

DECISION-MAKER:	CABINET		
SUBJECT:	CHANGES TO EXISTING REVENUE AND CAPITAL BUDGET		
DATE OF DECISION:	20 MARCH 2018		
REPORT OF:	CABINET MEMBER FOR FINANCE		
<u>CONTACT DETAILS</u>			
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STATEMENT OF CONFIDENTIALITY

NOT APPLICABLE

BRIEF SUMMARY

The purpose of this report is to inform Cabinet of changes in the overall General Fund and Housing Revenue Account (HRA) capital programme for the period 2017/18 to 2021/22. The report details £3.45M of additions to the General Fund capital programme.

RECOMMENDATIONS:

It is recommended that Cabinet:

	(i)	Approve the addition of £0.41M to the Education & Children's Social Care programme and approval to spend £0.41M as detailed in paragraph 4.
	(ii)	Approve the addition of £0.04M to the Environment and Transport - City Services programme and approval to spend £0.04M as detailed in paragraph 6.
	(iii)	Note the addition of £3.00M to the Housing & Adult Social Care programme for which approval will be sought as part of the capital outturn report which will be presented to Council in July 2018, as detailed in paragraph 7.

REASONS FOR REPORT RECOMMENDATIONS

1.	The capital programme is 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.
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ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2.	Changes to the capital programme are 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
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	<p>spending are considered as part of the budget setting process in the light of the funding available and the overall financial position.</p>																		
<p>DETAIL (Including consultation carried out)</p>																			
	<p>CONSULTATION</p>																		
3.	<p>Service Directors, Service Leads and Project Managers have been consulted in preparing the reasons for variations contained in this report.</p> <p>Each addition below has been subject to the relevant consultation process which reflects the role played by Council Capital Board. The content of this report has been subject to consultation with Finance Business Partners for each service.</p>																		
	<p><u>Education & Childrens Social Care</u></p>																		
4.	<p><u>Bitterne Park Autism Resource Base (ARB) (Addition of £0.41M in 2018/19)</u></p> <p>Refurbishment is required of an independent building at Bitterne Park School to accommodate a thirty-six place Autism Resource Base, (ARB) at maximum capacity. The facility will reduce the demand for Out of City Placements for Secondary Age Children with High End Autistic needs by building capacity within the City. The facility will be managed, staffed and operated by Great Oaks School in partnership with Bitterne Park School. Approval is sought for the addition of £0.41M to the existing project within the Education & Children’s Social Care programme in 2018/19 and approval to spend £0.41M. This will be fully funded by government grant.</p>																		
5.	<p>The revenue implications based on the per place funding of £10,000 per child would be in the region of £0.36M per year, (place funding has been requested from Education Funding Agency) and an additional £0.05M per year on-going revenue costs associated with the building (to be met from existing budgets), totalling £0.41M per year.</p> <table border="1"> <thead> <tr> <th></th> <th>2018/19</th> <th>2019/20</th> <th>2020/21</th> <th>2021/22</th> <th>2022/23</th> </tr> <tr> <th></th> <th>£M</th> <th>£M</th> <th>£M</th> <th>£M</th> <th>£M</th> </tr> </thead> <tbody> <tr> <td>Cost</td> <td>0.25</td> <td>0.35</td> <td>0.41</td> <td>0.41</td> <td>0.41</td> </tr> </tbody> </table> <p>Additionally it is expected that cost reduction savings will be achieved from high cost out of city placements, in the region of £0.90M in the longer term.</p>		2018/19	2019/20	2020/21	2021/22	2022/23		£M	£M	£M	£M	£M	Cost	0.25	0.35	0.41	0.41	0.41
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	£M	£M	£M	£M	£M														
Cost	0.25	0.35	0.41	0.41	0.41														
	<p><u>E&T - City Services</u></p>																		
6.	<p><u>Southampton Common Play Area (Addition of £0.04M in 2017/18)</u></p> <p>In November 2015, Cabinet considered a number of options for the upgrade of the Common play area, and subsequently agreed to the expenditure of £0.50m on a new play area to replace the existing facilities.</p> <p>The play area was recently installed, and since it has opened, it has become clear that due to the popularity of the play area, there are areas which are taking more wear and tear than others. This has resulted in areas of muddy and worn ground which is often slippery and could become a health and safety risk.</p> <p>Approval is being sought to surface the worn areas with a resin bonded shredded tyre surfacing as per other areas of the site, and to upgrade some of the newly installed equipment area to mitigate the health and safety risks, prior to the heavy usage expected with the Easter Holidays at the beginning of April. The cost of the works to be undertaken is £0.04M, therefore</p>																		

	approval is sought for the addition of £0.04M to the existing project within the E&T City Services programme in 2017/18 and approval to spend £0.04M. The works are to be funded from S106 contributions.
	<u>Housing & Adult Social Care</u>
7.	<p><u>Modular Housing (Addition of £3.00M in 2019/20)</u></p> <p>Upscaling the adoption of off-site construction technologies in housing delivery is now widely considered to be significant in addressing the skills challenges faced in the construction industry and in delivering better quality homes at a faster pace. It also has the potential to help address social issues such as fuel poverty through the provision of better insulated homes that require less energy to heat. The proposal is to invest in setting up an off-site manufacturing facility in Southampton with the initial aim of meeting the development and regeneration needs of Southampton City Council and partner housing associations but with the potential to expand quickly across the Solent region and potentially beyond.</p> <p>The overall proposal is to co-invest £6.00M in the form of equity in a newly formed company, split equally between the Solent LEP (£3.00M) and Southampton City Council (£3.00M). Further start up investment is being sought from the Homes & Communities Agency (HCA) through the Accelerating Construction Programme.</p> <p>Approval for the scheme will be requested as part of the capital outturn report which will be presented to Council in July 2018.</p> <p>This scheme will be funded from council resources, and represent an over programming until the announcement of resources for the Secondary School Expansion are received.</p>
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
8.	This report principally deals with capital and the implications are set out in the main body of the report. However, the revenue implications arising from borrowing to support the capital programme are considered as part of the General Fund revenue budget. In addition any revenue consequences arising from new capital schemes are considered as part of the approval process for each individual scheme.
<u>Property/Other</u>	
9.	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	
<u>Statutory power to undertake proposals in the report:</u>	
10.	Financial reporting is consistent with the Chief Financial Officer's duty to ensure good financial administration within the Council. The Capital Programme update is prepared in accordance with the Local Government Acts 1972 – 2003.
<u>Other Legal Implications:</u>	
11.	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.
RISK MANAGEMENT IMPLICATIONS	
12.	None.
POLICY FRAMEWORK IMPLICATIONS	
13.	The update of the Capital Programme forms part of the overall Budget Strategy of the Council.

KEY DECISION?	Yes/No
WARDS/COMMUNITIES AFFECTED:	NONE
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	None
Documents In Members' Rooms	
1.	None
2.	
Equality Impact Assessment	
Do the implications/subject of the report require an Equality and Safety Impact Assessments (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	
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.	
2.	