

CABINET

**Tuesday, 21st August, 2012
at 5.00 pm**

Council Chamber

This meeting is open to the public

Members

Councillor Dr R Williams, Leader of the Council
Councillor Stevens, Cabinet Member for Adult Services
Councillor Bogle, Cabinet Member for Children's Services
Councillor Rayment, Cabinet Member for Communities
Councillor Noon, Cabinet Member for Efficiency and Improvement
Councillor Thorpe, Cabinet Member for Environment and Transport
Councillor Payne, Cabinet Member for Housing and Leisure Services
Councillor Letts, Cabinet Member for Resources

(QUORUM – 3)

Contacts

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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.

Executive Functions

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

The Forward Plan

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

Key Decisions

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

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

Decisions to be discussed or taken that are key

Implementation of Decisions

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

Southampton City Council's Seven Priorities

- More jobs for local people
- More local people who are well educated and skilled
- A better and safer place in which to live and invest
- Better protection for children and young people
- Support for the most vulnerable people and families
- Reducing health inequalities
- Reshaping the Council for the future

Procedure / Public Representations

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

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

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

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

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

Municipal Year Dates (Tuesdays)

2012	2013
19 June	16 January
17 July	6 February
21 August	19 February
18 September	19 March
16 October	16 April
13 November	
18 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 Personal Interest" or "Other Interest" they may have in relation to matters for consideration on this Agenda.

DISCLOSABLE PERSONAL 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 for the securities exceeds £25,000 or one hundredth of the total issued share capital of that body, or

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

BUSINESS TO BE DISCUSSED

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

QUORUM

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

Other Interests

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

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

Any public authority or body exercising functions of a public nature

Any body directed to charitable purposes

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

Principles of Decision Making

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

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

In exercising discretion, the decision maker must:

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

AGENDA

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

1 APOLOGIES

To receive any apologies.

2 DISCLOSURE OF PERSONAL AND PREJUDICIAL INTERESTS

In accordance with the 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.

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

EXECUTIVE BUSINESS

3 STATEMENT FROM THE LEADER

4 RECORD OF THE PREVIOUS DECISION MAKING

Record of the decision making held on the 10th and 17th July 2012, 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.

8 PROGRESS IN THE FIRST 100 DAYS

Report of the Leader of the Council outlining the first 100 days of the Executive.

9 PROCESS FOR AWARDING GRANTS TO VOLUNTARY ORGANISATIONS 2013/14 AND BEYOND

Report of the Cabinet Member for Efficiency and Improvement, seeking approval for the details of the new grant awards process including a timetable for applications and decisions, attached.

10 LICENSING SCHEME FOR HOUSES IN MULTIPLE OCCUPATION (HMOS)

Report of the Cabinet Member for Housing and Leisure Services, seeking approval of proposals an additional licensing scheme for houses in multiple occupation for public consultation, attached

11 LANDLORD CONTROLLED HEATING CHARGES

Report of the Cabinet Member for Housing and Leisure Services, seeking approval for an increase in charges to tenants for landlord controlled heating from September 2012, attached.

12 PROPOSED EXPANSION OF SPRINGWELL SCHOOL

Report of the Cabinet Member for Children's Services detailing the responses to the consultation process and seeking approval to proceed with a 6 week period of statutory consultation, attached.

13 RESPONSE TO OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE BIG SOCIETY INQUIRY

Report of the Cabinet Member for Communities, detailing the Executive's response to the Overview and Scrutiny Management's inquiry into the Big Society, attached.

14 APPROVAL TO SPEND SITE SPECIFIC SECTION 106 FUNDS FOR REAL TIME INFORMATION (RTI)

Report of the Cabinet Member for Environment and Transport, seeking approval to spend the outstanding Section 106 commitments for Rail Time Bus Information on the new Real Time Information (RTI) Refresh contract, attached.

15 HOUSING REVENUE ACCOUNT (HRA) - VARIOUS SCHEME APPROVAL, CAPITAL PROGRAMME 2012/13 PHASE 2

Report of the Cabinet Member for Housing and Leisure Services, seeking the commencement of energy saving measures and refurbishment works across the City, attached.

16 QUEEN ELIZABETH II FIELDS DESIGNATION FOR PORTSWOOD RECREATION GROUND

Report of the Cabinet Member for Housing and Leisure Services, seeking approval for the designation of Portswood Recreation Ground to become a Queen Elizabeth II field in trust, attached.

17 LOCAL COUNCIL TAX SUPPORT - PROPOSED SCHEME FOR CONSULTATION

Report of the Cabinet Member for Resources, seeking approval for a draft local council tax support scheme for consultation, attached.

18 COMMUNITY INFRASTRUCTURE LEVY CHARGING SCHEDULE: CONSULTATION

Report of the Cabinet Member for Resources seeking; approval to commence formal public consultation for the Community Infrastructure Levy Charging Schedule and the Planning Obligations Supplementary Planning Document; and following consultation to submit the Charging Schedule for Examination, attached.

19 DISPOSAL OF LAND AT 52-54 SEAGARTH LANE SOUTHAMPTON

Report of the Cabinet Member for Resources seeking approval for the disposal of land at 52-54 Segarth Lane, attached.

20 TOWNHILL PARK REGENERATION FRAMEWORK: FURTHER CONSIDERATION OF THE FINANCIAL MODEL AND APPROVAL OF THE CAPITAL EXPENDITURE FOR THE IMPLEMENTATION OF PHASE 1.

Report of the Cabinet Member for Housing and Leisure Services, seeking approval on the Townhill Park Regeneration Framework Financial Model, Delivery Framework; and funding for the implementation of Phase 1, attached.

Monday, 13 August 2012

Head of Legal, HR and Democratic Services

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SOUTHAMPTON CITY COUNCIL
EXECUTIVE DECISION MAKING

RECORD OF THE DECISION MAKING HELD ON 10 JULY 2012

Present:

Councillor Dr R Williams	-	Leader of the Council
Councillor Stevens	-	Cabinet Member for Adult Services
Councillor Bogle	-	Cabinet Member for Children's Services
Councillor Rayment	-	Cabinet Member for Communities
Councillor Noon	-	Cabinet Member for Efficiency and Improvement
Councillor Thorpe	-	Cabinet Member for Environment and Transport
Councillor Letts	-	Cabinet Member for Resources

Apologies: Councillor Payne

9. CHANGES TO EXISTING REVENUE AND CAPITAL BUDGETS

DECISION MADE: (Ref: CAB 12/13 3930)

On consideration of the report of the Cabinet Member for Resources, Cabinet agreed the following:

- (i) Approve one-off expenditure of £240,000 in 2012/13 set out in Appendix 1 to be funded from balances.
- (ii) Note the high level forecast for the General Fund for 2013/14 as detailed in paragraphs 13 to 16.
- (iii) Note the Executive's proposals for efficiencies and service reductions which are put forward for consultation and are set out in Appendix 2.
- (iv) Note that formal consultation on the proposals as set out in Appendix 2 will now commence with trades unions, affected staff and any people or organisations affected by the proposals to ensure all options have been considered.
- (v) Delegate authority to the Chief Financial Officer (CFO) following consultation with the Cabinet Member for Resources 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 17 JULY 2012

Present:

Councillor Dr R Williams	-	Leader of the Council
Councillor Stevens	-	Cabinet Member for Adult Services
Councillor Bogle	-	Cabinet Member for Children's Services
Councillor Rayment	-	Cabinet Member for Communities
Councillor Noon	-	Cabinet Member for Efficiency and Improvement
Councillor Thorpe	-	Cabinet Member for Environment and Transport
Councillor Payne	-	Cabinet Member for Housing and Leisure Services
Councillor Letts	-	Cabinet Member for Resources

10. RECORD OF THE PREVIOUS DECISION MAKING

The record of the Executive decision making held on 19th June 2012 was received and noted as a correct record.

11. EXECUTIVE APPOINTMENTS

Cabinet approved the appointment of Councillor Williams as Community Champion for Design.

12. REVISED PARTNERSHIP AGREEMENT FOR A RE-SPECIFIED COMMUNITY EQUIPMENT SERVICE

DECISION MADE: (Ref: CAB 12/13 8605)

On consideration of the report of the Cabinet Member for Adult Services, Cabinet agreed to approve the revision of the existing Partnership Agreement made under Section 75 (S75) of the National Health Service Act 2006, to enable the City Council to assume lead commissioner responsibility and administer a pooled fund for community equipment services for a five year period with the option of a further two year extension (increased from a 3 year period with option to extend under the previous terms of Agreement), between Southampton City Council and NHS Southampton.

13. MUSIC EDUCATION HUBS 2012 - 2015

DECISION MADE: (Ref: CAB 12/13 8599)

On consideration of the report of the Cabinet Member for Children's Services, Cabinet agreed the following:

- (i) To accept the grant of £696,409 from the Arts Council England on behalf of the Southampton Music Education Hub Partnership.
- (ii) To approve, in accordance with financial procedure rules, revenue expenditure of £696,409, to support schools in delivering the National Plan for Music Education for the period 1 August 2012 to 31 March 2015.
- (iii) To delegate authority to the Director of Children's Services and Learning to take all action necessary to deliver high quality music provision as lead partner in the Southampton Music Hub Partnership including incurring expenditure of up to £696,409 as set out above.

14. MODIFICATION TO THE STATUTORY PROPOSALS TO EXPAND FAIRISLE INFANT AND JUNIOR SCHOOL AND WORDSWORTH INFANT SCHOOL

DECISION MADE: (Ref: CAB 12/13 8310)

On consideration of the report of the Cabinet Member for Children's Services, Cabinet agreed, with modification, the following:

- (i) To approve a modification to the Cabinet decision of 14 March 2011 by way of altering the implementation for the expansions of Fairisle Infant from September 2012 to September 2014 and of Fairisle Junior from September 2015 to September 2017.
- (ii) To approve a modification to the Cabinet decision of 11 April 2011 by way of altering the implementation for the expansion of Wordsworth Infant school so that current year R and year 1 pupils will progress to year 3 in 2013 and 2014.

15. TROUBLED FAMILIES INITIATIVE

DECISION MADE: (Ref: 12/13 8601)

On consideration of the report of the Cabinet Member for Communities, Cabinet agreed, with modification, the following:

- (i) To accept, in accordance with Financial Procedure Rules, the £765,000 Department for Education Troubled Families grant and to

note that a further £166,400 may be received on a payment by results basis if we meet the agreed targets.

- (ii) To approve, in accordance with Financial Procedure Rules, revenue expenditure of £765,000 in 2012/13.
- (iii) To delegate to the Director of Children's Services and Learning following consultation with the Cabinet Member for Communities and the Cabinet Member for Children's Services, the decision regarding the final delivery model, including the appointment of a (fixed term) full time co-ordinator subject to the Council's Recruitment Policy.

16. BUILDING EUROPEAN ENVIRONMENTAL AND MARITIME SKILLS

DECISION MADE: (Ref: CAB 12/13 8600)

On consideration of the report of the Cabinet Member for Communities, Cabinet agreed the following:

- (i) To delegate authority to the Director, Environment and Economy, following consultation with the Head of Legal, HR and Democratic Services, to enter into a legal agreement with the Managing Authority of the EU Interreg France (Channel) England Programme to deliver the BEEMS project.
- (ii) To accept, in accordance with Financial Procedure Rules, the ERDF grant of £830,955 (€1,332,513) from the European Regional Development Fund and £747,017 from BEEMS partners contributions on behalf of the BEEMS Partnership and act as Accountable Body.
- (iii) To approve, in accordance with Financial Procedure Rules, revenue expenditure of £1,661,910 (€2,665,027) for the BEEMS project.
- (iv) To delegate authority to the Director, Environment and Economy, in consultation with the Head of Legal, HR and Democratic Services, to undertake such actions necessary to enable the successful delivery of the BEEMS project and support the proposals in this report.

17. ADOPTION OF THE SAFE CITY PARTNERSHIP PLAN 2012 - 13

DECISION MADE: (Ref: CAB 12/13 8303)

On consideration of the report of the Cabinet Member for Communities, Cabinet agreed the following:

- (i) To delegate authority to the Director for Environment and Economy to agree any final amendments to the Plan following consultation with the Cabinet Member for Communities prior to submission to Council for approval.

- (ii) Subject to (i) above, to recommend the Safe City Partnership Annual Plan 2012/13 to Council for approval.

18. 'PLATFORM FOR PROSPERITY' PLATFORM ROAD IMPROVEMENT SCHEME - PROJECT APPROVALS

DECISION MADE: (Ref: CAB 12/13 8344)

On consideration of the report of the Cabinet Member for Environment and Transport, Cabinet agreed the following:

- (i) To approve the outline design of the Platform for Prosperity Road Improvement Scheme as illustrated in Drawing 11ALM019023 Revision C as set out in Appendix 1 and delegate authority to the Highways Manager to undertake any future amendments to the design.
- (ii) To approve the purchase of the freehold interest of the water pumping station within Vokes Memorial Gardens from Southern Water Plc and to delegate authority to the Senior Manager Property, Procurement and Contract Management following consultation with the Director, Environment and Economy, Director of Corporate Resources, and Cabinet Member for Resources, to agree the purchase price and the final terms and conditions of purchase.
- (iii) To authorise the Head of Legal, HR & Democratic Services to advertise the proposed appropriation of Vokes Memorial Gardens and Queen's Park for two consecutive weeks in a local newspaper circulating in the locality the areas L1, L2, L3 and L4 shown hatched in red on Drawing 11ALM019019 Revision G as set out in Appendix 2.
- (iv) To note that should any objections be received, to bring a subsequent report and refer those objections to the Cabinet Member for determination.
- (v) Subject to there being no objections, to approve the appropriation of the land to Highway Act Powers to enable the development of the new carriageway.
- (vi) To delegate authority to the Highways Manager to make any order, decision or application required under the Highways Act 1980 or Town & Country Planning Act 1990, to facilitate the delivery of the Platform Road Project including (but not limited to) making a planning application for change of use of areas of the car park and Latimer Street in Queen's Park and the Pan Handle Car Park to Open Space and to make the necessary application to the Secretary of State under S.247 Town and Country Planning Act 1990 to stop up Latimer Street to highway traffic and to advertise under S.257 Town and Country Planning Act 1990 to stop up the footpath in Queen's Park, labelled S3 on Drawing 11ALM019019 Revision G as set out in Appendix 2, on the basis that this is necessary for any change of use permission to be implemented.

- (vii) To delegate authority to Senior Manager Property, Procurement and Contract Management to approve the payment of compensation to any claimant in respect of the road scheme.
- (viii) To delegate authority to the Director, Environment and Economy, following consultation with the Director of Corporate Services and Cabinet Members for Resources, and Environment and Transport; to do anything considered appropriate to facilitate the delivery of the Platform for Prosperity Scheme including, but not limited to, the entering into of contracts, purchase orders, agreements, licenses, land purchase or land development agreements, subject to remaining within the overall approved spend.
- (ix) To note that a subsequent report will be taken to Cabinet in Autumn 2012 to seek approval to purchase the freehold interest of the Pan Handle Car Park and any other additional land within the ownership of Associated British Ports adjacent to public highway and to delegate authority to the Senior Manager Property, Procurement and Contract Management following consultation with the Director for Corporate Resources, to agree the final purchase price, terms and conditions of purchase.

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

In accordance with the Council's Constitution, specifically the Access to Information Procedure Rules contained within the Constitution, the press and public be excluded from the meeting in respect of any consideration of the confidential appendices to the following Item Appendices 2, 3, and 4 of the Cabinet report are not for publication by virtue of category 3 (financial and business affairs) of paragraph 10.4 of the access to information procedure rules as contained in the Constitution. It is not in the public interest to disclose this information because it compromises financial and business information that if made public would prejudice the Council's ability to operate in a commercial environment and obtain best value during a 'live' procurement process prior to final tenders being received and contracts being entered into.

20. WATERMARK WESTQUAY: REVISED HEADS OF TERMS

DECISION MADE: (Ref: CAB 12/13 8602)

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

- (i) That the principle of the revised Heads of Terms set out in the Confidential appendix 3 be endorsed.
- (ii) That following consultation with the Leader of Council that the Senior Manager City Development be given delegated authority to finalise the terms in (i) above for the disposal of the Watermark WestQuay site as identified in appendix 1.

- (iii) That the Head of Legal, HR and Democratic Services be given delegated authority to enter into legal documentation necessary to facilitate the redevelopment and disposal of the Watermark WestQuay site.
- (iv) That the Head of Legal, HR and Democratic Services be given delegated authority to make the appropriate Traffic Regulation Orders following consultation on the closure of Albion Place and Castle Way car parks, a temporary closure of the Quays North car park during construction of phase 2 and amend the parking arrangements for Quays North, Quays South and Harbour Parade car parks as necessary for phase 2 of the development.

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Agenda Item 8

DECISION-MAKER:	CABINET
SUBJECT:	PROGRESS IN THE FIRST 100 DAYS
DATE OF DECISION:	21 AUGUST 2012
REPORT OF:	LEADER OF THE COUNCIL
STATEMENT OF CONFIDENTIALITY:	
None	

BRIEF SUMMARY:

This report summarises the work that has been undertaken in the first 100 days in response to the priorities of the new administration. It also sets a backdrop to the revised Council Plan 2012-16 to be considered by the council in November 2012. This will reflect the council's strategic direction of travel.

RECOMMENDATIONS:

- (i) To note the report
- (ii) To agree that a revised council plan will be presented to Cabinet on 16th October 2012 and to the full council meeting in November 2012 for consideration.

REASONS FOR REPORT RECOMMENDATIONS:

1. The new administration has signalled a change in priorities and in the interests of transparency, the Leader and Cabinet want to report back on the work undertaken in the first 100 days.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED:

2. None

DETAIL (Including consultation carried out):

3. This report summarises the priority actions that have been pursued by the new administration in its first 100 days. These have been progressed through seven working groups comprising councillors and officers and chaired by the relevant Cabinet Members. This approach has enabled the administration to gain insight into a number of key issues with a view to making informed decisions. The details of the activities undertaken by the 7 working groups are included in Appendix 1. Initial work in key areas also enabled the Cabinet to take decisions to make modest additional investment at their meeting in July 2012. It is important to highlight that in some cases, the work undertaken by the working groups has been of a cross cutting nature so that the lead for a particular service area may fall within one Portfolio but the work has been undertaken by another working group. For example, while the lead for skills falls within the Communities Portfolio, the discussions about apprenticeships have taken place within the Children's working group.

4. The 6 main cross Portfolio areas of achievements to highlight in the first 100 days are:

- a) Supporting residents and enabling them to voice their views on local issues:
 - Approval to draw down government funding for developing a local programme to support families with complex problems and launching the local *Families Matter* programme
 - Full Council agreed a motion put forward in July on a “Referendum” which will be progressed as soon as reasonably practicable on the basis of legal advice. A copy of the letter sent to the Minister of State for Housing and Local Government is attached as Appendix 2.
- b) Improving the environment:
 - Development of a programme of 12 – 16 StreetCREDs (Crime and Environment Days) to tackle ASB, HMOs and environment related issues in neighbourhoods
 - Reviewing options to increase recycling, deliver waste collection and disposal savings, car parking policies.
- c) Affordable housing:
 - Pursuing options to increase the number of affordable homes being developed in the city so that we can achieve, on average, one affordable home per day.
- d) Innovative partnership approaches:
 - Appointment of a Chief Scientific Adviser with the University of Southampton
 - Developing a partnership approach with other front runners for our future energy policies and strategy.
- e) Skills, employment and enterprise opportunities:
 - Development of a project plan for a 'dragons den' style initiative to offer spare capacity to young business people and identification of 24 full apprenticeship placement opportunities across the Council
 - Youth Contracts: targeted work placement opportunity for 100 unemployed 16/17 year olds in the City. These placements are supported via Wheatsheaf Trust and City Limits and by the establishment of a 6 week 'hit squad' to achieve the target
 - Pre-apprenticeship funding through a match bid of £35k to support 70 young people to access a pre apprenticeship course to provide young people with the necessary skill/support/confidence to apply for an apprenticeship
 - Agreement for 2012/13 scheme has been reached with bus companies, colleges and the council to support reduced bus fares for any 16-19 year old attending a Southampton college, and free of charge to those who qualify for a bursary. This subsidised bus transport for 16-19 year olds attending Southampton colleges will help offset the loss of Educational Maintenance Allowance.

f) Developing a motivated workforce:

- Southampton model to retain and retrain staff - the Southampton Transition to Employment Programme (STEP) will be considered by the Cabinet and Council in September 2012
- Constructive discussions with the Unions on resolution of the dispute which started in 2011

Further streamlining of the council's structures with a view to reducing costs – resulting in the new Environment and Economy Directorate.

5. The current Council Plan covers the period 2011 – 2014 and as we want to set the direction of travel for the next three years, this plan is currently being redrafted to cover the period up to 2016. It is due to be considered by the full council at its meeting in November 2012.

RESOURCE IMPLICATIONS:

Capital/Revenue:

6. None

Property/Other:

7. None

LEGAL IMPLICATIONS:

Statutory power to undertake proposals in the report:

8. Section 1 of the Localism Act 2011 (General Power of Competence) together with the Local Government Act 2000 to the extent that it defines the powers, functions and duties of a Local Authority Executive.

Other Legal Implications:

9. None

POLICY FRAMEWORK IMPLICATIONS:

10. None

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KEY DECISION? No

WARDS/COMMUNITIES AFFECTED:	All
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SUPPORTING DOCUMENTATION

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

Appendices:

1.	Report back from the working groups
2.	Letter to the Minister of State for Housing and Local Government

Documents In Members' Rooms:

1.	None
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Integrated Impact Assessment

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

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

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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1.	None.	
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Agenda Item 9

DECISION-MAKER:	CABINET
SUBJECT:	PROCESS FOR AWARDING GRANTS TO VOLUNTARY ORGANISATIONS 2013/14 AND BEYOND
DATE OF DECISION:	21 AUGUST 2012
REPORT OF:	CABINET MEMBER FOR EFFICIENCY AND IMPROVEMENT
STATEMENT OF CONFIDENTIALITY:	
Not applicable.	

BRIEF SUMMARY:

Southampton City Council has a long history of supporting the contribution of the voluntary and community sector in the city with grants, contracts and other help in kind. On 12 March 2012 Cabinet approved, in principle, an outcome-based commissioned grants model from 2013/14 to award longer term grants (2 or 3 years) where appropriate, from the Grants to Voluntary Organisations budget from 2013/14. This report makes recommendations on the implementation of this model.

RECOMMENDATIONS:

- (i) To approve the process for the outcome-based Commissioned Grants Programme, including the key changes as set out in paragraph 6.
- (ii) To approve the list of outcomes grants are to be awarded against as set out in paragraphs 7-15.
- (iii) To approve that where appropriate, the council award longer term (2 or 3 year) grants from the grants to voluntary organisations budget from 2013/14, as set out in paragraphs 16-18. These grants would take the form of 2 or 3 year funding agreements that would be subject to annual review in line with budget approvals.
- (iv) To approve in principle that a proportion of the grants to voluntary organisations budget is used for one-off, one year grants awarded against the same criteria and outcomes as the longer term grants, as set out in paragraph 19-20.
- (v) To propose a budget of £4,977,756 over three years (2013/14 to 2015/16) for grants to voluntary organisations, as set out in paragraph 21, subject to approval by Full Council at the annual Budget Setting meeting in February of each year. Of this £1,777,345 would be the proposed budget in 2013/14.
- (vi) To propose a tapered reduction of 6.8% each year for 2014/15 and 2015/16 as set out in paragraph 22, subject to approval by Full Council at the relevant annual Budget Setting meeting in February of each year.
- (vii) To approve that formal notice is given to existing grant recipients highlighting that any applications for grant funding for 2013/14 and beyond will be considered without reference to previous grants and their current funding relationship with the council will end on 31 March 2013, as set out in paragraphs 24-29.

- (viii) To agree amendments to the standard grant criteria as set out in paragraph 30.
- (ix) To discontinue the previous tapered reduction plan for Shopmobility to bring them in line with the new process, as set out in paragraph 31.
- (x) To note that the Dedicated Schools Grant contribution in the grants to voluntary organisations budget will be re-allocated to schools in April 2013 following the changes brought in by central government and therefore this funding will no longer be available, as set out in paragraph 32.
- (xi) To approve in principle the pooling of the council's Community Chest budget with the NHS Health and Wellbeing grants budget and to explore alternative options for administration of the scheme, subject to consultation with community groups and the Trade Unions, as set out in paragraphs 33-39.
- (xii) To delegate authority to the Director of Environment and Economy, following consultation with the Cabinet Member for Efficiency and Improvement, to implement changes to the Community Chest scheme following the consultation with community groups and the Trade Unions.
- (xiii) To delegate authority to the Director of Environment and Economy, following consultation with the Cabinet Member for Efficiency and Improvement, to do anything necessary to give effect to the recommendations contained in this report.

REASONS FOR REPORT RECOMMENDATIONS:

1. The recommendations detailed in this report will ensure that the council continues to have a fair, transparent and open grants process with informed long term strategic decision making in place to award grants to the voluntary and community sector. It ensures that existing grant recipients are given adequate notice of changes in the council's approach which could potentially impact the outcome of future applications for grant aid. The council's changed approach will ensure that council grants meet needs and strategic priorities, achieve best value for the residents of the city and provide greater access and stability for the voluntary and community sector in Southampton.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED:

2. Delaying giving formal notice to existing grant recipients that their funding would end until after the decisions are made in January 2013 was considered and rejected. Due to the need to give reasonable notice of the end of funding there would be a cost implication for the 2013/14 budget which would reduce the funding available for new grants. Furthermore, it may create a perception that existing grant recipients who are successful under the outcome-based Commissioned Grants Programme received preferential treatment.
3. Continuing to manage the Community Chest scheme in house was considered and rejected as the council is currently exploring alternative ways of sharing and delivering services. The arrangements for pooling budgets suggested in this report offer an opportunity to consider a different way of administering this scheme. This combined with the need to respond to new policy initiatives such as the 'localism' agenda is leading to more efficient

ways of working, making the time right to give the voluntary sector the opportunity to take this on.

DETAIL (Including consultation carried out):

4. The council has a long history of supporting the contribution of the voluntary and community sector in the city with grants, contracts and other help in kind and values the services the voluntary and community sector provide. In 2009 a Review of Grants to Voluntary Organisations was undertaken to find a fairer way to award grants. The grants budget had become 'silted up' so that only voluntary organisations that were already receiving council funding were funded each year. New applicants found it difficult to break into the system. Following the Review changes were brought in part way through 2010/11. However, before the changes had a chance to properly bed in, the public spending cuts brought a reduction in the grants budget. As the true scale of the public spending cuts did not become clear until December 2010 it was too late to make any significant changes for 2011/12. This meant that the council could only fund the existing recipients and even though most recipients received a reduced grant the budget became silted up again.
5. In order to create a fairer, open and transparent grants process on 12 March 2012, following consultation with voluntary organisations, Cabinet approved in principle an outcome-based commissioned grants model to award longer term grants (2 or 3 years) from the Grants to Voluntary Organisations budget from 2013/14. The Commissioned Grants Programme has been developed using feedback received in the ongoing consultation with the voluntary and community sector, including feedback on the detailed process and draft recommendations of this report, which is attached at Appendix 2.
6. The key changes from the previous grants process are:
 - Up to three years of funding, where appropriate, in response to consultation – to provide greater stability for organisations (see paragraph 16).
 - One-off one year grants, up to £10,000 – to provide small grants in between commissioning cycles. This gives the council flexibility to respond to the changing needs of the city as well as the voluntary and community sector. (see paragraph 20).
 - 8 week grant application period (between the scheme opening for applications and the closing date for applications) – as per the consultation in August-October 2011 the grant application period has been shortened as part of a more streamlined process.
 - The decision on grant allocations will be brought forward from March to January, in response to consultation giving applicants more notice between the decision and implementation on 1 April each year.
 - Accepting joint bids, in response to consultation – applications from two or more voluntary organisations working together will be welcomed providing one of the applicants acts as the responsible body for the grant. This will allow voluntary organisations working together to share resources.
 - Proportional paperwork, in response to consultation – there is a shorter application form for applications under £10,000 per year.
 - Grants to be awarded against outcomes – using outcomes rather than the broad council priorities allows the council to focus on key areas of work. This also makes it clearer what the council and city are getting in return for

the grant (see paragraph 7).

- Scored appraisal process - applications will be scored by a small panel of specialist council officers who will make the initial recommendation. This makes the appraisal process more robust and also more streamlined.
 - Applicants notified of initial recommendations earlier – it is aimed to notify applicants of their initial grant recommendation around 6 weeks before the Cabinet meeting, to allow them sufficient time to provide information on the impact, especially equalities and community safety impact, of the recommendation before Cabinet makes a final decision.
7. The outcomes against which the grants will be award have been developed from the 'challenges' outlined in the Southampton Profile (needs assessment). Outcomes for Infrastructure Support Services have also been included as these services are vital to ensure a thriving voluntary and community sector in the city. All applicants will be expected to make a contribution to at least **one** of the outcomes. The outcomes have been grouped into funding themes. It is expected that a range of applications will be received including some that only meet one outcome, some that meet several outcomes within a funding theme and some cross-cutting applications meeting several outcomes across two or more funding themes. The proposed outcomes are listed below, with the funding themes in bold.
8. **Skills, education and jobs for local people**
- Local people have higher levels of skills and employment leading to increased economic activity and employment rates in the city
 - Increased number of young people participating in education, employment or training
 - Increased number of young people achieving 5 A*-C GCSEs
 - Increased school attendance
 - Increased number of not for profit businesses starting up in the city
9. **A better and safer place in which to live and invest**
- Reduced carbon emissions in the city, through increased bus use, energy efficiency, etc
 - Reduced amounts of overall household waste
 - Reduced levels of repeat victimisation
 - Reduced levels of physical disorder, such as broken windows, graffiti or litter, and ASB in areas of multiple deprivation
 - Improved public perception of crime and ASB in the city
 - Reduced risk of young men aged 16-24 being victims of crime
 - Reduced risk to women of serious physical harm or death through domestic violence.
10. **Better protection for children and young people**
- Improved life chances for children in care and care leavers, particularly increased participation in education, employment or training
 - Reduced levels of child poverty in the city
 - Increased individual resilience and personal aspiration

11. **Supporting the most vulnerable people and families**
 - Reduced alcohol consumption
 - Vulnerable people better supported and a consequent reduced demand on both health and social care services as a result of the ageing population
 - People enabled to stay independent, socially engaged and physically active
 - Vulnerable people and families are supported through the Welfare Benefit changes
 - Strengthened parent and child relationships and increased resilience within the family
 - Reduced levels of household poverty
12. **Reducing health inequalities**
 - Reduced health inequalities between different parts of the city
 - Reduced health inequalities between men and women
 - Increased physical activity across the lifespan, particularly in childhood to create a healthy active blueprint for life
13. **Infrastructure Support Services**
 - Local voluntary and small community groups are supported, including new groups given support to start up. All groups have better governance, have access to and are supported through training, have help finding funding and making effective use of resources.
 - Volunteers, trustees and staff of local voluntary and small community groups have improved knowledge, skills and confidence, leading to raised standards.
 - Stronger links between local voluntary and small community groups and agencies such as local authorities and health agencies, leading to groups being better heard and policy makers better understanding the needs of groups. Agencies are supported when conducting consultation with local voluntary and small community groups.
 - Greater understanding of the needs of disadvantaged and under-represented communities through the promotion of equality and diversity. Local voluntary and small community groups are supported to better articulate the needs of disadvantaged and under-represented communities and the most vulnerable people.
 - Local voluntary and small community groups are supported to come together to share ideas and intelligence and address issues of common concern and are better connected and able to work together more efficiently.
 - Increased number of volunteers and volunteering opportunities.
14. It is intended to review both the funding themes and outcomes regularly throughout the life of the grant awards, as council plans and strategies and the Southampton Profile challenges evolve. Any changes that could affect grant awards will be discussed with the grant recipients as part of the monitoring process to ensure all grant awards continue to meet the needs of the city.

Feedback from these discussions and amended equality and community safety impact assessments will be considered when making final decisions under delegated powers

15. Where possible the grant application process has been streamlined, by reducing paperwork and reducing the overall time it takes from the start of the application period to the grant award decision by approximately two months. Full details of the process and outcomes can be found in the Prospectus attached as Appendix 1.
16. The council wishes to provide stability to the voluntary and community sector and aims to do this by awarding three year funding agreements to successful applicants, where appropriate. While the aim will be to fund successful applications for three years, each application will be assessed on a case by case basis as to whether three year funding is appropriate. The council may offer two years or one year funding instead.
17. As the budget is set annually applicants need to be aware that years 2 and 3 of any funding agreement for more than one year will be provisional and may be subject to change in light of council budget decisions. While the council aims to keep to the provisional budget it must be noted that the council's financial position is continually changing. Any changes to the grants in years 2 or 3 will be made by Cabinet subject to approval by Council of the annual revenue budget in February of each year. It is aimed to notify grant recipients of any proposed change within the relevant timescales, as per the Compact, before the Cabinet meeting, to ensure the impact of the proposals can be fully considered before the decision is made.
18. If there is no change to the provisional budget for years 2 or 3 Cabinet's original grant award decision of January 2013 will stand and does not need to be re-confirmed each year. The grants for years 2 and 3 will be confirmed automatically when the budget is approved by Full Council at the annual Budget Setting meeting in February of each year. This is a significant change from previous three year funding agreements where Cabinet re-confirmed the grants each year.
19. The council is aware that by moving to longer term funding the majority of the grants budget would be committed between April 2013 and March 2016, leaving little flexibility to respond to requests for funding during this period. It would also mean that voluntary and community organisations that were not in a position to apply for longer term funding in the autumn of 2012 would be effectively locked out until 2016. Therefore it is proposed to set aside a small portion of the budget each year for one-off, one year grants to be awarded against the same criteria and outcomes as the longer term grants.
20. It is intended that these grants would be available for voluntary and community organisations that did not receive longer term funding. The scheme would open in April each year, with grants of up to £10,000 awarded under officer delegated authority. Depending on the impact of the grant changes it may not be possible to offer this funding in 2013/14 as the budget may be needed for notice payments (see paragraph 29 for more details). Cabinet is requested to approve in principle the scheme for one-off, one year grants. The detailed process for awarding grants from this scheme will be presented to Cabinet for

approval in January 2013.

21. Cabinet is requested to propose a budget of £4,977,756 over three years (2013/14 to 2015/16) for grants to voluntary organisations subject to approval by Full Council at the annual Budget Setting meeting in February of each year. Of this £1,777,345 would be the proposed budget in 2013/14. The budget would comprise:

Year	2013/14 £	2014/15 £	2015/16 £	Total £
Three year funding	1,608,568	1,495,968	1,391,250	4,495,786
One-off grants	100,000	93,000	86,490	279,490
Community Chest	50,000	50,000	50,000	150,000
Housing Revenue Acct	18,777	17,463	16,240	52,480
Total	1,777,345	1,656,431	1,543,980	4,977,756
Reduction from previous year	6.81%	6.8%	6.78%	

22. In line with savings being made across the council a tapered reduction of the grants budget over the three years is also recommended. The three year funding, one-off grants pot and Housing Revenue Account contribution are recommended to reduce by 7% each year using the 2012/13 budget as a baseline (total £1,907,300). It is recommended that this reduction is applied equally to all grant recipients. It is not recommended to reduce the Community Chest budget further as it had a 50% reduction in 2011/12. The reduction to the overall budget would therefore be approximately 6.8% each year.
23. Should there be an underspend in the three year funding element of the budget or returned grant money from a voluntary organisation awarded a three year grant it will be re-allocated to the one-off grants budget to be spent in the relevant year or years.
24. The council is ever mindful of case law relating to grant funding established through the judicial reviews, namely the need for timely and meaningful consultation with voluntary and community organisations, with a clear explanation of proposals and an open, transparent, corporate, co-ordinated approach. Whilst the existing grant recipients meet the council criteria and are providing good value and much needed services in the city, other organisations do not have an opportunity to be fully considered for funding as the council has previously not had enough time to conduct the timely and meaningful consultation necessary to end the funding relationship with existing grant recipients.
25. Cabinet is requested to approve the issuing of formal notice to existing grant recipients that all applications for grant funding for 2013/14 and beyond will be considered without reference to previous grants and their current funding relationship with the council will end on 31 March 2013. This will ensure the council is fully open and transparent with voluntary and community organisations and will allow for timely and meaningful consultation and

consideration of impact assessments, including equalities and community safety. The existing grant recipients are listed in the 2012/13 Grants to Voluntary Organisations Cabinet report, 13 February 2012 (Appendix 1).

26. Giving formal notice will set a level playing field for the new outcome-based Commissioned Grants Programme and all applicants will be considered as new applicants whilst allowing existing grant recipients time to prepare for potential changes to their funding. It will also ensure that any notice payments are provided primarily from within the existing budgets.
27. It must be stressed that issuing formal notice is the **beginning** of the process for concluding the funding relationship, not the end, and is part of the ongoing consultation on changing the way grants are awarded. In line with the Compact and the Best Value Statutory Guidance, the council will actively engage with affected voluntary and community organisations, and through them service users, over the coming months giving them the opportunity to put forward options on reshaping the service or project via an application to the new outcome-based Commissioned Grant Programme. Existing grant recipients will have the opportunity to apply for funding under the new Programme.
28. A plan and timetable for issuing formal notice, subsequent consultation and completion and consideration of impact assessments is attached at Appendix 3. The impact of giving notice on individual organisations will be considered by Cabinet when awarding grants in January 2013.
29. The council will assess, on a case by case basis, if any paid notice needs to be given after the Cabinet decision. If any paid notice is necessary the budget set aside for one-off grants in 2013/14 will be used with the aim that no additional call is made on the council's stretched finance reserves. This may mean that the one-off grants may only be partially available or not available at all in 2013/14. One-off grants in years 2 and 3 will not be affected by this scenario.
30. The standard grant criteria are reviewed and amended on an annual basis to ensure they are in line with current best practice and council priorities. Three changes are recommended at this time – two new criteria and one amended.

New criteria:

- Applications will normally only be considered towards projects and activities that demonstrate innovative approaches to meeting the needs of the residents of Southampton.

This change is being recommended as innovation should underpin all the grant outcomes.

- Applications will not normally be considered for core funding from groups and organisations whose activities fall within the responsibility of schools to fund. However, contributions to jointly funded projects may be considered.

This change is being recommended as national changes to the way schools are funded means the Dedicated Schools Grant part of the grants budget has been re-allocated directly to schools to fund this work (see paragraph 32).

Amended criterion:

- Applications will not normally be considered from groups and organisations that have unsuccessfully tendered for the same project/work as a contracted service (either to the council or anyone else).

This change is being recommended following feedback during consultation that the original criterion about failed tenders needed to be made clearer. The full criteria with the amendments highlighted are available in Appendix 1.

Shopmobility

31. It had previously been agreed, in December 2010, after a detailed consultation process, to reduce Shopmobility's grant over three years to £46,000 in 2011/12, £35,000 in 2012/13 and £27,000 in 2013/14. As the proposal for the outcome-based Commissioned Grants Programme three year funding will overlap with this it is proposed to discontinue the tapered reduction and bring Shopmobility in line with the new grants process. This means that the recommendation to formally give notice to existing grant recipients that all applications for grant funding for 2013/14 and beyond will be considered without reference to previous grants and their current funding relationship will end on 31 March 2013 (see paragraph 24) will also apply to Shopmobility. Although this may be unsettling for Shopmobility, as with all voluntary and community organisations in this position, it will give them the opportunity to be considered for three year funding. Shopmobility have been consulted on this recommendation and their feedback has been included in Appendix 2.

Changes to Dedicated Schools Grant

32. National changes to the way schools are funded from April 2013 means that the Dedicated Schools Grant (DSG) contribution to the grants to voluntary organisations budget, £55,900 in 2012/13, will no longer be available. The money will instead be allocated as part of individual school budgets. From April 2013 it will be up to individual schools to decide if they want to buy the services that voluntary and community organisations are offering and it is not for the council to decide which services schools need. Therefore, the recommendation is for Cabinet to note that the Dedicated Schools Grant contribution in the grants to voluntary organisations budget will no longer be available from April 2013.

Community Chest scheme

33. The council has been running a Community Chest small grant scheme for more than 25 years. The grants primarily support small, unfunded, volunteer led community groups across the city, for example, community fun days, health and wellbeing projects, environmental projects, sports clubs, residents associations etc and promote volunteering and getting involved with the local community. Applications are currently assessed by a Panel consisting of specialist officers across the council and a representative of Southampton Voluntary Services. The Panel makes recommendations to the Communities Team Manager who has delegated authority to decide the grant awards, following consultation with the Cabinet Member for Efficiency and Improvement. The current budget for Community Chest is £50,000.
34. The NHS Southampton Trust also manages a small grants scheme in the city, the Health and Wellbeing grants. Applications are assessed and awarded grants by an allocation panel consisting of representatives from the NHS, the council and Southampton Voluntary Services. The current budget for this grant scheme is £75,000.

35. Following discussions with senior managers in the NHS, it is proposed to pool the council's Community Chest budget and the NHS Health and Wellbeing grants budget into a city-wide, small grant scheme, administered in a different way than either scheme current is.
36. During both consultation with voluntary organisations and the Big Society Scrutiny Inquiry, the feedback was that Community Chest could be managed differently, perhaps by a voluntary organisation. The arrangements for pooling budgets suggested in this report offer an opportunity to consider a different way of administering this scheme. This combined with the need to respond to new policy initiatives such as the 'localism' agenda is leading to more efficient ways of working, making the time right to give the voluntary sector the opportunity to take this on. Previous discussions with potential providers suggest that the costs are likely to be around 10% of the budget. Choosing an external service provider would be done via a procurement process.
37. The legal powers to award grants would not transfer to the service provider, therefore it is proposed that if the scheme was to be administered by a voluntary organisations the split in responsibilities would be:
Voluntary Organisation – administering the scheme and setting up and running an Assessment Panel to make grant recommendations.
Council – setting broad funding priorities and making final grant decisions following recommendations from the Assessment Panel.
38. It has also been suggested that the scheme could be run on a Participatory Budgeting basis. Participatory Budgeting involves the local community and intended beneficiaries of the funding in the grant decisions. This allows the community to fund the projects they feel they need, rather than the council deciding what is needed. However, it can be a resource intensive process. Determining the best model for involving the community more in a city-wide small grant scheme would be part of consultation on this matter. It is important to note that Participatory Budgeting will need to be supported by adequate community development resources.
39. A consultation process on the proposal needs to be undertaken before a final decision can be made. Cabinet is therefore requested:
- to approve in principle pooling the council's Community Chest budget with the NHS Health and Wellbeing grants budget and agree to explore alternative options for the administration of the scheme, subject to consultation with community groups and the Trade Unions
 - to delegate authority to the Director of Environment and Economy, following consultation with the Cabinet Member for Efficiency and Improvement, to implement changes to the Community Chest scheme following the consultation with community groups and the Trade Unions.

RESOURCE IMPLICATIONS:

Capital/Revenue:

40. The proposed 2013/14 to 2015/16 grants to voluntary organisations budget is made up of the following elements.

Year	2013/14 £	2014/15 £	2015/16 £	Total £
Corporate	1,758,568	1,638,968	1,527,740	4,925,276
HRA	18,777	17,463	16,240	52,480
Total	1,777,345	1,656,431	1,543,980	4,977,756

41. The council budget is set annually in February each year. Therefore the proposed budgets for 2014/15 and 2015/16 are provisional and are subject to budget setting in February of each year.

Property/Other:

42. No immediate property implications are raised by this report. If, through the development of a grant supported initiative, a property issue is generated it will be subject to detailed consultation in the usual way.

LEGAL IMPLICATIONS:

Statutory power to undertake proposals in the report:

43. The review of the grants process is undertaken in accordance with Section 1 of the Localism Act 2011. The exercise of this power is subject to any pre-commencement restrictions or prohibitions contained in the statutory powers used to award individual grants as detailed in Appendix 1 of the 2012/13 Grants to Voluntary Organisations report to Cabinet dated 13 February 2012.

Other Legal Implications:

44. The council is mindful of case law established through the judicial reviews of Haringey Council in 2000, Leicester City Council in 2004, Ealing Borough Council in 2008 and London Councils in February 2011. Accordingly, the council follows four main principles during the grants process, namely timely and meaningful consultation with voluntary organisations, with a clear explanation of proposals and an open, transparent, corporate, co-ordinated approach. Decision makers must be satisfied that consultation with affected organisations has been adequately carried out and that where appropriate any notice period given before the implementation of any reduction in grant is adequate and reasonable.
45. The Council recognises its legal obligations with regard to equality and community safety in making its decision. The Equality and Safety Impact Assessment (EIA) conducted on the move to outcome-based commissioned grants has been updated and is attached at Appendix 4.

POLICY FRAMEWORK IMPLICATIONS:

46. Grant recommendations relate to the relevant Policy Framework plans and the services provided by the grant-aided organisations will assist the council in meeting the overall aims of its policy framework including the objectives set out in the Southampton City Council Plan 2011-14.

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KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:	All
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SUPPORTING DOCUMENTATION

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

Appendices:

1.	Prospectus (includes process, outcomes, standard grant criteria)
2.	Consultation with voluntary organisations
3.	Formal notice timetable and plan
4.	Equality and Safety Impact Assessment

Documents In Members' Rooms:

1.	Application packs
2.	Appraisal template

Integrated Impact Assessment

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.	Yes, see Appendix 4
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Other Background Documents

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

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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1.	2012/13 Grants to Voluntary Organisations Report to Cabinet – 13 February 2012	
2.	Process For Awarding Grants To Voluntary Organisations From 2013/14 – 12 March 2012	

DECISION-MAKER:	CABINET
SUBJECT:	LICENSING SCHEME FOR HOUSES IN MULTIPLE OCCUPATION (HMOs)
DATE OF DECISION:	21 AUGUST 2012
REPORT OF:	CABINET MEMBER FOR HOUSING AND LEISURE
STATEMENT OF CONFIDENTIALITY	
NOT APPLICABLE	

BRIEF SUMMARY

Proposals are outlined for a Southampton Licensing Scheme for Houses in Multiple Occupation (HMOs) that will incorporate properties subject to mandatory HMO licensing and smaller properties through an Additional Licensing Scheme. This is considered to be a proportionate response to proactively improving property standards and management in Southampton's HMOs. Approval is sought to initiate a twelve week consultation on these proposals with residents, landlords and others.

RECOMMENDATIONS:

- (i) That Cabinet approves the proposals for a Southampton Licensing Scheme for Houses in Multiple Occupation (HMOs) for public consultation, for twelve weeks from 3 September 2012 to 26 November 2012.
- (ii) That Cabinet considers the outcome of the consultation at its meeting on 29 January 2013 and, if appropriate, designates the entire City as being subject to additional licensing, which will come into effect on 1 April 2013 and be phased over five years.

REASONS FOR REPORT RECOMMENDATIONS

1. Evidence shows that there are significant problems associated with Houses in Multiple Occupation (HMOs) in Southampton, including poor property conditions, poor management and anti-social behaviour, which are not being adequately addressed through the Council's Mandatory Licensing Scheme (which covers HMOs comprising three or more storeys and occupied by five or more people) and other enforcement and regulatory measures.
2. An Additional Licensing Scheme covering smaller HMOs, including those consisting of two storeys and those occupied by three or more unrelated people, would help to improve the condition and management of these properties. This would be a proportionate response to address community concerns about the local impact of HMOs whilst ensuring safe, good quality privately rented accommodation is available to meet housing needs. The mandatory and additional elements of HMO licensing would together form the Southampton HMO Licensing Scheme.
3. The Housing Act 2004 requires a public consultation on proposals for an Additional Licensing Scheme before any designation is made.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

4. That the Council manages issues associated with HMOs without an Additional Licensing Scheme. The Article 4 Direction now means that planning permission is required for all new HMOs in the City, but this does not apply to existing HMOs. A 'virtual HMO' team, made up of all Council services involved in regulating HMOs, has targeted enforcement effectively, but the proposed Southampton HMO Licensing Scheme would enable a more proactive and comprehensive approach and will significantly assist the Council in dealing with HMO issues.
5. That an Additional Licensing Scheme be implemented without public consultation. This has been rejected as it would be unlawful. The General Consent given by the Secretary of State on 30 March 2010 to local authorities to designate an area or areas does not apply unless consultation has taken place for a minimum of ten weeks.

DETAIL (Including consultation carried out)

6. Southampton City Council values its very large private rented sector (at around 24,000 properties comprising at least 24% of the whole housing stock) and wants to see a strong, healthy and vibrant market. The sector has an important role in providing often reasonably priced housing for those not wishing or able to consider home ownership, or for those to whom social housing is not an option, as well as providing housing for the City's student population. The sector offers flexibility and capacity that is key to addressing housing need in the City. Historically, the Council has been keen to ensure that HMOs are improved. In 1995, the Council established the Freemantle and Polygon HMO Registration scheme and since April 2006 has administered a city-wide Mandatory HMO Licensing Scheme.
7. The Council is keen to ensure that the housing needs of a wide range of private rented tenants are met through well managed, quality accommodation. However, the private rented sector has some significant problems for which statutory regulation, particularly licensing, is required. The City has a large number of Houses in Multiple Occupation (HMOs), estimated at 7,000 properties. These are amongst the more difficult to manage properties in the sector. In some HMOs, the standards of management and living conditions are very poor. A licensing scheme that covers all HMOs would allow the Council to proactively identify and engage with landlords, particularly with the less responsible landlords to drive up standards in the sector. This is particularly important due to changes to the benefit system (generally for most groups of people and, since January 2012, those aged under 35 and renting from a private landlord can only receive housing benefit at a single room rate.) High densities of HMOs in some areas of the City have also led to community concerns, including noise, antisocial behaviour, crime, letting signs, waste and recycling, which licensing of all HMOs would also help to tackle.
8. Licensing has significant social and financial benefits to the general economy of the City. It maintains the buoyancy of the rental market by ensuring that the better landlords are not disadvantaged by non-compliant landlords. Evidence in other cities with additional licensing, such as Oxford, has shown that some of the worst landlords are being driven out of the market.

9. Mandatory HMO licensing, which applies nationally, is aimed at those HMOs that present the highest safety risks to occupiers, namely those of three storeys or more and occupied by five or more unrelated people. 392 properties are currently licensed under the Mandatory Licensing Scheme in Southampton.
10. In addition to these larger HMOs, research suggests that there are potentially 6,500 smaller HMOs, predominantly in the central and northern areas of the City that the current licensing scheme does not cover, among which there is evidence of unsatisfactory management, disrepair, inadequate safety standards and community harm.
11. The consultation therefore proposes that an Additional Licensing Scheme be implemented to cover smaller HMOs containing three or more people regardless of the number of storeys, throughout the entire City. The Southampton HMO Licensing Scheme would incorporate both mandatory and additional licensing schemes. Evidence suggests that the condition and management of HMOs are independent of their location in the City. Although complaints from residents about noise, waste, antisocial behaviour and other issues are concentrated in areas of the City with high densities of HMOs, very poor housing conditions and management are also often found when investigating complaints about HMOs in areas with lower densities.
12. It is proposed to phase the designations for an Additional Licensing Scheme, so that all of the 6,500 smaller HMOs will become eligible for licensing over a five year period, as set out in figure 1 below. All HMOs in an Electoral Ward would become eligible for licensing at the same time, which will help with administration and enforcement. From April 2017, all privately rented houses occupied by three or more people (including children) who form two or more households will require a licence.

Year	Electoral Wards	Properties (estimate)	Inspections (cumulative)
1	Bargate	2,000	1,300
2	Portswood and Swaythling	1,500	2,600
3	Bevois	1,500	3,900
4	Freemantle, Shirley and Bassett	750	5,200
5	Remainder of city	750	6,500

Figure 1: Proposed phasing of Additional Licensing Scheme

13. A phased implementation will help to ensure a similar number of inspections are carried out each year during the initial five year programme (1,300 a year or 25 a week). Each application will be risk assessed, with properties likely to be higher risk or poorly managed visited first. The other properties will be issued a licence following a desktop review, pending a full inspection. The Council has a duty to determine that a property is free of serious hazards within five years of it being licensed. The proposed phasing takes account of areas of the City with the highest densities of HMOs.

14. These proposals will help to more effectively integrate licensing and planning enforcement across the entire sector and a complete database of HMOs will help considerably with the determination of new planning applications.
15. It is proposed that the designation will not apply to any building which is an HMO as defined by section 257 of the Housing Act 2004, relating to certain converted blocks of flats. Resident landlords with up to two lodgers are not defined as HMOs.
16. The Southampton HMO Licensing Scheme would involve the following checks: determining that the landlord or manager is a 'fit and proper person', making sure that the property is free from serious housing hazards, checking gas and electrical safety certificates, fire safety and waste disposal arrangements. It is proposed to ensure that the property is suitable for housing people to whom the Council owes a duty under homelessness legislation. This will include asking for carbon monoxide detectors and an Energy Performance Certificate (EPC). Licence conditions would deal with antisocial behaviour, waste in gardens and lettings signs.
17. The costs of the scheme, including costs associated with monitoring and enforcement of licence conditions will be paid for by the licence fee, which is expected to be set at £500 per property for a five year licence. All inspections will be carried out by Council officers.
18. The proposed Southampton scheme is compared with the current mandatory scheme and the scheme implemented by Oxford City Council below.

	Current Scheme	Proposed Scheme	Oxford Scheme
<i>Type of HMOs included</i>	3 storeys and above with 5 or more occupiers	3 or more occupiers	3 or more occupiers
<i>Coverage</i>	City-wide	City-wide	City-wide
<i>Length of licence</i>	Five years	Five years	One year
<i>Cost to licence typical HMO for five years</i>	£225	£500	£1,211 (large) £1,006 (small)
<i>Reduced fee for private survey*</i>	Yes	No	No
<i>Higher fee for failure to apply or delay</i>	Yes	Yes	Yes
<i>Discount for multiple applications</i>	No	Yes	Yes

*Applicant can submit a survey report from an approved surveyor for a reduced fee

Figure 2: Scheme comparisons

19. Persistent failure to apply for a licence or comply with licence conditions could result in prosecution, an application for a Rent Repayment Order and, in very serious cases, for the Council to take over the management of a property.

20. The consultation will include landlords, letting agents, residents and tenants groups, universities, Shelter, local agencies (including Hampshire Fire and Rescue and Hampshire Constabulary) involved with housing and the general public. Four stakeholder focus groups are planned – in the Polygon (which will include door to door consultation to coincide with a Street Cred event); in Portswood/Highfield; at the Civic Centre; and in partnership with Southampton Solent University and the University of Southampton, for Southampton Accreditation Scheme for Student Housing (SASSH) accredited landlords. Presentations will be made at local branch meetings of the National Landlords Association (NLA) and the Southern Landlords Association (SLA). There will be paper and online questionnaires.
21. It is proposed that the scheme be reviewed after five years, which will include an evaluation of its impact on housing conditions, community concerns, health and wellbeing and supply of good quality, affordable housing.

RESOURCE IMPLICATIONS

Capital/Revenue

22. There are no capital implications.
23. The HMO licensing fees will be set at a level that is reasonably expected to cover the costs of providing the service based on estimated officer time and associated costs involved in processing the applications, inspections, monitoring and enforcement as well as relevant overheads. A higher or “penalty fee” is proposed for non-compliant landlords, in common with the current mandatory licensing scheme. The cost of a typical five year licence is expected to be £500, but the final cost of the scheme will depend on the outcome of the public consultation and will be submitted for approval by Cabinet in January 2013.
24. Income from the scheme would be ring-fenced for spending on regulating HMOs, including inspecting each property and ensuring compliance with licence conditions. It is anticipated that this will create 13 to 15 new jobs.

Property/Other

25. Accommodation needs for new staff will need to be assessed and the most effective use of flexible working arrangements will be made for new and existing staff, including working from home and the use of “hot desks”.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

26. Before introducing an Additional HMO Licensing Scheme, the Council must comply with the specific requirements set out within sections 56 and 57 of the Housing Act 2004. This includes being satisfied that a significant proportion of the HMOs proposed under the additional scheme are being managed sufficiently ineffectively. The Council must also consider whether there are any other courses of action available to them that might provide an effective method of achieving the objectives of any proposed designation and how the making of the designation will significantly assist the council in achieving its objectives. The Council must also consider the Departmental guidance document, “Approval Steps for Additional and Selective Licensing Designations in England”. Consultation must also take place and the scheme must be consistent with the authority’s overall housing strategy.

Other Legal Implications:

27. Designation of the wards subject to additional licensing cannot come into force unless the designation has been confirmed by the Secretary of State, or falls within a general approval. The proposed designations fall within the 2010 General Approval. If a designation is made, section 59 of the Housing Act 2004 provides for publication of a notice confirming the fact of designation.

POLICY FRAMEWORK IMPLICATIONS

28. The recommendations are consistent with the Housing Strategy 2011-2015.

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KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:	ALL
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SUPPORTING DOCUMENTATION

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

Appendices

	None
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Integrated Impact Assessment

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

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

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
NONE	

DECISION-MAKER:	CABINET
SUBJECT:	LANDLORD CONTROLLED HEATING CHARGES
DATE OF DECISION:	21 AUGUST 2012
REPORT OF:	CABINET MEMBER FOR HOUSING AND LEISURE
STATEMENT OF CONFIDENTIALITY	
None	

BRIEF SUMMARY

The purpose of this paper is to provide an explanation of the current financial position on the Landlord Controlled Heating Account and set out the increases that are recommended to bring the account back into balance.

The report presented last year recommended a rise of 19.5% in 2011/12 and stated that increases for 2012/13 onwards would need to exceed increases in charges from energy suppliers by approximately 4.5%. However, the deficit on account at the end of 2011/12 was smaller than forecast, due to the mild winter and the impact of reducing the number of hours the heating systems were switched on. Therefore, a rise of 18% is recommended for 2012/13, which is in line with projected energy inflation. It is currently anticipated that an increase in line with energy inflation will also be sufficient in 2013/14, with an expectation of lower than energy inflation increases in subsequent years.

The Council recognises that a large number of its residents who benefit from the landlord heating system may also be suffering from fuel poverty, particularly in some of the most deprived areas of the city. Therefore, the Council plans to consider a number of future heating options which will have the benefit of giving tenants control over their heating, whilst also reducing their utility costs.

RECOMMENDATIONS:

- (i) That charges to tenants for landlord controlled heating are increased by 18% from 1 October 2012.

REASONS FOR REPORT RECOMMENDATIONS

1. The financial outturn for 2011/12 shows that the deficit on the heating account has reduced to £1,457,000, which is £453,000 lower than forecast.
2. Although the level of deficit has reduced, it is still necessary to implement measures to eliminate the deficit by 2014/15, and produce a surplus of approximately 10% of annual expenditure by 2015/16. This approach was agreed by Cabinet in July 2008.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3. The alternative option is not to increase charges to tenants, which would result in an increased deficit on the landlord heating account.

DETAIL (Including consultation carried out)

Background

4. The current charges to tenants are based on the floor area of their dwellings. These are allocated into one of 8 charging bands. This new basis was approved by Cabinet in July 2008. Given the scale of the changes for some tenants a phased introduction was agreed. The last phasing change was in April 2012, which left 34 properties still to converge. The next change, in April 2013, will reduce that number to 33, with full convergence achieved by April 2017.
5. The report in July 2008 also set out the basis for the future operation of the heating account and the following principles are relevant to this paper:
 - To confirm the existing definition of total costs as all energy costs (currently gas and electricity) used to provide landlord heating for all blocks in the city where there is landlord controlled heating plus the reasonable costs of administering the scheme;
 - To agree that any annual surpluses or deficits at the end of each year are carried forward and are taken into consideration in calculating the following year's charges;
 - To agree that a working balance on the account would be maintained at approximately 10% of total energy expenditure.

Current position

6. At the time the policy was established the surplus on the heating account was £414,000, which represented 17% of annual expenditure.
Subsequently there were 3 winters in which average external temperatures were lower than previous years, which saw usage increase substantially over previous levels, and this led to a deficit on the heating account of £1,620,000 at the end of 2010/11.
The price increase of 19.5%, applied in October 2011, was the first step towards eliminating the deficit and establishing a 10% surplus, although the forecast model (which was based on an assumption that all future usage would remain at 2010/11 levels) predicted an initial increase in the deficit of £290,000.
7. The financial outturn figures for 2011/12 show that the deficit on the account has reduced to £1,457,000, which is £453,000 lower than expected.
This is due to the decision to reduce the hours for which the heating systems were operating, combined with an exceptionally mild winter, which has reduced the consumption. It is not possible to analyse the contribution for each of these factors, but the energy expenditure was £564,000 less than forecast.
There are some smaller adverse variations on the account that have partially offset this position, as follows:
 - Income from tenants was £48,000 lower than forecast, due to the delay in implementation of the charge increase.
 - Income from leaseholders was £38,000 lower than forecast due to the reduced consumption.A further invoice of £20,000 was received from the Audit Commission for investigation of a tenant's complaint.

8. Although the deficit has been substantially reduced compared with forecasts, it will still be necessary to implement a further increase, as early as possible in 2012/13, if the deficit reduction is to proceed as agreed.

9. A crucial factor in determining price increases to tenants is the forecast of consumption and the costs at which the council can purchase energy. In this regard, 3 of the last 4 years have seen major reductions in average external temperatures and therefore an increase in usage over budgeted levels.

Three usage scenarios have been considered :

- Pessimistic – usage as per 2010/11 (high)
- Optimistic – usage as per 2011/12 (low)
- Realistic – an average of the last 3 years usage, comprising two “bad” years and one “good” year.

The recommendation is based on the ‘Realistic’ scenario

10. In 2011/12 it was agreed that the heating systems would be switched on for 1 hour less per day. The mild winter meant that the monitoring of exact savings from this measure was not possible (though theoretical savings can be calculated), but customer feedback indicated that the changes had no adverse impact on the comfort of our residents over the course of the last winter.

12. The other key factor is an assessment of increases in energy prices. The latest information is that electricity prices paid by the council can be expected to rise by 18% from October this year, but the rate of increase will slow for subsequent years. This information has been supplied by Kent Laser, and has been used in the forecast models.

13. Having established a forecast for expenditure it is necessary to decide how charges to tenants need to be increased to bring the account back into balance and when the increases should take place.

14. The report presented last year recommended a rise of 19.5% in 2011/12 and each subsequent year until 2015/16. This was based on an assumption of 15% per annum increases in charges from energy suppliers. As the landlord heating account is in a better position than forecast, this will not now be necessary. Based on the ‘Realistic’ scenario, as described above, an increase in line with projected energy inflation in 2012/13 and 2013/14 will be sufficient to allow lower than inflation increases in the last 3 years of the model.

15. Based on an 18% increase in October 2012, the projected deficit on the heating account at the end of 2012/13 is £1.2M. It is planned that the account would remain in deficit until 2014/15, and produce a 10% surplus by 2015/16.

Future Heating Options

16, The Council has long held the aspiration to give tenants direct control over their heating but until recently the design of the system and the electrical capacity of the risers has meant this has not been possible. However, as a result of significant work undertaken with Southern Electric over the last year it is now possible to directly connect the electrical heating system into an individual’s own supply and this approach has been piloted in recent months. However, the arrangement simply provides residents with control over the current electrical system and the Council has concerns that the current

system may not be the best heating solution for residents in the longer term.

17. The Council is currently undertaking a significant project at International Way in Weston, which includes the re-provision of a landlord heating system, but with the added benefit of it being a 'wet' system with radiators fired by a single boiler house for each block. This has the added benefits of providing the residents with hot water as well. The system is fully controllable and the residents will have direct control over the heating and hot water, only paying for what they use through a key meter system. As the Council is still purchasing the energy through a bulk arrangement, the cost savings can be passed on as a benefit to the residents
18. Consideration is also being given to wider heating options through district heating schemes or combined heat and power schemes using the Council 'estate' as the heat load to sustain a locally based system. External funding may be available for this type of scheme. In addition, Housing Revenue Account funding could be made available to pursue alternative heating solutions for key properties and areas in the City, including those identified as part of the Estate Regeneration Programme.
19. The work at International Way will provide key learning opportunities for the Council to consider how a better and more efficient heating solution can be provided to residents. Work with British Gas through their legacy obligation under the Community Energy Savings Project (CESP) funding will provide training, awareness and education to the residents on how best to manage their heating and hot water in the future.

RESOURCE IMPLICATIONS

Capital/Revenue

20. The revenue implications are set out above. The effect of price rises on area bands is illustrated in Appendix 1.

Property/Other

21. None.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

22. The legal powers to charge and vary rent in relation to Council owned housing are contained within the Housing Act 1985, with any reasonable upward variations subject to appropriate notice being provided to tenants.
Leaseholders are governed by the Landlord and Tenant Act 1985, which sets out the requirements insofar as increases to service charges are concerned, and in particular any relevant consultation, notice periods or limitations that may apply.

Other Legal Implications:

23. None.

POLICY FRAMEWORK IMPLICATIONS

24. The proposals in this report are consistent with the Housing Strategy and HRA business plan and the principles established by Cabinet in July 2008 for the operation of the account.

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KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:	All
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SUPPORTING DOCUMENTATION

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

Appendices

1.	Current and Revised weekly charges to tenants.
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Documents In Members' Rooms

1.	None
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Integrated Impact Assessment

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

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

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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1.	None	
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Agenda Item 12

DECISION-MAKER:	CABINET
SUBJECT:	PROPOSED EXPANSION OF SPRINGWELL SCHOOL
DATE OF DECISION:	21 AUGUST 2012
REPORT OF:	CABINET MEMBER FOR CHILDREN'S SERVICES
STATEMENT OF CONFIDENTIALITY:	
NONE	

BRIEF SUMMARY:

There has been a higher than expected number of children with complex special educational needs (SEN) in the city that require a special school for the 2012/2013 academic year. As a result it is proposed that Springwell school will admit an additional 8 pupils from November 2012 (and in subsequent years if demand remains at a similarly high level).

RECOMMENDATIONS:

- (i) To note the outcome of pre-statutory consultation as set out in Appendix 1 of this report.
- (ii) To authorise the publication of a statutory proposal to enlarge Springwell School from the 5th November 2012 by the addition of 8 places (one class group) in year R and continuing incrementally in subsequent years. This would have the effect of enlarging the school from 64 places currently to 120 places by September 2018.
- (iii) To delegate authority to the Director of Children's Services and Learning, following consultation with the Head of Legal, HR and Democratic Services, to determine the final format and content of statutory Notices and publish proposals in accordance with the requirements of the Schools Standards and Frameworks Act 1998 and associated Regulations and Statutory Guidance.
- (iv) To add, in accordance with Financial Procedure Rules, a sum of £399,000 to the Children's Services Capital Programme, for Springwell School expansion, funded from non ring fenced Department for Education Basic Need Grant.

REASONS FOR REPORT RECOMMENDATIONS:

1. There is currently a high demand for places at Springwell Special School. At the placement meeting on 17th May 2012, there were 22 children who had been put forward for consideration for a place and there were 12 places available (including the additional places at Thornhill). As a result there are currently not enough special school places in the City to accommodate all those children with complex needs that require a place.
2. The additional children would need a place from November 2012 (given their ages, they are not required to start in September) so it is essential that the consultation process commences as quickly as possible so that all the consultation processes and prospective cabinet reports can be completed before November.

3. The expansion proposal, if approved, would ensure that the Local Authority (LA) could meet its statutory duty to provide a school place (whether in SEN or mainstream) to all children in the city that require one. While demand is not expected to be as high next year as it was this year, this proposal would enable the school to admit an increased number in subsequent years if demand remains at a high level.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED:

4. The LA could decide not to increase the number of SEN placements available at Springwell. This would be likely to result in children and young people with statements not being able to be placed in the most appropriate provision to meet their needs, which could negatively impact upon outcomes for those children. It could also lead to an increase in the number of SEN tribunals if parents are not happy with the provision that they are offered. In this instance most parents would be successful at a tribunal and we would likely have to offer the child a place at Springwell anyway. The expansion of the school, as per School Organisation legislation, would negate the time and financial costs of having to hold several tribunal hearings.
5. Springwell is the only school in the city that can cater for the specific needs of the additional pupils that have been assessed. No other school in the city (neither SEN nor mainstream) has the expertise, in terms of both staff and facilities, to accommodate the assessed needs of these children and as such, no other schools were considered for this expansion proposal.

DETAIL (Including consultation carried out):

6. Initial Consultation was carried out with the Special School Head Teachers in the city via the Special Heads Conference. All heads are aware of the situation and agreed that the expansion of Springwell would present the most appropriate option for consultation having regard to the assessed need of those requiring places and the suitability and experience of the Springwell placement to meet those needs within available resources.
7. Six weeks of pre-statutory consultation took place between Thursday 21 June and Thursday 2 August 2012. A consultation document was produced and sent directly to all special school heads, the Jigsaw team, NHS and Mencap representatives. Details of the consultation were also sent out via the Southampton Education Leadership Forum e-bulletin. A consultation meeting was held at the school on Tuesday 10 July 2012.
8. All responses received were positive, with all respondents expressing their support for the expansion proposal. The excellent provision available at Springwell and the benefits of making this available to a greater number of children were given as reasons for supporting the expansion proposal. A copy of the consultation document and a summary of responses to the consultation can be found in Appendix 1.
9. An Equality Impact Assessment has been completed for this proposal (see Appendix 3). It is anticipated that the impact of this proposal would be hugely positive, as it would enable those children that have had their needs assessed to attend a school that is best placed to support their needs.

SEN Improvement Test

10. When proposing any reorganisation of SEN provision, the Local Authority must demonstrate how the proposals are likely to lead to improvements in the standard, quality and/or range of educational provision for children with special educational needs. To this end, the LA provide the following information (which was included in the consultation documentation) to highlight details of the specific educational benefits that will flow from the proposals:
- a. The additional places will provide a greater number of children with access to the specialist education available at the school
 - b. The additional places will provide a greater number of children with access to the specialist staff, both education and other professionals, that work at the school
 - c. Additional accommodation will be provided at the school, initially via a modular classroom
 - d. This proposal would result in additional places being available in the City, thus meeting the demands of those children with Special Educational Needs:
 - (i) Head teachers from all the city's special schools were consulted at the Special Heads Conference and agree that this proposal is the most appropriate option for public consultation. All headteachers in the city were notified of the pre-statutory consultation process via email.
 - (ii) The LA is committed to delivering a proposal to increase appropriate SEN provision in order to accommodate those children that require SEN support. These children have been assessed and it is clear that their needs can best be served at Springwell. The Head teacher at Springwell has been heavily involved in the formation of this proposal and suggested herself that, subject to consultation, the pupils be admitted from November 2012 in order to allow for the relevant processes to be completed.
 - (iii) There will be transport implications as a result of this proposal and children requiring transport support will receive it as per the Council's school transport plan
 - (iv) The funding arrangements for the proposal are set out below (see capital/revenue section).
11. For the 2012/2013 academic year, demand has exceeded supply by 8 places, which is highly unusual. As such, while the extra pupils being admitted in 2012/13 will remain at the school for the entirety of their primary education; further statutory proposals to remove places may be required in the future if demand is significantly lower than the number of places available. Pupil forecasting for SEN places is difficult due to the specific needs of SEN children and Children's Services will continually monitor its data to ensure that there are neither extremes of surplus or deficit amounts of places in the future.

RESOURCE IMPLICATIONS:

Capital/Revenue:

12. The revenue costs of all schools are met from the Individual Schools Budget funded by the Dedicated Schools Grant. The amount of Dedicated Schools Grant that the authority receives each year is based on the number of children in the city. If the city's overall numbers grow, this will result in an increase in the amount of grant received which can be passed onto schools via budget shares calculated using Southampton's Fair Funding Formula.
13. In order to meet the demand for places for the 2012/13 academic year, it is proposed that a single modular unit will be installed by November 2012 (i.e. in time for the second half-term of the year). This will be a rental unit, costing £50,000 per annum (a £21,000 part year effect for the 2012/13 financial year), with the cost of this being funded from the Children's Services portfolio. It is envisaged that this rental will only need to be in place for one academic year, with a permanent extension of the school being procured and delivered in time for September 2013, if it is deemed that additional places will be required in subsequent years.
14. The current intention is that the permanent extension should be a 2-classroom block. A high-level feasibility study has been undertaken and, on this basis, it is projected that £399,000 should be sufficient to cover the cost of delivering this project.

Property/Other:

15. If the proposals were approved, a single modular building would be required at the school by November 2012. This would provide the school with enough accommodation for 1 year. Further accommodation would be required if/when all year groups were expanded. The further expansion of the school (in subsequent years) will be driven by the future demand for places. Pupil data will be reviewed on a regular basis to ensure that supply matches, but does not greatly exceed or fall short of, demand.

LEGAL IMPLICATIONS:

Statutory power to undertake proposals in the report:

16. Local Authorities have a statutory duty under s.14 of the Education Act 1996 to secure sufficient high quality places for children and young people with SEN. Local Authorities must also ensure that there are sufficient schools in their area and promote diversity and parental preference.
17. Alterations, changes, creation or removal of SEN provision across the city is subject to the statutory processes contained in the School Standards & Framework Act 1998 as amended by the Education & Inspections Act 2006. Proposals for change are required to follow the processes set out in the School Organisation (Prescribed Alterations to Maintained Schools) Regulations 2007 as amended. Statutory Guidance on bringing forward proposals applies, which requires a period of statutory consultation which must take part predominantly within school term time to meet the requirements of full, open, fair and accessible consultation with those most likely to be affected (pupils, parents and staff often being on vacation or otherwise unavailable during school holiday periods) followed by considerations of representations by Cabinet.

Other Legal Implications:

18. In bringing forward school organisation proposals, the LA must have regard to the need to consult the community and users, the statutory duty to improve standards and access to educational opportunities, and observe the rules of natural justice and the provisions of the Human Rights Act 1998, article 2 of the First Protocol (right to education) and the Equalities Act 2010.

POLICY FRAMEWORK IMPLICATIONS:

19. The policy proposals impact on the Children and Young Peoples Plan.

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KEY DECISION Yes

WARDS/COMMUNITIES AFFECTED:	All (particularly the Bitterne Ward)
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SUPPORTING DOCUMENTATION

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

Appendices:

1.	Consultation document and responses to the consultation
2.	Planning and Developing Special Educational Provision. A Guide for Local Authorities and Other Proposers.
3.	Equality Impact Assessment

Documents In Members' Rooms:

1.	None
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Integrated Impact Assessment

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

Integrated Impact Assessment and Other Background documents available for inspection at: Children's Services and Learning, Southbrook Rise.

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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1.	None	
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DECISION-MAKER:	CABINET
SUBJECT:	RESPONSE TO OVERVIEW AND SCRUTINY MANAGEMENT BIG SOCIETY INQUIRY
DATE OF DECISION:	21 AUGUST 2012
REPORT OF:	CABINET MEMBER FOR COMMUNITIES
STATEMENT OF CONFIDENTIALITY:	
Not Applicable	

BRIEF SUMMARY:

The Overview and Scrutiny Management Committee (OSMC) held an Inquiry into the Big Society agenda from September 2011, reporting back to Cabinet with their recommendations in April 2012. This report suggests the way forward on the recommendations from OSMC.

RECOMMENDATIONS:

- (i) To approve the highlighted recommendations from the OSMC Inquiry for implementation set out in Appendix 1.
- (ii) To approve engaging in initial discussion with Southampton Connect in relation to taking a lead role in coordinating, overseeing and monitoring outcomes for the city.
- (iii) To approve the statement of principles set out in Appendix 2.
- (iv) To delegate authority to the Director of Environment and Economy, following consultation with the Cabinet Member for Communities, to do anything necessary to give effect to the recommendations contained in this report.

REASONS FOR REPORT RECOMMENDATIONS:

1. The report recommendations ensure that Cabinet has considered and formally responded to the outcome of the OSMC Inquiry on the Big Society.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED:

2. None, as Cabinet is required to consider and respond to outcomes of OSMC inquiries.

DETAIL (Including consultation carried out):

Background

3. The Overview and Scrutiny Management Committee (OSMC) Inquiry into the Big Society agenda took place from September 2011 to April 2012 when a number of recommendations were presented to Cabinet. The recommendations are detailed in Appendix 1. These have been considered in the context of the council's financial challenges, work that is already taking place as well as feedback from agencies who were invited to be involved with the Inquiry. This assessment has informed the recommended way forward which Cabinet is now requested to approve.

4. The Scrutiny Inquiry made 11 main recommendations with a number of specific sub recommendations. This report recommends that Cabinet accept all recommendations as written and contained in Appendix 1, with the exception of the following recommendations:
 - To establish forums: the rejection of this recommendation is due to resource constraints. However work is underway to map existing forums in the city so that it can inform how we can improve resident involvement in decision making through existing forums.
 - Prioritising communities: it is recommended that this is approved in principle, subject to the results of mapping of community development resources in the city that is currently underway.
 - CSR strategy: recommendation amended to: Investigate employer supported volunteering for council staff and the implications for council policy and practice.

Involvement of Southampton Connect

5. Key partners within Southampton Connect, including Business Solent, City College, Southampton Solent University and Southampton Voluntary Services (SVS), were involved directly in developing the Terms of Reference for the Big Society Inquiry and a number of representatives also gave evidence. In September 2011 the OSMC Chair discussed an outline of the purpose of the Inquiry with Southampton Connect and was given general support. Connect members were invited to provide feedback on the suggested themes of the Inquiry and a number of their ideas were incorporated into the final Terms of Reference.
6. The emerging issues and recommendations of the Big Society Inquiry were presented to Southampton Connect in March 2012, when they were invited to discuss their overall role within the Big Society. In particular, they were requested to consider the opportunity for coordination of the business role within the Big Society, a coordinated communication plan across the city, and to develop a city-wide programme involving young people to harness pride in the city. Southampton Connect was advised that the emerging issues were to be developed into a report from which a formal Cabinet response would follow detailing which recommendations were to be taken forward.
7. Cabinet is now requested to endorse the suggestion that officers hold discussions with Southampton Connect on them taking a lead role in co-ordinating, overseeing and monitoring outcomes for the city.

Statement of Principles

8. The Statement of Principles, in Appendix 2, will provide a foundation from which to support the development of community based projects in the city. It would also provide opportunities to engage in debate on key issues.

RESOURCE IMPLICATIONS

Capital/Revenue

9. There are resource implications linked to the Big Society Inquiry response and in considering the OSMC recommendations, due regard was given to the current financial pressures faced by the council. Therefore most of the recommendations that have been suggested for acceptance by Cabinet can be met from within existing budgets.
10. The exception is the Volunteer Passport scheme which can only be introduced if funding is identified. The Volunteer Alliance has indicated that they will be approaching Southampton Connect with a request for funding from the Service Development Fund.

Property/Other:

11. No immediate property implications are raised by this report.

LEGAL IMPLICATIONS:

Statutory power to undertake proposals in the report:

12. Matters referred to in this report are permitted by virtue of section 1 of the Localism Act 2011 (the General Power of Competence), which permits a Council to do anything an individual may do subject to any pre and post commencement restrictions, none of which have been identified in this instance. Additionally, the duty to undertake overview and scrutiny is contained within Section 21 of the Local Government Act 2000 and the Local Government and Public Involvement in Health Act 2007.

Other Legal Implications:

13. None

POLICY FRAMEWORK IMPLICATIONS:

14. None

AUTHOR:	Name:	Vanessa Shahani	Tel:	023 80832599
	E-mail:	vanessa.shahani@southampton.gov.uk		

KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:	All
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SUPPORTING DOCUMENTATION

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

Appendices:

1.	Big Society Inquiry – response to recommendations
2.	Statement of Principles

Documents In Members' Rooms:

1.	None
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Equality Impact Assessment

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out?	No
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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.	None	
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Agenda Item 14

DECISION-MAKER:	CABINET
SUBJECT:	APPROVAL TO SPEND SITE SPECIFIC SECTION 106 FUNDS FOR REAL TIME INFORMATION ('RTI')
DATE OF DECISION:	21 AUGUST 2012
REPORT OF:	CABINET MEMBER FOR ENVIRONMENT AND TRANSPORT
STATEMENT OF CONFIDENTIALITY:	
Not Applicable	

BRIEF SUMMARY:

To spend the outstanding Section 106 (S106) commitments for Real Time Bus Information on the new Real Time Information (RTI) Refresh contract. This will greatly enhance the delivery of real time bus information to public transport users in areas previously poorly served. Information is to be provided via:

- In shelter display units;
- RTI enabled bus stop flags;
- The web;
- Smartphone applications; and
- On bus announcements.

In addition the RTI project will deliver bus priority at signal junctions allowing for shorter and more reliable end to end journey times

RECOMMENDATIONS:

- (i) To approve, in accordance with Financial Procedure Rules, a variation of capital expenditure, an increase of £0.484m in the "Real Time Information Upgrade" capital scheme contained within the Environment and Transport Capital Programme, fully funded by Section 106 developer contributions.
- (ii) To approve, in accordance with Financial Procedure Rules, capital expenditure of £0.484m, phased £0.15m in 2012/13, £0.334m in 2013/14 for the "Real Time Information Upgrade" capital scheme contained within the Environment and Transport Capital Programme, fully funded by Section 106 developer contributions.

REASONS FOR REPORT RECOMMENDATIONS:

1. Following the award of a new Real Time Information ('RTI') contract, the Council is now in a position to deliver outstanding S106 commitments. This will include delivering RTI equipment to various sites throughout the City as per the attached document (Phase II installations).

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED:

2. Developers have already made payments to the Council as part of their S106 funding for Real Time Bus Information. Should the Council not spend this funding it would need to be returned to the developer(s). The option to deliver 'piecemeal' through single contracts did not exist due to the nature of RTI

architecture. The provision of RTI depends upon a co-ordinated central system which sends information to compatible on-street displays. It is this element that required a refresh before new equipment could be installed on-street.

DETAIL (Including consultation carried out):

3. As part of the planning process the Council has secured S106 funding from various developments across the City towards the provision of Real Time Bus Information.
4. This report requests agreement to transfer and spend this funding as part of the new Contract. Real Time Bus Information is the provision of 'live' bus data to the travelling public.
5. The bus is tracked via GPS and its position allows the central system to determine how far from an individual stop it is (in minutes). A secondary function of RTI in Southampton is to provide buses with priority through signalled junctions via a link to the Urban Traffic Control network.

Key benefits of RTI:

- Enables the user to plan their journey with real time information
 - Greatly improves reliability and shortens end-to-end journey times
 - 'Open Data' policy encourages web and mobile applications
 - Allows operators to have a fleet management and schedule adherence system.
6. All areas of the City will benefit from the improvements to the RTI system. Directly via the installation of new displays and indirectly via the bus priority development. The site specific locations identified in the attached 'Phase II installations' document have been chosen due to their proximity to well served bus routes and in cases where RTI already exists because equipment is deemed to be end-of-life.
 7. Delivery of the S106 commitments is now available due to the procurement of a new RTI contract, now in place with JMW Systems Ltd. The details for this re-tendering are outlined in the attached documents (G3 RTI Refresh v.2 Final) and (G2 Business Case RTI).

RESOURCE IMPLICATIONS:

Capital/Revenue:

8. The Council has received funds of £484,000 from S106 payments identified for Real Time Bus Information. This funding will be used to finance phase 2 of the Real Time Information Upgrade project. Phase 1 of the project is estimated to cost £0.5m and is contained within the approved Environment and Transport Capital Programme (currently phased £0.066m in 2011/12 and £0.434m in 2012/13).

The procurement of the asset will include life-time maintenance of the equipment.

Property/Other:

9. Not Applicable

LEGAL IMPLICATIONS:

Statutory power to undertake proposals in the report:

- 10. The Council has the power to do anything an individual may do (even if unlike something a local authority would normally do) by virtue of s.1 of the Localism Act 2011. The power is subject to pre and post commencement prohibitions however it is not considered that any such prohibitions apply in this matter. The provision of RTI facilities is ancillary to and supportive of the Council's primary transport management functions.

Other Legal Implications:

- 11. In selecting RTI sites and spending allocations, the Council is required to comply with the requirements of any specific S106 Agreements under which the funding was obtained for improvements to the public realm related to / calculated to facilitate the delivery of new developments within the City.
- 12. In delivering services in accordance with the proposals set out in this report the Council must have regard to its duties under the Equalities Act 2010 and section 17 Crime & Disorder Act 1998.

POLICY FRAMEWORK IMPLICATIONS:

- 13. This delivery mechanism is wholly in accordance with the approved Local Transport Plan 3.
- 14. The Proposals are supported by the aims and objectives of the Community Strategy, in particular towards the achievement of improved transport infrastructure and transport systems.

AUTHOR:	Name:	Richard Cooke	Tel:	023 8083 3816
	E-mail:	richard.cooke@southampton.gov.uk		

KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:	All Wards
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SUPPORTING DOCUMENTATION

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

Appendices:

1.	Phase II installations – Section 106 funded
2.	G3 RTI Refresh v.2 Final
3.	G3 Business Case RTI

Documents In Members' Rooms:

1.	None
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Integrated Impact Assessment

Does the implications/subject of the report require an Integrated Impact Assessment (IIA) to be carried out?	No
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Other Background Documents

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

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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1.	Local Transport Plan 3	
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DECISION-MAKER:	CABINET COUNCIL
SUBJECT:	HOUSING REVENUE ACCOUNT (HRA) - VARIOUS SCHEME APPROVAL, CAPITAL PROGRAMME 2012/13 PHASE 2
DATE OF DECISION:	21 AUGUST 2012 12 SEPTEMBER 2012
REPORT OF:	CABINET MEMBER FOR HOUSING AND LEISURE
STATEMENT OF CONFIDENTIALITY	
Not applicable.	

BRIEF SUMMARY

This report seeks formal approval in accordance with Financial Procedure Rules for expenditure on various housing projects. These projects will contribute to the Council's strategic housing objectives through improving the facilities of our estates, the wellbeing and the satisfaction of our residents in areas where they live.

The proposals are consistent with the HRA Business Plan approved by Council in July 2011 and the new Capital Programme under the HRA self-financing regime as agreed at Council in November 2011 and February 2012. Due to the nature of the works and the external funding that may be available, it is crucial that scheme approval is obtained to allow for tendering and procurement to commence to maximise external funding available.

The proposed works cover elements under the following two headings of:

- Warm and Energy Efficient.
- Well Maintained Communal Facilities

RECOMMENDATIONS:

Cabinet

- (i) To recommend that Council approve, in accordance with Finance Procedure Rules, the addition of £1,250,000 to the HRA Capital Programme for the installation of photo voltaic systems, funded by unused Direct Revenue Financing (DRF).
- (ii) Subject to Council approval of recommendation (i), to approve, in accordance with Financial Procedure Rules, expenditure of £1,250,000 in 2012/13 on the installation of photo voltaic systems.
- (iii) To approve, in accordance with Financial Procedure Rules, capital expenditure of £612,000 in 2012/13 on the external cladding of PRC houses, provision for this already exists in the unapproved section of the HRA Capital Programme.
- (iv) To approve, in accordance with Financial Procedure Rules, the virement of £600,000 from the Electrical Riser Programme to the Itchen View Estate Lift Programme.

- (v) To approve, in accordance with Financial Procedure Rules, additional expenditure of £600,000 in 2012/13 on the Itchen View Estate Lift Refurbishment Programme.

Council

- (i) To approve, in accordance with Finance Procedure Rules, the addition of £1,250,000 to the HRA Capital Programme for the installation of photo voltaic systems, funded by unused Direct Revenue Financing (DRF).

REASONS FOR REPORT RECOMMENDATIONS

1. Financial Procedure Rules state that all schemes already in the capital programme up to the value of £125,000 require approval by the relevant Chief Officer following consultation with the relevant Cabinet Member and Chief Finance Officer. Schemes over £125,000 but less than £250,000 will require approval by the Cabinet Member. Schemes between £250,000 and £2 million will require Cabinet approval and those over £2 million will require Council approval. Where a new scheme is being added to the programme and there is a material change to the revenue implications, for example where Direct Revenue Financing is being used, this requires Council approval.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 2.. There have been various consultation meetings with tenant groups and leaseholders during the last nine months with regard to the proposed programme of capital expenditure associated with the Housing Revenue Account (HRA) and the new self-financing regime.
3. These works form part of the recently approved 4 year plan (formally approved in November 2011).
4. The alternative option of not undertaking the works identified would leave the Council's homes and surrounding areas in their present condition and would not accord with the view expressed during the consultation process or with the Council's policies of providing homes that comply with the four new headings:
- Safe, Wind and Weather Tight
 - Warm and Energy Efficient
 - Modern Facilities
 - Well Maintained Communal Facilities

DETAIL (Including consultation carried out)

5. This report seeks permission to proceed with the development, procurement and implementation of capital projects which form part of the HRA Capital Programme for 2012/13. This report deals with a new scheme that requires an addition to the Capital Programme approved by Council in February 2012, one that is currently ready for approval and one that requires a change to an existing approved project. Details are shown in Table 1 below.

Table 1

	Recommendation	2012/13 000s
Warm and Energy Efficient		
Installation of Photo Voltaic Systems	Council - Addition to programme Cabinet - Scheme approval	1,250
External Cladding (PRC houses)	Cabinet - Scheme approval of existing item	612
Total Warm and Energy Efficient		<u>1,862</u>
Well Maintained Communal Facilities		
Lift Refurbishment and Replacement	Cabinet - Virement Cabinet - Scheme approval	600
Total Well Maintained Communal Facilities		<u>600</u>
Total		<u>2,462</u>

- 6.. The programme outlined in this report is consistent with the Housing Strategy and HRA Business Plan 2011-2041 approved by Cabinet and Council in July 2011.
- 7.. A key role in the development of the Capital Programme has been the involvement of the Tenant Resource Group, Block Wardens, Tenant representatives, leaseholders and staff. Tenants and Leaseholders have also been closely involved in the production of our long term business plan for future investment.
- 8.. Under self-financing our stock condition database is crucial to planning the works needed to our stock. Under our approach to developing a business plan we have identified through the stock database the properties where work is required over the next four years and we are now in a position to strategically plan the investment needed to complete the work identified.
- 9.. Therefore the budgets identified and seeking approval are determined by the detail from our stock database to which we have then applied an accepted industry calculation for estimated value which is based on known costs and Building Research Establishment (BRE) national averages at this time.
- 10.. Any additional information received on the stock condition from the detailed monitoring of Health and Safety compliance issues will also be reflected in the strategic planning of the programmes and the detail of the capital projects.
- 11.. The detail in the following tables is therefore provided based on the detailed property assessments undertaken and is presented in unit quantities with a more detailed description of the work to be undertaken in the paragraphs below.

Warm and Energy Efficient

Table 2

	2012/13
	Quantity
Warm and Energy Efficient	
Installation of Photo Voltaic Systems	8 tower blocks 8 medium rise blocks
External cladding (PRC houses)	250 houses

Installation of Photo Voltaic Systems

12. The Housing Investment Team has identified possible savings to the Council by utilising the installation of PV systems across the Council. These will supply/provide electricity to the landlord electrical systems within 8 tower blocks and 8 medium rise blocks across the city.
13. These will include 5 blocks at International Way, Meredith, Dumbletons and Hightown Towers at Thornhill, 3 medium rise blocks at Summit Way, Midanbury and a further 5 medium rise blocks currently being surveyed by the Structural Team to ensure suitability.
14. To allow the Council to benefit from the maximum tariff, works to the tower blocks at International Way and Thornhill were commissioned within the existing Community Energy Savings Programme (CESP) project (specified in the original contract and noted in the Scheme Approval dated 24 October 2011). However, as costs were not fully known at the time it was agreed that separate approval would be submitted at a later date.

This project is a completely new programme of works and is not part of the HRA 30 Year Business Plan approved by Council in February 2012. The works have been identified as energy saving and as such it is appropriate to place them in the agreed heading of Warm and Energy Efficient.
15. The systems installed have a life expectancy of 25 years and calculations indicate that any cost associated with the systems will be recouped within 10-12 years therefore enabling the Council to benefit from 13-15 years of savings.

External Cladding (PRC Houses)

16. There are currently approximately 250 houses in the CESP areas across the city that are of a non-traditional build and have no cavity. Therefore an alternative method of insulation is required. The Housing Investment Team is currently working with several providers to gain external grant funding for this work but there will be a potential cost to the Council. The figure requested has been identified as the maximum required at this time. Should additional grant funding be made available then other properties outside of the CESP areas will be added to the programme of works.

17. The CESP funding is only scheduled to be available until December 2012 and so it is crucial that works are undertaken during the next six months if the Council is able to benefit from the funding available. Properties will be prioritised within the existing CESP boundaries but if grant funding is available then the works will be extended to similar properties within a suitable geographic area of the city to benefit from economies of contract management.

Well Maintained Communal Facilities

Table 3

	2012/13
	Quantity
<u>Well Maintained Communal Facilities</u>	
Lift refurbishment and Replacement	6

Lift Refurbishment and Replacement

18. A previous Scheme Approval document dated 16 March 2009 had identified the requirement to replace 6 lifts and £1,030,000 was secured at that time. Due to procurement issues the tendering process had to be reviewed and carried out again resulting in an increase in cost. There is now a shortfall of £600,000 on the proposed scheme.
19. Once aware of the shortfall, the Housing Investment Team actively investigated all other approved projects to ascertain whether there were any possible savings and these could be used to offset the additional cost. The Electrical Riser programme approved in March 2012 was identified as such a project and following lengthy discussions between the Housing Investment Team and Scottish and Southern a guaranteed reduction in cost of £600K for the same works has been agreed. This report therefore seeks approval for the transfer of this saving to the lift project.

RESOURCE IMPLICATIONS

Capital/Revenue

20. The most recent version of the 30 year HRA Business Plan, as used to inform the HRA Budget approved by Council on the 15th February 2012, contains provision for the cladding of PRC houses and for electrical riser upgrades. It is proposed to vire £600k from the electrical riser programme (due to the reduction in cost agreed with Scottish and Southern) to fund the additional cost of lift refurbishment at the Itchen View Estate. In addition, the capital outturn reported to Council on the 11th July 2012 indicated that there was a balance of unused Direct Revenue Financing of over £2.7M, part of which could be used to fund the installation of photo voltaic systems at a cost of £1.25M.

21. A number of the items seeking scheme approval are forecast to deliver revenue savings. These savings will need to be reflected in future revenue Budgets.

The potential energy saving from the PV installations is not currently fully known and will not be confirmed until the first invoices from the utility supplier are received and analysed. However all the industry standard calculations demonstrate that it is expected that the landlord electricity usage (Communal Lighting, Lifts, power socket outlets and Emergency lighting) shall reduce by 40% per Annum.

As mentioned above the proposed PV installation will be connected directly to the Landlord electrical systems only, there will be no direct connection to any tenanted properties.

Property/Other

22. The HRA Capital Programme is fully reflected in the Corporate Property Strategy.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

23. There are no specific legal implications in connection with this report. The power to carry out the proposals is contained within Part 2 of the Housing Act 1985.

Other Legal Implications:

24. None

POLICY FRAMEWORK IMPLICATIONS

26. The proposed schemes in this report contribute positively to the Council’s objectives set out in the Housing Strategy and HRA Business Plan to maintain and improve the condition of the city’s housing stock.

AUTHOR:	Name:	Geoff Miller	Tel:	023 80 834987
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KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:	All wards
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SUPPORTING DOCUMENTATION

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

Appendices

1.	None
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Documents In Members' Rooms

1.	None
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Integrated Impact Assessment

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

Integrated Impact Assessment and Other Background documents available for inspection at: To follow

Title of Background Paper(s)

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

1.	N/A	
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Agenda Item 16

DECISION-MAKER:	CABINET
SUBJECT:	QUEEN ELIZABETH II FIELDS DESIGNATION FOR PORTSWOOD RECREATION GROUND
DATE OF DECISION:	21 AUGUST 2012
REPORT OF:	CABINET MEMBER FOR HOUSING AND LEISURE
STATEMENT OF CONFIDENTIALITY:	
None	

BRIEF SUMMARY:

To celebrate the Queen's Diamond Jubilee there is an opportunity to nominate parks to become a QEII Field in Trust. The benefits of the scheme include; a fantastic opportunity to be part of a high profile national campaign, a method of demonstrating commitment to outdoor recreational space both now and in the future, an excellent and cost effective way to mark the Diamond Jubilee and London 2012 Olympics, a platform to help achieve key targets around increasing physical activity and promoting the sustainability agenda and access to improvement funds restricted to Queen Elizabeth II Fields.

Portswood Recreation Ground has been nominated for this designation, and a Cabinet decision is required to authorize completion of the non-charitable deed of designation. The designation will create a binding and perpetual restriction on future disposals of the site and on the maintenance and use of the site. However, given that this park is already protected under the Core Strategy and National Planning Policy Framework, it is considered that the benefits for the Council and the Local Community would out weigh the restrictions within the deed

RECOMMENDATIONS:

- (i) To approve the entering of a non-charitable deed of designation with the National Playing Fields Association in relation to the Portswood Recreation Ground;
- (ii) To delegate authority to the Director of Environment and Economy in consultation with the Head of Legal, HR and Democratic Services to negotiate the terms of and finalise the non-charitable deed of designation, and undertake such actions necessary to give effect to this decision and the proposals contained within this report.

REASONS FOR REPORT RECOMMENDATIONS:

1. In order to proceed with the Fields of Trust designation, Southampton City Council must complete and sign the Non-Charitable Deed.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED:

- 2 Do Nothing – Portswood Recreation Ground is already nominated, however, we could not sign the Deed of Dedication. This would mean that we would not get our registration number and would not then be eligible for certain unique funding opportunities. The Friends of Portswood Rec are keen to see the park get QEII Field status and there could be loss of reputation to the Council if we do not deliver.

DETAIL (Including consultation carried out):

3. Fields in Trust is an independent UK wide charity dedicated to protecting and improving outdoor space for sport, play and recreation. Formed in 1925 as the National Playing Fields Association their aim is to ensure that everyone - young or old, able or disabled and whether they live in an urban or rural area – has access to free, local facilities for healthy outdoor activities. They believe outdoor spaces have a vital role to play in creating healthy communities helping not only to increase physical activity but also to foster social cohesion and improve the local environment
4. Along with a number of partners they have set up a Government backed scheme called QEII Fields in Trust, which aims to protect certain open spaces across the country. Local Authorities can select one or more open space that they would like to designate as a Queen Elizabeth II Field.
5. The benefits of designating a field in trust include:
 - Fantastic opportunity to be part of a high profile national campaign;
 - Method of demonstrating commitment to outdoor recreational space both now and in the future;
 - Excellent and cost effective way to mark the Diamond Jubilee and London 2012 Olympics;
 - Platform to help achieve key targets around increasing physical activity and promoting the sustainability agenda;
 - Access to improvement funds restricted to designated Queen Elizabeth II Fields, in particular Sita, Asda and Sport England are offering grants unique to this type of designation.
6. Fields in Trust (FIT) has developed a range of options for long-term protection. Flexibility allows for measures to be put in place which are:
 - Non-charitable;
 - Specific to safeguarding the actual or foreseeable type of sport, play or recreational or usage involved including indoor facilities where appropriate.
7. The non-charitable deed (appended) sets out a number of restrictions and these include:
 - Not to use the Property or permit the Property to be used for any purpose other than as a park, public playing field and recreation ground, including use by schools and the local community for sports and recreation purposes;
 - Not (in so far as SCC has the power to do so) to dispose of the Property without the consent of FIT unless:
 - SCC replaces or agrees to replace the Property with a piece of freehold land approved by FIT which is of equivalent or better quality than the Property, with equivalent or better facilities than the Property, of the same or greater dimensions than the Property, in the same catchment area as the Property, and as accessible to the public as the Property (the **Replacement Site**) and applies such of the proceeds of any sale of the Property as are necessary to do so; and

- Enters into another deed of dedication on the same terms as this Deed in respect of the Replacement Site;
 - SCC will not (in so far as it has the power to do so) erect any building or structure on the Property the use of which falls outside the permitted use as stated above without the consent of Fields in Trust. Consent will not be required in relation to temporary structures erected for the purpose of community or civic events (e.g. temporary seating or refreshment facilities for concerts etc) or for buildings or structures which are ancillary to and enhance the amenity of the playing field or recreation ground (such as changing facilities, public conveniences, play equipment etc);
 - To maintain the Property and so far as is consistent with its duties as a local authority to have regard to any advice given from time to time by FIT on the management and running of the Property;
 - To erect a notice on the Property in the form of a signage provided by FIT relating to the background of FIT and the Queen Elizabeth II Fields and giving recognition of financial support where required.
8. The above restrictions are in perpetuity and future events or facilities etc may well be restricted if they do not fall wholly within the deed of dedication user clause.
9. Portswood Recreation Ground fits into the main criteria for inclusion in the Challenge, which are listed below:
- The site must be owned by the organisation putting the field forward to become a Queen Elizabeth II Field;
 - Evidence of title permitting site use for outdoor, sport, play and/or recreation must be produced;
 - Sites may be provided with facilities and equipment or used as general open space, and established for that purpose by way of planning requirements;
 - Each site's principal use should be outdoor sport, play or recreation.
 - Satisfactory evidence that the use or proposed use is a lawful use in planning terms;
 - Generally the minimum size is 0.2 hectare (0.5 acre);
 - Sites need to be accessible in terms of location;
 - Sites need to be affordable for the local community;
 - Sites should all be open to the public and either established charitably, held by a sports club under the Community Amateur Sports Club Scheme (CASC) regime or held as Public Open Space;
 - All sites will need local managers, who will be responsible for the quality of the facilities, their maintenance and development, improving participation and use and financial and operational sustainability;
 - Sites must be compliant with existing legislation relating to sport, play or open space;
10. Portswood Recreation Ground has therefore been registered into this scheme; however, there is still the matter of signing the Deed of Dedication. This does not fall under any Officer delegation and therefore will need a Cabinet decision.

RESOURCE IMPLICATIONS:

Capital/Revenue:

11. Making Portswood Recreation Ground into a QEII Field could bring additional funds into the park for improving the area. The application itself is free.
12. The designation would not have any significant implications for resourcing the site. The levels of maintenance can remain the same and there is nothing in the deed which would place any additional burden on the Council for increased resources.

Property/Other:

13. The Deed of Designation will effectively create a binding and perpetual restriction on future disposals of the site and on the maintenance and use of the site. However, given that this park is already protected under the Core Strategy and the National Planning Policy Framework, it is considered that the benefits of the Deed outweigh the restrictions.

LEGAL IMPLICATIONS:

Statutory power to undertake proposals in the report:

14. Matters referred to in this report are permitted by virtue of section 1 of the Localism Act 2011 (the General Power of Competence), which permits a Council to do anything an individual may do subject to any pre and post commencement restrictions.

Other Legal Implications:

15. The Council owns the freehold in the whole of the Portswood Recreation Ground, which is already subject to restrictions requiring it to be used as a public recreation ground or playing field. To enable the designation to take place, the Council will be required to enter into a Deed of Dedication with the 'The National Playing Fields Association' known as 'Fields in Trust' more or less in the form of the draft contained in Appendix 1. By virtue of the Deed, the Council will give undertakings to protect the future use and maintenance of the land as public playing fields. The Deed of Dedication will need to have adequate regard to the neighbouring school's use of the land for curriculum purposes and protect this ongoing use in order to comply with Education Law. Further amendments to the Deed should be negotiated with Fields in Trust in consultation with the Head of Legal, HR and Democratic Services to ensure the template agreement reflects the best interests and needs of the Council and local community.
16. With regards to the Equalities Act 2010, should authority be given to proceed with the non-charitable Deed of Designation, then any resulting funds made available will, in the first instance, be put towards a disabled ramp to improve equality of access into this park. On consultation the Friends Group consider this the most important of the proposed improvements for this park.
17. With regards to section 17 of the Crime & Disorder Act 1998, the FIT designation has the potential to instil further civic pride in this local park and increase its use. This has been shown to reduce crime and disorder and in particular anti-social behaviour.

18. With regards to Education Law the Council needs to demonstrate that the current use of the park by Portswood Primary is reflected in the non-charitable deed. Currently the School do use the park for sports activities and after school clubs. This will continue into the future and will not be impacted on by the introduction of the Deed of Designation. The user clause in the Deed of Designation has been changed accordingly to ensure that the schools use is recognised.

POLICY FRAMEWORK IMPLICATIONS:

19. There are no significant impacts to policy, Portswood Recreation Ground is already a protected open space through the Core Strategy and would continue to be so. Southampton’s current policy would be to not build on this type of space, if this were to change in the future then there would be an impact as Fields in Trust would have to be consulted on any proposed change of use.
20. Protecting local parks such as Portswood Recreation Ground is in line with the current adopted Core Strategy and the Green Space Strategy.

AUTHOR:	Name:	Nick Yeats	Tel:	023 8083 2857
	E-mail:	Nick.yeats@southampton.gov.uk		

KEY DECISION? No

WARDS/COMMUNITIES AFFECTED:	Portswood
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SUPPORTING DOCUMENTATION

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

Appendices:

1.	Appendix 1 – Non Charitable Deed of Dedication (Local Authority Protection)
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Documents In Members’ Rooms:

1.	None
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Integrated Impact Assessment

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

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

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

1.	None	
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DECISION-MAKER:	CABINET
SUBJECT:	LOCAL COUNCIL TAX SUPPORT – PROPOSED SCHEME FOR CONSULTATION
DATE OF DECISION:	21 AUGUST 2012
REPORT OF:	CABINET MEMBER FOR RESOURCES
STATEMENT OF CONFIDENTIALITY:	
Not applicable.	

BRIEF SUMMARY:

The current Council Tax Benefit (CTB) scheme is to be abolished from April 2013 and replaced with a Local Council Tax Support scheme. People of pensionable age are protected, but the Council must design its own scheme for people of working age. This report proposes a draft scheme for Southampton that can be issued for consultation.

Following the consultation process the legislation will require Full Council to adopt a Local Council Tax Support Scheme by the end of January 2013 – to be implemented for the following financial year starting 1st April 2013 it is anticipated that Special meeting of full Council will therefore need to be arranged for January 2013.

The Government’s guidance to local authorities is that the schemes must:

- Support the Government’s welfare reform process and compliment rather than compromise the new Universal Credit
- Include elements which support and make people better off in work
- Ensure that vulnerable groups are considered and protected as appropriate.

The Council will receive at least 10% less from central government to fund the new scheme and there will be additional costs in collecting the tax. Given the Council’s financial position, there is no alternative but to pass on that impact to affected households in the city by restricting the amount of Council Tax Support granted. There are other financial pressures arising from the change for which a prudent allowance must be made including: a possible increase in the council tax in April; an increase in take-up and the likelihood of a lower collection rate. To contain these effects without impacting on the Council’s other services the proposed Council Tax Support scheme is designed to be self-funding. This means that people of working age can expect to receive 25% less towards their council tax – many having to pay for the first time.

RECOMMENDATIONS:

- (i) To note the Draft Council Tax Reduction Schemes (Default Scheme) Regulations (the Default Scheme Regulations) as issued by the Department for Communities and Local Government as set out in Appendix 1.
- (ii) To approve the draft Southampton City Council ‘Council Tax Support Scheme’ (the Default Scheme as set out in Appendix 1, with the variations and additions set out in Appendix 2) for the purpose of public consultation.

- (iii) To delegate authority to the Head of Finance and IT, following consultation with the Cabinet Member for Resources, to do anything necessary to publish and consult on the draft Scheme as approved.
- (iv) To delegate authority to the Head of Finance and IT, following consultation with the Cabinet Member for Resources, to amend the draft Scheme to take into account consultation responses received, Impact Assessments conducted by the Council or changes required to give effect to any new legal requirements or statutory guidance published in relation to Local Council Tax Support Schemes, prior to recommending a Scheme for approval by Council.
- (v) To note that it is proposed that a special meeting of Council will be arranged in January 2013 to agree the final scheme for implementation from 1 April 2013.
- (vi) To note the implementation timeline as set out in Appendix 5.

REASONS FOR REPORT RECOMMENDATIONS:

1. Subject to the Local Government Finance Bill completing its passage through Parliament, the Council will be required to adopt a Council Tax Support Scheme by the end of January 2013. Before that it must publish a draft scheme and have consulted major preceptors and other people who may have an interest in the operation of the scheme.
2. Given the tight timescales for implementation, and the facts that legislation is not yet in place and guidance is still being received; it is necessary to allow for some flexibility in the design of the scheme and in the consultation, which is achieved by the delegation to the Head of Finance and IT in consultation with the Cabinet Member for Resources in recommendation (ii).

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED:

3. The option of fully or part funding the scheme to reduce the impact on households has been considered but rejected because of the financial cost and the consequent impact on other Council services.
4. Various options for the design of the Council Tax Support scheme (set out in appendix 4) have been considered and rejected as:
 - Introducing unacceptable inequalities in their impact.
 - Reducing the incentive to work or save.
 - Bringing additional financial risks.
 - Resulting in additional administration.

DETAIL (Including consultation carried out):

5. The Welfare Reform Act 2012 abolishes both Housing Benefit (which will gradually be replaced by Universal Credit) and Council Tax Benefit (CTB). The Local Government Finance Bill, which is currently working its way through Parliament, provides for the introduction of local Council Tax Support (CTS) schemes as a replacement for CTB to be administered by Local Authorities from 1st April 2013.
6. The Council must adopt a CTS scheme by the end of January 2013. Before then it must consult major preceptors (for Southampton this is the Police and Fire and Rescue authorities), publish a proposed scheme and consult other people it considers are likely to have an interest in the operation of the

scheme. If the Council fails to adopt a scheme then a “default” scheme is imposed by the Department for Communities and Local Government (DCLG). Effectively this is the same as the current CTB scheme.

7. CTB has previously been fully funded by the Department for Work and Pensions. However, under the new arrangements, that funding will be reduced by 10% based on anticipated expenditure in 2013/14. In Southampton this reduction is expected to be around £1.9 million, although the final figure is not yet known.
8. There is the option to implement a local scheme which does not pass on this funding cut to those currently eligible for CTB. However, the cost of this protection would fall on the General Fund and either be borne by council tax payers, or reduce the funding available for other services. These are seen as unacceptable alternatives.
9. The Government’s aims in localising council tax support are:
 - As part of the wider policy of decentralisation, to give local authorities increased financial autonomy and a greater stake in the economic future of their local area;
 - To give local authorities a strengthened financial stake in ensuring that local schemes lift the poorest off benefits and support them into work. Delivering the positive incentives to work that will reduce poverty and reliance on council tax support in the long term.
10. The Council is not permitted to reduce council tax support for people of pensionable age. The Government is retaining default national rules for pensioners with eligibility and rates defined in broadly similar regulations as those for CTB. This means that any reductions in support to enable a scheme to be self-funding have to fall disproportionately on people of working age.
11. In designing schemes for people of working age, the Government has reminded authorities of their statutory responsibilities, including:
 - The Equality Act 2010;
 - The Child Poverty Act 2010;
 - The Armed Forces covenant;
 - Housing Act 1996
12. The Council has 27,622 Housing Benefit (HB) and Council Tax Benefit (CTB) claimants. Most of these are joint claims for both benefits and 24,100 include claims for CTB. Of these 15,000 are working age. This means that approximately 15% of all households in Southampton will be affected. Generally HB and CTB are claimed jointly and this will continue for the first year of CTS. After this, Universal Credit will start being rolled out and separate claims may be needed.

Designing a Council Tax Support Scheme for Southampton.

13. To avoid undesirable impacts on other services the proposed Southampton Council Tax Support Scheme is designed to be self-funding. In achieving this aim the following have been taken into account:
 - The reduction in Government funding of £1.9million;
 - An allowance for a potential increase in council tax of up to 3.5% (the

maximum allowed in 2012/13 without calling a referendum under the Local Government Finance Act 1992 as amended by the Localism Act 2011– the 2013/14 figure is not yet known);

- An allowance for a reduced council tax collection rate as more money is to be collected from the poorest households in Southampton;
- An allowance for increased take up due to the additional publicity surrounding the new scheme.

For each of these factors we do not yet have actual figures and have worked on prudent best estimates.

14. The timescale allowed for the implementation of CTS is very challenging. Designing a complex scheme is risky and in any event our software suppliers (in common with the rest of the market) have been clear that a scheme that departs substantially from the current CTB rules cannot be implemented in time. The Southampton scheme has therefore been designed to be as straightforward as possible to implement and is closely based on the existing Council Tax Benefit scheme by using the DCLG default scheme as its basis.
15. Consideration has been given to whether there should be protection from the scheme changes for individuals or groups (other than people of pensionable age who are already protected by the legislation). If the fundamental principle of the scheme being self-funding is maintained, it is important to understand that any protection given must inevitably result in a reduction in the support given to other claimants.
16. The only group protected in this proposal are those in receipt of a war pension or war widow's pension (or an equivalent benefit). Currently the Council exercises its discretion to disregard some income for this group and this will continue and their level of support will be maintained.
17. The proposed Southampton Council Tax Support Scheme is formally set out in Appendix 2, but is in brief:
 - The level of support will be calculated in accordance with the Government default scheme but then reduced by 25% so as to achieve the self-funding as set out in paragraph 13 above.
 - Claimants in receipt of a war pension or war widow's pension will have that income disregarded and will not have their Council Tax Support reduced by the 25%. They will therefore be unaffected by the introduction of the new scheme.

Appendix 3 gives a table which shows the impact of the scheme on a range of claimant groups.

18. There will also be a discretionary fund to ensure that the most vulnerable can access additional support in exceptional circumstances.
19. Appendix 4 sets out other options for the scheme that were considered but rejected.

20. In addition to the requirements set out in paragraph 11, it is recognised that the combined effects of the wider reform package on residents of the city require a robust Equalities Impact Assessment. An initial assessment has been drafted which will be developed and honed throughout the consultation period and a completed Equalities Impact Assessment will be included with the proposed final scheme which is anticipated will be determined by full Council in January.
21. The Council may amend its Council Tax Support scheme annually and it is recommended that the proposed scheme is reviewed for the 2014/15 financial year. By this time there should be more options open to the Council in the scheme design and there will be hard information available on the caseload and collection rate impacts.

The Consultation and Communication Process

22. The legislation sets out the consultation process as:
- Consult any major precepting authority which has the power to issue a precept to it;
 - Publish a draft scheme in such manner as it thinks fit and
 - Consult such other persons as it considers are likely to have an interest in the operation of the scheme.

The Council must take these steps in the order set out.

23. Informal consultation with the Police and Fire and Rescue authorities has already started and this will be formalised prior to the scheme being published immediately following this Cabinet meeting. Wider consultation will then commence during September and a period of 12 weeks will be allowed for this part of the process.
24. Basic details of the Southampton draft scheme will be provided to all consultees and it will be made clear that full details will be available on the Council's web site or can be provided as a hard copy or in other formats on request. It is anticipated that all affected CTB recipients will be sent a letter to alert them to the proposals. Other persons who are likely to have an interest and so will be included in the consultation include:
- Landlords
 - Advice agencies
 - Southampton Connect
 - Members of the Anti-Poverty network
 - Representatives of any special interest groups not already covered.

The consultation mechanisms are still to be finalised.

25. Following the consultation process, the Head of Finance and IT, following consultation with the Cabinet Member for Resources, will amend the draft scheme as necessary taking account of:
- The consultation responses received;
 - The Equalities Impact Assessment;
 - The latest information from the DCLG on the funding to be provided;

- Any amendments made to relevant legislation;
- The best available estimates of caseload and collection rate.
- The anticipated increase in council tax (if any).
- Any upratings of welfare benefits proposed by the Government which take effect on or after 1st April 2013.

It is anticipated that the revised scheme will then be considered at a special Council meeting to be held in January 2013. A timeline setting out the main activities is attached as Appendix 5.

26. An article designed to raise awareness of the change has been included in the next edition of CityView. There are many other changes to welfare provision over the months leading up to the next financial year and a coordinated communication plan is being designed and implemented.

Administration of the Scheme

27. There are a number of administrative aspects to be considered before the scheme is implemented, some of which require more detail from the Government before arrangements can be completed. As examples these include: requirements for evidence; notification letters; claim periods and the operation of appeals. A project team is in place to handle these matters through to implementation.
28. Similarly the working of the discretionary fund needs to be further developed before implementation. Currently it is envisaged that decisions on eligibility will be made by the group of officers currently responsible for Discretionary Housing Payments and that they will follow similar criteria. The discretionary fund does not form part of the Council's CTS scheme and so will not be subject to the same rights of appeal.
29. The Government has been clear that it intends to allow CTB recipients to be automatically transferred to CTS on 1st April 2013, without having to make a further claim.
30. During 2013/14, the Council will still be administering Housing Benefit. The majority of claimants currently receiving Housing Benefit also receive Council Tax Benefit and the two are generally administered together. It is considered cost effective to continue to use the same processes and rules as far as possible for the assessment of both benefits until Housing Benefit is abolished in a few years time.
31. For the moment, the familiar schemes of Department of Work and Pensions (DWP) means-tested benefits – Income Support, income-based Jobseeker's Allowance and income-related Employment and Support Allowance – continue. The present Council Tax Benefit scheme uses the means test carried out for these benefits rather than carrying out a second means test and people on these benefits are "passported" to Council Tax Benefit. It is considered best to continue to use the results of DWP means-testing as far as possible rather than carry out an additional full Council means test., To ease administration and the need for people to repeatedly provide the same information to various public bodies, the Government intends to allow data sharing with the DWP. The extent to which this will be possible has not yet been fully determined.

RESOURCE IMPLICATIONS:

Capital/Revenue:

32. As set out in the paragraphs above, CTB has previously been fully funded by the Department for Work and Pensions and the Council's grant will be reduced by 10% based on anticipated expenditure in 2013/14. In Southampton this reduction is expected to be around £1.9 million although the final figure is not yet known.
33. The scheme itself is designed to be self-funding through reductions in the level of Council Tax Support payable, compared to the Council Tax Benefit currently awarded. However there are some risks that must be acknowledged. These are:
- The potential for an increased caseload due to the economic climate. DCLG projections are that caseload will be reducing over the next few years as the effects of the recession recede. This is far from certain and as a contingency, it has been assumed that the number of people entitled will remain static. However, the possibility that the recession will deepen remains.
 - The potential for increased take-up. Council Tax Benefit is the most under-claimed benefit, particularly amongst pensioners. The publicity around this change may result in an increase in claims. It is difficult to project what this may mean but as a contingency an increase in caseload has been assumed.
 - A reduction in the council tax collection rate. The amount that must be paid by some of the poorest people in our community will be increase and many people will be asked to pay council tax for the first time. There is no way to know for sure how much of this additional debt will be collectable.
34. The DCLG has awarded an implementation grant of £83,000 to all authorities to assist with implementation costs and a further grant is expected in future, although the amount is not yet known. Based on past experience, it is currently anticipated that our implementation costs will be covered by these grants, subject to the design of the final scheme adopted.

Property/Other:

35. There should be no implications for Property.

LEGAL IMPLICATIONS:

Statutory power to undertake proposals in the report:

36. The requirement to introduce a local council tax support scheme is contained in the Local Government Finance Bill which is currently progressing through the Parliamentary process. Royal Assent is expected in October. The detailed requirements of the schemes will be contained in regulations, drafts of which have been issued by the Department for Communities and Local Government.

Other Legal Implications:

37. As set out in the detail section of the report

POLICY FRAMEWORK IMPLICATIONS:

38. The reduction in income of a substantial proportion of the poorest households in Southampton is likely to impact on some of the plans and strategies that make up the Policy Framework in ways that are difficult to anticipate in advance. For example, the Children and Young People's Plan has as a priority "we will significantly reduce the number of children and young people living in poverty". The change from CTB to CTS is likely to be detrimental to that aim. A final decision in relation to any Policy Framework Implications will be addressed in the report to Council in January 2013.

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KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:	All
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SUPPORTING DOCUMENTATION

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

Appendices:

1.	Draft Council Tax Reduction Schemes (Default Scheme) Regulations
2.	Draft Southampton City Council Tax Support Scheme.
3.	Proposed Council Tax Support Scheme for Southampton:- Impact on claimant groups compared to existing Council Tax Benefit Scheme (CTB).
4.	Other scheme options considered.
5.	Timeline to Implementation

Documents In Members' Rooms:

1.	None.
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Integrated Impact Assessment

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

Integrated Impact Assessment and Other Background documents available for inspection at Local Taxes and Benefits Team, 4th Floor, One Guildhall Square, Southampton, SO14 7FP:

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.	<p>DCLG publications:</p> <ul style="list-style-type: none"> • Localising support for council tax: Explanatory Note on Draft Regulations • Localising support for council tax: Draft Council Tax Reduction Schemes (Default Scheme) Regulations • Localising support for council tax: Draft Council Tax Reduction Schemes (Prescribed Requirements) Regulations • Localising support for council tax: A statement of intent on information sharing and powers to tackle fraud • Local Government Finance Bill: Localising support for council tax - Updated impact assessment • Localising Support for Council Tax - Taking work incentives into account • Localising Support for Council Tax Vulnerable people - key local authority duties • Localising Support for Council Tax: A Statement of Intent • Localising Support for Council Tax: Funding arrangements consultation • Localising support for council tax in England: Consultation • Localising support for council tax in England: Government's response to the outcome of consultation 	
2.	<p>Management Board of Directors report on Local Council Tax Support 24th July 2012</p>	

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DECISION-MAKER:	CABINET
SUBJECT:	COMMUNITY INFRASTRUCTURE LEVY CHARGING SCHEDULE: CONSULTATION
DATE OF DECISION:	21 AUGUST 2012
REPORT OF:	CABINET MEMBER FOR RESOURCES
STATEMENT OF CONFIDENTIALITY	
Not Applicable	

BRIEF SUMMARY

The Community Infrastructure Levy (CIL) Regulations came into force in April 2010 and introduced a new mechanism by which local authorities can seek developer contributions to assist in funding the infrastructure needed to support new development.

As part of the new regulations, a detailed Infrastructure Needs and Delivery plan has been produced for Southampton which assesses the level of infrastructure required and the funding available for this. In order to provide one avenue of funding towards new strategic infrastructure, it is proposed to introduce a Charging Schedule for the Community Infrastructure Study. The Charging Schedule would also need to be supported by a new Planning Obligations Supplementary Planning Document to secure further developer contributions towards affordable housing and address the site specific impacts of new development.

Subject to the outcome of the public consultation exercise and the Examination of the Charging Schedule, both documents could come into effect by January 2013.

RECOMMENDATIONS:

- (i) To approve the Draft Community Infrastructure Levy Charging Schedule and Implementation Guide (as set out in Appendix 1) for public consultation, with a charge of £90 per square metre for new residential development and £43 per square metre for retail development, and to delegate authority to the Senior Manager: Planning, Transport and Sustainability to carry out the necessary public consultation;
- (ii) To delegate authority to the Senior Manager of Planning Transport and Sustainability, following consultation with the Cabinet Member for Resources, to make minor editing changes to the Charging Schedule and supporting evidence approved by the Cabinet prior to submission to the Secretary of State; provided these do not change the overall direction, shape or emphasis of the document and do not raise any significant new issues; and
- (iii) To delegate authority to the Senior Manager of Planning Transport and Sustainability to submit the Charging Schedule and supporting evidence for the Community Infrastructure Levy to the Planning Inspectorate for Examination.

REASONS FOR REPORT RECOMMENDATIONS

1. The 2004 Barker Review of Housing Supply noted that the lack of timely delivery of infrastructure is a key barrier to the delivery of development. The key purpose of the Community Infrastructure Levy Regulations is to raise additional revenue for infrastructure. The Southampton Local Development Framework Core Strategy Development Plan Document (2010) sets out the growth plans for Southampton up to 2026. An assessment of the infrastructure needed to support this growth, undertaken as part of this study, highlights a significant gap between the known available sources of funding for infrastructure and its total cost. In such circumstances, the CIL Regulations make it clear that it is appropriate to introduce the Community Infrastructure Levy to ensure that new development contributes towards the infrastructure needed to support it.
2. Prior to the adoption of the Charging Schedule, the Regulations require a further public consultation exercise to be carried out. Pending the outcome of this formal consultation exercise, the Regulations also specify that before the Charging Schedule can be adopted as policy, it needs to be submitted along with supporting evidence to an independent body for examination. In this case, that body would be the Planning Inspectorate.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3. Option 1 – Do Nothing
This option is not recommended as the Council's ability to provide strategic infrastructure to support growth would be significantly compromised. Furthermore, after 2014 the Council would lose the ability to pool contributions from more than five schemes towards infrastructure. Planning contributions would be therefore be restricted to addressing site specific issues rather than towards strategic infrastructure.
4. Option 2 – Use of geographically variable CIL rates
Throughout the City there is variation in the land values between different areas. The CIL Regulations include the provision to set different rates in different areas. This approach would be particularly useful for larger authorities, which can incorporate both urban and rural areas and therefore incur very different development costs and yield very different values. As a smaller and solely urban authority, it is considered that the variations between the different areas within Southampton are not so significant as to warrant setting variable CIL rates. In addition to this, the creation of different charging zones can never be precise and therefore lead to ambiguity for sites that lie on or adjacent to zone boundaries. Instead, the approach is recommended to set a slightly lower CIL rate which would account for any variation between areas.
5. Option 3 – Introduce a notional low charge for non-viable developments
The viability work that has been carried out indicates that with the exception of retail, non-residential uses would struggle to bear the Levy. These uses do clearly place a burden on infrastructure, particularly in terms of transportation. It is possible to set a notional low CIL rate for these uses in recognition of the viability issues whilst enabling some contribution to be made towards infrastructure. Since the viability work carried out clearly indicates that the

viability of non-retail, commercial uses would be compromised by CIL, a zero rate is considered to be the most appropriate. If adopted, the Charging Schedule would need to be regularly reviewed to ensure that it reflects changing market conditions.

6. Option 4 – Increase or decrease the proposed charges

When setting the CIL rate, the Regulations require a balance to be struck between the effect of the charge on the economic viability of an area and the estimated cost of infrastructure taking into account other sources of funding available. The CIL Regulations do not permit any other factors to influence the setting of the chargeable amount. The charges set out in paragraph 14 below have been arrived at following the assessment of the impact on economic viability, the infrastructure need and funding gap. As such, it is not advised to either set the rate any higher or lower than is currently proposed.

DETAIL (Including consultation carried out)

7. The Southampton Core Strategy Development Plan Document (2010) commits to building 16,300 new homes, 300,000 square metres of employment space (currently subject to revision) and 130,000 square metres of retail space before 2026. This level of growth will clearly require significant support from a range of infrastructure and services, including measures to enable development to respond to future challenges such as flood risk.

8. The key objective of the Infrastructure Study and Delivery Plan is to respond to the Community Infrastructure Levy Regulations 2010 by:

- (i) identifying the infrastructure required by the City to support the growth identified in the Core Strategy;
- (ii) identifying the likely costs for infrastructure;
- (iii) assessing whether the cost of infrastructure could be covered by known funding streams; and
- (iv) in the absence of sufficient infrastructure funding, to include a mechanism for the introduction of CIL through the draft Charging Schedule and a new Planning Obligations SPD.

9. The Infrastructure study has a detailed evidence base which includes a Demographics Analysis, an Infrastructure Needs Assessment and a Viability Appraisal. The Demographics Analysis provides further detail regarding the likely growth of the City over the plan period and underpins many of the assumptions in the Needs Assessment. The Needs Assessment highlights a gap in funding between the total cost of infrastructure needed and the anticipated funding for this. It therefore concludes that the following types of infrastructure should be beneficiaries of CIL:

- Strategic Transport;
- Strategic Open Space;
- Public Realm;
- Strategic Flood Risk;
- Education;
- Sports, recreational and community facilities;
- Health; and
- Museums Libraries and the Arts.

10. Strategic transport, strategic flood risk, open space and education represent the greatest infrastructure costs, together accounting for over 90% of the indicative CIL Charging Schedule. The CIL Regulations require the Levy to be used for infrastructure needed to support new development but planning regulations provide a broad definition of infrastructure and so enable local authorities flexibility in deciding how to use the Levy. The Council is not rigidly tied to committing the Levy each year towards the infrastructure identified in the Needs Assessment. Once CIL is adopted, local authorities are required to publish annual reports detailing the amounts collected and how and where the Levy is used.
11. In accordance with the Regulations, the Levy would be a flat rate charge for all new floor space created in developments over 100 square metres and the construction of all new dwellings. The Regulations set out that affordable housing would be exempt from the charge, as would development by charities for charitable purposes.
12. Unlike the Section 106 process, CIL is not negotiable and there is no mechanism within the current Regulations to enable the Levy to be reduced depending on site specific viability issues of developments. As such, the Viability Appraisal carried out as part of the Infrastructure Study provides key evidence in determining the level of CIL that should be charged. The Viability Appraisal is a high level study which establishes what level of CIL development in the City could bear, without prejudicing new development through excessive planning contributions. It is not the purpose of the document to ensure that all developments will be viable following the adoption of CIL since clearly, due to difficult economic times, some developments will not be viable even before CIL is adopted. Rather, the Viability Assessment establishes a level which would not jeopardise the majority of development within the City.
13. The key conclusions of the Viability Appraisal were that for residential development, a charge would be viable, but commercial uses with the exception of retail, could not support CIL payments in the current economic climate. The Viability Appraisal is clearly a snapshot in time and will need reviewing on a regular basis to ensure that the Levy reflects any future uplift or downturn in the market.
14. To provide a clear and manageable system, it is recommended that the Levy be introduced on a City wide basis. The Draft Charging Schedule proposes the following charges for new development:
 - £90 sq.m for residential development, where there is a net gain of 1 or more dwellings.
 - £43 per sq.m for retail development, where there is a net gain of 100 sq.m of floorspace;
 - £0 per sq.m for hotel uses;
 - £0 per sq.m for community uses;
 - £0 per sq.m for other commercial development and;
 - £0 per sq.m for residential institutions.

15. For developers, the key benefit of a Levy approach is that it is clear and unambiguous as to what level of contributions will be required of them. This in turn would provide more certainty in the planning process and reduce delays associated with the negotiation of contributions. For the Council, the Community Infrastructure Levy provides increased flexibility in how the charge is managed and spent. The CIL is also fairer in that it applies to all new development over 100 sqm (subject to specific exemptions) whereas Section 106 agreements only apply to larger schemes. The Council would therefore be able to use contributions more strategically to target at priority areas of infrastructure. It would also encourage a more joined up approach to the delivery of infrastructure. Furthermore, it would be possible to raise revenue towards areas of infrastructure which previously did not benefit from planning contributions, such as education and strategic flood defences.
16. Once the Charging Schedule is adopted, it would no longer be possible to use the Section 106 process to pool contributions from more than five developments. As such, a draft Planning Obligations Supplementary Planning Document has been produced which would secure the negotiable elements that cannot be addressed by the Levy. This would include affordable housing and the resolution of site specific issues, such as the provision of highway improvements to serve the development and make it acceptable in planning terms. The Council would continue to take matters of site specific viability into account as part of this process.
17. The Infrastructure Study has been produced in consultation with the relevant teams of the Council responsible for the delivery of infrastructure. This includes transportation, housing, open spaces and education. In addition to this, a preliminary public consultation was carried out in December 2011. This consultation process included notifying local residents groups, neighbouring authorities, relevant bodies such as the Environment Agency, and local developers, agents and architects. A total of 21 responses were received to this consultation exercise with the main responses being from the development industry. The common issues raised by responders can be summarised as follows:
 - The viability study was not up-to-date.
 - The application of a single CIL rate across the City would compromise development in less profitable parts of the City.
 - The introduction of CIL would exacerbate existing viability issues currently experienced in the City.
18. In response to the comments raised to the initial consultation process, the Viability Appraisal has been updated to ensure that it reflects the current economic situation within the City. The level of charge has been reduced from that proposed prior to the initial consultation, to that set out in paragraph 14, above. Initially, a charge of £105 per square metre for residential uses, £90 per square metre for retail and £10 per square metre for other commercial uses were proposed. In addition to this, the viability work was also extended to examine hotel and residential institutional uses, although this revealed that these uses could not support CIL at this time.

19. It is therefore considered that the proposed CIL level strikes an appropriate balance between infrastructure need and economic viability and the Charging Schedule should now be progressed towards adoption.

RESOURCE IMPLICATIONS

Capital/Revenue

20. The Council is able to use up to 5% of the CIL receipts to cover the costs of monitoring, administering and updating the Levy. The resources required to progress the Charging Schedule and Supplementary Planning Document will be borne by existing budgets and staffing (including a post which was specifically set up for this purpose). Most of the additional monitoring and admin work will be carried out from within existing resources.
21. It should be noted that further decision making reports will be brought forward detailing proposals for the use of the CIL generated each year.

Property/Other

22. There are no implications that arise for the Corporate Property Strategy.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

23. The Community Infrastructure Levy Regulations 2010 are applicable.

Other Legal Implications:

24. In making the proposals set out in this report the Council MUST have regard to the provisions of the Equality Act 2010 (including carrying out integrated impact assessments as appropriate), the duty under s.17 of the Crime and Disorder Act 1998 to carry out its functions having regard to the need to reduce or eliminate crime and disorder and the provisions of the Human Rights Act 1998, in particular Article 8 (right to respect for private and family life) and Article 1 of the First Protocol (the protection of property). Any interference with the rights protected under the Act must be necessary and proportionate in the interests of a democratic society.

POLICY FRAMEWORK IMPLICATIONS

25. The proposed recommendations support the policies of the Council's current Local Development Framework.

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KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:	ALL
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SUPPORTING DOCUMENTATION

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

Appendices

1.	Draft Community Infrastructure Levy Charging Schedule and Implementation Guide
2.	Draft Planning Obligations Supplementary Planning Document
3.	Integrated Impact Assessment

Documents In Members' Rooms

1.	None
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Integrated Impact Assessment

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

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

Title of Background Paper(s)

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

1.	The Community Infrastructure Levy Regulations 2010	
2.	Knight Frank Viability Assessment 2012-	
3.	Southampton City Council Infrastructure Study and Delivery Plan 2011	
4.	Southampton Demographic Forecast 2011	

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Agenda Item 19

DECISION-MAKER:	CABINET
SUBJECT:	DISPOSAL OF LAND AT 52-54 SEAGARTH LANE SOUTHAMPTON
DATE OF DECISION:	21 AUGUST 2012
REPORT OF:	CABINET MEMBER FOR RESOURCES
STATEMENT OF CONFIDENTIALITY:	
None.	

BRIEF SUMMARY:

Hollybrook Infants School converted to a Trust School on 1st September 2011. In accordance with the prevailing legislation the City Council is required to transfer the land and buildings utilised by the school for the purposes of operating a school to the Trust. In this regard the freehold interest of schools land and buildings will be transferred at nil consideration. Hollybrook Infants School has had the benefit of using the rear garden of 52-54 Seagarth Lane for a short period of time. The School Trust wish to acquire this land in addition to the school premises. A disposal of the garden land will be a disposal at nil consideration, and does not form part of the mandatory Statutory Freehold Transfer. A disposal of this additional land will be a disposal at less than Best Consideration due to the Council forgoing the Market value of the land.

RECOMMENDATIONS:

- (i) To dispose of the rear garden land at 52-54 Seagarth Lane to the Hollybrook Infants school Trust at less than Best Consideration (nil consideration), as shown in appendix 1 - Plan V3337.
- (ii) To delegate authority to the Senior Manager for Property Procurement & Contract Management to agree any other terms as may be appropriate.
- (iii) To determine that, having had regard to the Children's & Young People Plan, the rear garden area will contribute to the health and well-being of the children attending the school.

REASONS FOR REPORT RECOMMENDATIONS:

1. The disposal will enable the Infants School to have access to a grass play surface indefinitely.
2. The disposal will provide the school with replacement play space, which has been lost through the construction of the Sure Start Children's Centre.
3. The disposal supports the overall health and well-being of school children being able to access outdoor play space.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED:

4. To charge Market Value for the land – rejected as the land replaces the area lost following the construction of the Sure Start Children's Centre by the Council.
5. To charge the reduction in capital value (sterilisation value) of 52-54 Seagarth Lane, following the loss of the rear garden.

6. To refuse the application by the School for the additional land. This is not an option as the land is in use by the School and the School could claim rights of shared use over the site, and as a minimum would be entitled to a licence on this basis.

DETAIL (Including consultation carried out):

7. Hollybrook Infant School have been provided access to the rear garden of 52-54 Seagarth Lane, following the construction of the new Sure Start Children's Centre within the school grounds. The Sure Start Centre was developed on part of the schools outdoor play space.
8. 52-54 Seagarth Lane was formerly a Council Resource Centre and ancillary offices, operated by Children's Services.
9. To ensure the children still had access to grass play area, specified use of the rear garden of 52-54 Seagarth Lane was permitted during school hours for the school term time only. The rear garden of Seagarth Lane was not being utilised by the Council during the general day to day operations of the building.
10. 52-54 Seagarth Lane has now been declared surplus and has been identified for disposal as part of the Councils strategy to rationalise property.
11. The transfer of the freehold interest in Hollybrook Infants school completed in conjunction with the neighbouring Junior School, as part of the Statutory Transfer process. This matter could not delay that disposal.
12. The disposal of the rear garden of 52-54 Seagarth Lane will result in a reduced capital receipt being received for 52 - 54 Seagarth Lane itself when sold.
13. 52-54 Seagarth Lane has residential conversion or redevelopment potential. The loss of the rear garden will reduce the gross development value to be achieved from the site and thus will impact upon the price a developer will be prepared to pay for the site. The impact upon the value of Seagarth Lane has been assessed as being £50,000
14. The disposal of the rear garden to the School at nil consideration is a disposal at less than Best consideration; the land having a Market Value of £3,400 as amenity land.
15. The previous Cabinet Members for Resources and Workforce Planning and Children's Services and Learning, were consulted regarding the proposed disposal of the garden land at nil consideration and supported the proposal.

RESOURCE IMPLICATIONS:

Capital/Revenue:

16. The City Council will be forgoing a capital receipt of £3,400 for the disposal of the rear garden of 52-54 Seagarth Lane.
17. The potential capital receipt from the disposal of 52 -54 Seagarth Lane will be reduced by approximately £50,000 due to the reduced development value from the site.
18. There are not any revenue implications.

Property/Other:

19. In addition to the potential reduction in capital value of 52-54 Seagarth Lane, the reduced amenity land to the rear of the property and the closer proximity of the school may deter or reduce the potential number of purchasers.

LEGAL IMPLICATIONS:

Statutory power to undertake proposals in the report:

- 20.. The Power for the Council to dispose of a property is provided by Section 123 of the Local Government Act 1972. The General Disposal Consent (England) 2003 allows Local Authorities to dispose of land at less than best consideration where the authority considers it will contribute to the promotion or improvement of economic, social, or environmental well-being of an area and the undervalue is less than £2 million. The Director of Children Services & Learning and The Director of Corporate Services support the disposal at less than Best Consideration because it will contribute to such well-being for the reasons set out above and the proposals are supported by and in accordance with the Children's & Young People Plan.

Other Legal Implications:

21. The City Council are not under any legal obligation to sell the land to the School Trust as part of the Statutory Transfer process.

POLICY FRAMEWORK IMPLICATIONS:

22. The provision of outdoor play space will contribute to the outcomes of the Children and Young People's Plan, by enabling children to be healthy through play and recreation and to enjoy and achieve in their academic life.

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KEY DECISION? No

WARDS/COMMUNITIES AFFECTED:	Bassett
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SUPPORTING DOCUMENTATION

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

Appendices:

1.	Plan V3337
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Documents In Members' Rooms:

1.	None
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Integrated Impact Assessment

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

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

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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1.	None	
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Agenda Item 20

DECISION-MAKER:	CABINET COUNCIL
SUBJECT:	TOWNHILL PARK REGENERATION FRAMEWORK: FURTHER CONSIDERATION OF THE FINANCIAL MODEL AND APPROVAL OF THE CAPITAL EXPENDITURE FOR THE IMPLEMENTATION OF PHASE 1
DATE OF DECISION:	21 AUGUST 2012 12 SEPTEMBER 2012
REPORT OF:	CABINET MEMBER FOR HOUSING AND LEISURE
STATEMENT OF CONFIDENTIALITY:	
N/A	

BRIEF SUMMARY:

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

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

On 12 March 2012, Cabinet approved a report on the regeneration of Townhill Park. Some of those recommendations were conditional on a further report on the outcome of an affordability assessment, the availability of Housing Revenue Account (HRA) and General Fund (GF) budgets and the completion of the assessment of delivery options. This was the subject of the 16th April 2012 Cabinet report which was approved, but not submitted to Council on 16th May 2012 for approval of certain recommendations. This was due to the election of the new, current administration who, while in support of Estate Regeneration, wished time to consider the financial implications of the Townhill Park proposals. The main changes from the April 2012 Cabinet report is that the new social housing should be retained and managed in Council ownership and, due to outstanding ecological work, zone 25 will now be delivered later in phase 3, with zone 33 moving from phase 3 to phase 1 to replace it.

This paper reviews and consolidates the previous Cabinet papers of March and April 2012 and sets out the current strategy and financial analysis for the delivery of the Townhill Park Regeneration Framework.

This paper seeks approval of the overall strategy and the finances necessary to enable the project to proceed.

The affordability assessment is based on the regeneration framework approved in March 2012 (the modified Central Park option) but with an increase of 70 dwellings in the level of social housing. It shows that there is a gross capital cost to the Housing Revenue Account (HRA) of £11.8M (with a net cost of £9.2M after capital receipts) and that the 30 year HRA revenue surplus will be reduced by approximately £23.9M. The revised proposals remain within the April 2012 total costs envelope for the HRA of £33.1M, including £1.3M to be vired from an affordable housing provision within the

General Fund (GF). The GF will need to fund certain infrastructure improvements at an estimated cost of £2.8M, funding for which will need to be identified once the rules for the use of the Community Infrastructure Levy and the value of the GF capital receipts are known.

The report also sets out the implications for rent levels following the re-provision of the social housing under the regeneration proposals. A scenario where the social housing is provided by the Council, as part of the HRA, and let at affordable rent has been recommended as the preferred approach.

RECOMMENDATIONS:

CABINET

Cabinet are recommended:

- (i) To approve the vision and themes of the Townhill Park Regeneration Framework based on the modified Central Park option and to delegate authority to the Director of Environment and Economy to finalise the Townhill Park Regeneration Framework following consultation with Head of Finance and IT (CFO) and the Cabinet Member for Housing and Leisure and Leader of the Council.

Note: A number of proposals contained in the Framework documents require further study and consultation and these studies and consultation may necessitate some changes to be made to the Framework.

- (ii) To approve in principle the redevelopment of Townhill Park in three phases with the following zones in each phase:
 - Phase 1 comprising zones 1, 33, 34, and 35
 - Phase 2 comprising zones 9, 11 (redevelopment), 12, 19, 20, 27 and 28
 - Phase 3 comprising zones 13, 14, 17, 24, 29, 30, and 25including additional associated open space and highways improvements incorporated in the proposals and to delegate authority to the Director of Environment and Economy, following consultation with the Head of Finance and IT (CFO) and the Cabinet Member for Housing and Leisure, to amend Phases, to move or amend zones within phases, to decide the extent of improvements and when to implement the additional open spaces and highways improvements incorporated in the proposals.

Note Zone 33 is now proposed in Phase 1 and Zone 25 in Phase 3. Further public consultation is planned in the next couple of months with residents of Phase 1, prior to a firm decision on proposals for this site.

- iii) To note that further consultation will be carried out, starting in August 2012, with residents affected in phase 1, and residents affected by the proposed new road, and reported back to Cabinet
- iv) To agree to recommend to Council that the HRA capital programme

will fund the site preparation costs set out in this report, currently estimated at £11.8M, and to recommend that Council approve a virement of £10.5M from the uncommitted provision for Estate Regeneration, which exists in the HRA capital programme and business plan, and £1.3M from the uncommitted funding for affordable housing in the Housing GF capital programme to establish a specific budget of £11.8M for Townhill Park, the phasing for which is set out in Appendix 1.

- v) To note that the HRA will be required to incur further capital expenditure to acquire the 450 units of social housing, provision for which has been included in the 30 year HRA Business Plan projections for these proposals, but with the timing dependent on the final details of the development agreement and subject to future Cabinet/Council approvals.
- vi) To note that the General Fund capital programme will be required to fund highways infrastructure, open space improvements and replacement community facilities where appropriate, at an estimated cost of £2.8M with the method of funding this being agreed once the use of the Community Infrastructure Levy and the value of the GF capital receipts are known.
- vii) To agree that the preferred approach for the provision of the new social housing is for this housing to be supplied by the Council, as part of the HRA, and that this new social housing provision will be provided for letting at affordable rents, subject to approval from the Department for Communities and Local Government / Homes and Communities Agency.
- viii) To agree to recommend to Council that:
 - a) £23.9M of the 30 year HRA revenue surplus is utilised to meet the long term revenue costs of the regeneration of Townhill Park, which includes the requirement to repay the debt on the dwellings that have been disposed of from the general HRA revenue balance as there is no net capital receipt to fund this repayment.
 - b) The General Fund capital programme funds the highways infrastructure, open space improvements and replacement community facilities where appropriate, at an estimated cost of £2.8M with the method of funding this being agreed once the use of the Community Infrastructure Levy and the value of the GF capital receipts are known.

COUNCIL

Council are recommended:

- (i) To agree that the HRA capital programme will fund the site preparation costs set out in this report, currently estimated at £11.8M, and to approve a virement of £10.5M from the uncommitted provision for Estate Regeneration, which exists in the HRA capital programme and business plan, and £1.3M from the uncommitted funding for affordable housing in the Housing GF

capital programme to establish a specific budget of £11.8M for Townhill Park, the phasing for which is set out in Appendix 1.

- (ii) To approve the use of £23.9M of the 30 year HRA revenue surplus to meet the long term revenue costs of the regeneration of Townhill Park, which includes the requirement to repay the debt on the dwellings that have been disposed of from the general HRA revenue balance as there is no net capital receipt to fund this repayment.
- (iii) To agree that the General Fund capital programme will fund the highways infrastructure, open space improvements and replacement community facilities where appropriate, at an estimated cost of £2.8M with the method of funding this being agreed once the use of the Community Infrastructure Levy and the value of the GF capital receipts are known.

REASONS FOR REPORT RECOMMENDATIONS:

1. Estate Regeneration is a major programme of renewal which is part of a wider commitment by the Council to deliver sustained economic growth and tackle deprivation on Southampton's council estates. The Estate Regeneration programme has grown from the Phase 1 pilot at Hinkler Parade through to an Estate Regeneration Framework for Townhill Park, which is focused on developing a strategic approach to delivery across the estate.
2. Redevelopment provides the opportunity to deliver improved modern local facilities to meet the needs of residents. Redevelopment will provide a mixed tenure environment and good quality accommodation, together with significant improvements in the public and private realm on site, to ensure a cohesive and sustainable community.
3. Selecting areas of the city which are the most deprived, but have the greatest potential for housing gain will also contribute to the city wide priority of economic growth, the Core Strategy target of delivering over 16,000 new homes between 2010 and 2026 and the aim to deliver more affordable housing. Regeneration will provide the opportunity to tackle some of the socio economic challenges in the area.
4. Regeneration is supported by the community and further consultations will be held as the proposals for the area develop.
5. To approve the financial implications of the regeneration framework for Townhill Park so that the regeneration proposals can proceed.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED:

6. The updated Housing Strategy 2011-15 and Housing Revenue Account Business Plan 2011-2041 approved by Cabinet on 4th July 2011 (and Council on 13th July 2011) confirm estate regeneration and the provision of affordable housing as a key priority for the Council.

7. This report proposes the delivery of the next projects within a programme of Estate Regeneration. The option of doing nothing would not achieve the Council's objectives of creating successful communities on our estates.
8. The option of doing nothing would result in a lack of strategic direction for the future of the area and a lost opportunity to meet the Council's objectives of economic growth.
9. The Estate Regeneration programme began with a pilot and one off sites, which has given the Council experience of regenerating housing, but is piecemeal. Taking a whole estate, as in Townhill Park, has allowed opportunities to deliver enhanced impact, which are not possible with a site by site approach.
10. Furthermore there has been considerable preparatory community consultation with local tenants and residents at Townhill Park, as part of the development of the regeneration framework, which has raised community hopes and expectations.
11. The option of not approving the financial contributions to meet the cost of delivering the regeneration framework has been rejected as it would not enable the regeneration of Townhill Park to proceed.

DETAIL (Including consultation carried out):

Background

12. On 12 March 2012, Cabinet approved a report on the regeneration of Townhill Park. Some of those recommendations were conditional on a further report on the outcome of an affordability assessment, the availability of Housing Revenue Account (HRA) and General Fund (GF) budgets and the completion of the assessment of delivery options. This was the subject of the 16th April 2012 Cabinet report which was approved, but not submitted to Council on 16th May 2012 for approval of certain recommendations. The current administration, newly elected in May, while in support of Estate Regeneration, wished time to consider the financial implications of the Townhill Park proposals.
13. The financial assessment, covering affordability and budgets, can be divided into 2 distinct parts. One is the main regeneration activity involving the demolition of existing dwellings (subject to the completion of appropriate and robust prior consultation in relation to the details of properties and individuals affected), the provision of new dwellings and other improvement works. The second concerns the provision of the new social housing and whether this is provided by the Council or a Housing Association and what rent levels are to be charged. The main change from the April 2012 Cabinet report is that the new social housing should be retained and managed in Council ownership.

Review of March 2012 Cabinet paper

14. Before detailing the financial information, the following section of the report reviews and summarises the salient points of the March 2012 Cabinet report. A full version is available on the Council's decision making pages on the Internet.

Core Principles of the Estate Regeneration Programme and Townhill Park – The Case for Regeneration

15. These aspects are covered in the March 2012 Cabinet report (paragraphs 10-12 and 13-14)

Consultation – Estate Regeneration Programme

16. Consultation has been undertaken with a range of bodies in the development of the Estate Regeneration programme. Nationally, this includes the Homes and Communities Agency and Sub Regionally, the Partnership for Urban South Hampshire (PUSH). Locally, there has been consultation with tenants' representatives and trade union representatives. There has also been positive cross-party engagement

Consultation Process – Townhill Park

17. A programme of consultation was undertaken during the study and is described in the March 2012 Cabinet report in paragraphs 17 to 21. A copy of the Community Consultations forms Appendix 1 of the Regeneration Framework, which is a document available in Members' Rooms. Further public consultations are planned in the next couple of months and these are set out in paragraph 30 to 33 and will be reported back to Cabinet in November 2012.

Townhill Park Study and Options Proposed

18. The study process and the options considered are set out in the March 2012 Cabinet report paragraphs 22-32

Townhill Park Agreed Vision and Themes

19. Residents helped to agree a vision and seven themes for Townhill Park. The vision agreed vision for Townhill Park is that:

By 2021, residents of Townhill Park will be proud to live in a successful suburban family neighbourhood.

20. Residents also agreed seven themes which would form an intrinsic part of delivering the vision. These are:
- A 'fantastic' community heart
 - Meggeson Avenue a safe and attractive public space with improved crossings
 - A transformed park and wonderful local greens and play spaces
 - A better walking, cycling and public transport connections locally and to the rest of the city
 - Healthy and well-designed socially-rented and private homes that address a variety of needs, with as many homes on the ground as possible
 - Successful local shops and community facilities
 - Greater social and economic opportunities

Regeneration Framework Preferred Master Plan Central Park modified

21. The preferred Master Plan which was arrived at through a combination of residents views and Cabinet consultation was the modified Central Park option and includes:
- Creation of a new community heart, with a new village green in the

centre of Meggeson Avenue, new local shopping facility and community focused café or pub

- Traffic calming measure on Meggeson Avenue including re-alignment around the Village Green
- The redevelopment of all the blocks in the area and the provision of 675 new homes. Housing details are included in more detail in paragraph 34 below. A range of open space improvements including improving Frog’s Copse and Hidden Pond, the creation of a new central Village Green
- New local shops in a mixed use development in the centre in association with the Village Green, including a new café/pub, new shops, services and re-provided Moorlands Community Centre on Townhill Way
- Improved walking and cycling and transport connectivity including: improved access to amenities at Midanbury and improvements to pick up and drop off at the school and community centre and improvements to encourage walking and cycling
- Car parking is recognised as a contentious issue and proposals aim to provide a range of parking improvements through comprehensive design
- The socio-economic Framework will contain the strategy for improving access to employment and links to other city wide initiatives.

New Housing Provision resulting from the modified Central Park Option

22. The following details around new housing provision were proposed and reported in the March 2012 Cabinet report (para 34) as follows:

Housing Detail	Numbers
Current Numbers of Homes in the Study	817*
Number of Homes proposed to be demolished (subject to the outcome of further detailed consultation with those affected) (numbers are indicative at present and subject to further detailed consultation)	428
New homes proposed to be built (numbers are indicative at present and subject to further detailed consultation)	675
Net Gain	247

This includes the provision of 380 affordable homes. (March 2012)

* Number does not include 222-252 Meggeson Avenue which is currently being developed in Phase 2 of the Estates Regeneration programme.

Acknowledgement of Changes to the Master Plan as Development progresses

23. In the March 2012 Cabinet report it was acknowledged that there would be changes as proposals developed: 'Consideration of any development on any of the sites is subject to further studies and consultations. Numbers are currently being revised and are subject to further change once the technical work has been completed.' (March 2012 par 34).
24. Since the March 2012 Cabinet report was approved and reported in the press, a number of concerns have been raised by groups in the area and residents both in Townhill Park and the surrounding area. These include:
- Moorlands Community Centre concern about their future and the future of the pre-school running from the building
 - Residents', around Cornwall and Litchfield Road, strong objection to the idea of a road link from Townhill Park to Cornwall Road at the junction with Litchfield Road
 - Objections to the idea of opening up Cutbush Lane
 - Objections to the idea of building on the grassland west of Hidden Pond (Site 25)
 - Objections and concerns around building on Frog's Copse and misunderstanding that the development site suggested is the whole of Frog's Copse rather than a small area.
25. The Regeneration Framework documents have not been sufficiently clear that further feasibility work and consultation is due to be carried out before Master Plan ideas such as those listed above in paragraph 25, become firm proposals.
26. The March Cabinet report also set out the need to carry out additional studies, the results of which would further inform the detail of the proposals (March 2012 par 42). These studies covering a Transport Assessment, Ecology, Sustainable Urban Drainage and Energy were approved and work is being carried out on them during 2012. The result of these studies will also inform the detail as initial Master Plan proposals are brought forward for development.

Proposed Changes to Phase 1

27. The proposed phasing was considered in paragraphs 35 and 36 of the March 2012 Cabinet report. It is now proposed that there will be a change to Phase 1 zones which will now comprise:
- Zones 1, 34, 35 and 33
- Site 25 originally in Phase 1, is subject to the completion of certain studies, and is re-allocated to Phase 3, while Site 33, which was in Phase 3, is now proposed for inclusion in Phase 1.
28. It is considered that this alteration will produce an attractive, financially viable development package for the construction industry and make a significant impact on the regeneration of Townhill Park.

Future Planned Public Consultations

29. Further public consultations are planned in the next couple of months. These include detailed consultations with residents of Phase 1, information update to all residents both in and around Townhill Park and a public consultation about the idea of a new road connection from Townhill Park to Cornwall Road at the junction with Litchfield Road.

Phase 1 Public Consultation

30. Specifically around the redevelopment of Phase 1 the public consultations will commence with a letter to each secure tenant and leaseholder setting out the details of the consultation process. The process includes a personal visit to all secure tenants by the Tenant Liaison Officers after initial letters are sent out. A meeting is also organised and carried out by Capita with leaseholders. Residents will be notified in their letter of 2 drop-in events where they can speak to officers on an individual basis and discuss any concerns or aspirations they have. This further consultation process, building on the extensive general consultation already undertaken, will last for a minimum of 4 weeks with a further 2 weeks to consider any representations. A report will then be produced, which will form part of a subsequent report back to Cabinet, in November 2012.

Information Update Meeting for all Residents

31. It has been some time since all residents have had the opportunity to attend a meeting to receive an update on proposals. It is proposed to organise an Information update meeting to which all residents, both within Townhill Park and those living adjacent to the area, will be invited.

Public Consultation on the Idea of a Road Extension from Townhill Park through to Cornwall Road at junction with Litchfield Road

32. Although this is only a concept idea at this stage, and proposed for latter parts of the scheme, further consultation will be undertaken with residents on this now, due to concerns expressed about this road from residents. These will be considered and reported back to Cabinet (likely to be November 2012) where an early view will be taken on whether to proceed further with this concept or abandon the idea. Both residents of Townhill Park and those adjacent to the area, especially those living in Cornwall, Litchfield and adjacent roads will be invited to give their views.

Phase 1 Site Preparation Detail and Costs

33. Specific details regarding any proposals for decanting, purchasing leaseholds, demolitions and required finances will be the subject of a subsequent Cabinet report in November 2012.

Financial Assessment of Townhill Park

34. The financial assessment, covering affordability and budgets, can be divided into 2 distinct parts. One is the main regeneration activity involving the demolition of existing dwellings (subject to the further appropriate prior consultation), the provision of new dwellings and other improvement works. The second concerns the provision of the new social housing and whether

this is provided by the Council or a Housing Association and what rent levels are to be charged. The main change from the April 2012 Cabinet report is that the new social housing should be retained and managed in Council ownership.

35. The overall financial assessment of the redevelopment has been prepared by the consultants (CBRE). The following paragraphs highlight the key conclusions. It needs to be emphasised that the redevelopment costings are high level and based on current regional cost indices and will need to be updated on a regular basis and particularly when development briefs are prepared for specific sites and phases.
36. The approved Regeneration Framework (March 2012) involves the demolition of 380 HRA rented dwellings and also the acquisition and subsequent demolition of a further 48 homes sold under the Right-To-Buy (RTB). There is also the acquisition and subsequent demolition of 5 shop premises, a public house and a community centre where the HRA is the freeholder. The gross cost over the 10 year regeneration period of all these items is currently estimated at £11.8M. A more detailed analysis is provided in Appendix 1, showing the initial assessment of when the spending will take place.
37. There is no General Fund contribution required for this site assembly activity. There are two GF sites in the regeneration area but there are no costs involved in preparing these sites for redevelopment.
38. As part of the provision of 675 new homes, the current revised proposals includes the provision of 450 new dwellings for letting at Affordable Rents (80% of market rent), so that there is an increase in the level of affordable housing by 70 dwellings.
39. The affordability assessment assumes a capital receipt to the HRA of £2.6M from the sale of the redevelopment land, leaving a net cost of approximately £9.2M once the costs of preparing the sites for sale have been taken into account. The GF capital programme has an uncommitted sum of £1.7M available to support affordable housing. This funding can only be used to help fund the costs of new affordable housing provision and it is recommended that £1.3M is used as a contribution towards this cost. The HRA business plan and capital programme has an uncommitted provision of £20M to support Estate Regeneration activity. It is recommended that the remaining £7.9M required for the regeneration is approved from this source, leaving a balance of £12.1M to support future schemes.
40. The capital cost to the HRA has increased in comparison to the April 2012 figure due to the increased proportion of affordable housing.
General Fund Implications and Community Infrastructure Levy (CIL).
41. Estate wide regeneration also has capital implications for the General Fund (GF). These cover highway works, improvements to open spaces and re-provision of community facilities where appropriate. This expenditure is estimated at £2.8M. There is currently no provision in the GF capital programme to meet these costs. However, two of the sites to be sold are held under GF powers so the capital receipts from the sale of these sites would accrue to the GF. These receipts are estimated at £0.5M and it is assumed that they will be applied towards the GF funding of £2.8M.

42. The redevelopment costings have also allowed for payment of the new Community Infrastructure Levy (CIL). This has been assessed using the fee structure that is currently out for consultation. A provision of £1.7M has been assumed based on the proposed level of private sector housing. This means that the Council will potentially receive income from CIL of £1.7M from this redevelopment. This represents non ring fenced additional resources for the GF which could be used to fund the type of infrastructure included in the Townhill Park redevelopment plans. At this stage it is not possible to formally ring fence this CIL income for funding the expenditure at Townhill Park because the CIL arrangements are still under discussion. However, the GF will need to fund infrastructure improvements estimated at £2.3M and, if it were possible to utilise the CIL income, the net cost for the GF capital programme would be reduced to £0.6M, as shown in Appendix 1.
43. In addition to the CIL payments, a broad assessment has been made of the potential Section 106 developer contributions, which indicates that a site specific transport contribution in the region of £0.4M could be sought. This expenditure has been allowed for in the modelling work and so any developer contributions would reduce the net GF cost further.
44. The new infrastructure is not expected to have any material impact on GF revenue budgets.

Housing Revenue Account Implications

45. For the Housing Revenue Account (HRA) however, the net impact of the regeneration has been assessed over the life of the 30 year HRA business plan. This shows that the projected 30 year surplus would be reduced by £23.9M, including the interest costs associated with the project.
46. Whilst the capital and revenue costs for the HRA associated with the regeneration of Townhill Park are affordable within the context of the 30 year business plan, it is clear that careful consideration will need to be given to the impact on the HRA of future phases of Estate Regeneration as the financial model for Townhill Park is not sustainable over the 30 year period of the business plan, should proposals come forward to redevelop a number of other estates in this manner. It is, however, recognised that past the 30 year lifespan of the HRA Business Plan, the new Council owned properties will generate income to the Council and potentially be less costly to maintain.
47. The revised proposals remain within the April 2012 total costs envelope for the HRA of £33.1M, including £1.3M to be vired from an affordable housing provision within the General Fund (GF). However, the financial analysis has been based on a number of assumptions regarding costs and income that will clearly need to be updated on a regular basis, particularly when detailed development proposals are prepared for each phase and site. Further reports will be made to Cabinet/Council as appropriate, if this analysis shows that net costs to the HRA or GF have increased.

Options for the re-provision of social housing

Impact of Rent Levels due to Government Changes

48. The issue of what rent levels to charge is a significant one. In April 2002, the Government introduced rent reforms for tenants of all social landlords, which

included local authorities and housing associations. Each property has a “target rent” calculated. Most housing association rents have now reached target rent but in the HRA, 2012/13 rent levels are still 5.5% below target. Over the next few years this shortfall will be made good, meaning that rent increases will need to exceed inflation for some time to come. By the time the redevelopment takes place most existing HRA rents will have reached their full target rent level.

49. In October 2010, the Government announced the introduction of a new social housing tenure called Affordable Rent as part of the Comprehensive Spending Review. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80 per cent of the local market rent. Affordable rent applies to new build (and some re-lets) of existing Housing Association owned social rented housing. These homes continue to be let through the Council’s Homebid scheme. As part of the proposals for Townhill Park properties developed for affordable rents would have substantially higher rents than target rents. The table below, which uses 2011/12 data, compares the current average rents paid by tenants in Townhill Park for different property types with the comparable rents a Housing Association would charge for a similar new dwelling and also with the new affordable rents:

50.

	Average Actual Rents 2011/12	Target rent for new HA dwelling 2011/12 (^)	Affordable Rent 2011/12	% increase of affordable rent over target rent
	£ per week	£ per week	£ per week	%
1 Bed Flat	60.72	73.11	101.54	38.9%
2 Bed Flat	67.83	84.25	120.00	42.4%
2 Bed House	75.48	89.69	144.00	60.6%
3 Bed House	80.44	101.92	166.15	63.0%
^ - Target rents for HRA dwellings would be 2.96% lower for flats and 5% higher for houses.				

51. Affordable Rent is part of the new funding regime to provide new social housing development. Housing Associations (now known as Registered Providers) have, from 2011, bid for resources to develop social housing based on the fact that these developments would be at Affordable Rent. The introduction of Affordable Rent tenure is a resourceful way of achieving more with less, but the new rent levels are significantly higher. In general terms this means new clients having to pay significantly more for their accommodation than existing clients. If Affordable Rent is the only tenure available following Estate Regeneration, existing clients could be squeezed

out of the area. At the same time it will be equally important that a range of tenures of properties are available to encourage the creation of a balanced and sustainable community that moves away from deprivation.

Rent Assumptions Used in the Affordability Assessment and Impact on HRA

52. In April 2012, Cabinet favoured the proposal to re-provide through a Housing Association, whereas the current proposal is to re-provide through the HRA with new social housing remaining in Council/HRA ownership.
53. The April 2012 Cabinet report proposed a two tier system for new social rented property. 50% of the total new stock was to be social housing with 50% of that being at affordable rent and 50% at subsidised target rent.
54. The current proposal is to provide as much social housing as the Council can afford to purchase and that the rent for these properties will be based on the affordable rent level. Although this will mean that there will be no new equivalent of target rent the new properties should have added advantages of being better quality, of a modern standard and include sustainable energy measures, so that they are cheaper to run for both tenants and the Council. By retaining ownership, the Council has a modern asset as a return for its outlay.
55. The revised affordability assessment has been prepared on the basis that all of the social housing is provided by the Council, as part of the HRA, and let on the basis of affordable rent.
56. The analysis assumes that the extra borrowing the HRA would need to undertake to fund the new build programme has been repaid by the end of the 30 year business plan at which point the new properties will be debt free. After this the properties will generate an income. There is therefore a higher long term annual surplus for the HRA under any new build option, rather than giving the properties to a registered provider, but it takes longer than 30 years for there to be an increase in the cumulative surplus.
57. It is therefore proposed that all the new provision is provided by the Council, as part of the HRA, and let at affordable rent. This will need to be the subject of a specific approval from the Department for Communities and Local Government/Homes and Communities Agency.

Other Financial Assumptions/Issues in the Financial Assessment

58. The financial assessment has assumed that there will be no grant from the Homes and Communities Agency towards the social housing provision. This is a prudent assumption as the new provision will take place after the current HCA grant regime has finished and there is no information available about what might replace it after 2015.
59. Similarly, no income has been assumed from the New Homes Bonus as beyond 2014/15 this will come from formula grant. Whilst the Government have indicated this funding is intended to be a permanent feature of the local government finance system, given the current review of local government financing, there is no certainty as to the mechanism and methodology by which this will be calculated and distributed.
60. It needs to be emphasised that the redevelopment costings are based on current regional cost indices and will need to be updated on a regular basis, and particularly when development briefs are prepared for specific sites and

phases. These updates will also include the impact of Section 106 costs, final CIL arrangements and the availability of grant as these issues become clearer.

61. It has also now been possible to undertake a detailed “zone by zone” assessment of the master plan. This has shown that there are a few zones where the redevelopment costs are comparatively high compared to the number of new homes provided. As the detailed development briefs are produced it would be sensible to review the detailed plans for these zones to see if the financial position can be improved without compromising the regeneration of the area.

Assessment of Delivery and Procurement Options

62. The Regeneration Framework looked at a range of delivery options. The proposed change to Townhill Park where the HRA will now provide the new social housing offers the opportunity for the Council to review the most effective means of procurement and delivery. Approval for procurement, associated documentation and their financing will be the subject of a later Cabinet report.

Finances for the Preparation of Phase 1

Finances for the preparation of Phase 1 will be subject of a further Cabinet report in November 2012.

Planning Strategy

63. The consultant’s report recommends that the Council consider obtaining; either outline planning consent for the whole project (Phases 1, 2 and 3) or adoption of the Regeneration Framework as a Supplementary Planning Document (SPD). The Council will investigate the benefits of these approaches, and will consider other options as well, as the work moves forward.

RESOURCE IMPLICATIONS:

Capital/Revenue:

64. The overall capital and revenue implications of the proposals have largely been set out above. However, one of the principles agreed by Council for developing the HRA business plan is that the debt outstanding on a dwelling should be repaid from the proceeds of the sale when it is sold. This is not possible at Townhill Park as there is no net capital receipt. The debt on these dwellings will need to be repaid from the projected 30 year revenue surplus, which is one of the reasons why the 30 year surplus is lower than reported in the budget. This is a matter which needs the approval of Council.
65. The HRA will be required to incur further capital expenditure to acquire the 450 units of social housing that will be constructed. Provision for this expenditure and the associated interest costs has been included in the 30 year HRA Business Plan projections for these proposals on the basis that it will be incurred following construction. However, the timing is dependent on the final details of the development agreement and will, therefore, be the subject of future Cabinet/Council approvals.
66. The report to Cabinet on 12th March increased the approved spending limits for the Townhill Park scheme by £156,000 in 2012/13 to enable the remaining studies to be completed, as set out in paragraph 42 of that report.

The cost of the Transport Assessment will not now be met from this budget and the £20,000 provision will be used towards the cost of other feasibility work that will be needed following the reassessment of how the social housing is to be provided.

Property/Other:

67. Within the area the Council owns are sites of the former Local Housing Office and Moorlands Community Centre, the latter is shown as the space currently re-provisioned in the Master Plan. In the case of the latter, further feasibility work and community consultation is required before confirming a future solution.
68. Lettings of shops on Council estates are categorised as “social property” which recognises that the prime purpose for holding this type of property and the way in which it is managed, is to support the service and community. The case for regeneration sets out the opportunities to provide modern retail units to serve the future requirements of the community
69. The commercial tenants will be compensated in accordance with statutory valuation procedures which will be specific to each tenant. The Estates Regeneration Team will produce and distribute information leaflets for residential tenants and property owners which set out their statutory compensation arrangements.
70. Consent to dispose of the sites, once a developer is secured, will require Cabinet approval. The Council’s Strategic Services Partner Capita, will act as the Council’s property advisor inputting into these projects.

Property Acquisition

71. These will be covered in a subsequent Cabinet report.

Other – Procurement

72. Procurement will be covered in a subsequent Cabinet report.

LEGAL IMPLICATIONS:

Statutory power to undertake proposals in the report:

73. The Council has powers under the Housing Acts, Landlord and Tenant Acts and the Town and Country Planning Act 1990 to undertake the estate regeneration proposals. A power of general competence is also available under section 1 of the Localism Act 2011, the exercise of which is subject to any pre-commencement prohibitions or restrictions that may exist.

Other Legal Implications:

74. It will be necessary to undertake appropriate impact assessments in relation to the proposals within this report and particularly the proposed move to affordable rents before a final decision is made.

POLICY FRAMEWORK IMPLICATIONS:

75. The updated Housing Strategy 2011-15 and Housing Revenue Account Business Plan 2011-2041 approved by Cabinet on 4th July 2011 (and Council on 13th July 2011) confirm estate regeneration as a key priority for the Council. The proposals in this report will contribute towards the achievement of these objectives.

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KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:	Harefield and Bitterne Park
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SUPPORTING DOCUMENTATION

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

Appendices:

1.	Townhill Park Capital Expenditure and Income – all phases
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Documents In Members' Rooms:

1.	Regeneration Framework
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Integrated Impact Assessment

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

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

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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1.	None.	
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