

CABINET

**Tuesday, 8th May, 2012
at 6.00 pm***

***This meeting will follow the
Overview and Scrutiny
Management Committee and will
not start before 6pm**

Council Chamber

This meeting is open to the public

Members

Councillor Smith, Leader of the Council
Councillor Moulton, Cabinet Member for Children's
Services and Learning
Councillor Baillie, Cabinet Member for Housing
Councillor Fitzhenry, Cabinet Member for
Environment and Transport
Councillor Hannides, Cabinet Member for
Resources, Leisure and Culture
Councillor White, Cabinet Member for Adult Social
Care and Health

(QUORUM – 2)

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 (Mondays)

2011	2012
6 June	16 January
4 July	6 February
1 August	13 February
5 September	12 March
26 September	16 April
24 October	
21 November	
19 December	

CONDUCT OF MEETING

TERMS OF REFERENCE

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

BUSINESS TO BE DISCUSSED

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

RULES OF PROCEDURE

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

QUORUM

The minimum number of appointed Members required to be in attendance to hold the meeting is 2.

DISCLOSURE OF INTERESTS

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

PERSONAL INTERESTS

A Member must regard himself or herself as having a personal interest in any matter:

- (i) if the matter relates to an interest in the Member's register of interests; or
- (ii) if a decision upon a matter might reasonably be regarded as affecting to a greater extent than other Council Tax payers, ratepayers and inhabitants of the District, the wellbeing or financial position of himself or herself, a relative or a friend or:-
 - (a) any employment or business carried on by such person;
 - (b) any person who employs or has appointed such a person, any firm in which such a person is a partner, or any company of which such a person is a director;
 - (c) any corporate body in which such a person has a beneficial interest in a class of securities exceeding the nominal value of £5,000; or
 - (d) any body listed in Article 14(a) to (e) in which such a person holds a position of general control or management.

A Member must disclose a personal interest.

Cont/...

Prejudicial Interests

Having identified a personal interest, a Member must consider whether a member of the public with knowledge of the relevant facts would reasonably think that the interest was so significant and particular that it could prejudice that Member's judgement of the public interest. If that is the case, the interest must be regarded as "prejudicial" and the Member must disclose the interest and withdraw from the meeting room during discussion on the item.

It should be noted that a prejudicial interest may apply to part or the whole of an item.

Where there are a series of inter-related financial or resource matters, with a limited resource available, under consideration a prejudicial interest in one matter relating to that resource may lead to a member being excluded from considering the other matters relating to that same limited resource.

There are some limited exceptions.

Note: Members are encouraged to seek advice from the Monitoring Officer or his staff in Democratic Services if they have any problems or concerns in relation to the above.

Principles of Decision Making

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

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

In exercising discretion, the decision maker must:

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

AGENDA

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

1 APOLOGIES

To receive any apologies.

2 DISCLOSURE OF PERSONAL AND PREJUDICIAL INTERESTS

In accordance with the Local Government Act 2000, and the Council's Code of Conduct adopted on 16th May 2007, Members to disclose any personal or prejudicial interests in any matter included on the agenda for this meeting.

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

EXECUTIVE BUSINESS

3 STATEMENT FROM THE LEADER

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

To move that in accordance with the Council's Constitution, specifically the Access to Information Procedure Rules contained within the Constitution, the press and public be excluded from the meeting in respect of any consideration of the confidential appendices to the following Item

Appendices 2, 3, 4, 5 and 6 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.

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

Report of the Senior Manager, Customer and Business Improvement, detailing the Call-in of the Executive Decision CAB 11/12 7980 – Future Delivery arrangements for Romanse and CCTV, attached.

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DECISION-MAKER:	CABINET
SUBJECT:	CALL IN OF EXECUTIVE DECISION CAB 11/12 7980 FUTURE SERVICE DELIVERY ARRANGEMENTS FOR ROMANSE AND CCTV
DATE OF DECISION:	8 th MAY 2012
REPORT OF:	CHAIR OF THE OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE
STATEMENT OF CONFIDENTIALITY	
None	

BRIEF SUMMARY

The Overview and Scrutiny Management Committee (OSMC) called in the decision made at the Cabinet meeting on 16th April 2012 relating to the future service delivery arrangements for Romanse and CCTV. The Call-in is to be heard at a meeting of the OSMC on 8th May 2012 and the recommendations generated by the OSMC will be circulated to Cabinet at the conclusion of the Call-In meeting.

At its meeting on 8th May 2012 the Cabinet is requested to respond to the recommendations generated by the OSMC, following its consideration of these matters.

RECOMMENDATION:

- (i) That Cabinet considers its response to the recommendations made by the Overview and Scrutiny Management Committee at its meeting on 8th May 2012.

REASONS FOR REPORT RECOMMENDATIONS

1. To comply with the Call-in procedure rules set out in Part 4 of the Council's Constitution.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2. None.

DETAIL (Including consultation carried out)

3. A Call-In notice signed by the Chair of the OSMC was received in accordance with Paragraph 12 of the Overview and Scrutiny Procedure Rules set out in Part 4 of the Council's Constitution. The Call-In notice relates to the decision made by the Cabinet on 16th April 2012 relating to the future service delivery arrangements for Romanse and CCTV. The reason cited by the Chair of the OSMC for this Call-In was 'insufficient detail provided to the OSMC at the meeting on 12th April 2012 to have a full discussion on the issue'.
4. The OSMC are to discuss the Call-in report at its meeting on 8th May 2012. Details of the Call-in notice are attached as Appendix 1, and recommendations agreed by the OSMC will be circulated to Cabinet on 8th May 2012.
5. The Cabinet is requested to consider recommendations arising from the consideration of this Call-In by the OSMC.

RESOURCE IMPLICATIONS

Capital/Revenue

6. As detailed in the Cabinet report dated 16th April 2012 appended to this report.

Property/Other

7. As detailed in the Cabinet report dated 16th April 2012 appended to this report.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

8. As detailed in the Cabinet report dated 16th April 2012 appended to this report.
The duty to undertake overview and scrutiny is set out in Section 21 of the Local Government Act 2000 and the Local Government and Public Involvement in Health Act 2007.

Other Legal Implications:

9. As detailed in the Cabinet report dated 16th April 2012 appended to this report.

POLICY FRAMEWORK IMPLICATIONS

10. As detailed in the Cabinet report dated 16th April 2012 appended to this report.

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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.	Call In Notice
2.	Decision Report

Documents In Members' Rooms

	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)
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	None	
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NOTICE OF CALL-IN


In accordance with rule 12 of the Overview & Scrutiny procedure rules of the Council's Constitution, a request is hereby made that the Head of Corporate Policy and Performance exercise the call-in of the decision identified below for consideration by Overview and Scrutiny Management Committee.

Decision Number: CAB 11/12 7980 – Future Service Delivery Arrangements for Romanse and CCTV
Decision Taker: Cabinet
Date of Decision: 16/04/2012

Reason(s) for Requisition of Call-In of Decision:

Insufficient detail provided to the Overview and Scrutiny Management Committee at the meeting on 12 th April 2012 to have a full discussion on the issue.
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Call-In Requested by:

Name	Signature	Date
Councillor Barnes-Andrews		24 th April 2012

All Members requesting that a Decision be Called-In must sign this Call-In Notice. A decision may be called in by:

- The Chair of Overview and Scrutiny Management Committee
- Any 2 Members of Overview and Scrutiny Management Committee
- In respect of a Decision relating to Education, any 2 Parent Governor or Church Representatives

Please submit to the Head of Corporate Policy and Performance within 5 clear days of the publication of the relevant decision.

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Agenda Item 5

Appendix 2

DECISION-MAKER:	CABINET
SUBJECT:	FUTURE SERVICE DELIVERY ARRANGEMENTS FOR ROMANSE AND CCTV
DATE OF DECISION:	16 APRIL 2012
REPORT OF:	CABINET MEMBER FOR ENVIRONMENT AND TRANSPORT AND LEADER OF THE COUNCIL

STATEMENT OF CONFIDENTIALITY

Appendices 2, 3, 4, 5 and 6 of this 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.

BRIEF SUMMARY

A review of the Council's Intelligent Transport System service (Romanse) and Public Safety CCTV service concluded that for strategic, operational, and financial reasons these services should be co-located. The review determined that on balance a private sector partnership would provide the most suitable and sustainable way of achieving this objective.

In July 2011 Cabinet approved the commencement of a competitive dialogue procurement process to select a private sector service provider to relocate the Council's Intelligent Transport Systems and Public Safety CCTV services and to maintain and operate the services for a period of up to 15 years

That work has now been completed and based on the evidence presented through the competitive dialogue process, Cabinet are recommended to approve entering into a 10 year partnership with Balfour Beatty Living Places, with an option to extend by a further 5 years, to relocate and manage a combined Romanse and CCTV service at City Depot and to delegate to the Director of Environment, in consultation with the Head of Finance & IT, the Head of Legal, HR and Democratic Services authority to make all necessary arrangements to action this decision.

RECOMMENDATIONS:

- (i) That the City Council should enter into a 10 year partnership contract with Balfour Beatty Living Places with an option to extend by a further 5 years, to deliver a new combined ROMANSE and CCTV Service at City Depot with a service commencement date of 1st October 2012
- (ii) To delegate authority to the Director of Environment, in consultation with the Head of Finance and IT, the Head of Legal, HR and Democratic Services to proceed to financial and contractual close
- (iii) To delegate authority to the Head of Legal, HR and Democratic Services to enter into all necessary legal contracts and documentation to action the above decisions

REASONS FOR REPORT RECOMMENDATIONS

1. The delivery arrangements for ROMANSE and CCTV services needed to be reviewed in order to ensure the Council delivered good value for money. The review was timed to coincide with break clauses and expiry of leases on current accommodation at Town Quay and St. Mary's Stadium.
2. With increasing financial pressures and reducing resources there was also a need to identify potential savings targets which need to be delivered over the next 2 years. Finally, a need to maintain and improve assets, and look at potential income generation means that the services cannot continue to be delivered in the same way.
3. Challenging savings targets of £520,000 have been set against the services to deliver over the next 2 years. These savings will be guaranteed as part of the contract sum and will be delivered in the first year of contract commencement. Alternatively the service will need to deliver them themselves over 2 years.
4. Following an options appraisal a new combined and co-located. ROMANSE and CCTV service was considered the best way forward. The comparison concludes that an externalised arrangement provides the council with the best value for money option and lower risk as opposed to continuing to provide the services in-house.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

5. The option of continuing to deliver services in the current way was ruled out on the grounds that service efficiencies needed to be delivered, substantial savings were required and there was an opportunity to vacate premises.
6. The option of scaling the ROMANSE and CCTV services down to a skeleton service was considered and rejected because:
 - It is a high risk strategy because LTP and Safe Cities objectives would be very difficult to deliver which may impact on the Economic Development of the City
 - Additional funding when received for one off projects (for example through LTP or EDRF funding) would have to be treated as discrete projects and external consultants used to deliver the ROMANSE elements of these projects which would be a much more expensive approach.
 - There would be no strategic management of the City's road network.
 - This option would require further staff redundancies
7. The option of partnership working with other Authorities has been considered and rejected. Whilst this could generate savings and income, it requires complete cooperation with another partner Authority and is considered to be difficult to achieve in the timescales required and there are no guarantees that such an arrangement could be delivered.
8. The option of delivering ROMANSE and CCTV services through other delivery models such as a Trading Company has been rejected. Whilst the Council has trading functions, it currently does not have a Trading Company which would allow services to take a more commercial approach to charging and winning third party contracts. Setting up such a Trading Company is not possible in the timescales required in order to deliver savings and vacate properties.

9. Consideration was also given as to whether the combined service should be delivered in house or through a private sector partner. The two in house options considered were to deliver a combined ROMANSE and CCTV Service at City Depot, or alternatively at St Mary's Stadium. Both in house options have been considered against the preferred bidders final bid, but following evaluation of all 3 bids (as set out in appendices 3 -6) the conclusion is that the bid from Balfour Beatty Living Places provides a more robust solution and guarantee of delivering the required savings than either of the 2 in-house options.

DETAIL

Introduction and Background

10. In late 2010 a project was established under the direction of the Transformation and Efficiency Board to look at future service delivery arrangements of the ROMANSE and CCTV services.
11. These services operate out of Town Quay and St Mary's Stadium respectively and at the time, had suffered from a lack of investment for many years. These services, whilst not being statutory, contribute to the statutory Traffic Management Duty and Crime and Disorder Act obligations. **The services are described in Appendix 1** which details the scope of work currently undertaken, staff levels and service volumetrics.
12. Both services have control rooms and it was felt that combining the services would enable buildings to be vacated and savings to be maximised in line with the councils approach to property rationalisation. This was also necessary due to pressure on Council budgets, investment being required in the services and because potential additional income from third parties had not been fully realised, despite challenging targets being set.
13. An options appraisal was carried out and evaluated on the following criteria:
 - minimise draw on Council budget;
 - delivery of service efficiencies with minimal impact on service effectiveness;
 - improve staff and service quality and customer focus;
 - ability to generate income and expand service; and
 - flexibility and ability to respond to future developments and meet key service challenges.
14. An outline Business case was undertaken and assessed and on 13th April 2011 a report was taken to the Transformation and Efficiency Board recommending that a Private Sector Partner was the best way of relocating services.
15. The key findings were:
 - that the continued provision of these services was crucial to the economic well being of the City. Therefore simply cutting them was not an option;
 - that the relocation was technically complex;
 - that savings could not be delivered without investment;
 - that co locating at City Depot would have strategic, operational and financial benefits;

- that the external provider solution appeared to be the most appropriate method of delivery; and
 - that relocating to City Depot adjacent to Housing Services may offer further opportunities for integration at a later date.
16. On 4th July 2011 a report was taken to Cabinet and a recommendation approved to:
- “commence a competitive dialogue procurement process to select a private sector service provider to relocate the Council’s Intelligent Transport Systems and Public Safety CCTV services and to maintain and operate the services for a period of up to 15 years”
17. The report stated that:
- “On balance, the considered view is that tendering the services on the competitive market will drive down the cost of relocation (through innovation and risk transfer) and ensure service levels are protected to a greater degree than if delivered internally”.
18. Following this report, competitive dialogue was instigated with four interested bidders. This was reduced to two bidders, of which part way through competitive dialogue, one dropped out of the process due to being able to reach the affordability threshold. The City council continued dialogue with the remaining bidder and now has an affordable proposal from Balfour Beatty Living Places.
19. A decision is now recommended to proceed to enter into a partnership with Balfour Beatty Living Places to deliver a combined Romanse and CCTV service and commence the delivery arrangements in order to ensure that properties are vacated at Town Quay and the Stadium and to meet savings targets and deliver services effectively for the next 10 years.
20. The appendices to this report have been compiled to provide detail on the current services provided and specific details of the in house and externally provided service. The appendices are:
- **Appendix 1 – Details of the Current ROMANSE and CCTV Services**, which details the scope of work currently undertaken, staff levels and service volumetrics;
 - **CONFIDENTIAL Appendix 2 – Resource Implications for Option 1**, which details the resources for delivering a combined externally provided service at City Depot;
 - **CONFIDENTIAL Appendix 3 – Key Features and benefits of the Future Service Delivery Options**, which details the features and benefits of 3 options – an externally provided service compared against an in-house service based at City Depot or Saint Mary’s stadium;
 - **CONFIDENTIAL Appendix 4 – Key Features and benefits Comparison between Service Options**, which compares the options against a number of critical issues including cost, savings, risk of delivery, staffing, income, asset management and service delivery
 - **CONFIDENTIAL Appendix 5 – Options Cost Summary**, which

provides a summary of the overall costs of delivering the service, income generation and savings; and

- **CONFIDENTIAL Appendix 6 – SCC Risk Matrix**, which scores the likely risk of each element of the future service and an associated commentary.

Summary Comparison of Options and Conclusions

21. The in house service and externally provided service are compared in Confidential Appendices 3 - 6
22. In conclusion the externally provided combined service at City Depot is recommended as the best option because:
 - it ensures a sustainable service will delivered over the next 10 years;
 - it maintains and renews assets to an average 5 year residual life;
 - it provides greater certainty in delivering the required savings;
 - the overall likelihood of success in terms of relocating services, upgrading equipment and transforming the service is higher than alternative in-house options;
 - risk is transferred away from the Council in terms of electricity price and usage increases and insurance claim collection;
 - a commercial approach is taken to additional income opportunities which supports the investment and the service;
 - detailed proposals exist for the technically complex relocation of services;
 - wider expertise is brought into the Council and project rates are agreed; and
 - service levels are defined and subject to performance deductions, therefore providing greater certainty on service delivery levels.

Timescales

23. In order to facilitate the exit of services from St Mary's and Town Quay by year end, a mobilisation period would be required prior to contract commencement on 1st October 2012. The new combined service would be relocated and be operational from 1st February 2013 at City Depot.

Consultation

24. Formal and informal consultation has taken place with staff and unions in accordance with the Council's Facilities Agreement and has been supported by HR Pay and Strategic HR/OD.
25. During consultation, the Unions raised concerns that terms and conditions of employment for current staff would not be maintained. They were also concerned that the future pay and terms and conditions of employment for any new staff recruited by the new provider, would be less favourable, creating a 'two tier' workforce.
26. Specifically Unions have also stated that they want
 - an open pension scheme;
 - admitted body status for the provider;
 - a clear understanding of what HR policies providers must adhere to;

- consultation on the evaluation of the bids; and
 - comparison with an in house option.
27. In response to the Unions concerns it has been agreed that:
- bidders have declared that they will gain admitted body status;
 - copies of the HR policies to which providers must adhere have been sent to the Unions; and
 - arrangements have been put in place to allow the Unions and their respective Offices to view the confidential parts of the Cabinet submission.
28. Concern was also expressed by the Unions that timely consultation had not taken place at the start of the project.
Staff in ROMANSE and CCTV have been briefed as part of normal Team Meetings and their feedback has been in relation to:
- could the in-house option have an opportunity to gain income;
 - how the merged service would run;
 - what would the staffing levels be; and
 - whether there were opportunities for partnership working with other local authorities.
29. The need to engage the Unions and staff in the review of the service was recognised from the very start of the Project and they were made aware of the intention to look at co-locating CCTV and ROMANSE and entering dialogue with bidders early in 2011. Formal consultation was undertaken with ROMANSE staff in December 2011 and in January 2012 for CCTV staff and is ongoing. A joint formal consultation meeting of staff from ROMANSE, CCTV and the Unions was held on 7 March 2012.
30. Formal consultation began with Unions in November 2011 before the detailed solutions were sought. Many of the comments and concerns that have been received have been considered by both the Project team and the bidders so that they could be addressed.
31. Concerns raised by staff, such as staffing levels, have been used by the Project Team to challenge the bidders' solutions as part of on-going negotiations.
32. The transfer of staff is subject to TUPE regulations and any Council staff who would transfer to a new provider will have full protection of their contractual terms and conditions, such as pay. The ongoing recruitment and terms and conditions for the newly recruited staff during the life of the contract will be determined by the provider and it was not considered appropriate to require the new provider to continue to allow access to the Local Government Pension Scheme (the Local Government pension arrangements will therefore be a 'closed' scheme, so will only be available to staff who TUPE).
33. Consultation has taken place with the Leader of the Council, the Cabinet Member for Environment and Transport, Overview and Scrutiny, the Change Programme Steering Group (formerly the Efficiency and Transformation Board).
34. Further consultation will take place in line with TUPE regulations and Council Policy prior to contract commencement.

Human Resources implications

35. SCC currently employs 9 people (9 Full time) within the CCTV Service and 5.5 people (5 Full time and 1 part time) within ROMANSE Service.
36. The externalising of the services provided by SCC falls within the Transfer of Undertakings (Protection of Employment) Regulations (TUPE).
37. Whilst the detailed implications would need to be agreed prior to the transfer, the principle is clear. Employees who are directly assigned to this service would transfer to the new service provider. This means that those currently identified by SCC as being assigned to the service in the area under consideration would transfer to the employment of the new provider, on their existing terms and conditions of employment.
38. The transferring organisation would receive 14.5 FTE members of staff and at point of transfer the receiving organisation will be responsible for any future liabilities.
39. A closed pension scheme is offered by the provider and the risk of changes to the employers contribution rate remains with the Council.
40. The proposal is for the receiving organisation to remain at the current office locations at St Mary's and Town Quay, in the first instance but with the proposal to move to City Depot.

RESOURCE IMPLICATIONS

Capital/Revenue

41. The financial evaluation of the bids shows that all 3 options meet the affordability criteria.
42. However, it is clear that in financial terms Option 1 (externalisation), based on the final tender submission by Balfour Beatty Living Places, provides a guaranteed contract price which is within the affordability envelope and thus ensures that the savings the Council had planned to achieve can be delivered.
43. Conversely, whilst the 2 in-house options meet the affordability envelope, there is less certainty in being able to deliver the required savings. If the savings cannot be delivered, then the in-house bids would not meet the affordability criteria. In particular, as set out in confidential appendix 5 and appendix 6, the affordability envelope can only be met by the in-house options if significant additional income can be earned, around which there is no guarantee.
44. The details of the how each of the 3 options compares to the affordability envelope are provided in confidential appendix 4.
45. The capital and revenue implications of the recommended option1 are set out in confidential appendix 2.

Property/Other

46. If approved, the implication of this report is that leases at Ariadne House (Town Quay) and St Mary's Stadium will not be renewed long term. These leases have break clauses in December 2012 and November 2012 respectively. ROMANSE and CCTV services would move to City Depot.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

47. The proposals set out in this report (both in relation to the delivery of and method of delivery of ROMANSE and CCTV services) are empowered by virtue of section 1 of the Localism Act 2011 (the General Power of Competence). The services are discretionary services but support the Council's Highways and Traffic management duties imposed under the Highways Act 1980, the Traffic Management Act 2004 as amended and associated Regulations.

Other Legal Implications:

48. The use of CCTV systems is subject to the provisions of the Data Protection Act 1998 together with the statutory CCTV Code of Practice and the Human Rights Act 1998 (to the extent that use of CCTV impacts upon an individual's Right to Privacy as balanced with the necessity and proportionality of such impact having regard to the wider community safety and traffic management benefits). The contract will require the service provider to comply with the Council's duties in relation to these Acts and to indemnify the Council for any breach arising out of either express or unintentional breach of any statutory requirements in this regard.
49. The use of CCTV contributes to the Council's Crime & Disorder Strategies pursuant to its duties under s.17 of the Crime & Disorder Act 1998 to exercise its functions having regard to the need to reduce or eliminate crime & disorder in its area.
50. The proposals in this report have been considered in accordance with the Council's duties under s.149 of the Equalities Act 2010 and the requirement to exercise its functions having due regard to the need to eliminate discrimination, victimisation and harassment and to promote equality of opportunity between persons having protected characteristics and those who do not together with the need to take steps to promote services and access to services for such persons. The proposals in this report have been fully assessed in this regard and have a neutral impact on persons having protected characteristics as service provision will be enhanced over and above existing levels for the benefit of the wider community rather than being reduced, negatively varied or withdrawn.
51. The Stage 1 Integrated Impact Assessment has been completed and demonstrated several positive impacts in the external provider option in sustainability and environmental terms.

POLICY FRAMEWORK IMPLICATIONS

52. The ROMANSE and CCTV services support the delivery of the Local Transport Plan (LTP), Community Safety Strategy and City of Southampton Strategy

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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.	Details of the Current ROMANSE and CCTV Services
2.	Resource Implications for Option 1- CONFIDENTIAL
3.	Key Features and benefits of the Future Service Delivery Options – CONFIDENTIAL
4.	Key Features and benefits Comparison between Service Options – CONFIDENTIAL
5.	Options Cost Summary - CONFIDENTIAL
6.	SCC Risk Matrix – CONFIDENTIAL

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.	Integrated Impact Assessment	
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Agenda Item 5

Appendix 3

Appendix 1

Details of the Current ROMANSE and CCTV Services

- 1 The following details are provided to explain the scope of work currently undertaken by the ROMANSE and CCTV Services, service details and volumetrics
- 1.1 **The ROMANSE Service**
- 1.2 ROMANSE, which is currently based at Town Quay provides the following services:
 - Oversight and management of the road network via the control room and liaison of traffic issues with Network Management and Emergency Planning
 - Design and approval of new road junctions
 - Traffic modelling and maintenance of the corporate traffic model
 - Road travel data collection and distribution
 - Management and maintenance of all the Intelligent Transport Systems (ITS) infrastructure in the City, which includes the City's traffic signals electronic signs and servers:
- 1.3 ROMANSE provides valuable information on traffic management which informs and shapes the Local Transport Plan (LTP).
- 1.4 The benefits to the City of the service, is that the road network is managed and the limited road space is maximised to ensure congestion is minimised. All of this contributes to the economic welfare of the City.
- 1.5 The ability to invest in the road network in future (due to funding pressures) will be more limited. This increases the necessity of managing the remaining asset well and maximising the road capacity and efficiently using the road space
- 1.6 This service has high technology costs and manages the many on street ITS assets which need to be maintained. It is worth noting that maintaining traffic lights is cheaper than removing them which requires street works and redesign of junctions.
- 1.7 The service has a current establishment of 9 FTE, though there are currently vacant posts. The establishment is due to be reduced to 5.5 FTE by the commencement of the contract, in order to achieve required savings.
- 1.8 The service is currently based at Ariadne House, Town Quay which has high rent and rates costs. The lease on this property has a break clause at the end

of December 2012, however in order to undertake remediation works, the service will need to be relocated at the start of November 2012.

1.9 **The CCTV Service**

1.10 The CCTV service provides CCTV monitoring of

- The City Centre
- Council assets
- Car parks entrance / exit barriers and help points

1.11 The service has close links with the Police, other public services, Southampton Business Against Crime (SOBAC) and Licensed premises such as pubs and clubs

1.12 The service is operated 24/7 and is comprised largely of staffing costs

1.13 There are around 300 cameras in the City, which are monitored, though the majority of these are in car parks. Around 80 are in the City public space areas.

1.14 The service contributes greatly to the Safe Cities agenda and the Crime and Disorder obligations of the Council

1.15 The service has a current establishment of 12 FTE, which is due to be reduced (in order to achieve agreed savings) to 9 FTE by contract commencement.

1.16 The CCTV service is based at St Mary's Stadium and there is a break clause in the lease in November 2012. Relocation of services is not possible in this timeframe (whichever delivery method is chosen), therefore the Council may need to agree a short extension to the lease.

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Agenda Item 5

Appendix 6

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