

Cabinet

**Tuesday, 15th October, 2013
at 5.00 pm**

Council Chamber - Civic Centre

This meeting is open to the public

Members

Councillor Letts, Leader of the Council (Leader)
Councillor Barnes-Andrews, Cabinet Member for
Resources
Councillor Jeffery, Cabinet Member for Change
Councillor Bogle, Cabinet Member for Children's
Services
Councillor Kaur, Cabinet Member for Communities
Councillor Tucker, Cabinet Member for Economic
Development and Leisure
Councillor Rayment, Cabinet Member for
Environment and Transport
Councillor Shields, Cabinet Member for Health
and Adult Social Care
Councillor Payne, Cabinet Member for Housing
and Sustainability

(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.

The Forward Plan

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

Implementation of Decisions

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

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

Southampton City Council’s Priorities:

- **Economic:** Promoting Southampton and attracting investment; raising ambitions and improving outcomes for children and young people.
- **Social:** Improving health and keeping people safe; helping individuals and communities to work together and help themselves.
- **Environmental:** Encouraging new house building and improving existing homes; making the city more attractive and sustainable.
- **One Council:** Developing an engaged, skilled and motivated workforce; implementing better ways of working to manage reduced budgets and increased demand.

Executive Functions

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

Key Decisions

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

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

Decisions to be discussed or taken that are key

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.

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

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

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

Municipal Year Dates (Tuesdays)

2013	2014
21 May	21 January
18 June	18 February
16 July	18 March
20 August	15 April
15 October	
19 November	
17 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 PECUNIARY INTERESTS

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

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 17th September, 2013 attached.

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

There are no matters referred for reconsideration.

6 REPORTS FROM OVERVIEW AND SCRUTINY COMMITTEES (IF ANY)

There are no items for consideration

7 EXECUTIVE APPOINTMENTS

To deal with any executive appointments, as required.

ITEMS FOR DECISION BY CABINET

8 ROAD SAFETY ENGINEERING LTP (LOCAL TRANSPORT PLAN) PROJECT - FUNDING APPROVALS

Report of the Cabinet Member for Environment and Transport seeking the relevant funding approvals to progress the project, attached

9 IMPLEMENTATION OF AN INTEGRATED COMMISSIONING UNIT BETWEEN THE SOUTHAMPTON CITY COUNCIL PEOPLE DIRECTORATE AND SOUTHAMPTON CITY CLINICAL COMMISSIONING GROUP

Report of the Cabinet Member for Health and Adult Social Care, seeking approval to proceed with the implementation of an Integrated Commissioning unit between the People Directorate and Southampton City Clinical Commissioning Group, attached.

10 DEVELOPMENT OF SITES IN LORDSHILL

Report of the Leader of the Council, outlining plans to dispose of the former Oakland's School sites and associated site and plans to reopen the swimming pool, attached.

11 SOUTHAMPTON'S HOMELESSNESS PREVENTION STRATEGY 2013-18

Report of the Cabinet Member for Housing and Sustainability, seeking approval of Southampton's Homelessness Prevention Strategy 2013-2018, attached.

12 SCRAP METAL DEALER LICENSING

Report of the Head of Legal, HR and Democratic Services seeking the delegation of authority to the Head of Legal, HR and Democratic Services to act in matters relating to the licensing of scrap metal dealers, attached.

13 FEASIBILITY WORK FOR THORNHILL DISTRICT ENERGY SCHEME

Report of the Cabinet Member of Housing and Sustainability, seeking approval to proceed with the preparation of a full business case and other preparatory works for the potential implementation of a district energy scheme at Thornhill, attached.

14 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 appendix 2 to the following Item

Confidential appendix 2 contains information deemed to be exempt from general publication based on Category 3 of paragraph 10.4 of the Council's Access to Information Procedure Rules. Publication of this information could influence bids for the property which may be to the Councils financial detriment.

15 *DISPOSAL OF BEDFORD HOUSE AMOY STREET

Report of the Cabinet Member for Resources seeking approval to the sale of the property at auction, attached.

16 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 report to the following Item.

The report information is deemed to be exempt from general publication based on Category 3 of paragraph 10.4 of the Council's Access to Information Procedure Rules. The report includes details of a proposed transaction which, if disclosed prior to entering into a Legal contract, could put the Council at a commercial disadvantage.

17 *DISPOSAL OF LAND AT TEST LANE

Confidential report of the Cabinet Member for Resources regarding the disposal of land at Test Lane, attached.

NOTE: This report is submitted for consideration as a general exception under paragraph 15 of the Access to Information procedure Rules in Part 4 of the Council's Constitution, notice having been given to the Chair of Overview and Scrutiny Management Committee and the public.

Monday, 7 October 2013

Head of Legal, HR and Democratic Services

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SOUTHAMPTON CITY COUNCIL
EXECUTIVE DECISION MAKING

RECORD OF THE DECISION MAKING HELD ON 17 SEPTEMBER 2013

Present:

Councillor Letts	-	Leader of the Council
Councillor Barnes-Andrews	-	Cabinet Member for Resources
Councillor Jeffery	-	Cabinet Member for Change
Councillor Bogle	-	Cabinet Member for Children's Services
Councillor Kaur	-	Cabinet Member for Communities
Councillor Tucker	-	Cabinet Member for Economic Development and Leisure
Councillor Rayment	-	Cabinet Member for Environment and Transport
Councillor Shields	-	Cabinet Member for Health and Adult Social Care
Councillor Payne	-	Cabinet Member for Housing and Sustainability

36. APPROVING PUBLICATION OF SCHOOL ORGANISATION PLAN
DECISION MADE (Ref: CAB 13/14 10998)

On consideration of the report of the Head of Education seeking permission to publish a School Organisation Plan 2013-2022 the Cabinet Member for Children's Services made the following decision:

- (i) To approve the content and publication of the School Organisation Plan.
- (ii) To delegate authority to the appropriate officers to review, update and amend the School Organisation Plan as necessary.

37. COMMISSIONING OF SHORT BREAK SERVICES
DECISION MADE: (Ref: CAB 13/14 10991)

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

- (i) To delegate authority to the People Director to begin a procurement process for the provision of short break services as set out in this report and to enter into contracts in accordance with contract procedure rules.
- (ii) To delegate authority to the People Director to begin a grants process to develop community based short break activities and to award grants in consultation with the cabinet member for children's services.
- (iii) To delegate authority to the People Director, following consultation with the Cabinet Member for Children's Services, to approve a spend of the amounts set out in this report against the new contracts and grants subject to annual budget setting.

38. PEOPLE DIRECTORATE TRANSFORMATION

DECISION MADE: (Ref: CAB 13/14 11157)

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

- (i) Note the progress from April 2013 to implement the transformation of the People directorate, including the specific savings proposals which will impact on the 2014/15 budget and staffing levels (See Appendices 1&2).
- (ii) Note the Executive's proposals for staffing reductions in Adult Social Care and Children's Services within the People Directorate which are brought forward for consultation as part of the Transformation work and are set out in Appendices 1 & 2.
- (iii) Note the proposed establishment of an Integrated Commissioning Unit, which will lead to budget pressure of up to £125k per annum from 2014/15, and a part year pressure in the current year.
- (iv) Delegate authority to the Director of People, following consultation with the Cabinet Member for Change (lead member for the decision), and the Cabinet Member for Resources, the Cabinet Member for Health & Adult Social Care, the Cabinet Member for Children's Services and the Chief Financial Officer, to enter into formal consultation with staff, recognised trade unions, partners, customers, parents, carers and stakeholders on the wider transformation work and the savings proposals set out in the Appendices with a view to being able to implement the structural changes necessary to implement the transformation by April 2014.
- (v) To authorise the Director of People to undertake any ancillary actions necessary to deliver the Transformation Programme as agreed by Cabinet.

39. SAFER CITY AND YOUTH JUSTICE STRATEGY

DECISION MADE: (Ref: CAB 13/14 11000)

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

- (i) To delegate authority to the Head of Communities, Change and Partnerships to agree any final amendments to the Safe City Plan 2013/14 (Appendix 2) and the Youth Justice Strategic Plan 2013/14 (Appendix 3 and 4) following consultation with the Cabinet Member for Communities and the Council's Management team.
- (ii) Subject to (i) above, to recommend the Safe City Plan 2013/14 (Appendix 2) and the Youth Justice Strategic Plan 2013/14 (Appendix 3 and 4) to Council for approval.

40. CLEAN BUS TECHNOLOGY FUND

DECISION MADE: (Ref: CAB 13/14 11114)

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

- (i) To accept the award from the Department of Transport Clean Bus Technology Fund (CBTF) Grant of £632,700.
- (ii) To amend the existing Environment and Capital Programme by the following capital variation and addition totalling £703,000:-
 - a. Capital variation of £70,000 of LTP government grant from the capital scheme "Congestion Reduction" to the new capital scheme "Cleaner Bus Transport Fund",
 - b. Capital addition of £633,000 of DfT Clean Bus Technology Fund (CBTF) government grant to the new capital scheme "Cleaner Bus Transport Fund",
- (iii) To approve capital expenditure of £703,000 in 2013/14 for the new Environment and Transport Capital Scheme "Cleaner Bus Transport Fund",

41. RIVER ITCHEN FLOOD ALLEVIATION SCHEME - PRELIMINARY STUDY FUNDING
 DECISION MADE: (Ref: CAB 13/14 11187)

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

- (i) To accept a grant from the Environment Agency, totalling £457,000, to carry out the River Itchen Flood Alleviation Scheme preliminary study.
- (ii) To approve, in accordance with Financial Procedure Rules, the addition of £221,000 to the Housing and Sustainability Portfolio revenue budget in 2013/14 to commence work on the study, subject to formal written confirmation from the Environment Agency of the grant funding approval, and to note that a further addition of £236,000 to the 2014/15 revenue budget will be formally made as part of the preparation of that financial years' budget.

42. HAMPSHIRE MINERALS AND WASTE PLAN: ADOPTION
 DECISION MADE: (Ref: CAB 13/14 10963)

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

- (i) To note the Inspector's report.
- (ii) To note that the Minerals and Waste Plan (2013) will supersede the saved policies of the Minerals and Waste Local Plan (1998) and the Minerals and Waste Core Strategy (2007).
- (iii) To recommend to Council that it approves the adoption of the Minerals and Waste Plan (2013) which incorporates the Inspector's Main Modifications and Additional Modifications

43. *PLATFORM TO PROSPERITY - ACQUISITION OF LAND AT TOWN QUAY
 DECISION MADE: (Ref: CAB 13/14 10705)

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

- (i) To approve the purchase and disposal of the freehold interest of land at Dock Gate 7 Town Quay and Mayflower Park and to delegate authority to the Interim Executive Director for Environment & Economy in consultation with the P4P Client Manger to agree the final terms and conditions of purchase including the amount of land to be acquired.
- (ii) To delegate authority to the Interim Director of Environment and Economic Development to do anything necessary to give effect to the recommendations in this report.
- (iii) To note the level of expenditure of the purchase and associated costs of purchase. The total expenditure will be funded from the Regional Growth Fund (RGF) grant funding from Department of Business Innovation & Skills (BIS), which has been subject to previous approvals

44. *PLATFORM FOR PROSPERITY - MAYFLOWER PARK DISPOSAL OF PUBLIC OPEN

DECISION MADE: (Ref: CAB 13/14 10698)

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

- (i) To delegate authority to the Interim Director of Environment & Economy following consultation with the Platform Road Client Manager to determine the form and extent of the two areas of Mayflower Park required within the final design for the formation of a footway on Town Quay and a new Dock Gate 7 access road.
- (ii) To authorise the Head of Legal HR & Democratic Services to advertise the proposed appropriation and the proposed disposal of part of land at Mayflower Park for two consecutive weeks in a local newspaper circulating in the locality.
- (iii) To delegate Authority to the Interim Director of Environment & Economy following consultation with the Cabinet Member for Environment & Transport to determine any objections received from the adverts and to make a final decision as to whether or not to approve the appropriation and the disposal and in light of any such objections.

Agenda Item 8

DECISION-MAKER:	CABINET		
SUBJECT:	ROAD SAFETY ENGINEERING LTP (LOCAL TRANSPORT PLAN) PROJECT – FUNDING APPROVALS		
DATE OF DECISION:	15 OCTOBER 2013		
REPORT OF:	CABINET MEMBER FOR ENVIRONMENT AND TRANSPORT		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Carol Bagshaw	Tel: 023 8083 2006
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Director	Name:	John Tunney	Tel: 023 8091 7713
	E-mail:	john.tunney@southampton.gov.uk	
STATEMENT OF CONFIDENTIALITY			
N/A			

BRIEF SUMMARY

This report seeks to approve capital variations within and additions to the Environment and Transport Capital Programme and approve expenditure to deliver projects pertaining to the Road Safety Engineering Programme of delivery. This programme comprises local neighbourhood road safety improvements, brought forward according to an annual prioritisation process.

RECOMMENDATIONS:

- (i) To amend the existing Environment & Transport Capital Programme by the following capital variations totalling £332,000:
 - a. To reduce by £332,000 of LTP government grant the capital scheme “City Centre Improvements”
 - b. To increase by £332,000 of LTP government grant the capital scheme “Improved Safety - Engineering”.
- (ii) To approve total capital expenditure of £332,000 in 2013/14 for the “Improved Safety - Engineering” scheme included within the Environment & Transport Capital Programme.

REASONS FOR REPORT RECOMMENDATIONS

1. Financial Procedure Rules require that funding is added to the capital programme and approval to spend is secured to enable the delivery of projects within the Council’s Capital Programme.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2. An option is not to approve the transfer of funding. This would result in not being able to construct the schemes which have come forward through the Road Safety Engineering Prioritisation Process.

An alternative option would be to reduce casualties through a programme of education and publicity, although this would not be an appropriate intervention where road safety engineering solutions are required.

DETAIL (Including consultation carried out)

3. Cabinet approval is sought for a transfer of Environment & Transport Capital Programme budget from the approved City Centre Improvements scheme, within the Public Realm section, to create a new scheme for this project within the Improved Safety (Engineering) section.
4. The City Centre Improvements scheme formed an unallocated pot of funding at the time of the Scheme Approvals Report (March 2013) and the precise nature of these schemes had not been identified. Since then a balanced programme of delivery in terms of city-centre and city-wide projects has been developed of which the Road Safety programme is one element. In essence, there are no projects which will not be delivered as a result of this requested transfer, as this pot was originally unallocated.
5. Under the Road Traffic Act 1998 (s.39) there is a statutory duty on Highway Authorities to investigate ways of achieving casualty reduction.

The Local Transport Plan (LTP3) highlights that, while there has been good progress on casualty reduction in the city overall, there remain some important challenges. Engineering measures (such as improved lining, signing and other physical measures on the highway) can deliver solutions which are effective and provide good value for money, with an estimated saving of £60,158 per accident (average cost).

These engineering solutions continue to be required, often in response to changing geographical patterns of road casualties. The need for them is therefore “demand led” and each scheme’s cost is related to the identified solution – it is these solutions which are the subject of this report.

6. Road Safety Engineering schemes are prioritised as to provide the greatest rate of return on casualty savings. The evidence for this calculation is based on three-year casualty data and post-implementation monitoring is undertaken to identify the success of each scheme in reducing the number of casualties. Individual sites selected for treatment are prioritised on the basis of :
 - a) The number of casualties over the preceding three year period;
 - b) A weighting given to the severity of injuries involved (slight injury, serious injury and fatality);
 - c) The type of road user injured (vulnerable road user categories will score higher than vehicle occupants).

These criteria also serve to highlight a rolling annual programme of locations to be considered for physical works, with investigations designed to identify solutions to casualty reduction at each site. The measure selected will vary according to type of accident history and environment of the site.

7. Where appropriate, consultation is carried out with local residents and road users and information regarding the individual schemes will be disseminated to local Members and other interested parties.
8. The following schemes have been identified by the process detailed above and are ready for implementation:
 - Cumberland Place/Bedford Place;
 - West End Road/Townhill Way/Mousehole Lane Roundabout;
 - Chilworth Roundabout.
 - Archers Road / Carlton Road
9. The following schemes, for which funding is also sought, are ready for design and build in 2013/2014:
 - Northam Road / Brintons Road junction
 - Mayfield Road / Woodcote Road junction
 - Spring Road / Deacon Road zebra crossing
10. In addition, studies will be carried out in 2013/14 for works to be undertaken in 2014/2015 (assuming an appropriate solution is found) at the following locations:
 - Bassett Green Road / Stoneham Way junction Thornhill Park Road / Thornhill Avenue junction;
 - The Avenue / Burgess Road junction;
 - Northam Road / Princes Street junction;
 - Spring Road / Deacon Road junction;
 - London Road / Carlton Crescent junction.
11. The funding is likely to achieve a saving to the local economy of an average of £58,682.87 per casualty reduction, giving a cost to benefit return of between 80% and 925% per scheme. (N.B. This sum is slightly lower than the cost of an **accident**, as there is often more than one casualty involved in a single collision).

For details of what each scheme comprises, please see Appendix 2: Scheme Details.

RESOURCE IMPLICATIONS

Capital/Revenue

12. Cabinet approval is sought to amend the existing Environment & Transport Capital Programme by capital variations totalling £332,000. This is a reduction by £332,000 of LTP government grant from the scheme “City Centre Improvements”, and an increase by £332,000 of LTP government grant to the scheme “Improved Safety - Engineering”.
13. The report seeks approval for the capital expenditure on this scheme of £332,000 in 2013/14.

14. Of the total sum, £248,000 is ready to be allocated by the Integrated Transport Board and Environment & Transport Capital Board to implement “ready to go” projects; the remainder, £84,000, will be allocated by that Board at a later date. Following this proposed capital variation the “City Centre Improvements” project will have a remaining budget of £81,000 all phased in 2013/14.
15. There will be no additional maintenance costs as it will be incorporated into the existing Highways Maintenance Contract with the City Council’s Highways Maintenance Contractor.

Property/Other

16. These do not impact upon any property interests as all the works are contained within the existing public highway.

LEGAL IMPLICATIONS

17. The Road Traffic Act 1998 (s.39) establishes a statutory road safety duty on Highway Authorities to investigate ways of achieving casualty reduction through engineering measures, enforcement activity and education.
18. The project will be delivered in accordance with a variety of Highways and Environmental legislation, including, but not limited to, the Highways Act 1980, Road Traffic Regulation Act 1994 and the Traffic Management Act 2004.

Other Legal Implications:

19. It may be necessary to introduce or make changes to Traffic Regulation Orders as a part of the schemes. The overall project, including the design and construction of any highway infrastructure changes, will be delivered in accordance with the Equalities Act 2010, having particular regard to the public sector equalities duty and the need to ensure that public space and realm is accessible to all. Regard will also be had to s.17 Crime & Disorder Act 1998 when designing the scheme to ensure that, to the extent possible, opportunities for environmental crime and other forms of crime & disorder will be eliminated or minimised.

POLICY FRAMEWORK IMPLICATIONS

20. The City Council is a Local Transport Authority as prescribed in the Transport Act 2000 and the Council’s relevant Policy Framework is the City of Southampton Local Transport Plan (LTP3) of which road traffic casualty reduction is a key objective.
21. The project is compatible with the objectives of the Community Strategy and Economic Development Strategy.

KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED: All	
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SUPPORTING DOCUMENTATION

Appendices

1.	Safety Engineering Programme
2.	Scheme Details

Documents In Members' Rooms

1.	Local Transport Plan 3
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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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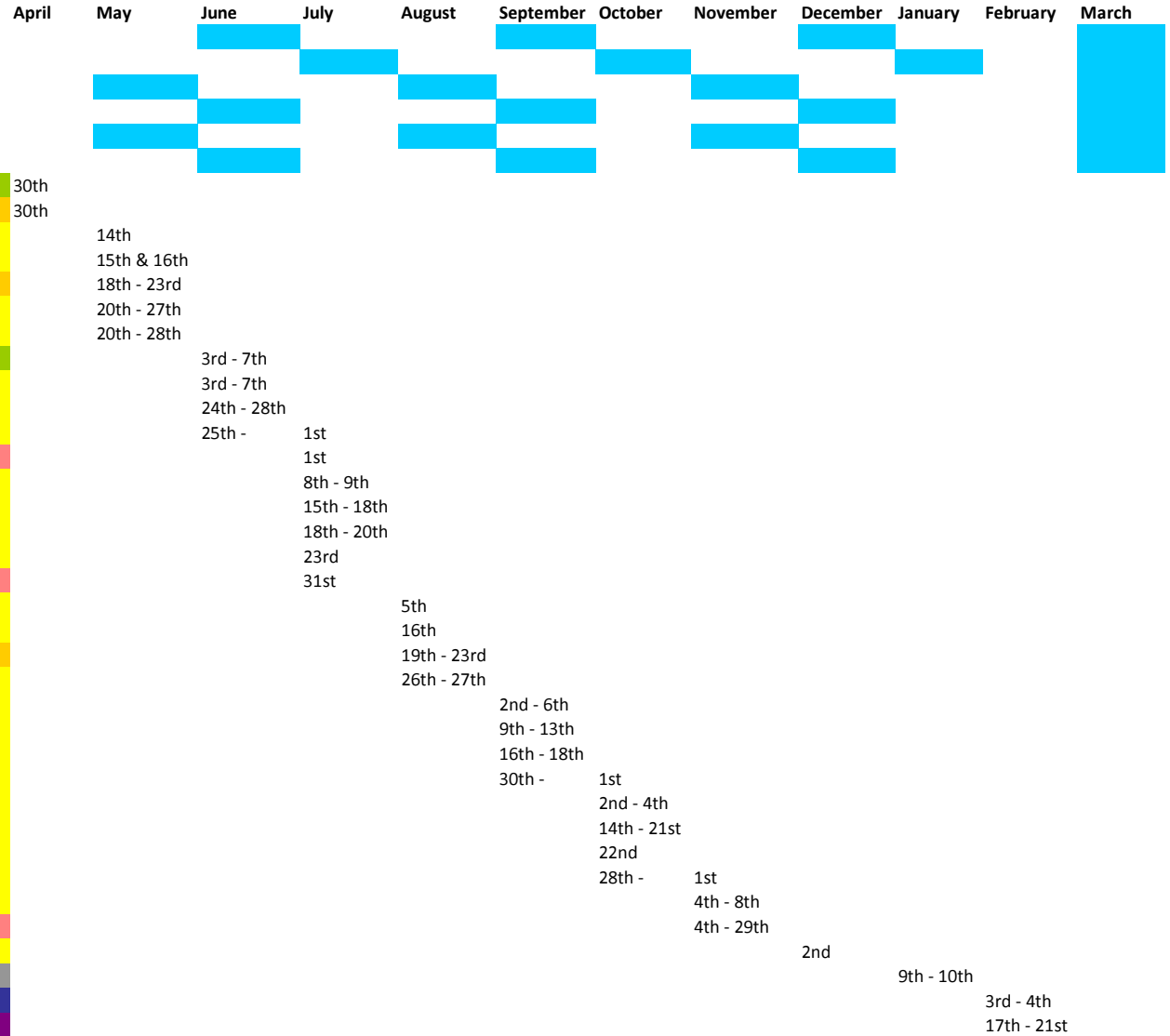
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Road Safety Engineering Programming Details 13/14

Scheme Part

- Bassett Green Road / Stoneham Way feasibility client feedback
- Thornhill Park Road / Thornhill Avenue client feedback
- The Avenue / Burgess Road client feedback
- Northam Road / Princes Street client feedback
- Spring Road / Deacon Road client feedback
- London Road / Carlton Crescent client feedback

- Client Manager's instruction Mousehole Lane Roundabout construction 30th
- Client Manager's instruction Chilworth Roundabout construction 30th
- Review of base casualty data 14th
- Site visits (new sites) 15th & 16th
- HA Area 3 TM consultation 18th - 23rd
- Northam / Brintons Road concept design 20th - 27th
- Mayfield / Woodcote Road concept design 20th - 28th
- Mousehole Lane Roundabout Construction 3rd - 7th
- Spring Road zebra concept & client feedback 3rd - 7th
- Stage 1 SA: Northam / Brintons 24th - 28th
- Stage 1 SA: Mayfield / Woodcote 25th - 1st
- Cumberland /Bedford /Brunswick Place detailed design / cost 1st
- Designer's Response to Stage 1 RSAs 8th - 9th
- Northam Road/Brintons Road initial cost estimate 15th - 18th
- Mayfield / Woodcote initial cost estimate 18th - 20th
- Client Manager report 23rd
- Client Manager's Instruction of construction Cumberland Place 31st
- Spring Road client instruction 5th
- Client Manager instruction to proceed with detailed design 16th
- Chilworth Roundabout construction 19th - 23rd
- Statutory undertaker and land ownership checks 26th - 27th
- Northam / Brintons Road detailed design 2nd - 6th
- Mayfield / Woodcote Road detailed design 9th - 13th
- Spring Road detailed design 16th - 18th
- Stage 2 SA: Northam / Brintons 30th - 1st
- Stage 2 SA: Mayfield / Woodcote 2nd - 4th
- Designer's Response to Stage 2 RSAs / drawing modifications 14th - 21st
- Client Manager report 22nd
- Northam Road/Brintons scheme pricing 28th - 1st
- Mayfield / Woodcote scheme pricing 4th - 8th
- Cumberland /Bedford /Brunswick Place construction 4th - 29th
- Client Manager construction instruction Spring / Mayfield 2nd
- Spring Road construction 9th - 10th
- Northam Road/Brintons Road construction 3rd - 4th
- Mayfield /Woodcote Road construction 17th - 21st



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Appendix 2: Site Details

Table 1: Sites requiring studies to ascertain the most effective solution:

(This list is not currently in any order of priority for remedial action, which will be effected in 2014/15 programme, if appropriate)

Casualty classification: KSI = killed and seriously injured

Location	Number & Severity of Accidents
Bassett Green Road / Stoneham Way junction / 12	12 (2 KSI)
Thornhill Park Road / Thornhill Avenue junction	8 1 KSI
The Avenue / Burgess Road junction	8 (3 KSI)
Northam Road / Princes Street junction/	9 (4 KSI).
Spring Road / Deacon Road junction	10 (0 KSI).
London Road / Carlton Crescent junction /	9 (1 KSI).
Cumberland Place / Bedford Place junction	17 (5 KSI)

Table 2: Sites where measures are being implemented in 2013/14 capital programme:

Location	Number & Severity of Accidents	Scheme	Estimated Cost Benefit Return
Cumberland Place / Bedford Place junction	17 (5 KSI)	<ul style="list-style-type: none"> Left turn lane removal Increased pedestrian green time Add louvers to signals. Street lighting assessment 	80.2%
West End Road / Townhill Way roundabout	14 (1 KSI).	<ul style="list-style-type: none"> Reshape approach island in West End Road Add sight line obstructions Street lighting assessment 	925.6%
Chilworth Roundabout	3 (1 KSI)	<ul style="list-style-type: none"> Reshape approach Add sight line obstructions. Approach-lane markings. 	401.76%
Northam Road / Brintons Road	7 (1 KSI)	<ul style="list-style-type: none"> Install lining for crossing moves (£13k) 	329%

Mayfield / Woodcote junction	3 (1 KSI)	<ul style="list-style-type: none"> • Enhance presence of junction • Deploy temporary vehicle activated signs. 	CBA: 102%
Spring Road/ Zebra Crossing	10 (0 KSI).	Highlight presence of crossing.	Not available as further improvements are planned for 2014/15

Note 1: Average cost of an urban accident in 2010 is £60,158 (Source: Department for Transport)

Note 2: Estimates of reduction in accidents is based upon the accident record in comparison with the proposed scheme.

Note 3: Cost Benefit Analysis (CBA) relates the cost of accidents saved against the cost of the scheme. A CBA of 200% can be viewed as saving twice the cost of the scheme in the first year.

Agenda Item 9

DECISION-MAKER:	CABINET		
SUBJECT:	IMPLEMENTATION OF AN INTEGRATED COMMISSIONING UNIT BETWEEN THE SOUTHAMPTON CITY COUNCIL PEOPLE DIRECTORATE AND SOUTHAMPTON CITY CLINICAL COMMISSIONING GROUP		
DATE OF DECISION:	15th OCTOBER 2013		
REPORT OF:	CABINET MEMBER FOR HEALTH AND ADULT SOCIAL CARE		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Stephanie Ramsey	Tel: 023 8029 6941
	E-mail:	Stephanie.Ramsey@southamptoncityccg.nhs.uk	
Director	Name:	Alison Elliott, Director of People John Richards, Chief Executive Southampton City Clinical Commissioning Group (CCG)	Tel: 023 8083 2602 023 8029 6923
	E-mail:	Alison.Elliott@southampton.gov.uk John.richards@southamptoncityccg.nhs.uk	
STATEMENT OF CONFIDENTIALITY			
None			

BRIEF SUMMARY

The development of an Integrated Commissioning Unit between Southampton City Council and Southampton City Clinical Commissioning Group (CCG) has been identified by both organisations as a key priority to achieve outcome and evidence based commissioning. By pooling capabilities and purchasing power, both organisations can exercise much greater control over what we need, buy, at what price and at the right level of quality. Nationally and locally there is increasing need and demand with reducing resources which means that we cannot continue as we are. The Southampton Joint Commissioning strategy identifies that integrated commissioning is a key enabler for both the Council and CCG:

“Working together to make the best use of our resources to commission sustainable, high quality services which meet the needs of local people now and in the future”

The proposal to develop a joint team that will work towards the delivery of the shared strategy, work plan and outcomes has been consulted on with staff fulfilling a commissioning function across the People Directorate in Southampton City Council and the “city focus” team in the Clinical Commissioning Group. The aim of the remodelling is to develop a structure with appropriately skilled staff who will achieve quality outcomes and efficiency savings through more focussed, integrated work. It is proposed that staff will remain employed by their current employer with their existing terms and conditions but within a single management structure overseen by an Integrated Commissioning Board. Accountability for commissioning decisions will be retained by the Cabinet and CCG Governing Body.

There has been significant support shown for the proposal to develop an integrated approach across the Council and CCG and approval is being sought to progress with the implementation.

RECOMMENDATIONS:

- (i) To consider the consultation feedback on the establishment of an Integrated Commissioning Unit
- (ii) To approve the establishment of an Integrated Commissioning Unit
- (iii) To note that there will be an additional cost to the Council due to the establishment of the Integrated Commissioning Unit of £90,800 from 2014/15 onwards which will be addressed as part of the development of the budget.
- (iv) To approve as a last resort a draw from the General Fund Revenue Budget contingency for the in year pressure in 2013/14 which cannot be managed within existing resources or from the savings to be delivered, as set out in paragraph 28.
- (v) To delegate authority to the Head of Legal, HR and Democratic Services, following consultation with the Director of People, to agree and execute the Memorandum of Understanding

REASONS FOR REPORT RECOMMENDATIONS

1. Redesigning and commissioning integrated services will improve quality and outcomes and result in more effective use of resources and cost avoidance and as a consequence release savings
2. It has been identified that some investment will be required to attract the skill set needed into some of the more senior posts to ensure the leadership, experience and rigour necessary to achieve the change required at scale and pace.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3. A range of approaches were considered including no change to current aligned commissioning or a compromise that would have a shared strategy but continuing with separate commissioning functions. This was rejected as would maintain inconsistencies in commissioning leading to disjointed pathways and provision, duplications and inefficiencies and limited use of outcome based commissioning.
4. Alternative models were considered in developing an Integrated Unit including use of Section 75 agreements with pooled budget that either of the organisations could be the lead for or the development of a Joint Venture company. These would all have supported the benefits of integrated commissioning such as pooling capabilities and purchasing power across the Council and CCG; realigning spend to outcomes required; influencing the market on a grander scale; commissioning more joined-up services so everything “works together and achieving value for money.

5. However the decision was taken to develop the model outlined in this document as this achieves the benefits of integrating commissioning whilst being less disruptive to staff as no TUPE implications, retaining accountability and governance for each organisation and allowing period to trial and evaluate the approach first.

DETAIL (Including consultation carried out)

Background

6. The proposal to develop a joint team that will work towards the delivery of the shared strategy, work plan and outcomes has been consulted on with staff from 26th July until 30th August 2013. Consultation has included staff fulfilling a commissioning function across the People Directorate in Southampton City Council children's services, adult services, housing and public health, as well as the "city focus" team in the Clinical Commissioning Group that includes commissioning for maternity and children's services, mental health, learning disabilities, long term conditions, community services and end of life care.
7. Under the strategic oversight of the Health and Wellbeing Board the Council and Southampton City CCG have established an accountability structure including an Integrated Commissioning Board with Chief Executive and Director representation. The key commissioning priorities that the Council and CCG wish to work on together have been identified and detailed work and relevant project plans support these. Commissioning principles have been agreed by both organisations. The final accountability remains with Cabinet and the CCG Governing body as appropriate. To achieve the implementation of the identified priorities it is proposed that commissioning staff from both organisations work together under one management structure.
8. Approval to commence consultation was sought from Council Management Team, Informal Cabinet and CCG Governing Body. Consultation included a launch event on 26th July, supported by a consultation document, followed by one to one sessions for staff with their line managers, small group sessions as well as the opportunity to send in comments. Unions and Human Resources have been involved throughout the process.

Proposed structure of Integrated Commissioning Unit (ICU)

9. The proposal consulted upon is to align staff to three key areas:
 - System redesign to achieve the commissioning priorities for system transformation. Staff will be assessing need, undertaking consultation with stakeholders, redesigning services and pathways, developing and monitoring specifications.
 - Quality which will integrate the functions and support a stronger, more consistent approach to expectations and outcomes from providers
 - Provider relationships to allow a much more proactive approach to market development and management, build on community assets, work with other commissioners and strong contract management.

10. System redesign workstreams align to the Health and Wellbeing Strategy and are:
 - Promoting Prevention and Positive Lives – to enable more people to live healthier, more active and fulfilling lives, protecting the vulnerable;
 - Supporting families – to support families to take responsibility for their own outcomes, refocusing investment towards those most in need and early targeted intervention; and
 - Integrated Care for Vulnerable People – to prevent or intervene early to avoid, reduce or delay the use of costly specialist services whilst promoting independence, choice and control in the community through integrated risk profiling and person centred planning process and commissioning to achieve the integration of provision.
11. Quality and effective contract management from a quality aspect are key elements to achieving positive outcomes for residents and improvements in core services along with the opportunity to ensure best value and reduced costs. High profile cases nationally and locally, such as Winterbourne, Francis enquiry into Stafford hospital and local serious case reviews, have emphasised the need for this area of work to be well led, co-ordinated and thorough. The staff undertaking this work across the CCG and People Directorate will combine as a team responsible for quality monitoring and reviewing. It will also include the Continuing Health Care function of the CCG.
12. The City Council and CCG need to become an intelligent customer in the market as currently development and management of providers is very variable and we have insufficient quality capacity. There are contracts with differing terms and conditions with inconsistent rates paid and for many it is not possible to consistently demonstrate the outcomes achieved for money invested. To improve this there will be a work stream on Provider Relationships including market development, contract management, community development and joint work with other commissioners such as schools and the Police. To achieve the commissioning priorities identified there is a need to work much more effectively with the voluntary sector and build on community assets. A buyer's team will be developed to undertake a number of functions currently done in separate silos within and across the organisations. This will ensure a significantly improved procurement of placements/packages of care appropriate to meeting the needs of individuals, negotiating prices making best use of market knowledge, collective bargaining and economies of scale. It will ensure robust contracting arrangements are in place for each placement/package with clearly identified expectations and outcomes.

Staff implications

13. The aim of the remodelling is to develop a structure with appropriately skilled staff who will achieve quality outcomes and efficiency savings through more focussed, integrated work. The focus is not on making savings through the establishment of the ICU but that the correctly skilled staff, once working within the ICU, will achieve the savings. The actual staffing numbers show minimal change (3 additional posts) between the current and proposed future

models. It has been identified that will be some investment required to attract the needed skill set into some of the more senior posts to ensure the leadership, experience and rigour necessary to achieve the change required at scale and pace. These leaders will also develop the staff within their teams. The model will be reviewed.

14. The ICU will wherever possible use generic (family) job descriptions by grade so these are as consistent as possible across both the CCG and SCC. The importance is that staff have the competencies, experience, confidence and skills to meet the challenges and to create a new culture. It is proposed that staff will work in a matrix approach with “task teams” to progress key work streams. Staff will work flexibly across and within commissioning topics so relevant expertise is used.
15. Staff in the ICU will remain employed by their current employer with their existing terms and conditions. Grades have been aligned across each organisation on the basis of responsibilities and pay. Job descriptions have all been evaluated by the relevant organisation’s Job Evaluation panel and have been available as part of the consultation process. The separate evaluation panels came to the same conclusions about the grading’s of the posts.
16. Currently the teams that will make up the ICU are not co-located. However, work is underway to co-locate the SCC staff that will form the ICU. This is being considered as part of the decant of staff from Marland House. CCG staff are based at the CCG headquarters at Oakley Rd. Accommodation solutions are being devised that will allow ICU members to access desks at both SCC and CCG in order to facilitate joint working, some staff may move bases facilitate this. IT solutions are also being explored to facilitate mobile working and to ensure easy communication and access to relevant information across the health and SCC systems.

Feedback on Consultation

17. There has been significant support shown for the proposal to develop an integrated approach across the Council and CCG. A few examples include:
 - *“I support the theory and direction of travel as I hope the integrate approach best meets the needs of our population”*
 - *“I am very much in favour of working in a more integrated way. I do agree it is the way forward”*
 - *“The creation of an integrated commissioning unit sits well with the vision of Southampton as being at the forefront of health and social care services to its citizens”*

However a number of pertinent issues have been raised where staff have sought additional information. These collate around a number of key themes

:Issue	Response
Further clarity needed on the specifics of the functions of system redesign areas	<p>The work will incorporate all elements of the commissioning cycle including:</p> <ul style="list-style-type: none"> • Needs assessment • Working towards procurement • Service re-design • Stakeholder involvement • Contribution to contracting oversight
Evidence to support structure	<p>A summary of evidence to support integrated commissioning is outlined in the Southampton Joint Commissioning Strategy. There has also been:</p> <ul style="list-style-type: none"> • Lots of preparatory work looking at other structures and models across the country. This has included work with Portsmouth integrated unit • Review of national evidence of integrated working • There will be monitoring and evaluation of the model, overseen by Integrated Commissioning Board
<p>Will customers see a difference?</p> <p>Will it improve quality?</p>	<ul style="list-style-type: none"> • Emphasis on quality, especially the opportunity to combine resources should improve outcomes for customers • Commissioning together should reduce duplication and improve integrated services for users, including focus on personalisation • Increasing local, high quality resources i.e. through co-ordinated work on Market Development and Community Asset building • Opportunity to reduce risk of safeguarding issues developing through intervention earlier in the process
Business support is missing from the structure	<ul style="list-style-type: none"> • SCC Business support is being reviewed as part of whole Council transformation work and the outcomes of this will be aligned with CCG Business support for the ICU. Until other proposals are developed teams will continue to access business support as currently provided There is work being led by People Directorate and CCG Business managers to identify business process requirements for the ICU which are being incorporated into a transition plan.

Does the model fit with changes in the City Council and CCG?	<ul style="list-style-type: none"> The outcomes of the ICU are based on the Health and Wellbeing Strategy supported by both organisation's and the workplans include the outcomes and priorities for the Council and CCG
Who has been involved in the development of the ICU?	<ul style="list-style-type: none"> There has been a project team made up of representatives from across the Council and CCG including housing, children, adults and Public Health working together on this proposal. Procurement, finance, legal and HR colleagues have also been involved. There has been some changeover of representatives but involvement has been consistent. There have been Away day sessions held with staff to develop the workstream priorities
Why does the new structure appear to be so "top heavy"?	<ul style="list-style-type: none"> The ICU has a considerable amount to achieve in relation to outcomes, system change, savings and quality to be maintained. Considerable skills and experience are needed to manage the workload across agencies with strong leadership to achieve at scale and pace. This is a starting point and may alter in the future as expertise is strengthened across the wider team

18. The points raised have been collated into a Frequently Asked Questions document shared with staff, see Appendix A. The revised structure following consultation is shown in Appendix B. There have been minimal changes made to the model as a consequence of the consultation and these have has no impact on the finances

Recommendations following the consultation

19. The strong inter relationship between Public Health and the ICU has been recognised by many throughout the consultation. Detailed discussions between the Director of People and Director of Public Health have led to the proposal that Public Health team should be aligned with the ICU, with Public Health Consultants, and their teams, providing public health advice and expertise to a particular work stream area in the ICU. Priorities and work plans to be agreed between the Public Health consultant and relevant Associate Director for members of the team. Public Health will have a strong influence within the commissioning team, especially the emphasis on prevention and early help and well as providing needs assessment and evidence expertise.
20. Housing commissioning should be included within the model within the Provider relationships team to ensure a strong impact across the whole unit.
21. Further consideration, not as part of this current consultation, should be given to the relationship between the Continuing Health Care team and the evolving Assessment team being developed as part of the People's transformation work.

22. There are some areas of work that have a significant commissioning element where clarity on accountability and functions is still required. It is recognised that the intention is for commissioning from all parts of the People Directorate to be included as part of the ICU.
23. There are some functions carried about by staff identified as part of the unit that may not be a commissioning function. The recommendation is that staff transfer to the ICU with their current responsibilities although future adjustment may be required.
24. Scheme of Delegation need to be revised, including responsibility for placement budgets and relevant public health areas of commissioning.
25. Contract management with a very strong quality focus is vital to achieve a shift towards earlier intervention. The recommendation for elements of Safeguarding in Adults services (SIPs) to move to the Quality team in the ICU has been strongly supported. However the staff will need to be consulted with as part of the overall People Directorate transformation consultation which is working to a later timetable.

RESOURCE IMPLICATIONS

Capital/Revenue

26. Existing staff budgets from across the Council and the CCG will be utilised to fund the newly formed ICU. The total budget required for the proposed Integrated Commissioning structure will be £3.6M.
27. It has been identified that some investment will be required to attract the skill set needed into some of the more senior posts to ensure the leadership, experience and rigour necessary to achieve the change required both in terms of scale and pace. These leaders will also develop the capability of the staff within their teams, as initial needs assessment identifies a shortfall in some key areas. The staffing model will be reviewed as skills and abilities in all staff increase. The current funding percentage contributions made by the Council and the CCG will be maintained across the organisations for existing posts with a move to equal contributions (50:50) if new posts are developed. The additional investment required in a full year will be £90,800 from SCC and £90,800 from the CCG from 2014/15.
28. On the basis that the integrated unit will actually be up and running in the current financial year, there will be a part year cost pressure in 2013/14. Initially the service will seek to fund this from within existing resources within the People Directorate, but if this is not possible it will either be offset against any in year savings delivered, or met from the General Fund Revenue Budget contingency if the costs exceed any available savings. The ongoing pressure will be addressed as part of the development of the budget for 2014/15.

Property/Other

29. None

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

30. A Memorandum of Agreement will be in place between the CCG and SCC outlining key principles covering financial, personnel, accountability, approaches with disagreements and evaluation/outcome measures. Staff will be covered within Section 113 (Pursuant to Section 113 (1A)(b) Local Government Act 1972) agreements.
31. The Health and Social Care Act 2012 places a requirement on the NHS Commissioning Board, Clinical Commissioning Groups, Health and Wellbeing Boards and Monitor to encourage integrated working at all levels. The Act encourages local government and the NHS to take much greater advantage of existing opportunities for pooled budgets, including commissioning budgets and integrating provision.

Other Legal Implications:

32. The proposals within this report and the development and implementation of the Integrated Commissioning Unit will be taken forward in compliance with relevant employment legislation (including TUPE regulations) together with the Equalities Act 2010 and the Human Rights Act 1998.

POLICY FRAMEWORK IMPLICATIONS

33. The work priorities for the unit are informed by the Joint Strategic Needs assessment and align to the Health and Wellbeing Strategy. The work of the unit will contribute significantly to the achievement of outcomes outlined in the Health and Wellbeing strategy and City Council Plan as well as the CCG Strategic Plan.

KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:	All
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SUPPORTING DOCUMENTATION

Appendices

1.	Integrated Commissioning Unit Development- staff consultation - Frequently Asked Questions
2.	Integrated Commissioning Unit – proposed structure

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)
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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. Consultation responses	
2. Joint Commissioning Strategy	



Southampton City Clinical Commissioning Group

JOINT INTEGRATED COMMISSIONING SERVICE RESTRUCTURE SUMMER 2013 – FREQUENTLY ASKED QUESTIONS

1) CONSULTATION

Q: Why am I being consulted with?

A: Southampton City Council (SCC) and Southampton City CCG (SCCCG) jointly intend to combine resources to commission various services. This is outlined in the SCC and SCCCJG Joint Commissioning Strategy.

A review has been undertaken of the structure of the services provided and we believe efficiencies in working practices can be delivered by deploying our resources differently with a new structure.

As you work in an area that will be affected by the proposed restructure there may be changes to job titles, responsibilities and line management which will could directly affect you.

Q: What is the timescale of consultation?

A: As more than 20 employees are affected but less than 99 employees we are obliged to conduct a minimum of a 30 day formal consultation period.

The formal consultation process will commence on 26th July 2013 and end on 30th August (36 days).

Q: Will I have the opportunity to comment on the proposed new structure?

A: All employees are encouraged to comment and give feedback on the new structure as part of the consultation process as we value your input to develop a fully functioning structure.

In addition during the consultation process you will be offered an individual consultation meeting with an identified manager and discuss how this will affect you personally.

Q: Will my employer change?

A: You will continue to work for your existing employer (either Southampton City Council or Southampton City CCG) and no one is being moved between organisations.

Q: Will my terms and conditions of employment be changed?

A: No, you will be employed by your existing employer on your existing terms and conditions. This consultation is not about changing terms and conditions of employment; however it is possible your job title and responsibilities may change as a result of the restructure.

Q: Does TUPE (Transfer of Undertakings Protection of Employment) apply?

A: No, this is not a TUPE situation as you will continue to work for your existing employer (either Southampton City Council or Southampton City CCG) and no one is being moved between organisations.

2) SUPPORT FOR STAFF

Q: What support can I expect?

A: Southampton City Council employees
Please contact your line manager in the first instance, alternatively contact HR Pay on 023 8091 7770.

A: Southampton City CCG employees
Please contact your Line Manager in the first instance, alternatively Sonia Weavers Senior HR Business Partner on 023 80627633.

Q: Is there any emotional support for people?

A: Southampton City Council employees
There is the Employee Support Programme Tel: 0800 243458 (24 hours a day, 7 days a week, 365 days a year) or via their website: www.workplaceoptions.co.uk Username: Southampton, Password: employee.

A: Southampton City CCG employees
There is an Employee Assistance Programme Right Management. Tel: 0800 1116 387 For management support contact 0800 1116 385. (24 hours a day, 7 days a week, 365 days a year) or via their website: www.wellness.rightmanagement.co.uk/login.

Both agencies provide a free and confidential support service, offering you unlimited access to advice and information and coaching and counselling where appropriate. Expert advisors are there to help, support on the telephone, online and face to face.

3) GUIDANCE FOR STAFF

Q: I am on maternity or long term sickness, how am I going to be consulted with about the proposed changes?

A: Your manager will be discussing with you how you wish to be kept informed either by face to face meetings, email or phone calls about the changes and how they impact on your role. In order for you to be able to participate as appropriate given your individual circumstances, HR will need to advise your manager as to any adjustments that may be needed in order that you can participate. NB If you are on maternity leave you may be able to use your KIT (Keeping in Touch) days for these, this will need to be discussed with your manager.

4) SELECTION PROCESS

Q: What selection processes are there?

A: Managers will be consulting with Trade Unions and staff on which selection criteria will be used. After the formal consultation process has closed job matching will take place to match employees to roles in the new structure.

Automatic Slot-in – Where there is only one individual who matches a role and they match over 70% of the new duties this will be classed as an automatic slot-in so the employee is allocated this role in the new structure.

Ring fencing posts to a pool of 'at risk' staff, appointing senior posts first and cascading the selection process down the team in order to allow applicants to state interest in roles within one grade (up or down) of the their current role, ahead of potential promotions within the team. There may need to be a series of ring-fenced selection processes.

Interview selection process – interview and where appropriate additional selection criteria e.g. tests / exercises, presentations. Decisions will be made by an interview panel consisting of representatives from both organisations to ensure fairness and consistency.

Q: What is considered to be suitable alternative employment?

A: Suitable alternative employment (SAE) is considered to be posts within one grade (up or down) from your current grade, on the same hours as your current role with similar skills.

5) WHAT ARE THE SELECTION CRITERIA

A: The selection process will be carried out on a top down process led jointly by Alison Elliott and John Richards. This will allow job matching at each level to be done by the line managers individuals report into and therefore best understand their skills, competencies and capabilities as well as the responsibilities of the current role to enable them to objectively be able to assess which job role(s) most closely matches in the new structure.

As job matching is being carried out for employees from two separate organisations – Southampton City Council and Southampton City Clinical commissioning Group – at present there are differences in the criteria set by each organisation. SCC has no set matching criteria and currently uses the term natural successor to describe where a similar job is created utilising the same or virtually the same skills as the original role. SCCCG sets a percentage of the old job contents to match to the new job description to be considered a slot in. Essentially in job matching the same considerations are made in respect of:

1. **The responsibilities of the job**
2. **The nature of the post**
3. **Skills required for the post**
4. **Appropriate salary**
5. **Decision making responsibilities**

For standardisation as part of the consultation a 70% match was considered as potentially demonstrating that the new role sufficiently matches the existing role of the post holder and there not be additional requirements of training to successfully undertake the new role. Where only one person matches the new role and they would then slot in to this in the new structure.

Where the match is insufficient i.e. over 50% match but less than 70% so unable to be considered for automatically slotting in then this would result in a ring fence situation and would involve a selection criteria where more than one person matches. Employees would be able to express interest in one or more of the available posts, provided at same grade or no more than one grade above or below as the existing post.

Before agreeing the matching criteria there will need to be consultation with the Unions.

If more than one employee expressed interest in the same position they are ring fenced to then this would lead to a competitive interview situation to appoint to the position.

It is not anticipated that anyone will not successfully be matched via automatic slot-in or the next level of ring-fencing as there are sufficient available roles matching current skills in the new structure.

6) REDUNDANCY

Q: Will there be any redundancies?

A: It is not anticipated that there will be any redundancies as there are sufficient roles available for the number of individuals affected. The aim of the remodelling is to develop a structure with appropriately skilled staff who will achieve quality outcomes and efficiency savings through more focussed, integrated work. The focus is not on making savings through the establishment of an Integrated Commissioning Unit but that the correctly skilled staff once working within the ICU will achieve the savings.

Q: Can I apply for voluntary redundancy?

A: This is no intention for compulsory redundancies as part of this consultation. Voluntary redundancy may be considered.

7) REDEPLOYMENT

Q: For those people whose posts no longer exist in the new structure are there redeployment options?

A: There are sufficient roles for all affected employees in the new structure as this is not a reorganisation that will result in a reduction in number of employees but a change in structure of the function and no posts are being deleted.

All employees should match a similar role in the new structure.

8) FURTHER INFORMATION

Q: How do I access further information if I do not have IT access?

A: You should contact your line manager in the first instance who will arrange for you to have hard copies of information.

9) ADMINISTRATION ARRANGEMENTS

A: The admin arrangements are now being considered jointly now we have a draft model in place and staff have had opportunity to comment. Admin staff will be consulted during this phase.

10) HOW WERE THE SYSTEM REDESIGN AREAS ALIGNED?

A: Grouped together the work programmes with a focus on integration for families and adults within one area and then grouped together the specialist arenas related to people with a disability with Prevention and positive lives with more emphasis on achieving positive outcomes for individuals

It is recognised that all work is inter-related and there will be lots of joint working across areas

11) LOCATION

A: Currently the teams that will make up the ICU are not co-located. However, work is underway to co-locate the SCC staff that will form the ICU. This is being considered as part of the decant of staff from Marland House. CCG staff are based at the CCG headquarters at Oakley Rd. Accommodation solutions are being devised that will allow ICU members to access desks at both SCC and CCG in order to facilitate joint working, some staff may move bases facilitate this. IT solutions are also being explored.

12) FURTHER CLARITY ON THE SYSTEM RE-DESIGN FUNCTION

A: This function will fulfil all elements of the commissioning cycle:

- Needs assessment
- Working towards procurement
- Service re-design
- Stakeholder involvement
- Contribution to contracting oversight

13) WHAT EVIDENCE HAS BEEN USED TO SUPPORT THIS MODEL?

- Lots of preparatory work looking at other structures and models, including Portsmouth Integrated Unit.
- Based on national evidence of integrated working
- There will be monitoring and evaluation

14) WILL THERE BE OPPORTUNITY FOR DEVELOPMENT?

A: There will be development opportunities to gain new skills as the unit evolves. A training plan is currently being developed.

15) VACANT POSTS

A: There will be a number of vacant posts. It will not be clear where these actually are until matching is completed. These will be advertised and those with the relevant skill set and who meet the person specification will be able to apply

16) WHY DOES THE STRUCTURE APPEAR SO TOP HEAVY?

A: The ICU has a considerable amount to achieve in relation to outcomes, system change, savings to be achieved and quality to be maintained. Considerable skills and experience are needed to manage the workload across agencies with strong leadership to achieve at scale and pace.

This will be constantly under review.

17) HOW WILL THE UNIT BE EVALUATED?

A: The ICU Board will be responsible for the evaluation and effectiveness of the model

A Memorandum of Agreement will be in place between the CCG and SCC outlining key principles covering financial, personnel, accountability, approaches with disagreements and evaluation/outcome measures.

18) DOES THE MODEL FIT WITH CHANGES IN CITY COUNCIL AND HEALTH?

A: Yes. The structure has been designed taking into account the fact that both organisations are moving towards personalisation as the way that people access care. We have therefore given more emphasis to the need to develop the market in order to widen the type of services available to people and the need to monitor performance and availability on a more individual basis

19) WHY DO SOME JD'S HAVE SPECIFIC TITLES AND SOME GENERIC?

A: Some of the roles are very specific and unique with particular responsibilities and expertise needed

20) WHO HAS BEEN INVOLVED IN THE DEVELOPMENT OF ICU?

A: There has been a project team made up of representatives from across the Council and CCG including housing, children, adults and Public Health working together on this proposal. Procurement, finance, legal and HR colleagues have also been involved.

21) WILL SPECIALIST SKILLS BE MAINTAINED WITH A MODEL OF GENERIC JD'S?

A: The new model of integrated commissioning will require staff to work in a more flexible way, across different subject areas, recognising that people will have transferrable commissioning skills and there are benefits from sharing knowledge and expertise across the team and different subject areas. Our service users will often experience services in different areas (eg. a family may be in contact with AMH as well as children services) and bringing different commissioner knowledge into different areas can often help us think more broadly about and bring different perspectives to the services we commission. It will also enable the unit to use its resources flexibly and more responsively to deliver the Council's and CCGs priorities. A more generic approach should not preclude staff also maintaining their expert knowledge and acting as a valuable source of advice across the team.

22) HOW WILL STRONG LINKS BE MAINTAINED WITH PUBLIC HEALTH?

A: The strong inter relationship between Public Health and the ICU has been recognised by many throughout the consultation. Detailed discussions between the Director of People and Director of Public Health have led to the proposal that Public Health team to be aligned with the ICU, will Public Health Consultants, and their teams, providing public health advice and expertise to a particular work stream area in the ICU. Priorities and workplans will be agreed between the Public Health consultant and relevant Associate Director for members of the team. Public Health will have a strong influence within the commissioning team, especially the emphasis on prevention and early help and well as providing needs assessment and evidence based expertise.

23) WHY ARE SOME ASPECTS OF COMMISSIONING STILL MISSING?

A: There are some areas of work that have a significant commissioning element where clarity on accountability and functions is still required. It is recognised that the intention is for commissioning from all parts of the Directorate to be included as part of the ICU.

There are some functions carried about by staff identified as part of the unit that may not be a commissioning function, such as School and Academy service levels agreements and contract's undertaken by the Children's contracts team. The recommendation is that staff transfer to the ICU with their current responsibilities although future adjustment may be required.

24) QUERIES RELATING TO INDIVIDUAL POSTS

A: These queries will be addressed with individuals and through line management arrangements and are therefore not included in this document/FAQ

25) GRADE OF POSTS/SPAN OF CONTROL OF POSTS

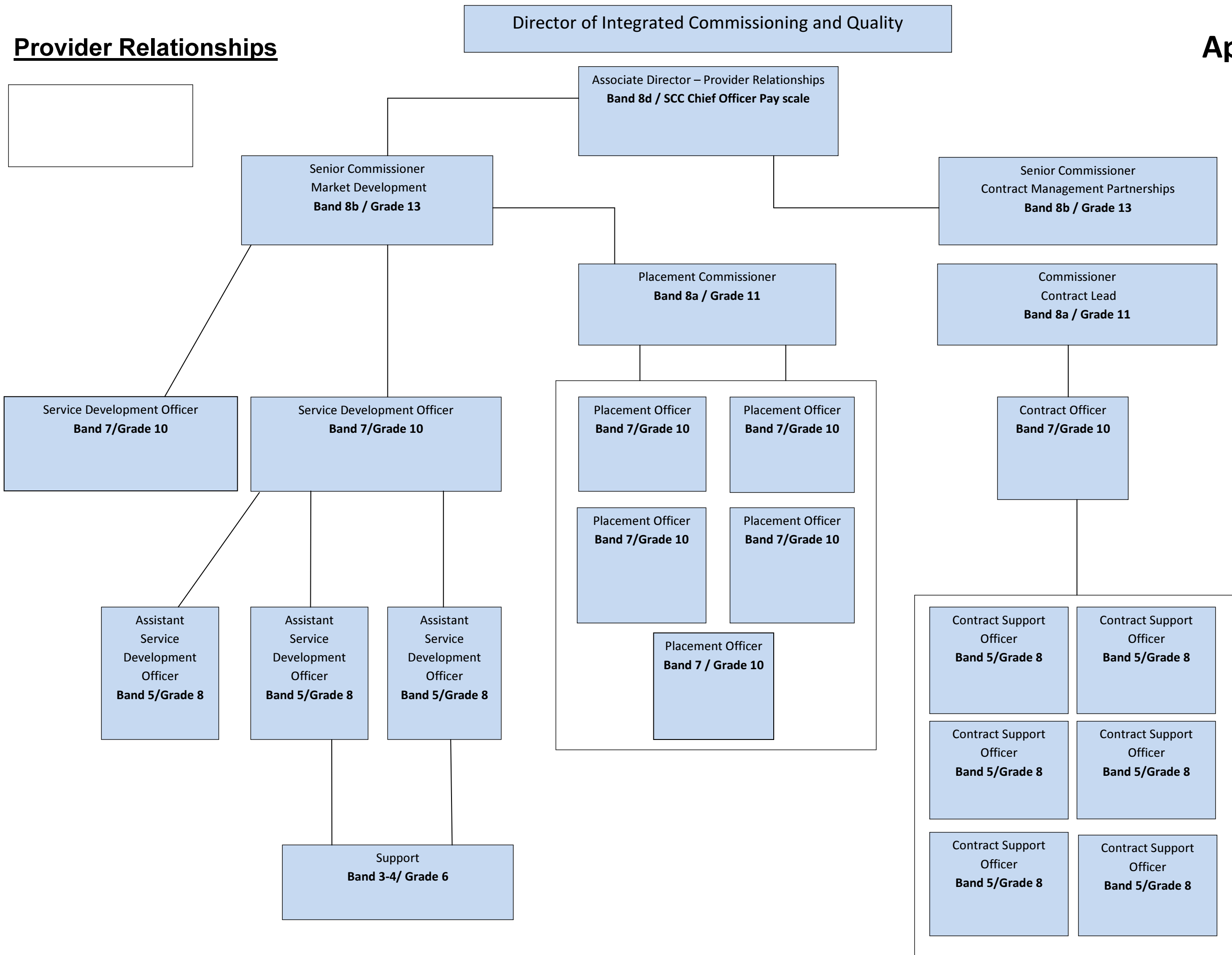
A: All Job descriptions have been drafted taking into account the work that will be covered by the Integrated Commissioning Unit. The posts have all been through the usual job evaluation process and the grades have been set accordingly. The evaluation process considers a number of elements, each of which are scored. The final grade is therefore based on a range of considerations which includes areas such as line management and responsibility for staff and budget responsibility.

Version 6 18th September 2013

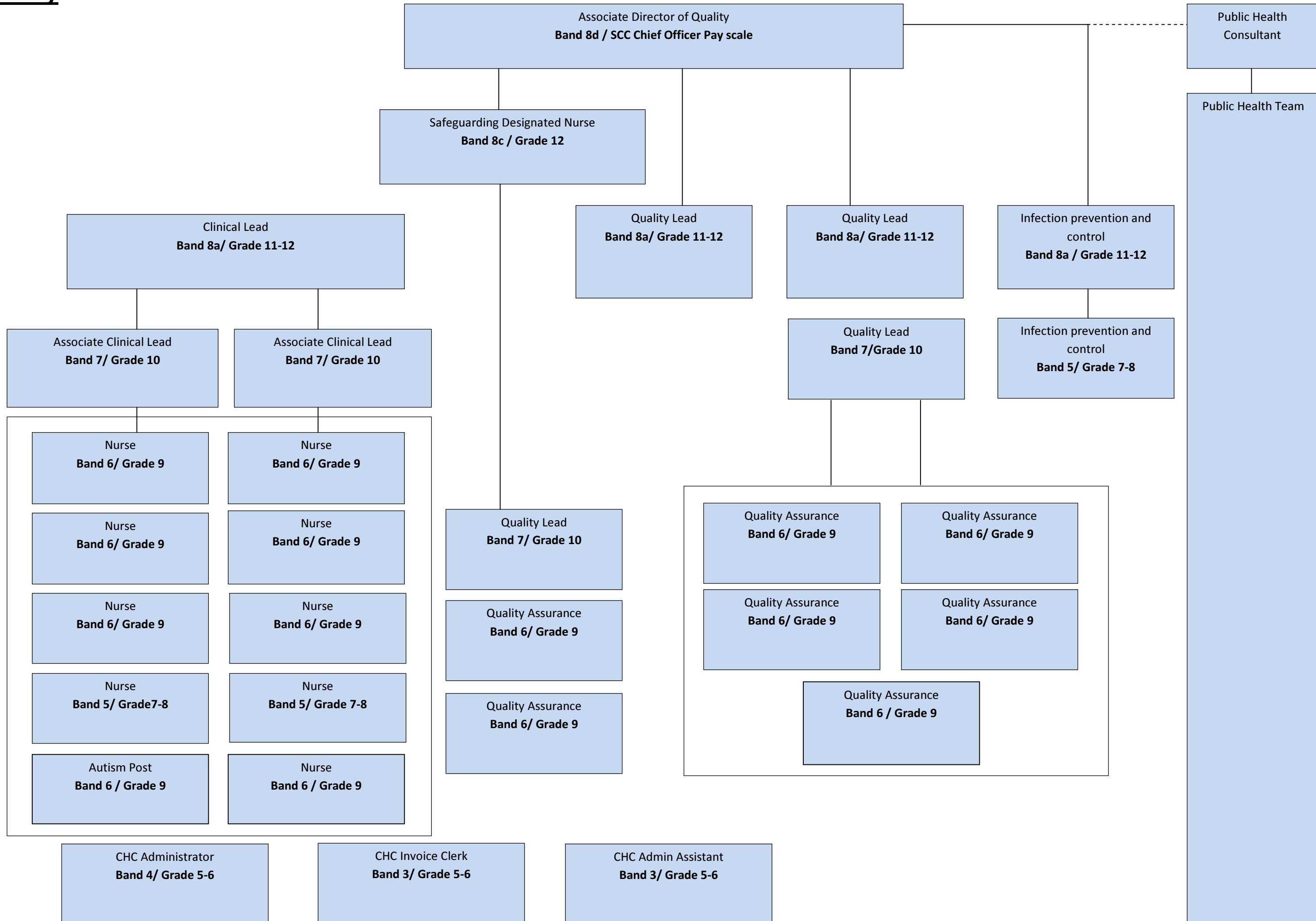
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Provider Relationships

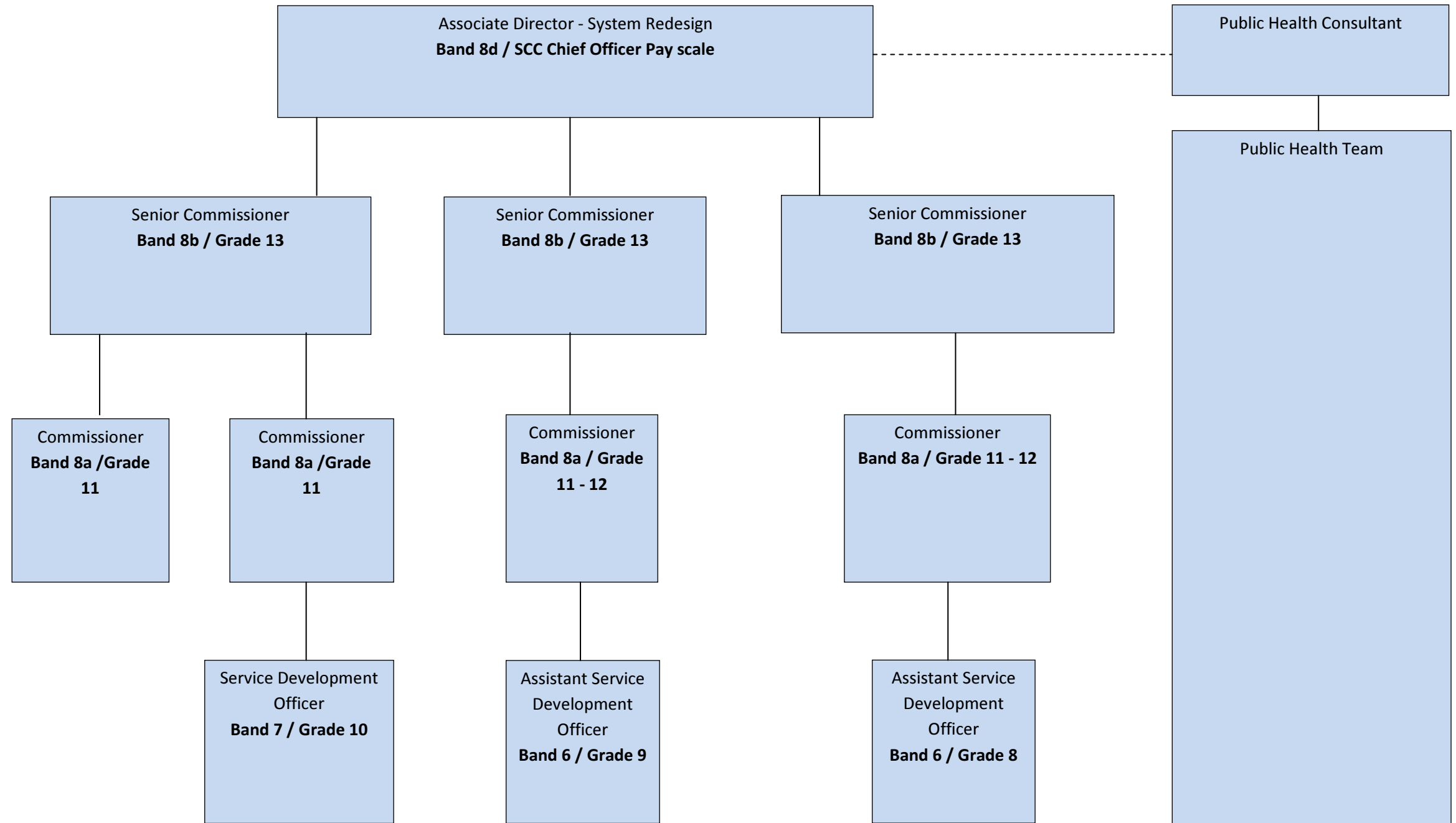
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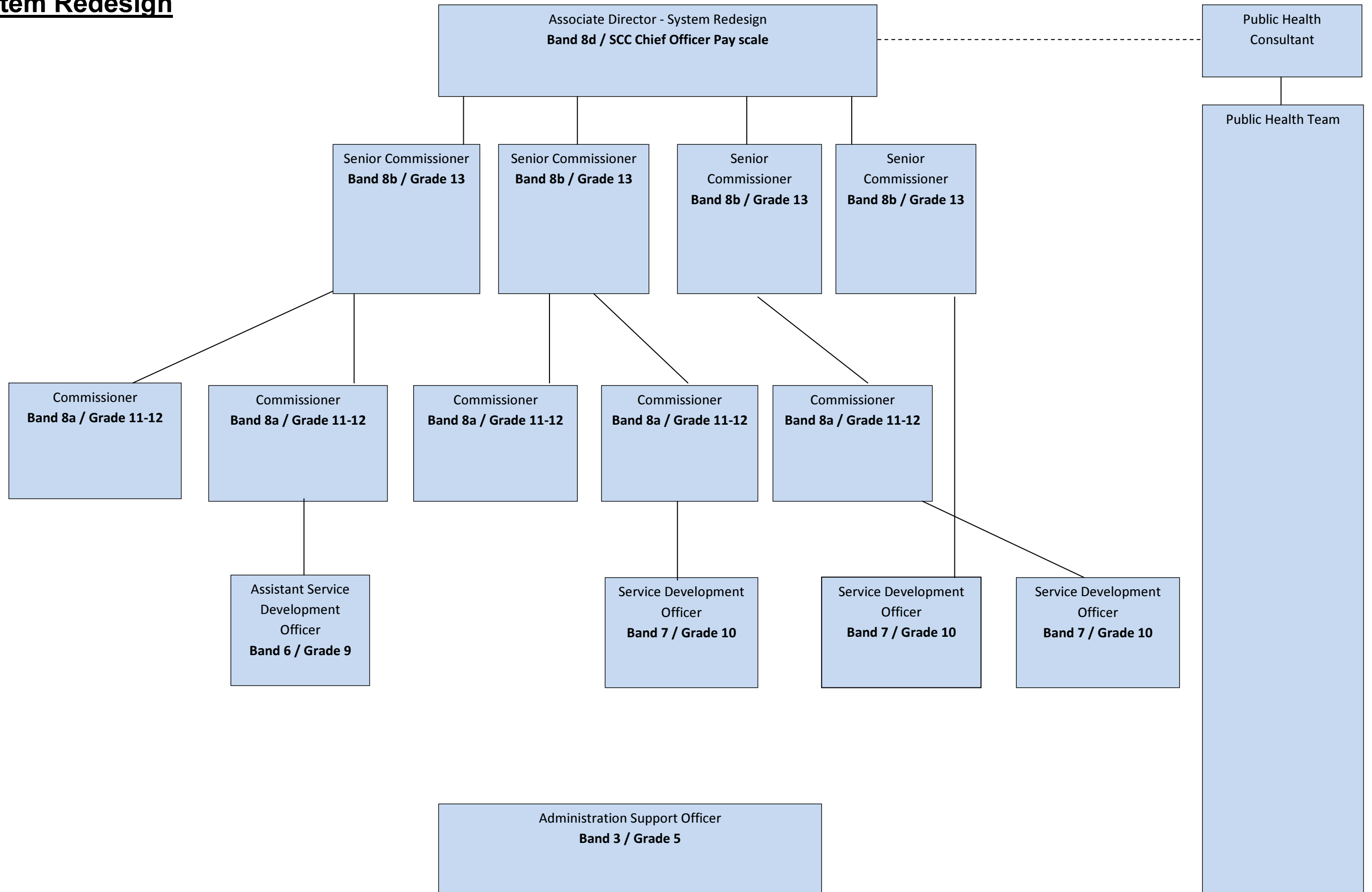
Quality



System Redesign



System Redesign



Agenda Item 10

DECISION-MAKER:	CABINET COUNCIL		
SUBJECT:	DEVELOPMENT OF SITES IN LORDSHILL		
DATE OF DECISION:	15 OCTOBER 2013 20 NOVEMBER 2013		
REPORT OF:	LEADER OF THE COUNCIL		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Mike Harris	Tel: 023 8083 2882
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	E-mail:	John.tunney@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY

The appendix attached to this report is not for publication by virtue of category 3 paragraph 10.4 of the Access to Information Procedure Rules. This is required as the report contains information relating to the potential financial or business affairs of any particular person (including the authority holding that information). It is not considered in the public interest to release this information

BRIEF SUMMARY

Further to the Cabinet and Council reports of 16th and 17th July 2013, feasibility work regarding Oaklands Pool has been completed leading to recommendations regarding the procurement and delivery of works that could be complete in October 2014. Consideration to the disposal of three related development sites in Lordshill (Oaklands Community School, Lordshill Housing Office and Lordshill Community Centre) has also been taken forward leading to a proposal to combine the disposal of the sites in a single package to secure best value for the Council.

RECOMMENDATIONS:

CABINET

- (i) To delegate authority to the Director of Environment and Economy, following consultation with the Director of Resources, the Head of Legal, HR and Democratic Services and the appropriate Cabinet Members to negotiate and agree terms of sale and dispose of the sites identified within this report
- (ii) To approve, in accordance with Financial Procedure Rules, capital expenditure of £90,000 in 2013/14 from the Economic Development and Leisure Capital programme, prior to the full scheme value being approved by Council on 20th November 2013.

- (iii) To approve, subject to Council approval on 20th November 2013, in accordance with Financial Procedure Rules, the remaining capital expenditure of £1,580,000 phased £152,000 in 2013/14, £1,423,000 in 2014/15 and £5,000 in 2015/16 from the Economic Development and Leisure Capital programme for refurbishment works at Oaklands swimming pool.
- (iv) To approve the revenue expenditure of £60,000 to implement works to secure the site and building, and to provide ongoing support to Oaklands Pool Ltd.
- (v) To authorise the Head of Finance to agree the terms and form of any future loan at an appropriate time, up to a maximum of £73,000 to Oakland's Swimming Pool Ltd.
- (vi) To allocate £133,000 from the General Fund Revenue Budget contingency of £410,700 in order to provide the additional revenue resources required as set out in recommendations (iv) and (v) above.

COUNCIL

- (i) To add, in accordance with Financial Procedure Rules, an additional sum of £412,000 to the Economic Development and Leisure Capital programme for refurbishment works at Oaklands swimming pool to be funded from Council resources.

REASONS FOR REPORT RECOMMENDATIONS

1. To progress the development of key sites in the Lordshill area, enabling the delivery of investment and new homes.
2. To progress the refurbishment of the Oaklands Swimming Pool building, bringing a community facility back into use.
3. To progress negotiations with Lordshill Community Association to relocate resulting in an enhanced community facility for local residents.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

4. To dispose of each development site separately – rejected on the basis that a more comprehensive proposal for the area can be delivered through a single disposal and will secure better value for the Council
5. To proceed with a reduced range of works, delivering a shorter timeframe to open the swimming pool – rejected on the grounds that the building will need sufficient investment to allow an operator to develop a customer base, and a reduced scope of works retains the risk of closures being required for further repairs and maintenance.

DETAIL (Including consultation carried out)

6. Further to the Cabinet and Council reports of 16th and 17th July 2013, a considerable amount of work has been carried out to assess the works needed to deliver a viable future for Oaklands swimming pool.
7. Recommendations were made at those meetings to shorten the timescales for delivery of capital works as far as possible, and procurement methods to

address the aspiration for quick delivery have been considered

8. A method of procurement known as Prime Cost has been recommended and it is anticipated that this will enable works to be completed by October 2014. There will subsequently be some time required for the operator of the pool to prepare for opening before public access will resume.
9. The works proposed are planned to deliver a 15 year lifetime for the building and the mechanical and electrical elements. They include a comprehensive replacement and refurbishment of the pool plant, repairs to the roof and ceilings, alongside the provision of new flooring.
10. The procurement approach will secure contractors on site in January 2014. In the interim, it is proposed to implement some roof repairs, required as a result of vandalism in recent months. This will keep the building watertight over the next few months and will not be abortive work. The site will also be made secure.
11. Prime Cost is not a procurement route that the council tends to use as there are potential cost risks associated with this approach. The contractor does not tender on a firm contract sum as the exact nature and extent of the work is not known at the time of the appointment. Full design documents are not completed until after work has commenced and the condition of hidden elements, such as buried pipes become known. Options for mitigating the risks associated with this approach focus mainly on additional quantity surveyor resource which is provided on site to value the works as they are carried out and to monitor the resources being used. Strong client supervision combined with a contractor with reasonable labour costs and a good supply chain can deliver benefits in the right circumstances. In essence this approach shifts the cost estimate risk from the contractor to the council and so a larger than usual contingency of 20% has been built into the estimate.. However, it should be noted that traditional procurement routes can still result in extra costs and overspends in some circumstances and the nature of this project does lend itself more to prime cost method than would more straight forward building refurbishment projects. The likelihood (see paragraphs 17 and 18) of having to include as yet unknown extra works for the adjacent former nursery building during the contract also fit well with the flexibility of the prime cost approach.

Capita advise that this would also be the quickest contract procurement route possible to secure a 15 year life for the building. A more conventional method of procurement would take several months longer. An earlier completion allows some preparation prior to the start of the winter School term, which subsequently enables a positive start to the trading period as lessons and group bookings are often based on School terms.

12. The Community group has formed a Company Limited by Guarantee (Oaklands Pool Ltd) and has done an extensive amount of work to produce a business plan. The Consultants assisting them with their development recognise some strengths and weakness in the current plans and structure:
 - “The business plan is now much improved and has significantly developed, ...there is a rationale for how the income projections have been developed... the income is considered to be realistic and

achievable with the correct marketing and promotion”

- “we have concerns that the present committee requires bolstering with expertise from the Financial and Legal profession.....Without up front financial assistance and an improved level of Business Expertise on the Board namely Finance and Legal expertise OCP will not be in a position to manage and operate Oaklands Swimming Pool. “

13. The business plan projects a loss in year 1 with surpluses rising from then on, as set out in the table below:

	Forecast profit (loss) £
Year 1	(10,249)
Year 2	1,526
Year 3	43,603
Year 4	45,371
Year 5	47,336

A sensitivity analysis shows that should income fall by 10% from projections, losses of £35,000 - £40,000 would be incurred in years 1 and 2.

14. The current business plan allows for paying full business rates. The group’s intention is to apply for Charitable status, which would create further headroom in the business plan. This will take some time and initial costs. As reflected in the consultants advice above, the business management skills and experience in the community group are currently limited and there remains a reasonable risk of the community group failing to meet its business and income projections, with the subsequent risk of the organisation failing. This could lead to the closure of the pool while an alternative operator was sought.
15. It is proposed that ongoing support from the consultant is provided, to help address the weakness identified above, so that the Council’s investment is safeguarded and sufficient reassurances regarding preparing appropriately for opening can be secured.
16. Should the community group fail to make the necessary progress towards securing the additional skills and experience and enable the business consultant, or Officers, to present a positive recommendation to the Council it will still be possible for the Council to secure an alternative operator for the swimming pool. Equally, should the community group start to operate the pool, but fail to deliver a sustainable model, the Council would seek to regain the property under the terms of the lease and seek an alternative operator. However the ability of the Council to actually terminate the lease will depend on the terms of the lease, yet to be discussed and agreed, and the circumstances at the time. The Council would not be liable for any losses that the group would accrue, although it would be unlikely that any outstanding loan payments would be secured.

17. Discussions with Lordshill Community Association have been taking place about the occupation of buildings on the former school site. Their current facilities are on a site close to the former school, in two interlinked buildings; an older porta-cabin style building and a more recently constructed modular building. Discussions about the former Special Educational Needs (SEN) building have concluded that this will not meet their needs, but the Association have expressed an interest in locating to the former nursery building which is part of the Pool building. Negotiations are ongoing as to the detailed terms of any such occupation. The decision on the SEN building means that this can now be included in the demolition, incurring additional costs in the short term, but increasing the scope of the site for development.
18. An assessment of the impact, if any, that the works to the pool building will have on the Nursery area is required. The costs of carrying out this assessment are included in the capital costs in paragraph 24. In addition, the site has significant variations in levels and a means of providing access to the Nursery building from the new Car Park will have to be provided, should the occupation of the building proceed. Further work is needed to clarify the costs of these works.
19. Should the negotiations with Lordshill Community Association regarding the occupation of the Nursery building prove fruitful the Association will vacate its current site. This will free up the site to contribute to the development values referred to in appendix one. Some minor works will be required to ensure the former nursery building is fit for purpose as a community centre
20. The disposal of the rest of the former school site is to be combined with the disposal of the Lordshill Housing Office and Community Association sites, to provide a larger land deal to secure the best value for the Council. This is subject to the Community Association moving to the nursery building on the former school site, and vacant possession being obtained.
21. Receipts from the sale of the sites could be achieved in 2015/16, subject to vacant possession being achieved for the community centre site.

RESOURCE IMPLICATIONS

Capital

22. The £1,258,000 scheme for Pool Refurbishment Works was added to the Economic Development and Leisure Capital Programme by Council on 17th July 2013 funded from Council Resources.
23. Further to the detail now available within this study, together with a requirement for shortened timescales for the delivery of capital works, the latest estimated costs required to deliver the project are set out below. It is now anticipated that this will enable works to be completed by October 2014.

	£000's
Total cost of pool works including fees and contingency	1,520.0
Estimated car park costs based on £3,000 per space	150.0
Total estimated costs	1,670.0
Funding approved on 17 th July 2013	1,258.0
Additional capital funding required	412.0

24. It should be noted that the prime cost procurement method described within the report carries with it certain risks which have been identified, in particular the potential for cost overrun or a partially unfinished project. A contingency sum has been allowed within the overall cost envelope but there is a risk that this will be insufficient even if mitigating action is taken.
25. The costs of providing access to the Nursery building entrance have yet to be assessed, and could require additional funding.
26. In order to achieve the October deadline for completion of the works, design and procurement activity is underway. Costs of £90,000 will have been incurred up to the point of the Council decision on 20th November 2013.
27. It is proposed that funding for the project will be from Council resources. A capital receipt will be generated from the sale of the site and whilst we do not earmark specific receipts to ensure flexible funding of the capital programme, this receipt will contribute to the overall resources available to fund the Capital Programme.
28. Works to assess the potential development value of the former school site, the Lordshill Housing Office site and the Lordshill Community Centre site, both individually and collectively, have progressed. Confidential appendix one contains indicative values of the sites. Lordshill Housing Office is surplus to requirements and is currently unoccupied. It is not required for use by any other service within the council.
29. It should be noted that both the Lordshill Housing Office site and the Community centre site are within Housing Revenue Account (HRA) ownership. Any capital receipts associated with these sites will be retained by the HRA.

Revenue

30. The revenue costs of the project are summarised in the table below:

	£000's
Start up support for Oaklands Pool Ltd	73.0
Immediate repairs and security	13.0
Demolition of Special Educational Needs building	30.0
Consultant Support	17.0
Total	133.0

31. In order to prepare properly for opening, to cover the projected deficit in the first year and to secure necessary equipment that fall outside of the capital works Oaklands Pool Ltd require start up funding. The total is estimated to be £73,000 and it is proposed that the Council offer a loan to Oaklands Pool Ltd to assist with bridging this shortfall in the early years. It is hoped that the group will seek and secure external funding to reduce the amount of funding required, whilst any reduction in the business rate bill may also help to reduce the term of the repayment. The form and terms of any future loan at an appropriate time, up to a maximum of £73,000 to Oakland's Swimming Pool Ltd, will be agreed by the Chief Financial Officer.
32. The revenue costs, including the loan requirements are estimated to be £53,000 in 2013/14 and £80,000 in 2014/15, subject to anticipated progress by the community group on securing charitable status.
33. There remains a reasonable risk of the community group failing to meet its business and income projections, with the subsequent risk of the organisation failing. This could lead to the closure of the pool while an alternative operator was sought. Any costs associated with this would need to be assessed separately and at this stage no provision has been made for this.

Property/Other

34. Oaklands Community Pool group have requested a 25 year lease and this is currently being considered by the council, alongside the obligation of a full repairing responsibility. This length has been requested by the Community Group to assist in attracting external funding. The business plan shows reasonable levels of maintenance budgets, and the building will have been subject to a comprehensive refurbishment. It is not anticipated that revenue funding will be ongoing, and so the site will be disposed of through a lease with permitted uses clauses directing the anticipated uses. There is not expected to be a management agreement or service concession to influence service design or delivery.
35. The pool building will need ongoing investment and care to ensure it can last beyond the 15 years delivered by the refurbishment programme. The business plan shows over £80,000 p.a from year 3 onwards available for building and equipment maintenance and repair. This, alongside the projected surpluses demonstrates an acceptable allowance for meeting this need.
36. The indicative values of the three sites are identified in confidential appendix one. The values assume that a successful purchaser will seek to locate the affordable housing elements of the scheme on the former housing office and community centre sites. However this will be for the developer to take a view on, and will be subject to the planning permission granted for the sites.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

37. Pursuant to section 19 of the Local Government (Miscellaneous Provisions) Act 1976, a local authority may provide such recreational facilities as it sees fit, including indoor or outdoor swimming pools and any related facilities.

Other Legal Implications:

38. It should be noted that the prime cost procurement method described within the paper carries with it certain risks also identified within the paper, and particularly the potential for cost overrun or a partially unfinished project. This should be balanced against the potential advantages of this approach, notably a project finish date approximately 2 months earlier than possible if utilising a more predictable procurement method. State aid rules may apply to the proposed arrangements with the community group, depending on the overall value of the assistance provided.

POLICY FRAMEWORK IMPLICATIONS

39. The proposals are in line with the Council’s Policy Framework

KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:	Predominantly Coxford
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SUPPORTING DOCUMENTATION

Appendices

1.	Lordshill Site Valuations - Confidential
2.	

Documents In Members’ Rooms

1.	
2.	

Equality Impact Assessment

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.	Yes/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)
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1.		
2.		

Agenda Item 10

Appendix 1

Document is Confidential

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DECISION-MAKER:	CABINET		
SUBJECT:	SOUTHAMPTON'S HOMELESSNESS PREVENTION STRATEGY 2013 - 2018		
DATE OF DECISION:	15 OCTOBER 2013		
REPORT OF:	CABINET MEMBER FOR HOUSING AND SUSTAINABILITY		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Marguerite Rayner	Tel: 023 8083 2547
	E-mail:	marguerite.rayner@southampton.gov.uk	
DIRECTOR	Name:	Alison Elliott	Tel: 023 8083 2602
	E-mail:	alison.elliott@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY
Not applicable

BRIEF SUMMARY

The Homelessness Act 2002 requires the Local Authority to review all forms of homelessness in the city and produce a new Homelessness Strategy, based on the review findings, every five years.

For our last strategy period 2008/13, four objectives were clearly laid out, with a particular emphasis on preventing homelessness. In preparation for the third strategy there is clear evidence that extensive achievements against those objectives have been made.

The new strategy builds on these achievements by strengthening the focus on prevention, rather than tackling the crisis of people losing their home. This is increasingly important in the current financial climate.

The Government's Welfare Reform agenda introduces unprecedented change which, along with the current economic conditions, has the potential to seriously impact on Southampton residents and result in increased homelessness. The strategy considers the future challenges Southampton faces and the likely impacts on the City's residents and services.

The existing objectives are still considered to be relevant. However, the recommendation is that we conduct an annual review to track trends in homelessness. These trends will help inform the response of the council's homeless service and partner agencies and enable services to adapt to meet changing needs.

RECOMMENDATIONS:

- (i) To approve Southampton's Homelessness Prevention Strategy 2013-2018.
- (ii) To support the priority actions set out in the Homelessness Prevention Strategy.

REASONS FOR REPORT RECOMMENDATIONS

1. The Homelessness Act 2002 requires the Local Authority to review and produce a new Homelessness Strategy every five years; Southampton published its first Homelessness Strategy in 2003. The Homelessness Prevention Strategy 2013/18 sets out reasons for, and the ways in which, Southampton City Council and its partners will achieve its key objectives in tackling homelessness. Southampton has a legal duty to publish the new Homelessness Strategy in 2013.
2. Southampton Homelessness Prevention Strategy 2013/18 has been developed in consultation with key stakeholders; priority actions have been identified to support the strategy. In view of the rapidly changing economic and social environment, stakeholders agreed that an annual review of homeless trends should be conducted to identify actions needed against the priorities set out in the strategy to reflect the changes in demand from homeless households.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 3 The Council could decide that the existing objectives are NOT relevant and that a prescriptive action plan be devised which sets out actions for the entire five year strategy period. In view of the uncertainty created by welfare reform changes this could lead to inappropriate actions and result in limited resources being used for the wrong priorities.

DETAIL (Including consultation carried out)

- 4 The Homelessness Act 2002 requires local authorities to carry out a review of homelessness every five years, and to use the findings to develop a strategy for preventing homelessness locally.
- 5 A new Homelessness Prevention Strategy for 2013 -18 has been developed and needs Cabinet approval prior to publication.
- 6 Southampton City Council has produced two previous strategies, in 2003 and 2008, outlining our prevention strategies and how we aimed to secure sufficient accommodation and support for all those who have or may become homeless. Since our first strategy was published in 2003 there have been noticeable improvements in our homelessness response including:
 - significant reductions in homelessness applications and acceptances year on year
 - the use of temporary accommodation has been halved to meet Government targets
 - levels of rough sleeping and the use of Bed and Breakfast (B&B) has remained low.
- 7 Implementation of the Homelessness Strategy 2008 – 2013 has been led by a multi-agency Homelessness Strategy Steering Group (HSSG) who have been instrumental in the review of homelessness and development of Southampton’s Homelessness Prevention Strategy 2013-18.
- 8 The review of homelessness and homelessness services in Southampton has since been completed, led by the Homelessness Strategy Steering Group, consulting with key stakeholders using a client groups focus, key aspects of which are set out in the review document. Consultation included:

- 12th July 2012 Homelessness Strategy Steering Group-Statistical Review of Homelessness, Welfare Reform Presentation.
- October 2012- Questionnaire Homelessness & Young People
- 22 October 2012 Workshop-Planning for Young People
- January 2013-Questionnaires; Homelessness & Families, Homelessness & Single People
- 4th February 2013 Workshop Planning for Families
- 7th February 2013 Workshop Planning for Single People.
- April 2013 Review of Services SCC Stakeholders.
- 22nd May 2013 Homelessness Strategy Steering Group Consultation- Challenges and Priority actions
- 5th September 2013 People Directorate Divisional Management Team
- 12th September 2013 Overview and Scrutiny Management Committee

9 As a reflection of recommendations made at OSMC the following priority actions have been included within the strategy :

- “maintain current arrangements for rent direct payments to private landlords where they accommodate vulnerable tenants and work to maximise the opportunities for rent direct to all landlords under Universal Credit where this will sustain tenancies for vulnerable households”; and
- “investigate the cost of providing emergency beds for rough sleepers with no recourse to public funds during severe weather”.

10 The workshops identified real concerns about shrinking resources and potential increasing demand for services from homeless clients. The groups, therefore, considered what they felt were the critical services for each of the client groups and agreed a series of commitments that the city should follow.

11 As a result of the review, key challenges and priorities were identified and consulted upon by the HSSG to inform the development of Southampton’s Homelessness Prevention strategy 2013-18.

12 The 2013-18 Homelessness Prevention Strategy builds upon the achievements of our previous two strategies, and outlines the challenges we face in today’s stark economic and social climate. This document sets out:

- our aims and objectives for the next five years;
- the local and national context;
- our achievements to date including successful partnership working;
- the results of the review that we conducted to help us produce the new Homeless Strategy;
- the challenges we face ahead and how we plan to work to continue to prevent homelessness in our city.

13 The Challenges identified fall under 4 broad headings:-

- The potential for more households to be evicted for rent arrears, following benefit cuts.
- Increasing pressure on our finances due to tighter budgets and

changes to the way homeless funding is allocated.

- Instability and uncertainty in the voluntary and community sectors caused by budget restrictions.
- The increasing reliance on the local private rented sector, and the need to increase good quality, affordable accommodation.

14 We have drawn on our experiences and achievements to produce our current Homelessness Prevention Strategy. It has also been developed in light of national policy and the rapidly changing environment and as such, we are committed to review it annually. This annual review will be carried out within the Homelessness Strategy Steering Group, at which all relevant agencies are represented, so that the actions remain responsive to the realities on the ground.

15 The expected impacts on homelessness in Southampton are hard to predict in full at this stage, making a detailed action plan for the five year strategy period of limited value. In preference a set of Priority Actions has been developed against which more detailed actions can be developed.

16 It is proposed that the Priority Actions be reviewed annually as above by the HSSG, against the set of Priority Indicators developed to monitor the impact of change on homelessness within Southampton.

17 By keeping a close eye on progress we aim to ensure that services and statutory responsibilities continue to be met and that we maintain a clear focus on preventing homelessness in Southampton.

18 The Homelessness Prevention Strategy does not stand alone but is intrinsically related to and supportive of other key strategies which affect the city. In particular

- Southampton's Housing Strategy maximising homes for the city; improving homes and transforming neighbourhoods; and providing extra support for those that need it are the key priorities;
- Southampton's Supporting People Strategy which details the provision of supported accommodation as a progression to settled accommodation.

19 The council has recently set its core priorities in its City Plan 2013-16. This strategy will help us deliver our priority for keeping safe and improving the health of some of Southampton's most disadvantaged residents.

RESOURCE IMPLICATIONS

Capital/Revenue

20 Funding from central government in support of the Local Authority's homelessness strategy has changed. The previous strategy had an annual ring fenced grant of £365,000 to rely on from which to support initiatives that helped meet our objectives.

21 In early 2011 the Government announced an increase in funds for homelessness to the value of £634,000 for Southampton, but by removing the ring fence signalled that this was indicative only. The actions within the strategy will be prioritised within the approved budget for each financial year.

- 22 Smaller sums of one off funding from central government have also been received to support homelessness prevention in the form a preventing repossession fund, money to fund the provision of a court desk advice service, and more recently a sum to assist the transition to new systems of housing benefit award.

Property/Other

- 22 None.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

- 23 There is a statutory requirement under Section 1 of the Homelessness Act 2002 which requires all housing authorities to publish a new homelessness strategy based on the results of a further homelessness review, within a period of five years beginning with the date on which their last homelessness strategy was published.

Other Legal Implications:

- 24 None.

POLICY FRAMEWORK IMPLICATIONS

- 25 The Housing Strategy 2011 – 2015 includes the prevention of homelessness as a priority and identifies the challenges under welfare reform. The Housing Strategy has commitments to work with partners to implement the city’s homelessness strategy and to implement an action plan to further reduce homelessness and help minimise the impacts of welfare reform.
- 26 The Southampton City Council Plan 2013-16 identifies four new council priorities, one of which seeks to improve the population’s health, keep people safe and help individuals and communities to work together to help themselves. This Homelessness prevention strategy will assist in achieving this objective. A measure of success identified in the plan is to maintain the current level of statutory homelessness acceptances at the current 2012/13 levels.

KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:	All
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SUPPORTING DOCUMENTATION

Appendices

1.	Southampton's Homelessness Prevention Strategy 2013-2018
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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.	Yes/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)
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1.	None	
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Southampton City Council

HOMELESSNESS PREVENTION STRATEGY 2013-18

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Introduction

This is our third Homelessness Prevention Strategy and draws on our experiences and achievements to build on the solid foundations we've laid down in tackling homelessness in Southampton.

It comes at a time of huge economic and social change. Welfare changes will clearly have an impact on housing tenants and those on limited incomes. The social housing landscape is also changing at a rapid pace.

Our commitment to preventing homelessness is unwavering. The council has recently set its core priorities in our City Plan 2013-16 and this strategy will help us deliver our priorities for keeping safe and improving the health of some of Southampton's most disadvantaged residents.

Continuing the successes of the past will require joint working between the public, private and voluntary sectors and we greatly value the contributions made by each and every group.

This strategy sets out how we plan to meet the challenges ahead and also reaffirms our stance that 'prevention is better than cure'.

It is more cost-effective and better for vulnerable individuals and families to stop homelessness before it starts, and we're determined to keep assisting those people who need our help in their hour of need.

Cllr Warwick Payne
Cabinet Member for Housing & Sustainability

This Strategy reflects the People Directorate's commitment, across all service areas, to focus on early help and prevention. Given the pressures in housing and the welfare benefits reforms some of our most vulnerable members of society face an uncertain future.

Preventing homelessness is a top priority for this directorate as it is well understood the impact of homelessness can have on the most vulnerable children, young people and adults. The impact of losing the most basic need of a home is devastating on the future prosperity of the individuals affected.

There are significant opportunities to build on the collaborative approach that has been developed to date within the directorate to ensure the whole Council and its partners work together to focus on the prevention agenda.

Whilst this is undoubtedly a challenging time for housing it is also a time of potential opportunities and this Strategy focuses on how we can harness those opportunities to support people retain that most basic need, a home.

Alison Elliott
Director of People

Overview

The Homelessness Act 2002 requires local authorities to carry out a review of homelessness every five years, and to use the findings to develop a strategy for preventing homelessness locally.

Southampton City Council has produced two previous strategies, in 2003 and 2008, outlining how we aimed to prevent homelessness and secure sufficient accommodation and support for all those who have or may become homeless. Since our first strategy was published in 2003 there have been noticeable achievements in our homelessness response including:

- significant decreases in homelessness applications and acceptances;
- the reduction (by half) of temporary accommodation in order to meet government targets; and
- continued low levels of rough sleeping and the use of Bed and Breakfast (B&B).

The 2013 Strategy builds upon the achievements of our previous two strategies, and outlines the challenges we face in today's economic and social climate.

This document sets out:

- our aims and objectives for the next five years;
- the local and national context;
- our achievements to date including successful partnership working;
- the results of the review that we conducted to help us produce the new Homeless Strategy; and
- the challenges we face ahead and our proposals to continue to prevent homelessness in our city.

Setting the scene – the local context

Southampton

Our 2013 Strategy comes at a time when the country is undergoing a period of great social and economic change.

The government's welfare reforms and the reductions in housing benefit mean more people are struggling to manage their finances. This is already putting extra pressure on housing, and the full effects of the welfare reforms are yet to be fully realised.

As a council we must continue to reduce public spending. Public austerity measures are also impacting on statutory agencies and voluntary groups, and we must all adapt the way we work. Since 2009 whilst prevention figures have continued to increase, we have seen small increases in homelessness presentations, and the levels of rough sleeping.

Like the rest of the South East, Southampton's property prices continue to grow at a rate that puts home ownership out of reach for the majority of households. As such the demand for social housing in the city is extremely high, and waiting times for an affordable home can often reach up to seven years. Consequently the private rented sector has become a very useful source of meeting local housing needs and has grown to become one of the largest private rented sectors in the South East. Private rented homes in the city vary in quality, size and cost but generally rent levels are lower here (especially in some areas of the city), than other parts of the region such as the New Forest and Winchester. As a result, people on limited incomes can find themselves priced out of these more expensive housing areas, causing them to move to Southampton out of economic necessity, placing greater strain on the city's housing.

Setting the scene – the national context

Government Policy

The current coalition government set out a vision for encouraging housing supply and supporting choice in its Housing Strategy, which was published in November 2011. A ministerial working group was also set up to look at the complex causes of homelessness, and in August 2012 published two important papers; *"Vision to end rough sleeping: no second night out nationwide"* and *"Making every contact count: a joint approach to preventing homelessness"*. They highlighted the importance the government placed on the issue at a national level.

The latter document listed the following 10 challenges for local authorities to adopt to help prevent homelessness:

1. Adopt a corporate commitment to prevent homelessness which has buy in across all local authority services.

2. Actively work in partnership with voluntary sector and other local partners to address support, education, employment and training needs.
3. Offer a Housing Options prevention service, including written advice, to all clients.
4. Adopt a '*No second night out*' model or an effective local alternative.
5. Have housing pathways agreed or in development with each key partner and client group that includes appropriate accommodation and support.
6. Develop a suitable private rented sector offer for all client groups, including advice and support to both clients and landlords.
7. Actively engage in preventing mortgage repossessions including through the Mortgage Rescue Scheme.
8. Have a **homelessness strategy** which sets out a proactive approach to preventing homelessness and is reviewed annually so that it is responsive to emerging needs.
9. Not place any young person aged 16 or 17 in Bed and Breakfast accommodation.
10. Not place any families in Bed and Breakfast accommodation unless in an emergency, and then for no longer than six weeks.

Changes to Homelessness Funding

Funding from central government to support our Homelessness Strategy has changed.

The previous strategy had an annual ring fenced Homelessness Prevention Grant of £365,000 to support initiatives that helped meet our objectives.

However, this figure almost doubled following the comprehensive Spending Review in 2011, and an award of £634,000 was made to Southampton. But the removal of the ring fence means that as a council, we have had to make some difficult decisions on how it is spent.

Homelessness and Supporting People funded homelessness services are now commissioned in the wider city context improving the wider links to Probation, Health, Adult Social Care and Children's Services.

Another change to previous funding regimes is that increasingly central government is administering homelessness prevention funding by allocating grants to the third sector. Several national charities such as Homeless Link and Crisis have taken on the role of fund administrators, and local organisations must bid for grants. As a local authority we are not allowed to make direct grant applications, and instead must play a key role in supporting and coordinating agencies in submitting joint bids, and assisting them in monitoring outcomes. Distributing funding this way increases the need for a clear strategic direction. We must ensure that any supported bids contribute to the City's objectives on preventing homelessness.

The table below summarises the funding resources used by the city to tackle homelessness between 2008/13.

Spend	2008/09	2009/10	2010/11	2011/12	2012/13	Funding type
B&B	£31,778	£44,307	£44,850	£28,132	£24,898	General fund
PRS Bonds	£20,724	£15,186	£8,044	£6,580	£5,027	Combined fund
Rent deposits	£45,620	£41,605	£25,211	£77,639	£81,129	DCLG
Day centre	n/a	n/a	n/a	£25,000	£25,000	DCLG
Accommodation service	£47,872	£31,760	£38,853	£45,000	£35,000	DCLG
Furniture packs	n/a	£7,600	£9,366	£9,517	£15,426	DCLG
No Limits	£22,885	£16,111	£17,340	n/a *	n/a*	DCLG
Women's aid	£12,471	£17,429	£17,778	n/a*	n/a*	DCLG
EU Welcome	£13,000	£22,257	£28,219	£13,500	£4,500	DCLG
Street Homeless Service	£190,598	£189,000	£148,000	£118,000	£118,000	DCLG, now in-house

* funds towards these services have now been incorporated into Southampton's corporate grants pot.

We have also received smaller sums of one-off funding from central government to support particular projects, for example the funding of a court desk advice service, transition to new system of housing benefit award and a repossession fund.

Localism Act 2011

The Localism Act 2011 transferred more decision making powers from central government back into the hands of local authorities. It aimed to ensure decisions about housing were taken locally, and as such introduced a number of significant changes to social housing policy including:

- Fixed term tenancies of no less than five years, ending the "tenancy for life" previously granted to new tenants.
- New powers (from April 2012) to enable the full discharge of our homelessness duty by securing an offer of suitable accommodation in the private rented sector.
- Greater freedom for Local Authorities to formulate their allocations policy for access to social housing.

Other changes include the introduction of the new Affordable Rent Product which sets rents on new developments, and a proportion of existing stock as it becomes vacant, at up to 80% of the local market rents. This new higher rental income will be used to fund future developments of social housing

The council developed its Tenancy Strategy in 2012. The need to focus on homelessness prevention and assisting the local authority in meeting the needs of homeless households is reiterated within this strategy. It also included a continuing commitment to the principle of tenancies for life in the council's own stock and that rent levels remain consistent with the local housing allowance levels.

A copy of our Tenancy Strategy is available online at:

http://www.southampton.gov.uk/Images/Tenancy%20Strategy%202013_tcm46-338199.pdf

Welfare Reforms (The National Context)

The Coalition Government is introducing the biggest changes to welfare reform in 60 years. These changes are designed to reduce the unprecedented historic rise in welfare benefit spending and encourage more claimants into employment by making work pay. Many households will see their benefit payments cut, and all claimants must manage their own finances responsibly, open a bank account and pay their rent and other bills regularly. We predict these reforms - and the effect they will have on individuals - will be the single biggest challenge to preventing and tackling homelessness over the coming years.

Many more benefit claimants will actively be seeking work, looking for smaller accommodation, or trying to exist on much smaller "capped" levels of benefits; all of which may lead to increased levels of homelessness and a much greater need for local, joined up homelessness prevention work.

Since our last Homelessness Strategy was published in 2008 there have already been significant shifts in legislation and even more welfare reforms are set to be implemented in the next few years.

Tackling homelessness will prove much more challenging, as the impacts of welfare reform are felt. In recognition of this, the government has increased Discretionary Housing Payments (DHP), to local authorities, from £57,783 in 2010/11 to £527,593 for 2013/14. DHP, which is available to help benefit claimants who are having difficulty making up the shortfall in their rent, is only available for a short term period whilst the tenant adapts to their new circumstances. It will not prevent evictions where claimants are unable to manage their finances successfully in the long term.

As well as changes to limit the amount of benefits paid out to households claimants will be expected to apply on line, manage their money monthly and receive their housing costs directly as part of a single sum called Universal Credit. Tenants will be responsible for paying their rent directly to their landlord (either social or private) directly. The uncertainties on the degree of impact these changes will have makes it vital to have a flexible homelessness prevention strategy.

Summary of the welfare reforms:

- The reorganisation of several different benefits (including Housing Benefit) into one single Universal Credit, paid direct to claimants.
- The expectation that most claims be made online.
- The increasing of conditions, for example to job search for up to 35 hours a week, before claimants can receive benefits.
- Increasing sanctions on claimants who don't meet their claim conditions.
- A tightened medical assessment process for the claiming of disability and sickness benefits, and the introduction of Personal Independence Payment which will be implemented over the next few years.
- The expectation that most claimants' will open a bank account and manage their own finances independently.
- Claimants who do not find and sustain work will be subject to Total Caps.
- Larger families will be particularly affected by significant benefit reductions.
- New size criteria for benefit claimants (living in social or private accommodation) means payments will be reduced for those with 'spare rooms' and these households will be expected to search for cheaper or smaller accommodation, or make up the shortfall in rent out of their own pocket.
- Social Fund Crisis Loans and Community Care Grants were no longer available after April 2013.
- Council tax support from Central Government has been abolished and replaced with payments via Local Authorities, but not for the full amount, which means more people now have to contribute something towards their council tax.

Achievements since our 2008 Homelessness Strategy

The city has focused its energy and resources increasingly on preventing homelessness. Consequently we have seen a 50% increase in the number of recorded homelessness preventions. In 2008 the number of households prevented from becoming homeless was 902, but five years later this increased to 1486 cases in 2013.

Whilst homeless acceptances have increased nationally by 20% over the last four years, in Southampton we have successfully managed to restrict this figure to 10%. This is a significant achievement and illustrates a higher proportion of preventions per head of population than the South East as a whole.

Tackling homelessness – Southampton’s key headlines:

- We met the statutory **six** week maximum in B&B throughout the last 5 years
- The use of temporary accommodation for families was halved, meeting the government target of 134 (in 2010).
- We prevented **1486** households from becoming homeless in 2012/13.
- In 2012/13 we procured private rented accommodation for **286** priority need households, through use of bonds and deposits.
- Together with our social housing provider partners, we delivered **1796** affordable new homes between 2007/12.
- Between 2009/13 we rescued **36** owner occupiers under the government’s Mortgage Rescue Scheme, enabling home owners to become tenants and remain in their home.
- We worked successfully with private sector landlords to ensure accommodation in the private sector remains a realistic option. Two new projects were launched; to provide much needed shared accommodation for young people, and settled homes with long term leases to help more former homeless people get back on their own two feet.
- We identified families affected by the four-bed Housing Benefit limit, and negotiated new rent levels or helped them to find alternative accommodation.
- A successful bid of £200,000 of Homelessness Transitional Funding ensured the city’s only remaining Day Centre stays open for two years after its local funding was cut. The Centre provides an essential service for the city’s rough sleepers.
- A new single homeless service pathway was introduced following the service review of supporting people funded services.
- We supported 25-35 year olds access appropriate accommodation through the Day Centre.

- Private rented accommodation was accessed at the Day Centre for **120** households in 2012/13. This includes single homeless clients who received funds for a deposit or rent in advance, through the help of an Accommodation Officer at the Day Centre.
- Using the Homebid lettings system we have been able to maintain a route into social housing that is not dependent on a household becoming homeless.
- We have achieved considerable success in ensuring tenants in our temporary accommodation are supported and can prepare for a move on into stable accommodation.
- We developed a programme of publicity to help raise awareness of the many welfare benefit changes.
- Working with the DWP we visited 249 families who were identified as being affected by the benefit cap, to help them prepare for the cut in income.

Homelessness Review 2013

Homelessness Trends

To help us prepare for the development of this Strategy, and in order to explore the challenges facing the city, a statistical review of homelessness and homelessness services in Southampton was carried out. This information was shared with a wide range of agencies that are involved in helping to deliver services to homeless people citywide.

The review was led by the Homelessness Strategy Steering Group who met regularly to monitor progress of the Strategy, help steer change and make recommendations for use of government grant funding.

It was completed in consultation with key stakeholders (organisations and agencies working in Southampton on homelessness related issues) including:

- Adult and children's social care services
- Health services
- Youth offending service
- Probation service
- Various advice agencies
- Housing partners and providers.

Stakeholders were asked to complete questionnaires that focused on the main issues facing three distinct groups who encounter homelessness: young people (16 – 25 year olds), single people (including rough sleepers) and families. The aim was to identify the needs of these groups, and find solutions.

A summary of the financial challenges ahead along with these review findings were used as evidence of the needs in the city, and provided a framework to help us develop a coherent and viable Homelessness Prevention Strategy.

The review provided hard evidence of the collective success of the homelessness prevention measures in Southampton over the past few years, which is a tribute to the collective work of many agencies across the city.

A separate homelessness full review document including the full list of agencies consulted as part of the review is available on the council's website at www.southampton.gov.uk/need_full_web_link.

The results of the consultation with stakeholders are outlined below, and the challenges identified for the future are discussed in the next section.

The stakeholders came to the consensus that the four key objectives in our current strategy remain relevant and should be retained as the focus for looking forward. These objectives are:

1. Prevent homelessness.
2. Maximise the number of available homes in the city to all sectors of the community including homeless people.

3. Provide good quality accommodation with support for short periods only, in order to enable successful move on and maintenance of a settled home.
4. Improve positive outcomes for homeless people or people at risk of homelessness.

The workshops identified real concerns about shrinking resources and potential increasing demand for services from homeless clients. Participants were asked to prioritise the critical services for each target group and set commitments that the city should follow:

Young People

1. Refrain from the use of B&B for 16/17 year olds except in emergencies.
2. Return young people to the family home where it is safe to do so, and keep the possibility of return home even when placed in supported housing.
3. Avoid placing young people under the age of 25 in adult services wherever possible.
4. Carry out early planning for housing for those leaving care in order to improve outcomes.

Single Adult

1. Keep numbers of rough sleepers to minimal levels and retain a rough sleeper outreach service that can locate and work with street sleepers.
2. Retain emergency assessment accommodation for rough sleepers so that they can be taken off the street, in line with the government guidelines of '*No second night out*'.
3. Ensure vital Day Centre provision is retained so that homeless people have access to basic needs and services that support the accommodation pathway.
4. Keep a range of accommodation provision that reflects the differing needs of single adults, and enables them to progress to sustainable independent living.

Families

1. Make only minimum use of B&B for families.
2. Ensure temporary accommodation is of good quality, located in a range of locations across the city and used for time limited periods to reduce the uncertainty for families.

3. Keep resources focused on assisting families to stay in their homes and retain an approach which supports families to find their most appropriate solution.
4. Ensure that homelessness priority for social housing is balanced against other housing needs so that incentives to homelessness are not created.
5. Make use of the new power to use accommodation in the private rented sector, but only where it meets a good standard and is available for more than two years.

Looking forward: emerging challenges and opportunities

Welfare reform and social policy changes nationally are likely to bring significant challenges to homelessness services in the coming years. Housing need and demand for services is intensifying, and there are early warning signs that homelessness is on the increase. Whilst actual numbers of additional homeless households are still small, the worry is how we will be able to respond in financially constrained times should this trend continue.

The key challenges identified by the review are explored below:

Homelessness Prevention

Feedback from private landlords indicates that many are reluctant to let their properties to benefit claimants because of the uncertainty this represents for their rental income. Private landlords who do not receive rent payments from tenants who are struggling to manage on a reduced income or benefit reductions, will look to recover possession of their property, leading to more evictions and increases in homelessness.

Similarly, in the social housing sector there is also increasing pressure on both council and registered provider landlords to collect rent to help fund the development of further homes or as a consequence of self financing arrangements. Whilst this presents opportunities to improve services, it is heavily reliant on the full collection of rental income. In addition, new social rent levels charged under the Affordable Rent regime are higher than previously which make the burden of collecting these rents from hard pressed households much greater. This is compounded by reductions in the direct payment of rent by housing benefits. Under-occupancy deductions, benefit cap restrictions and the introduction of Universal Credit, will all create additional burdens on collection of rent and have the potential to increase the numbers of tenants evicted for rent arrears. In 2012/13 the Council received £40 million in Housing Benefit payments for council rents – around half of the authority's rental income – which is now insecure with the introduction of Universal Credit.

Household incomes are clearly under pressure as a consequence of increasing living costs and reduced incomes. The migration from Disability Living Allowance to the new Personal Independence Payment is predicted to reduce available income to households with disabilities by up to 40%. Larger families especially will be affected by the benefit cap of £500 per week, which may mean some households will need to use up to 50% of their income to pay their rent. All benefit claimants, except pensioners, will see increases in the amount they have to pay for council tax. This increasing pressure on household incomes coupled with a rise in both private and social housing rents, pose significant difficulties for vulnerable, especially larger families. Our challenge is to support households in making the right choices on how they spend their income, how best to budget and how to improve their long term prospects for independence through paid work.

Owner occupiers have not been shielded from the economic downturn and also pose a potential risk to becoming homeless. Employers are being forced to make increasing numbers of redundancies, which can increase an owner occupier's chances of losing their home. Repossession rates however are lower than in previous economic downturns. This is due to relatively low mortgage interest rates, lower sales values locally, and the introduction of a Government Mortgage Rescue Scheme coupled with positive measures that lenders now have to follow.

We are concerned about the possibility of increasing homelessness amongst owner occupiers. Lenders may start to repossess more homes from struggling homeowners when property prices start to rise, and likewise if there is a mortgage interest rate rise the ability for owners to sustain their repayment is threatened. This is coupled with the impending termination of the current government funded Mortgage Rescue Scheme in March 2014, one of our primary prevention tools, that may also lead to additional homelessness pressure.

Supply and use of stock

The size of the private rented sector in Southampton is twice the size of the national average, yet it is out of reach financially for increasing numbers of families and single people. Therefore it may no longer be a realistic option for low income households, especially those needing larger accommodation when Universal Credit is introduced. National increases in homelessness acceptances have already risen, due to the end of Assured Shorthold Tenancies, from 14% to 21%. Locally the rise in households accepted as homeless due to the end of Assured Shorthold Tenancies is from 19 in 2008/9, to 74 in 2012/13. We anticipate that this figure will continue to rise.

Equally access to good quality private rented housing is a challenge many families are facing. A Housing Condition Survey of Southampton's private sector housing in 2003 found that 23,600 homes were non-decent and 15,300 in need of substantial repair. Regulations and HMO additional licensing is a welcomed addition to improve conditions of private sector accommodation; however there is some suggestion that a few landlords may withdraw from the lettings market deterred by tougher regulation. Private rented accommodation is heavily relied upon as a significant means of preventing homelessness, so managing these two important but competing priorities will be a challenge.

Within the social sector, demand for council housing and registered providers is outstripping supply as families and single people attempt to access this accommodation in the absence of other affordable options. Over half of the Housing Register - which currently stands at 14,000 - are single people. As the welfare reforms take effect we anticipate the demand for larger family homes to further increase. We have already seen increased demand for smaller accommodation from social housing households affected by the 'spare room' benefit reduction. Estimated supply of new build suggests a shortfall of roughly 1,471 homes per year. This is coupled with a further concern that Affordable Rents introduced on new social housing developments may still be out of reach for some low income families.

We also anticipate increasing demand for local social housing stock due to displacement of households from higher cost areas in Hampshire and London, as families affected by the benefit cap relocate to places like Southampton to find cheaper accommodation. This in turn will place extra pressure on other local services including health, social care and children's services.

Temporary accommodation for short periods

In Southampton, placement of families into B&B accommodation has always been a last resort, carried out in accordance with statutory requirements, whilst other housing options are explored. If homeless applications rise as expected, the use of B&B accommodation for vulnerable households, especially for those with children, will inevitably increase as an emergency homelessness response. In 2009, No. 5 Bellevue Road (which provided temporary support needs for the 16 – 65 age group) closed with the loss of 63 units of accommodation. The loss of this short term supported accommodation makes alternative arrangements for this client group a big challenge.

A reduction of Supporting People funds will further reduce the numbers of available bed spaces in supported housing for the single homeless, and subsequently may lead to increases in numbers of people having to sleep rough or 'sofa surf' for longer spells. The average number of rough sleepers found on outreach sessions has doubled from five people in 2008/09 to 9.8 people in 2012/13, with a 50% increase in the numbers of separate individuals found during the year from 98 in 2009/10 to 154 in 2012/13.

Rough Sleepers

The number of people found sleeping rough on Southampton's streets has been variable over past years, but the increase in average numbers as outlined above shows that rough sleeping remains a real concern.

A particular issue is the significant rise in EU accession state nationals found sleeping rough in Southampton (which is higher proportionally than in London).

Local outreach sessions have found an average of 48% of rough sleepers come from EU member states (compared with 28% of London's rough sleeping figures collected by CHAIN). This figure may increase further with the removal of restrictions from new EU accession states joining in January 2014.

Sustaining Positive Outcomes

Supporting People funded services play an essential role in preventing homelessness in the city (through providing accommodation and floating support), but pressure on local budgets will impact seriously on some of our most vulnerable client groups.

Supporting People homelessness services provide the main support to help drug and alcohol users turn their lives around and find settled accommodation. Trained support workers focus on harm minimisation, and provide particular support for offenders leaving prison and those completing drug and alcohol rehabilitation. New proposals to change resettlement support services for offenders (via the Ministry of Justice's Transforming Rehabilitation agenda) are likely to create uncertainty and additional pressure on housing and associated services. Reductions in funding may impact on the ability of these services to address their clients' housing needs.

We know there are many challenges ahead, including:

- The potential for more households to be evicted for rent arrears, following benefit reductions.
- Increasing pressure on our finances due to tighter budgets and changes to the way homeless funding is allocated.
- Instability and uncertainty in the voluntary and community sectors caused by budget restrictions.
- The increasing reliance on the local private rented sector, and the need to increase good quality, affordable accommodation.

Despite these challenges we see opportunities for the future. Front line statutory services have been brought together in the council's new People Directorate, and with the council taking responsibility for Public Health there are now much closer and stronger links with health care commissioning.

The successful work being undertaken within the Families Matter programme (Southampton's response to the government's Troubled Families agenda) will build on existing prevention work and help many more families maintain their homes.

We remain committed to tackling and preventing homelessness in Southampton by continuing to develop best practice, working with partners and pooling city wide resources.

This Strategy sets out our ongoing objectives and illustrates our continuing achievements against them. We have highlighted and identified challenges that we consider may hinder our progress in delivery of those objectives.

An Action Plan will be developed to detail our anticipated approach, yet offer flexibility to enable our services to adapt to changing priorities as they emerge.

Homelessness Prevention Strategy 2013 - The way forward

We have drawn on our experiences and achievements to produce our current Homelessness Prevention Strategy. It has also been developed in light of national policy and the rapidly changing environment, and as such we have made a commitment to review it annually.

This annual review will be carried out within the Homelessness Strategy Steering Group, where all relevant agencies are represented. This will ensure the actions remain responsive to the realities on the ground. By keeping a close eye on progress we aim to ensure that services and statutory responsibilities continue to be met and that we maintain a clear focus on preventing homelessness in Southampton.

We have drawn up the following minimum standards for preventing homelessness in Southampton:

Homelessness Prevention Strategy Priority actions:

- Continue to foster a city approach to tackling homelessness to sustain a strong focus on preventing homelessness.
- Carry out close monitoring of homelessness demand and impacts on other agencies funded to prevent homelessness, so that early responses can be made.
- Promote the positive contribution of working together to achieve collective aims and realise the benefits of joint working that the new Council People Directorate brings.
- Engage with work and skills development programmes to assist benefit dependent households into work – increasing access to IT and computer literacy to help in this process.
- Encourage household budgeting skills and facilitate access to low cost financial products as a means of improving financial capability amongst vulnerable groups.
- Work in partnership with local advice agencies and courts to deliver prevention advice targeted at those most in need of it.
- Develop sign up to policies, for both private and social landlords that avoid eviction and do not exclude those in greatest need.
- Sustain access to good quality private accommodation and 'bring back' empty properties into use by working with private sector landlords.
- Deliver the right level of temporary accommodation for families through the council's asset plan and ensure capital resources are made available for investing in the accommodation.
- Ensure participation in the review of supported housing for young people and parents and seek the right range of housing provision for care leavers.

- Protect current funding for homelessness services and continue to target homelessness funds towards prevention activities.
- Support funding opportunities that complement the city's homelessness prevention agenda in light of dwindling local authority finances.
- Develop close working with private sector leasing schemes and registered providers to sustain a flow of additional accommodation.
- Build on work with the Police, Probation and Borders Agency to tackle entrenched rough sleepers in line with a '*No second night out*' approach.
- Consider new trends in housing need as part of Lettings Policy review so that we continue to use social housing to best effect and as a strong prevention tool.
- Maintain close working with registered providers to influence the development of more homes of the right mix of property sizes.
- Maintain current arrangements for rent direct payments to private landlords where they accommodate vulnerable tenants and work to maximise the opportunities for rent direct to all landlords under Universal Credit where this will sustain tenancies for vulnerable households"
- Investigate the cost of providing emergency beds for rough sleepers with no recourse to public funds during severe weather via the current providers.

We will monitor trends in homelessness annually by using the following set of Priority Indicators to ensure that the strategy and service can adapt to the changing landscape. We will:

1. Closely monitor the incidence of statutory homelessness and homelessness prevention numbers.
2. Liaise with Housing Benefit, Private Sector housing team and maintain landlord forums to seek to identify the numbers of landlords in the private rented sector no longer housing our clients.
3. Monitor court possession hearings and evictions of social housing tenants.
4. Track any rise in numbers of families approaching services who are unable to afford their accommodation.
5. Record increases in use of B&B temporary accommodation, by volume, length of stay and the cost to the council.
6. Investigate increase in displaced homeless applicants moving to our area through Local Authority notifications and via referral from services such as Health Visitors.
7. Track the dependence on food banks by amount of local welfare assistance and grant funds used.

8. Monitor the number of casework enquiries from families with financial and debt problems.
9. Track the increase in families overcrowding themselves in smaller accommodation through the Housing Register, social care agencies and Health Visiting teams.
10. Monitor rough sleeping numbers by regular street outreach counts and numbers of people accessing the Day Centre.
11. Profile the ages of clients found on street counts and log numbers accessing specific services such as No Limits to track any rises in young people becoming homeless.
12. Record numbers of young people provided with supported housing that prevents them becoming homeless and the numbers of pathway housing plans completed prior to leaving care.
13. Plot any rise in people fleeing domestic violence against homelessness causes.
14. Record the numbers of people subject to the benefit cap requiring homelessness assistance.

Action Plan under development

The Homelessness Strategy Steering group are to be tasked with devising a yearly work plan in line with the priority actions outlined in the draft strategy. The group is scheduled to meet in November where this will be considered.

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Agenda Item 12

DECISION-MAKER:	LICENSING COMMITTEE			
	CABINET			
	COUNCIL			
SUBJECT:	SCRAP METAL DEALER LICENSING			
DATE OF DECISION:	26 SEPTEMBER 2013 (Licensing Committee)			
	15 OCTOBER 2013 (Cabinet)			
	20 NOVEMBER 2013 (Council)			
REPORT OF:	HEAD OF LEGAL, HR & DEMOCRATIC SERVICES			
<u>CONTACT DETAILS</u>				
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STATEMENT OF CONFIDENTIALITY				
Not applicable				

BRIEF SUMMARY

The Scrap Metal Dealers Act 2013 introduces a new licensing scheme from 1 October 2013, replacing the previous simple registration requirements for scrap metal dealers and motor salvage operators.

Legal difficulties in the implementation by central government have resulted in a very tight timescale and the function being deemed to fall to the Cabinet pending anticipated changes to the Local Authorities (Functions and Responsibilities) Regulations 2000.

RECOMMENDATIONS:

Licensing Committee:

- (i.) To note the contents of this report;
- (ii.) To note the fees associated with the function determined under delegated powers by the Head of Legal, HR and Democratic Services;
- (iii.) The Committee recommends to Cabinet to delegate to the Head of Legal, HR and Democratic Services:
 - the administration and enforcement of the function and;
 - the power to request further information of applicants (paragraph 4, schedule 1);
 - to determine applications (including refusal), revoke licences or to impose conditions under section 3(8);
 - the power to issue or cancel a closure notice for unlicensed sites,

and, where appropriate, to apply for closure orders (schedule 2) and take such other action in this respect as may be required.

- (iv.) The Committee recommends to Council to delegate the function to the Licensing Committee, when the power to do so is available.

Cabinet:

- (i) To delegate to the Head of Legal, HR and Democratic Services:
- the administration and enforcement of the function and;
 - the power to request further information of applicants (paragraph 4, schedule 1);
 - to determine applications (including refusal), revoke licences or to impose conditions under section 3(8);
- the power to issue or cancel a closure notice for unlicensed sites, and, where appropriate, to apply for closure orders (schedule 2) and take such other action in this respect as may be required

Council:

- (i) To delegate the function to the Licensing Committee, when the power to do so is available.

REASONS FOR REPORT RECOMMENDATIONS

1. The legislation gives the Council new statutory licensing powers replacing existing registration powers with effect from 1 October 2013.
2. The Council is required to carry out the function, although, at the date of this report, it has not been made clear whether this will be an executive or non-executive function.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3. Given the statutory nature of the function, there are no alternative options.

DETAIL (Including consultation carried out)

4. In recent years metal theft has been one of the fastest growing crimes in the UK. It affects communities, businesses and Councils themselves and a Local Government Association (LGA) survey shows that metal theft cost Councils over £5.25 million in 2010/2011.
5. Since 2011 a number of organisations including the Police, Councils and the Environment Agency through “Operation Tornado” have been successful in reducing the amount of metal theft in the UK. This led to the LGA along with other bodies pressing the Government to update the regulations relating to scrap metal dealers.
6. Scrap Metal is defined in the Act as “*any old, waste or discarded metal or metallic material or any product, article or assembly which is made from or contains metal and is broken, worn out or regarded by its last holder as having reached the end of its useful life. But gold, silver and any alloy of which 2 per cent or more by weight is attributable to gold or silver is not considered scrap metal*”.
7. The Scrap Metal Dealers Act 2013 comes into force from 1 October 2013 and repeals the Scrap Metal Dealers Act 1964 and Part 1 of the Vehicles (Crime)

Act 2001 (motor salvage operators), replacing them with a new system of licensing to be administered by local authorities.

8. Significant differences between this and the previous scrap metal dealer and motor salvage operator functions are as follows:

- Licences, as opposed to registrations, with a consequent power to consider suitability of applicants
- Scrap metal dealer and motor salvage operators are now both regulated by the same legislation
- Requirement not to issue a licence unless the Council is satisfied as to the applicant's suitability and power to revoke a licence
- Power to impose licence conditions in case of conviction as to the times when scrap may be received and that scrap metal must be kept in its original form for a specified period following receipt
- Two categories of licence – sites and collectors
- No cash payments for scrap metal, although an exception remains for the purchase of vehicles in limited circumstances
- Power to give notice to close unauthorised sites
- Licences are for a three year period
- The holder of a licence can only hold one licence in each local authority's area, but may hold licences in multiple local authority areas. Thus the holder of a site licence in one area might hold a collector's licence in another.
- The legislation requires that an application for a licence is accompanied by a fee set by the local authority.
- Specific compliance and enforcement powers for the council and police

9. The following fees have been calculated in accordance with the legal requirements and recent Home Office guidance to ensure, so far as is possible, that the costs of administering the function and ensuring compliance by licence holders can be met.

Site licence - grant and renewal	£450.00
Site licence variation	£100.00
Collector's licence - grant and renewal	£300.00
Collector's licence variation	£100.00
Replacement licence	£25.00

10. These fees have been set by the Head of Legal, HR & Democratic Services under delegated powers after consultation with the Leader of the Council and will be reviewed on a periodic basis..

11. Under the scheme of delegation, it is proposed that the function be delegated to the Head of Legal, HR and Democratic Services, save that where it is proposed that an application should be refused, a licence revoked, or conditions imposed and the applicant or licence holder exercises their right to make representations, such hearings should be dealt with by the Licensing

(General) Sub-Committee, when the legal power to delegate the function to that sub-committee is available.

12. Determinations of applications will be subject to guidance by the Home Office, which had not been made available at the date writing this report.
13. Where an application is refused or a licence revoked, there will be a right of appeal to the Magistrates' Court against the decision.
14. Currently, because the government has yet to amend the Local Authorities (Functions and Responsibilities) Regulations 2000, the default responsibility for this function is with the Executive.
15. When these regulations have been amended, it is recommended that Council should delegate the function to the Licensing Committee as a non-executive matter.

RESOURCE IMPLICATIONS

Capital/Revenue

16. None, save that the proposed fees are intended to ensure that the costs of carrying out the function are met, in respect of administration and compliance, in their entirety.

Property/Other

17. It is anticipated that this function will be carried out within the Licensing Team within existing resource constraints.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

18. The Scrap Metal Dealer's Act 2013 comes into effect from 1 September 2013 in respect of setting fees, from 1 October 2013 in respect of the remainder of the legislation, save for the offences and powers of closure, which come into effect on 1 December 2013.
19. The Act imposes a duty on the Council to carry out the various functions it provides.

Other Legal Implications:

20. Section 17 of the Crime and Disorder Act 1998 requires that:
"Without prejudice to any other obligation imposed on it, it shall be the duty of each authority to which this section applies to exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all it reasonably can prevent crime and disorder in its area (including anti social behaviour and other behaviour adversely affecting the local environment) ..."
21. The licensing of scrap metal dealers clearly engages with this requirement and it is considered that the requirement will be met if the course of action indicated in this report is followed.

POLICY FRAMEWORK IMPLICATIONS

22. None.

KEY DECISION? No

WARDS/COMMUNITIES AFFECTED:	Not applicable
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SUPPORTING DOCUMENTATION

Appendices

1.	None.
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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 13

DECISION-MAKER:	CABINET			
SUBJECT:	FEASIBILITY WORK FOR THORNHILL DISTRICT ENERGY SCHEME			
DATE OF DECISION:	15 OCTOBER 2013			
REPORT OF:	CABINET MEMBER FOR HOUSING AND SUSTAINABILITY			
<u>CONTACT DETAILS</u>				
AUTHOR:	Name:	Colin Rowland	Tel:	023 8083 3561
	E-mail:	colin.rowland@southampton.gov.uk		
Director	Name:	John Tunney	Tel:	023 8091 7703
	E-mail:	john.tunney@southampton.gov.uk		

STATEMENT OF CONFIDENTIALITY

Not Applicable

BRIEF SUMMARY

The Council is in the process of securing Energy Company Obligation (ECO) funding. This is a significant opportunity to provide for structural and environmental improvements to the Council's housing in the City and includes funding support for new heating and hot water systems.

An ECO funded energy improvement programme supports the Council's strategic aspirations to improve insulation and heating in its housing stock, and to provide support to residents with the aim of responding to fuel cost rises and tackling fuel poverty.

As part of this investment programme Cabinet are requested to approve the next stage of development for a District Energy (DE) scheme in the Thornhill area of the City. Such a scheme has the potential to provide fuel bill savings for residents, achieve significant Carbon reductions, provide a long-term revenue stream for the Council and generate local employment opportunities.

Investment funding for the scheme will be required from the Council using a mix of General Fund and HRA Capital. Significant ECO funding is available which is essential to the financial viability of the scheme. The scheme forms part of the overall ECO funded investment programme. There will also be ongoing revenue implications for the Housing Revenue Account (HRA) and General Fund (GF).

Cabinet is requested to approve the next phase supported by Capita, which includes: seeking planning approval; engaging with residents, securing ECO funding, developing a detailed financial business case and preparing for an OJEU tender covering a Design, Build, Operate and Maintain (DBOM) contract. The detailed financial business case will include an assessment of the capital and revenue implications for the HRA, GF and the tenants who will receive their heating and hot water from the scheme.

The proposed project plan provides outline timescales for the next phase of the development with key dates for the delivery of a scheme prior to April 2015 in order to capture and guarantee the maximum amount of ECO funding. A final decision to

deliver the scheme would be required at Council in November 2013. That report will include the full financial assessment and will seek approval for the required Capital expenditure and the procurement and appointment of a preferred contractor to commence works in early 2014 (utilising appropriate delegated approvals). Subsequent stages would see design, build and operation of the plant, laying heating mains, connecting the flats to the new facility and setting up the payment mechanisms by April 2015.

RECOMMENDATIONS:

- (i) To approve for the purposes of the Financial Procedure Rules, expenditure of £120,000 to undertake preparatory work in relation to the proposed Thornhill District Energy Scheme, including consultation with residents, securing planning permission, finalising ECO grant funding and preparations to tender for a Design, Build, Operate and Maintain contract in relation to the scheme, provision for which exists in the 2013/14 HRA revenue budget, with formal contract commitment decision making reports to be presented to Council by November 2013.
- (ii) Note that the detailed financial business case setting out the implications for the GF, HRA and tenants who will be connected to the scheme is currently being prepared and that this will be reported to Council in November.

REASONS FOR REPORT RECOMMENDATIONS

1. This is a significant opportunity to provide for a new heating and hot water system to one of the Council's large housing areas of the City.
2. The scheme has the potential to meet a number of the Council's key strategic objectives by providing the opportunity for savings for residents on their fuel bills, a reduction in Carbon and the generation of a long-term revenue stream for the Council.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3. An alternative option is for the longer term development of a heating system upgrade in the Thornhill estate in anticipation of further ECO funding support being available post April 2015. This approach carries a risk that ECO funding may no longer be available for this purpose and that a delay would negate the highlighted scheme benefits.
4. An option not to invest in this scheme would leave residents with inefficient heating and insulation, and not address fuel poverty.

DETAIL (Including consultation carried out)

Background

5. The Council approved the development of a Strategic Energy Action Plan (SEAP) in December 2012 as a response to the priority issues of energy cost, energy security and CO2 reduction, as well as other key priorities such as jobs and economic growth.
6. One of the main SEAP project streams is to secure Energy Company Obligation (ECO) funding which is currently available from the energy utilities to support the delivery of insulation and to fully or partly fund new heating installations in selected Council owned housing areas of the City. The Council is in the process

of selecting a suitable strategic partner to deliver a substantial ECO programme over the next 2 - 7 years.

7. ECO funding is currently guaranteed until April 2015 for completed schemes. Although there is likely to be a further ECO funding round for the period to 2020, the level of funding and criteria for investment are yet to be determined. This lack of certainty over future ECO funding is a significant driver for the actions and the timescales outlined in this report.

Fuel Poverty and Affordable Warmth

8. The Council is committed to addressing the continuing rise in energy bills affecting its tenants and leaseholders in the City. A large proportion of the Council's housing stock in the City uses electricity as the principal means of providing heating and hot water. These heating systems are inefficient, costly to run and generate relatively high amounts of Carbon.

Other heating system technology choices for the public sector housing stock are:

- Newer more efficient and controllable electrical heating systems;
 - Individual gas boilers and where appropriate communal gas or biomass boiler district heating systems for tower blocks and larger blocks of flats;
 - District Energy networks with gas Combined Heat and Power (CHP) and biomass boilers for two or more multi occupied buildings.
9. The availability of substantial ECO funding allows the Council to deliver measures to support an Affordable Warmth Strategy across the housing stock. A copy of this policy can be found in Appendix 1.

District Energy

10. A related SEAP project stream is to explore the potential for developing DE schemes in the City. DE covers both district heating and cooling, and can also include Combined Heat and Power (CHP) through electricity generation and using the waste heat for a hot water network. These schemes are seen to be the most cost effective and efficient ways to deliver heat and hot water in areas of high building density and demonstrate the following strategic outcomes:
 - Helping to tackle fuel poverty by providing residents with more control over current and future energy costs;
 - Improving building performance and reducing long term maintenance and replacement costs for alternative heating systems;
 - Producing a potential revenue stream for the scheme owner;
 - Reducing CO2 levels on a whole lifecycle basis.
11. There are currently five DE schemes in Southampton which include; Centenary Quay, the University of Southampton campus, and the General Hospital. Cofely District Energy finance, own, operate and maintain the City Centre scheme (including the Holyrood Estate), These schemes collectively reduce CO2 emissions in the City by circa 20,000 tonnes per annum and achieve in excess of £4M savings per annum in energy for scheme consumers.
12. A number of feasibility studies were undertaken by Capita on behalf of the Council in areas identified by a 2010 citywide heat mapping exercise. The feasibility studies demonstrate that in areas of high building density DE

networks could represent the best solution for heating and hot water.

13. Although residents will inevitably be subject to future energy price rises, DE schemes provide the scope to fix prices below market rates to offer a degree of protection. Gas required as a fuel for a CHP engine can be purchased in bulk at a commercial rate that is much cheaper than the domestic alternative. The Thornhill area of the City is considered to be the best starting point for developing a DE scheme in conjunction with ECO energy efficiency improvements for the following reasons:
 - The area qualifies for ECO funding in the current programme with a scheme that could be brought forward quickly, delivering substantial carbon savings.
 - Most of the properties identified are in need of insulation with a large number of the current heating and hot water provision being provided by electricity.
 - There are 3 tower blocks and 88 walk up blocks within the scheme area, comprising over 1,600 individual properties in a very closely defined geographical area. This provides a good level of heat load to sustain a scheme. This would constitute Phase 1 of the scheme.
 - Within the same area, there are a number of potential additional future connections including a further 550 housing units, schools, and the Antelope Retail Park, providing for further financial benefits to energy consumers and the Council. The 550 extra dwellings would constitute Phase 2 of the scheme and the financial implications of this will be part of the report to Council in November. Any subsequent connections are not part of the financial appraisal at this time.
 - There is a clearly identifiable location for the heat station, on a portion of the land currently owned by the Council on the old Eastpoint school site.
14. Although Thornhill is seen as the best choice for an initial DE scheme, it is important to emphasise that this forms part of a much wider energy efficiency programme in the Council's housing stock. The delivery of a DE scheme in Thornhill should be seen in the context of a significant programme of energy efficiency works throughout the City which could be facilitated through ECO funding.
15. Due to pressures on existing resources across the City, it is recognised that the scheme would need to demonstrate a positive rate of return to be considered a viable Council investment. There has already been major investment through the CESP programme in Weston, which involved external cladding and replacement of inefficient electric heating systems in four tower blocks.
16. Capita, drawing on substantial experience of DE and other large scale heating schemes, has developed an outline operational and technical model for the Thornhill scheme. The capital required for this scheme provides for an Energy Centre with a combined heat and power (CHP) plant, heating boilers, all associated internal and external pipe work, metering and radiators. The Capita model shows that the project is worthy of a detailed assessment.
17. The Thornhill scheme would also include a large-scale investment in insulation measures funded predominantly by ECO, which means that the overall investment in Phase 1 would be around £30M based on Capita's model.

Heating Costs

18. One of the key drivers for the scheme is to supply domestic heating and hot water heating at a saving on current and projected future market rates. It should also be noted that tenants with electric heating currently pay for electricity to provide hot water through a separate utility supply which needs to be taken into account when evaluating the overall energy saving arising from a new combined scheme for both heating and hot water. More information on this likely reduction will be presented in the detailed business case which will be available for the November Council report.

Public Versus Private Sector Investment

19. Most DE schemes in the UK are developed and managed by commercial companies who have access to capital plus the resources and expertise to deliver large, complex schemes. The commercial success of the Southampton City Centre scheme and subsequent schemes delivered by Cofely, and other providers demonstrates this (e.g. Birmingham, Coventry, and Leicester). In these instances, the local authority has passed most of the project risks onto the private partner and supported the growth of the scheme through its influence and the provision of assets. These schemes have been key contributors to inward investment and economic growth.
20. However, a decision to pass ownership of the scheme to the private sector removes control over the strategic development of the network and removes the ability to exert a degree of control over the price consumers pay for energy. The returns on invested capital accrue to the investor and most commercial operators of DE schemes expect much higher returns on capital invested than a local authority.

The Council can also borrow capital to fund a scheme with interest rates that are currently low and less than commercial funding rates.

21. By investing in a DE scheme, the Council is taking on a degree of financial risk in terms of the construction and operational costs of the scheme. However, in turn as an investor the Council would also be in a position to take advantage of any financial returns. It also provides for a higher level of control over the future development of the scheme.
22. A number of local authorities in the UK have taken the decision to invest in DE schemes. These include Woking (Thameswey Ltd), Aberdeen, Nottingham and Islington. Other local authorities including Manchester, Newcastle, Leeds and Bristol Portsmouth are also examining the feasibility of investing in DE networks using ECO funding to subsidise a large proportion of the capital costs for relevant housing schemes. However, currently only Islington Council has developed a scheme along the lines being considered in this report. A summary Carbon Trust case study of local authority schemes can be found at the following link:
<http://www.carbontrust.com/news/2013/01/decentralised-energy-powering-a-sustainable-future>
23. In summary, in return for taking on the risk associated with this scheme, the benefits of retaining Council control over the DE network which accord with key Council strategic objectives are:

- Control over the charges levied to consumers;
- Control over the maintenance and investment strategies for the scheme;
- The opportunity for surplus income to be retained by the Council.

24. It is proposed for the reasons given above that the detailed business case is prepared on the basis that the capital funding for the Thornhill scheme is provided by the Council using a mix of General Fund, and HRA borrowing and by taking advantage of the ECO subsidy. A final decision on the mix of funding will be part of the report to Council in November 2013.

Delivery Structures

25. Delivering the Thornhill DE scheme and potential future projects requires the Council to define the most appropriate business model and funding arrangements. Other requirements for developing a scheme include considerations and risks contained within a contract to finance, design, build operate and maintain (DBOM) a DE network.

i. ***The establishment of a Council owned Energy Services Company (ESCO) for the delivery and ongoing management of the scheme.***

An ESCo generally refers to a business providing a range of energy solutions, including the design, implementation and ongoing operation of energy power generation and supply. The key advantages of an ESCo are the ability to establish the operation and management of the scheme as a single entity which has a degree of day to day independence and a clear allocated budget. ESCos have the flexibility to act in a commercial manner including selling electricity and heat to commercial users. An ESCo would be liable for commercial tax liabilities and as a council owned company would still be subject to procurement and State Aid rules.

ii. **Direct Council management of the scheme with the required technical support**

Due to the complexities of setting up ESCo arrangements and the time constraints on the project it is recommended that the delivery model considered for an initial scheme in Thornhill involves the direct management of a design and build, operate and maintain contract (DBOM) by the Council. This would involve suitable staff being assigned to manage the operation and maintenance contract let to a private provider following the design and build phase. Islington Borough Council, who has recently completed a housing led DE scheme, has adopted these arrangements.

26. There is an ability to develop an ESCo structure for the scheme, if required, at later date. An ESCo is likely to be the favoured model, if a number of future DE schemes in the City are to be developed or the Council wishes to enter into commercial energy agreements. This is a complex area that needs further refinement at the next stage of development, including more detail on the merits and risks of the different scheme delivery options.

Proposed Next Steps

27. The complexity of this process means that there is insufficient knowledge and capacity within the Council to develop the next stage of delivery. It is therefore

recommended that external support to the project is provided by the Council's strategic partner Capita in the role of 'intelligent client'. As the Council's strategic partner and as a large national public sector provider Capita have the relevant resources and experience available to support the Council in the delivery of the Thornhill scheme and potentially other schemes in the city. Capita also have the detailed knowledge and technical experience of our housing stock with relevant experts in this area of work.

28. The key steps to move to the next stage of development work for a DE/Insulation scheme in Thornhill would be undertaken by Capita who will take responsibility for the following areas of the delivery programme:

Developing the procurement process. Early discussions have indicated that there are contractors willing to tender for the works. One option is whether the DE scheme can be included in the wider ECO contract currently under negotiation. More information on these options will form part of the detailed business case. The key objectives of the preferred contractor would be to provide:

- A scheme that represents the best value for money in terms of current and future costs and benefits to Council tenants and leaseholders;
- A scheme model that can maximise ECO funding subsidy;
- A plan to continually drive efficiencies from the scheme and clear strategies for future expansion;
- An ability to deliver other schemes, if required as part of a wider delivery programme (subject to further funding and procurement);
- Generate jobs in the construction phase of the project

Securing planning consent: A suitable site has been identified and initial discussions suggest that the scheme is acceptable in principle. However, the project involves a chimney and a wood chip/pellet fuelled-boiler. There may also be open space issues to be addressed. More detailed pre-application discussions will need to take place promptly to address all potential planning and environmental issues. The Council will need to secure an additional range of requirements to design the scheme and secure planning permission

ECO funding: Securing the optimum contribution of ECO funding in terms of price per tonne of carbon saved either through the preferred ECO Delivery Partner or via an ECO auction process.

Resident Engagement: Timely, meaningful consultation with residents on the proposals while the project is at a formative state.

Business Case Preparation: A robust business case for the scheme, to be completed to inform decision making in November that addresses the strategic, commercial, financial, economic and management issues, including an assessment of risk for achieving the Council's objectives through this route. This will be supported with specialist skills in financial modelling, HRA business planning and General Fund accountancy. Additional financial inputs are also required to examine the most appropriate funding mix and ensure that the impact is clear for the HRA and the general fund both for capital and revenue.

RESOURCE IMPLICATIONS

Capital/Revenue

29. The cost of the immediate feasibility work is estimated at £120,000. This comprises fees to Capita of £90,000 plus a further £30,000 for other fees, principally those connected with planning. There is budget provision for these costs in the 2013/14 HRA revenue budget. Should a decision be taken not to progress the DE scheme, because the Council considers the business case to be insufficiently robust, then Capita would expect 80% of the fees incurred up to the date that the decision is formally communicated to them. The amount due to Capita from the Council if a decision is taken not to progress the project in November would therefore be £72,000.
30. The estimated project budget for Phase 1 of the DE scheme is £15.5M based on Capita's initial work. This includes the capital costs of the energy centre, the pipe network, wet radiator systems, associated metering and interface units and professional fees. The insulation works for the corresponding properties are estimated to be £15M which would be fully funded by ECO. The overall estimated cost for the heating and insulation scheme is £30.5M. In addition, it may be sensible to undertake other works that are already in the HRA capital programme at the same time.
31. The modelling undertaken to date by Capita assumes the estimated life of the scheme is 40 years. It is estimated that a further phase of the scheme in Thornhill involving around 550 properties but making use of the same energy centre would cost a further £7.4M. It should be noted that some of the costs incurred in Phase 1 are necessary to provide the technical capacity to deliver Phase 2. Whilst this will reduce the immediate financial return on Phase 1, if the expenditure is not incurred it would preclude the extension of the scheme beyond Phase 1.
32. ECO funding support is based on the estimated CO2 savings as a result of insulation and heating installation changes. Recent discussions with the two remaining bidders involved in the Southampton ECO tender and information from a number of other utilities have provided a degree of certainty over the income per tonne of carbon saved. This would result in a contribution to the scheme of £6.5M which means the Council's estimated Capital contribution to Phase 1 would be £9M based on the current forecast cost.
33. The level of ECO funding to support the project cannot be formally established until an agreement is reached with an energy supplier on a 'Best and Final Offer' basis, which would run concurrently with the procurement of the DBOM contract.
34. The current Housing Revenue Account Capital Programme, approved by Cabinet on 5 February and Council on 13 February 2013, includes the provision of £21.5M to support the provision of external cladding and insulation to houses, walk-up blocks and tower blocks in the city as well as alternative heating and renewable energy sources from 2013 to 2018. These resources will be available to support the wider delivery of ECO and DE projects and associated works and fees as part of this partnership.
35. In addition, the HRA retains borrowing headroom of just over £9M within the business plan over this period. This is the maximum funding available to meet all funding requirement on the HRA and the allocation of any of this funding to

Thornhill would need to be considered in light of all other spending requirements.

36. There is no specific funding available in the GF capital programme so the spending that would have to be met from the GF would need to be added to that programme. Given the pressures on the GF revenue position, it will be crucial that there is an immediate return on this investment.

Energy Costs Savings and Revenue Potential

37. Under the currently proposed scheme delivery option there are two main options available for selling the electricity generated by the scheme. One option is for the Council to sell the electricity wholesale to the Network Operator (SSE). Another option is for the Council to purchase some or all of the electricity produced by the Thornhill scheme to replace some of the Council's current consumption. Due to the complexity of the electricity licensing regulations, a more detailed summary of the options available will be produced as part of the more detailed business case.

Detailed Financial Appraisal and Business Case

38. Further work involving specialist financial advice is a part of the full business case, to assess the accounting treatment and consider any impact on the mix of funding for the scheme and the cash flows and rate of return for both the General Fund and the HRA. The accounting treatment will be discussed and tested with the Council's external auditors to ensure that any approach is fully supported. The appraisal will also include a sensitivity analysis to establish the range of financial outcomes that might occur and ensure any risk assessment is fully informed.

Property/Other

39. The provision of ECO funding and Council capital funding will significantly improve the standard of the relevant housing stock in the Thornhill estate, reduce fuel poverty and improve the health and well-being of tenants.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

40. Section 1 of the Localism Act 2011 permits the Council to do anything that any other person or private body could do (the 'General Power of Competence'). The use of the power is subject to a number of pre and post commencement limitations, none of which are considered to apply in this case. Depending on the arrangements ultimately entered into between the Council and the obligated energy company, the implementation of ECO proposals may amount to a public works or a public services contract in some circumstances requiring the Council to fully comply with EU procurement rules when appointing its ECO provider.

Other Legal Implications:

41. The Thornhill DE project will be delivered in accordance with Finance and Contract procedure Rules and any procurement and subsequent delivery of the project will be subject to compliance with the requirements of the Equalities Act 2010, in particular the Public Sector Equality Duty and having regard to the need to reduce crime and disorder in accordance with S.17 of the Crime & Disorder Act 1998.

POLICY FRAMEWORK IMPLICATIONS

- 42. As mentioned in the main body of the report the delivery of a District Energy scheme in Thornhill satisfies a number of Council policies and key objectives, which are included in the provisions of the Southampton Connect Plan, and the Council’s housing and property strategies.
- 43. In March of this year DECC published its strategy for heat, which sets out a framework for delivery which accords with the proposals outlined in this report: A link to the strategy Low Carbon Heating in the UK. is provided below:
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/190149/16_04-DECC-The_Future_of_Heating_Accessible-10.pdf

KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:	Thornhill
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SUPPORTING DOCUMENTATION

Appendices

1.	AFFORDABLE WARMTH AND SUSTAINABILITY POLICY STATEMENT
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Documents In Members’ Rooms

1.	
2.	

Equality Impact Assessment

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.	No
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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)
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1.		
2.		



Housing Services

AFFORDABLE WARMTH AND SUSTAINABILITY POLICY STATEMENT

Policy Commitment

Southampton City Council is committed to reducing the negative impacts and maximising the benefits of our activities on the environment. We also have a genuine commitment to the wider sustainable development agenda.

This Policy statement supports the Council's 'Carbon Reduction Policy'.

Sustainability

Where practicable Southampton City Council (SCC) Housing Services Division recognises the principals of sustainability and through its sustainable objectives will undertake activities that make the least impact on the environment. This will include the following:

- SCC will aim to install the most efficient heating and hot water systems in the Council's housing stock. For example where possible, boilers rated C and below will be replaced with 'A' Rated condensing boilers or with an equivalent or more efficient energy efficient provision (e.g. district energy or communal boilers).
- SCC aims to reduce where possible any unnecessary replacement of parts or systems. Where a renewable resource is used SCC will evaluate and monitor to enhance future standards.
- SCC will maximise the recycling, reuse, and responsible disposal of materials, and promote waste minimisation.
- SCC will carry out all activities in conjunction with planned programmes to enable the comprehensive delivery of energy efficient improvements.

Affordable Warmth

SCC Housing Services is committed to reducing the impact of rising energy bills and reducing fuel poverty and this policy statement will be supported by a fully developed Affordable Warmth Strategy that will outline how it will improve the energy efficiency of its housing stock.

This strategic approach will define how Housing Services will implement measures to improve; the fabric of its buildings, reduce energy consumption and ensure that the type of heating solutions and fuels it will use is the most appropriate for each different type of property within its portfolio of housing stock.

The Council will consider renewable energy technologies where suitable (including installation of energy generating measures), and explore ways to unlock public and private sector finance to supplement HRA energy related



Housing Services

planned programmed works, thus providing best value for the Council and its residents.

Our Commitments

SCC Housing Services makes the following commitments to its residents:

1. We will do all we can to phase out the current landlord controlled heating system giving residents direct control over the heating they use and the cost they pay.
2. We will consider and introduce the most appropriate form of heating, which will be dependent on the nature of each respective property and the opportunities available – this will include:
 - New district energy networks;
 - Combined heat and power;
 - Centralised boilers to supply blocks of flats;
 - Individual gas boilers; and
 - Where there is no alternative to electricity, modern and efficient electrical heating solutions.
3. We will maximise the opportunities available through external grant funding including the Energy Company Obligation (ECO), Green Deal, and Renewal Heat Incentive or their successor schemes to get the best deal for our residents.
4. We will aim to carry out insulation to all our properties to ensure they are as thermally efficient as their construction type will allow including:
 - External wall, or Cavity wall, insulation; and
 - Loft insulation.
5. We will ensure all our properties have double glazed windows.
6. We will introduce a Damp Reduction Initiative to help tackle the causes of damp and mould including support for our residents to best look after their properties. Our strategy will include a ventilation programme to help eradicate the causes of damp.

Our guiding principle is that all of our tenants will save money on their heating and hot water bills as a result of improved insulation and heating so that we can take as many of our residents as possible out of fuel poverty and improve their overall well-being.

Our strategy will be developed by April 2014 and will cover the period from 2014 to 2020 with annual reviews of progress.

September 2013

Agenda Item 15

DECISION-MAKER:	CABINET		
SUBJECT:	DISPOSAL OF BEDFORD HOUSE, AMOY STREET		
DATE OF DECISION:	15 OCTOBER 2013		
REPORT OF:	CABINET MEMBER FOR RESOURCES		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Neville Payne	Tel: 023 8083 2594
	E-mail:	Neville.payne@southampton.gov.uk	
Director	Name:	Mark Heath	Tel: 023 8083 2371
	E-mail:	Mark.heath@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY

Confidential Appendix 2 contains information deemed to be exempt from general publication by virtue of category 3 to paragraph 10.4 of the Councils Access to Information Procedure Rules as contained in the constitution. Publication of this information could influence bids for the property which may be to the Councils financial detriment.

BRIEF SUMMARY

Bedford House is now surplus to Council requirements and is to be offered for sale. A planning application submitted by the Council for a housing scheme with access from Amoy Street and Henry Street was refused at the Planning and Rights of Way Panel in March 2013. The property is now to be sold at auction without planning permission for redevelopment. In order to support the Panel's decision it is proposed that the Council retain a strip of land between Henry Street and the site to be sold to prevent a through route being created at a later date.

RECOMMENDATIONS:

- (i) To approve the principle of the sale of Bedford House by auction
- (ii) To approve the reserve price set out in Confidential Appendix 2.
- (iii) To confirm that the appointed auctioneer be authorised to sign the contract for sale immediately after the auction
- (iv) To note the estimated value of the capital receipt from this disposal has already been built into the funding of the capital programme. Any receipt that differs from the estimates will need to be considered corporately as part of any future prioritisation of resources.
- (v) Should the reserve price be met that the Head of Property, Procurement and Contract Management be authorised to proceed with and take all ancillary action to secure the sale

REASONS FOR REPORT RECOMMENDATIONS

1. Bedford House is vacant and there is no service need for the building. The

property is therefore surplus to Council requirements.

2. Providing there is competitive bidding at the auction and the reserve is met, a sale at auction will achieve the earliest completion of the sale.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 3 Planning permission for an alternative scheme could be sought, and if granted, the property sold with the benefit of that consent. The prospect of obtaining planning permission for a scheme that materially enhances value is uncertain. Seeking a further planning permission will delay the sale during which time the Council will incur costs.
- 4 The property could be marketed by private treaty. This is considered to be a less certain way of achieving an unconditional sale for the property.
- 5 The property could be sold without the retention of a ransom strip, which could encourage higher offers. This would open up the possibility of the purchaser being able to obtain planning permission on appeal for a scheme that allows access from Henry Street.

DETAIL (Including consultation carried out)

- 6 To support the sale of the property, a planning application was submitted for a residential scheme of 10 houses. The scheme provided for access into the site from both Amoy Street and Henry Street and exit via Amoy Street only. Although supported by planning officers, the application attracted opposition from Canton Street residents and was refused on the grounds that the creation of a vehicular access through route would have a harmful impact on the character and community of Canton Street.
- 7 In the light of the refusal, it is not proposed to seek planning permission for an alternative scheme but rather to now sell the site unconditionally at auction. This does not mean that the site will not be redeveloped but it will be up to the purchaser to obtain their own planning permission.
- 8 In order to prevent any purchaser from accessing the property in the future from Henry Street and to support the decision of the Planning and Rights of Way Panel, a small section of land between Henry Street and the property will be excluded from the sale and retained by the Council. This proposal does not constitute a disposal at less than best consideration, as market value will be obtained for the actual piece of land being sold. The retention of the small strip of land however does rule out any possibility of planning permission being obtained in the future for redevelopment of the site with access from Henry Street. It is considered that potential purchasers would bid more for the property if the ransom strip was included in the sale. A higher capital receipt (as indicated in Confidential Appendix 2) is being foregone in order to achieve planning objectives.
- 9 The recommended reserve is set out in Confidential Appendix 2.

RESOURCE IMPLICATIONS

Capital/Revenue

- 10 A sale of the site will release a 100% receipt to the General Fund which has already been built into the funding of the current capital programme. This

assumed that that the sale would complete in 2013/14. Any receipt that differs from the estimates in terms of value and timing will need to be considered as part of any future prioritisation of resources.

- 11 As reported in September 2013 the capital programme is fully funded based on the latest forecast of available resources although the forecast can be subject to change; most notably with regard to the value and timing of anticipated receipts. In addition to the forecast capital receipts there will be additional receipts which will flow from the enhanced sale of assets programme as this comes to fruition. Towards the end of 2013/14 it should be possible to better estimate the amount and timing of these forecast additional receipts.
- 12 The future intention is to use any additional capital receipts from disposals over and above those which are funding the current programme to repay long-term council borrowing. In practice this will be subject to the current position on temporary borrowing at that time together with any future prioritisation of resources.
- 13 Any ongoing revenue costs associated with maintaining the site until disposal will be covered within existing property management budgets. These costs will continue to create a pressure on this budget in 2013/14 until disposal is complete

Property/Other

- 14 If the sale of the site does not proceed or is delayed, this will result in ongoing maintenance and security costs. Also rates are being paid in relation to this property. The Council are currently incurring costs of approximately £2,200 per month

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

- 15 Section 123 Local Government Act 1972.

Other Legal Implications:

- 16 None

POLICY FRAMEWORK IMPLICATIONS

- 17 The proposal set out in this report is not contrary to any policy implications. The disposal of a council property for a capital receipt supports the Councils capital programme.

KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:	Bargate
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SUPPORTING DOCUMENTATION

Appendices

1.	Site Plan
2.	Reserve Price (Confidential)

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:

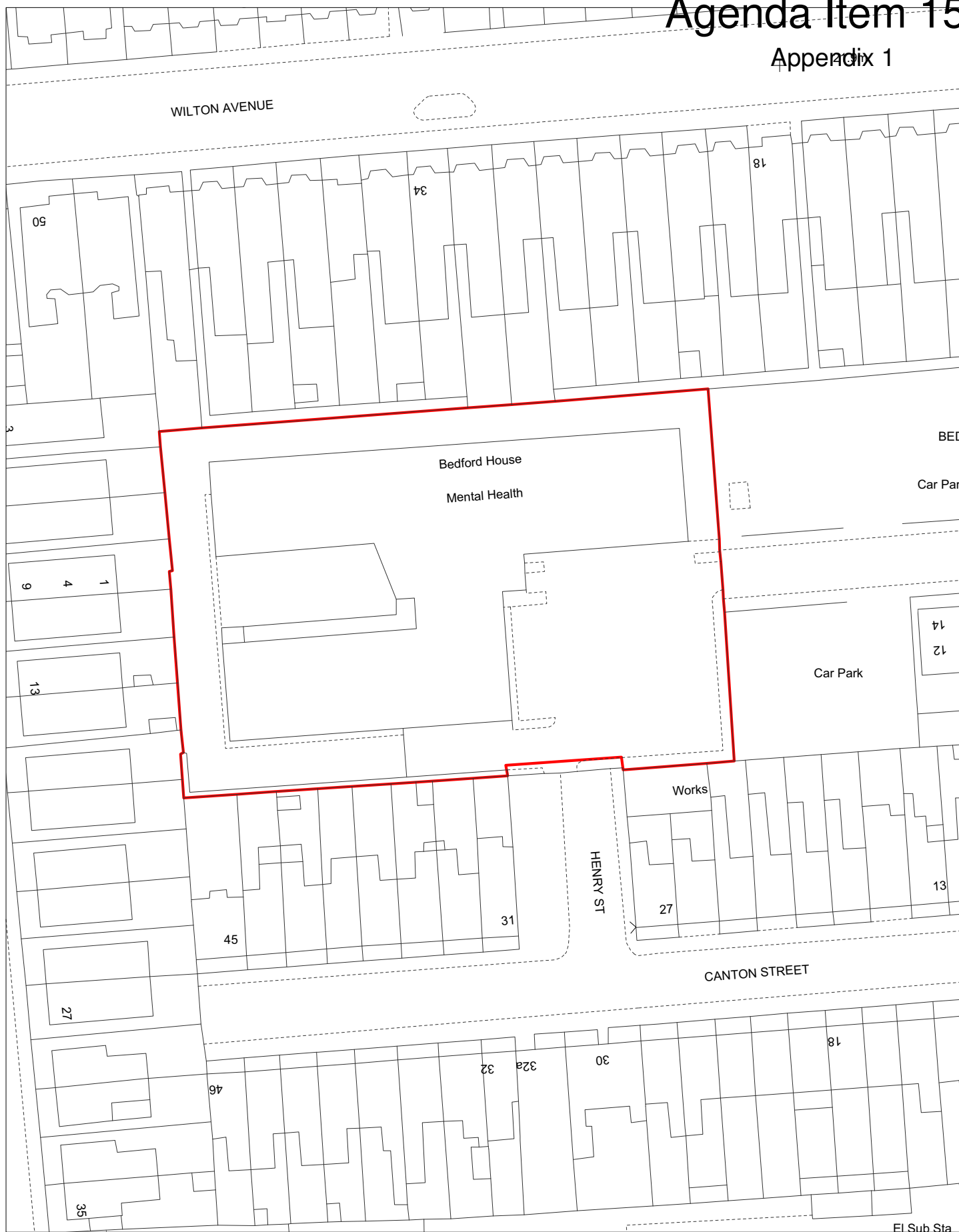
Title of Background Paper(s)

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 15

Appendix 1



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PROPERTY SERVICES

3rd Floor, One Guildhall Square,
Above Bar Street, Southampton. SO15 1GW

SCALE (1:)

Not to scale

DATE

10/11/13

Plan No

V3490

TITLE

Bedford House, Amoy Street



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Agenda Item 17

by virtue of paragraph number 3 of the Council's Access to information Procedure Rules

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Agenda Item 17

by virtue of paragraph number 3 of the Council's Access to information Procedure Rules

Appendix 2

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Agenda Item 17

by virtue of paragraph number 3 of the Council's Access to information Procedure Rules

Appendix 3

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