment on the proposals which are:-

- a housing with care scheme similar to Erskine Court in Lordshill comprising of mainly 2 bed units with some 1 bed units with a communal lounge and dining room which can be used by others within the wider locality
- separate block of general needs apartments

1. Events:

- a. Millbrook & Maybush Steering Group reviewed the proposals on 2nd November 2015.
- b. Public Consultation on 29th January 2016 at the Girls Guide Hut, Timsbury Road, Southampton from 3.30 to 7 pm.

2. Millbrook & Maybush Steering Group

The Steering Group comprises of Ward Members, Portfolio Member for Housing and Sustainability and members of the local community.

3. Public Consultation Event

This was attended by 2 x Ward Councillors and 11 x Local Community. This was a positive event, evidencing support for this type of scheme and scale in this area. Attendees were requested to rate the scheme designs between 1 to 10, one being do not like and 10 being great. Three forms were completed and the average score was 7.25.

4. Comments Received

What the community liked about the scheme:-

- Self-contained units with whatever facilities are needed so residents can use facilities as much or as little as required.
- Upgrading the area
- Like the design of the care home
- Local community can use the facilities
- The on site parking
- The idea behind the changes.
- Lifetime home standards for all new homes.
- Buggy parking/charging within the individual units.
- Provision of bariatric flats.

What the community dislike about the proposals

- Not convinced there is enough parking, suggest lose some of the green area for parking.
- Concerns over the height and whether it is over powering, especially four storey element.
- Pedestrian crossing for the home

- Trees – number to be felled. If any trees are felled, there is a two for one replacement policy.

General concerns regarding the area:

- Concern over the width of the pavement for mobility scooters in Wimpson Lane.
- Parking in the area is very bad.
- Review road system of Wimpson Lane to 20 mph.
- Only one bus route, bus stops to be re-routed. Concern over disabled people having to walk too far to access buses.
- Traffic crossing or controlled lights at Romsey Road/Wimpson Lane – needs to be looked at for safe access to buses and shops.
- Dropped kerbs.

5. Conclusion

Overall the feedback is positive with general concerns regarding the traffic management and parking within the area as a whole rather than this specific scheme. The idea of individual apartments within a housing with care scheme was supported and residents recognised the need for this type of scheme.

The layout and appearance of the general needs apartments was supported as this remains in the original site footprint and provides on site parking.