

Overview and Scrutiny Management Committee

Thursday, 10th October, 2019
at 5.30 pm

PLEASE NOTE TIME OF MEETING

Council Chamber - Civic Centre

This meeting is open to the public

Members

Councillor S Galton (Chair)
Councillor Fuller (Vice-Chair)
Councillor Bell
Councillor Bunday
Councillor Cooper
Councillor Fitzhenry
Councillor Harwood
Councillor Whitbread
Councillor Windle

Appointed Members

Catherine Hobbs, Roman Catholic Church
Rob Sanders, Church of England
Vacancies

- Primary Parent Governor Representative;
and
- Secondary Parent Governor Representative

Contacts

Judy Cordell
Senior Democratic Support Officer
Tel. 023 8083 2766
Email: judy.cordell@southampton.gov.uk

Mark Pirnie
Scrutiny Manager
Tel: 023 8083 3886
Email: mark.pirnie@southampton.gov.uk

PUBLIC INFORMATION

Overview and Scrutiny Management Committee

The Overview and Scrutiny Management Committee holds the Executive to account, exercises the call-in process, and sets and monitors standards for scrutiny. It formulates a programme of scrutiny inquiries and appoints Scrutiny Panels to undertake them. Members of the Executive cannot serve on this Committee.

Role of Overview and Scrutiny

Overview and Scrutiny includes the following three functions:

- Holding the Executive to account by questioning and evaluating the Executive's actions, both before and after decisions taken.
- Developing and reviewing Council policies, including the Policy Framework and Budget Strategy.
- Making reports and recommendations on any aspect of Council business and other matters that affect the City and its citizens.

Overview and Scrutiny can ask the Executive to reconsider a decision, but they do not have the power to change the decision themselves.

Use of Social Media:- The Council supports the video or audio recording of meetings open to the public, for either live or subsequent broadcast. However, if, in the Chair's opinion, a person filming or recording a meeting or taking photographs is interrupting proceedings or causing a disturbance, under the Council's Standing Orders the person can be ordered to stop their activity, or to leave the meeting. By entering the meeting room you are consenting to being recorded and to the use of those images and recordings for broadcasting and or/training purposes. The meeting may be recorded by the press or members of the public.

Any person or organisation filming, recording or broadcasting any meeting of the Council is responsible for any claims or other liability resulting from them doing so.

Details of the Council's Guidance on the recording of meetings is available on the Council's website.

The Southampton City Council Strategy (2016-2020) is a key document and sets out the four key outcomes that make up our vision.

- Southampton has strong and sustainable economic growth
- Children and young people get a good start in life
- People in Southampton live safe, healthy, independent lives
- Southampton is an attractive modern City, where people are proud to live and work

Procedure / Public Representations

At the discretion of the Chair, members of the public may address the meeting on any report included on the agenda in which they have a relevant interest. Any member of the public wishing to address the meeting should advise the Democratic Support Officer (DSO) whose contact details are on the front sheet of the agenda.

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

Mobile Telephones:- Please switch your mobile telephones to silent whilst in the meeting

Fire Procedure:-

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

Access is available for disabled people. Please contact the Democratic Support Officer who will help to make any necessary arrangements.

Dates of Meetings: Municipal Year 2019/20

2019	2020
13 June	16 January
11 July	13 February
15 August	12 March
12 September	16 April
10 October	
14 November	
12 December	

CONDUCT OF MEETING

TERMS OF REFERENCE

The general role and terms of reference for the Overview and Scrutiny Management Committee, together with those for all Scrutiny Panels, are set out in Part 2 (Article 6) of the Council's Constitution, and their particular roles are set out in Part 4 (Overview and Scrutiny Procedure Rules – paragraph 5) of the Constitution.

RULES OF PROCEDURE

The meeting is governed by the Council Procedure Rules and the Overview and Scrutiny Procedure Rules as set out in Part 4 of the Constitution.

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 4.

DISCLOSURE OF INTERESTS

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

DISCLOSABLE PECUNIARY INTERESTS

A Member must regard himself or herself as having a Disclosable Pecuniary Interest in any matter that they or their spouse, partner, a person they are living with as husband or wife, or a person with whom they are living as if they were a civil partner in relation to:

- (i) Any employment, office, trade, profession or vocation carried on for profit or gain.
- (ii) Sponsorship:

Any payment or provision of any other financial benefit (other than from Southampton City Council) made or provided within the relevant period in respect of any expense incurred by you in carrying out duties as a member, or towards your election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.

(iii) Any contract which is made between you / your spouse etc (or a body in which the you / your spouse etc has a beneficial interest) and Southampton City Council under which goods or services are to be provided or works are to be executed, and which has not been fully discharged.

(iv) Any beneficial interest in land which is within the area of Southampton.

(v) Any license (held alone or jointly with others) to occupy land in the area of Southampton for a month or longer.

(vi) Any tenancy where (to your knowledge) the landlord is Southampton City Council and the tenant is a body in which you / your spouse etc has a beneficial interests.

(vii) Any beneficial interest in securities of a body where that body (to your knowledge) has a place of business or land in the area of Southampton, and either:

- a) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body, or
- b) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you / your spouse etc has a beneficial interest that exceeds one hundredth of the total issued share capital of that class.

Other Interests

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

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

Any public authority or body exercising functions of a public nature

Any body directed to charitable purposes

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

Principles of Decision Making

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

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

In exercising discretion, the decision maker must:

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

AGENDA

1 APOLOGIES AND CHANGES IN PANEL MEMBERSHIP (IF ANY)

To note any changes in membership of the Panel made in accordance with Council Procedure Rule 4.3.

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.

3 DECLARATIONS OF SCRUTINY INTEREST

Members are invited to declare any prior participation in any decision taken by a Committee, Sub-Committee, or Panel of the Council on the agenda and being scrutinised at this meeting.

4 DECLARATION OF PARTY POLITICAL WHIP

Members are invited to declare the application of any party political whip on any matter on the agenda and being scrutinised at this meeting.

5 STATEMENT FROM THE CHAIR

6 MINUTES OF THE PREVIOUS MEETING (INCLUDING MATTERS ARISING)

(Pages 1 - 2)

To approve and sign as a correct record the Minutes of the meetings held on 15th August, 2019 and to deal with any matters arising, attached.

7 GREEN CITY CHARTER UPDATE (Pages 3 - 22)

Report of the Cabinet Member for Green City and Environment providing the Committee with an update on the adoption and implementation of the Green City Charter and subsequent development of the Green City Delivery Plan.

8 ESTATE REGENERATION (Pages 23 - 30)

Report of the Cabinet Member for Homes and Culture outlining the current approach for Estate Regeneration.

9 FORWARD PLAN (Pages 31 - 48)

Report of the Director, Legal and Governance enabling the Overview and Scrutiny Management Committee to examine the content of the Forward Plan and to discuss issues of interest or concern with the Executive.

SOUTHAMPTON CITY COUNCIL
OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE
MINUTES OF THE MEETING HELD ON 15 AUGUST 2019

Present: Councillors Fitzhenry, Whitbread, Bell, Bunday, Fuller (Vice-Chair), McEwing, Mitchell and Vaughan and Appointed Member Rob Sanders

Apologies: Appointed Member Catherine Hobbs and Councillors S Galton, Harwood, Cooper and Windle

Also in attendance: Councillor Kaur, Cabinet Member for Homes and Culture

COUNCILLOR FULLER WAS IN THE CHAIR

11. **APOLOGIES AND CHANGES IN PANEL MEMBERSHIP (IF ANY)**

The Committee noted the apologies of Councillors Cooper, Galton, Harwood and Windle and Appointed Member Catherine Hobbs. The Committee also noted that following receipt of the temporary resignation of Councillors Cooper, Harwood and Windle from the Overview and Scrutiny Management Committee, the Director of Legal and Governance, acting under delegated powers, had appointed Councillors McEwing, Vaughan and Mitchell respectively to replace them for the purposes of the meeting.

12. **MINUTES OF THE PREVIOUS MEETING (INCLUDING MATTERS ARISING)**

RESOLVED that the minutes of the 11th July, 2019 Overview and Scrutiny Management Committee be approved and signed as a correct record.

13. **FORWARD PLAN**

HMO LICENSING POLICY AND PRIVATE RENTED SECTOR POLICY

The Committee considered the above reports of the Cabinet Member for Homes and Culture.

Councillor Kaur, Cabinet Member for Homes and Culture was present and with the consent of the Chair addressed the meeting.

RESOLVED:

- (i) That the Administration ensure that the enforcement teams were adequately funded to enable them to undertake the required enforcement action outlined within the draft policies.
- (ii) That consideration was given to how awareness of the draft HMO Licensing Policy and Private Rented Enforcement Policy could be raised across the Council so that Southampton City Council employees that undertake visits in private houses were aware of the principles and the reporting processes.

14. **REDUCING CHILDHOOD OBESITY IN SOUTHAMPTON - SCRUTINY INQUIRY TERMS OF REFERENCE**

The Committee considered the report of the Service Director, Legal and Governance requesting that the Committee agree the terms of reference for a scrutiny inquiry looking at reducing childhood obesity in Southampton.

RESOLVED

- (i) that the draft terms of reference for the scrutiny inquiry be approved; and
- (ii) that authority be delegated to the Service Director, Legal and Governance, in consultation with the Chair of the Scrutiny Inquiry Panel, to finalise the inquiry plan.

15. **MONITORING SCRUTINY RECOMMENDATIONS TO THE EXECUTIVE**

The Committee received and noted the report of the Director of Legal and Governance detailing the actions of the Executive and monitoring progress of the recommendations of the Committee.

Agenda Item 7

DECISION-MAKER:	OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE		
SUBJECT:	GREEN CITY CHARTER UPDATE		
DATE OF DECISION:	10 OCTOBER 2019		
REPORT OF:	CABINET MEMBER FOR GREEN CITY AND ENVIRONMENT		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Steve Guppy	Tel: 023 8091 7525
	E-mail:	Steve.guppy@southampton.gov.uk	
Director	Name:	Mitch Sanders	Tel: 023 8083 3613
	E-mail:	Mitch.sanders@southampton.gov.uk	
STATEMENT OF CONFIDENTIALITY			
None			
BRIEF SUMMARY			
<p>The introduction of a Green City Charter ('the Charter') and subsequent delivery of a Green City Delivery Plan is intended to support and facilitate the delivery of the Council's existing priority outcomes, refresh existing activities, and deliver new ones. It will ensure that environmental impacts are given due consideration in the delivery of services and decision making and where possible ensure we maximise the opportunity to deliver benefits. It will provide an opportunity to satisfy the expectations and ambitions identified in the Clean Air Zone Consultation exercise. Southampton City Council will seek to encourage city stakeholders to adopt the same set of principles and deliver their own actions by signing up to the Charter. It will encourage all stakeholders, including business, community groups and public sector organisations, to work together to deliver a shared outcome, making Southampton a cleaner, healthier, more sustainable and attractive environment for all.</p> <p>It is important to ensure that economic growth of the city is supported, but that this delivers a green and sustainable environment that will be resilient to the challenges of climate change. A move towards a low carbon, cleaner economy and greener landscape will enable the city to grow and evolve as a modern, healthy and attractive place to live, work and do business.</p> <p>The Charter is intended to identify priorities and commitments that will facilitate the Council and other city partners and stakeholders to deliver actions that will:</p> <ul style="list-style-type: none"> • minimise the impact of climate change and inform our response to the climate emergency; • reduce pollution and waste; • reduce health inequalities and; • shift to a sustainable and carbon free economy. <p>The Charter identifies a clear set of priorities which satisfy the local need and appetite for change, whilst being aligned with national priorities.</p> <p>This report provides an update on the adoption and implementation of the Green City Charter and subsequent development of the Green City Delivery Plan.</p>			

RECOMMENDATIONS:	
(i)	That the Committee notes the attached update on the adoption and implementation of the Green City Charter and subsequent development of the Green City Delivery Plan.
REASONS FOR REPORT RECOMMENDATIONS	
1.	An update has been provided at the Committee's request.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
2.	Not applicable.
DETAIL (Including consultation carried out)	
3.	In 2018 the Council undertook a consultation exercise to seek opinions on measures needed to improve local air quality. The Council had been required by government to assess if a Clean Air Zone (CAZ) was needed to deliver compliance with the European Union's limit level for Nitrogen Dioxide. As a result of the consultation and technical assessments a package of measures was agreed with, and funded by government, to ensure likelihood of compliance. However, the consultation illustrated that there was expectation to achieve more than the CAZ project could deliver. A new set of objectives and actions would be needed if this greater ambition were to be satisfied.
4.	Government published 'A Green Future: Our 25 Year Plan to Improve the Environment' in January 2018. This identifies key environmental benefits and pressures and sets out goals and targets for improving the environment within a generation. It details how government will work with communities and businesses to do this. Government also published its Clean Air Strategy on 14 th January 2019, which aligns with SCC's ambitions to improve air quality and protect the health of Southampton's residents.
5.	A Green City Charter for Southampton was proposed as a vehicle to harness the aspiration and enthusiasm seen during the Clean Air Zone Consultation, seek to maintain and even accelerate the momentum apparent during this exercise, and ensure Southampton's priorities are aligned with Government. As such it will assist in ensuring Southampton is well placed to benefit from the support, initiatives and funding that is likely to emerge from Government.
6.	A Green City Working Group comprising of Council officers from across its services has been established to support the delivery of the Charter and a Green City Delivery Plan.
7.	Internal and external stakeholder engagement was undertaken to develop the Charter. The remit was to ensure the Charter was appropriate in its scope, focused on the key priorities, capable of delivering the positive outcomes expected and inclusive to all.
8.	A draft Green City Charter was first presented to Overview and Scrutiny Management Committee on 4th April 2019. This was later adopted by Cabinet on 16th April 2019. The Green City Charter, attached as Appendix 1, provides a vision for a "cleaner, greener, healthier and more sustainable city and sets out nine aspirations for stakeholders to pursue in order to achieve

	that goal. This was launched on 20th June 2019 and to date 76 signatories have signed up to the Charter.
9.	<p>Development of the Council's Green City Delivery Plan is now being progressed. The Delivery Plan will establish the key actions that the Council needs to take facilitate the delivery of our Green City commitments. This process involves;</p> <ul style="list-style-type: none"> • measuring existing activity and progress; • identifying what additional activity and resources are required; • establishing priorities and timeframes and; • mechanisms for measuring and managing progress and performance. <p>A draft version of the Delivery Plan is expected to be available as part of an engagement exercise this month.</p>
10.	Southampton City Council is already actively delivering schemes that support sustainable living and the Charter. These include the Clean Air Strategy, the MyJourney sustainable travel programme, Fuel Poverty Action Plan and CitizEn Energy.
11.	A more detailed list of existing commitments either due to be delivered, being progressed, or, completed in recent months is included in Appendix 2. This represents the current Green City Programme. A further selection of activities are case studied in Appendix 3.
12.	It is evident that there is significant scope to build on our current activities and a need to pursue a wider range of opportunities to satisfy the Charter's vision.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
13.	A budget allocation of £30,000 was agreed by Council for 2019/20 to enable the delivery of the Green City Charter. This has been used to support the internal and external engagement needed to introduce the Charter and begin development of the Delivery Plan.
14.	Included within the overall capital programme are projects totalling approximately £60m which contribute towards SCC's Green City programme. These projects are split across a number of portfolios and over the next 5 years it is anticipated that we will spend in the region of £36m improving HRA homes to be more energy efficient, £9m on reducing road congestion, £8m improving cycle ways, £3m investing in public transport and £4m on smaller projects including improving our green spaces and investing in electric vehicles.
15.	The Charter represents an opportunity to establish more ambitious improvements through alternative long term, far reaching projects which will be developed during an Action Planning phase. This will involve a full assessment of the financial implications of proposed actions that are not covered by existing budgets, the identification of appropriate funding streams

	(including new grant opportunities) and ensuring project approvals are made in line with financial regulations.
16.	The Council will shortly publish the draft Medium Term Financial Plan which will contain the proposed budget for 2020/21 to 2023/24. This will detail the revenue and capital budgets to be allocated to support development and implementation of the Green City Delivery Plan.
17.	The Council is currently conducting a resourcing review, the result of which will soon be implemented to ensure that Council staffing resources are focused on the delivery of the Council's top priorities, the Green City Charter being one of these.
<u>Property/Other</u>	
18.	None associated directly with adoption of the Charter. Actions to be delivered through the Delivery Plan will identify specific implications that subsequently emerge.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
19.	s.1 Localism Act 2011 allows the Council to do anything deemed necessary or desirable to deliver or support its functions and duties providing that action is not otherwise prohibited by statute (the general power of competence). The preparation and delivery of a Green City Delivery Plan is authorised by virtue of s.1.
<u>Other Legal Implications:</u>	
20.	The contents of the Green City Delivery Plan may be authorised by a variety of statutory powers and duties, depending on what those actions are. Legal powers to undertake those actions emerging from the Charter will be further investigated as part of the delivery process and be subject to the democratic process as applicable. In undertaking the preparation of the Charter and subsequent actions the Council needs to have regard to the impact of any proposals on protected characteristics under the Equalities Act 2010 and s.17 Crime & Disorder Act (the duty to reduce or remove opportunities for crime and disorder in the area) as well as the duty to secure the rights and freedoms protected under the Human Rights Act 1998. These duties will be addressed by the preparation of an Equalities and Safety Impact Assessment ('EISA'). The Council also has various duties under the Environment Act 1995 and Environmental Protection Act 1990 to address air quality and other environmental pollutants and the proposals under the Charter will assist in delivering this duty.
RISK MANAGEMENT IMPLICATIONS	
21.	There could be potential reputational risk for SCC if it is not seen to be 'delivering' the stated commitments in the Green City Charter. The Green City Working Group provides the opportunity to track and collate information on the work programmes and then maintain and publish information relating to performance of the Green City Charter and Delivery Plan. That in turn can be presented routinely to the Cabinet Member for Green City and Environment for scrutiny.

POLICY FRAMEWORK IMPLICATIONS	
22.	The Green City Charter and associated Delivery Plan supports the delivery of the Council Strategy 2016-2020 outcome “People in Southampton live safe, healthy, independent lives”.
23.	The Green City Charter and associated Delivery Plan supports the delivery of the Health and Wellbeing Strategy 2017-2025 outcomes “People in Southampton live active, safe and independent lives” and “Inequalities in health outcomes are reduced”.
24.	The Green City Charter and associated Delivery Plan supports the Clean Air Strategy by providing a mechanism to deliver further improvements in local air quality.
25.	The Green City Charter and associated Delivery Plan is consistent with the principles outlined in the Government’s Environment Strategy, 'A Green Future: Our 25 Year Plan to Improve the Environment' and their Clean Air Strategy.
KEY DECISION	No
WARDS/COMMUNITIES AFFECTED:	None directly as a result of this report
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	A Green City Charter for Southampton
2.	Green City Programme (Committed Actions)
3.	Case Studies
Documents In Members’ Rooms	
1.	None
Equality Impact Assessment	
Do the implications/subject of the report require an Equality and Safety Impact Assessments (ESIA) to be carried out?	No
Data Protection Impact Assessment	
Data Protection Impact Assessment Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out?	No
Other Background Documents - Equality Impact Assessment and Other Background documents available for inspection at:	
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	None

This page is intentionally left blank

Green City Charter for Southampton

Our vision is to create a cleaner, greener, healthier and more sustainable city. Southampton will be a better place for present and future generations that is prepared for the challenges presented by climate change. We will achieve this by ensuring we are ambitious, lead by example and set ourselves challenging goals.

- 1 We want to be carbon neutral by 2030;
- 2 We will take actions that will improve the quality of life in our city. We want the Healthy Life Expectancy Indicator to be the best amongst our peers and to remove the difference cities like Southampton experience with rural areas in terms of deaths attributed to air pollution;
- 3 We will work in partnership, share our knowledge and inspire others;
- 4 We will protect and enhance our natural environment;
- 5 We will make the best use of our resources, reduce our energy consumption, minimise waste and ensure we repair, reuse and recycle;
- 6 We will encourage, promote and incentivise the use of sustainable and active travel;
- 7 We will reduce emissions and aspire to satisfy World Health Organisation air quality guideline values. By 2025 we want to see nitrogen dioxide levels of $25 \mu\text{g}/\text{m}^3$ as the norm;
- 8 We will use energy that is generated from renewable sources and support the generation of sustainable energy that does not compromise local air quality;
- 9 We will use services and products that support our vision.

Making Southampton a cleaner, greener,
healthier and more sustainable city.



This page is intentionally left blank

GREEN CITY CHARTER UPDATE

Green City Programme (Committed Actions)

	Theme	Achievements/Actions
A.	Sustainable Energy and Carbon Reduction	SCC has seen a 54% reduction in its absolute carbon dioxide emissions (61k tonnes) associated with corporate buildings, schools and street lighting from the baseline year 2010 to 2018. Savings have come from energy reduction and refurbishment programmes, upgrades to street lighting, improved management of the buildings portfolio and greening of the grid.
		Further energy efficiency savings of over 1,600 tonnes being realised through the internal Salix Energy Efficiency Programme.
		Solar energy delivering 902 KWP from 40+ SCC properties saving 217 tonnes of CO2.
		Capital investment programme currently delivering £36M of improvements and energy efficiency works across SCC's 17k housing stock
		Introduction of CitizEn energy in September 2018 offering 100% renewable electricity to customers. Business model will reinvest income into energy conservation and carbon reduction programmes.
		Southampton District Energy Scheme reinstated the geothermal well to provide low carbon heat and chilled water to the Civic Centre, OGS, The Quays and Sea City Museum.
		The Healthy Homes scheme relaunched in 2018 supported by a £1m fund to deliver an energy improvement programme within the private housing sector. This includes raising awareness amongst private sector landlords about the benefits of managing energy efficient properties.
		Switch to a Green tariff in September 2019 providing electricity from renewable sources to all commercial (i.e. non-housing) stock.
		Capital investment programme currently delivering £36M of improvements and energy efficiency works across the 17,000 council housing stock
		Approx. 35 electric vehicles introduced into the Council's fleet with progression towards a 10% target of fleet by 2019/20. For example Parking Services operating an all-electric fleet.
		44 free to use fast chargers installed across council car parks have powered approximately 176,000 vehicle km's in the last year.
		Dedicated rapid charger for electric taxis installed in Bittern during September 2019.
		Incentive package for electric vehicle owners offers a 90% concession on city centre season parking tickets and free passage over the Itchen toll bridge.

B.	Delivering Clean Air and improving Quality of Life	Fitting buses with emission reduction technology to Euro VI equivalent standards. By the end of 2019 all operational buses in the city will be required to meet Euro VI standard as a minimum.
		New restrictions on taxi and private hire vehicle licensing ensuring vehicles are at least Euro 6 diesel/4 petrol by 2023. Funding provided to support the upgrade to cleaner vehicles through the councils Low Emission Taxi Incentive Scheme. Dedicated taxi and private hire electric vehicle chargers introduced to enable vehicle recharging. We have had 90 successful applicants and the local fleet is now comprised of 31% low emission vehicles.
		Continued operation of the sustainable distribution centre to consolidate freight and reduce the number of vehicle movements in the city.
		Provision of delivery and service planning for organisations to improve efficiencies of vehicle movements of their fleet and reduce emissions.
		£2.9m capital investment to replace the most polluting council refuse vehicles with Euro VI models.
		Free pollution forecasting through AirAlert for all residents to ensure that people are aware of poor air quality events.
		Encouraging behaviour change in our community through outreach work and a range of initiatives. For example we are a key city for National Clean Air Day which hosts events supported by key businesses such as ABP and Bluestar.
		Working with businesses to share and apply collective knowledge on air quality through the Clean Air Network. This involves collaborative work between us and ABP towards their own air quality strategy.
		Running a city-wide monitoring network of more than 70 diffusion tubes and 4 automatic monitoring stations which monitor our progress. Publication of results through the MyAir programme.
		Scrutinising and challenging planning applications to ensure air quality, environmental standards and public health is protected in accordance with National Planning Policy Framework and good practice.
C.	Engagement and Communication	Engagement workshops held with community groups, academics and businesses plus online public engagement exercise to develop the Green City Charter.
		Green City Southampton brand introduced.
		Green City Charter Launch event held at Civic Centre Guildhall catering for approximately 150 invited attendees with simultaneous public exhibition celebrating Clean Air Day in Guildhall Square.

		72 stakeholders have officially signed up to the Green City Charter. Follow-up meetings being conducted with key businesses to identify how SCC can support and facilitate them in realising commitments.
		Initial meetings held with community groups and academics to identify effective engagement tools that SCC can use to raise the profile of the charter and its objectives and increase its impact through stakeholder participation in related activities.
		Clean Air Network, Travel Planners Network and Energy Partnership established to promote good practice and joint working amongst local stakeholders.
		MyJourney programme delivering on going engagement work to promote switch towards sustainable travel.
		No-idling campaign delivered to improve awareness amongst drivers.
		Highways variable messaging signage deployed for clean air and sustainable travel message.
D.	Our Natural Environment	20% of Southampton is classified as publicly accessible greenspace. There are 49 maintained parks which host over 17 million visits a year.
		St. James' park and Riverside park were recently presented the Green Flag Award which recognises them attaining the highest possible environmental standards and visitor facilities.
		The Council's Park Improvement Programme has delivered £600,000 worth of investment in the last 12 months.
		Southampton has many nature conservation sites including those of special scientific interest and importance for nature conservation. Areas of Southampton Common and Southampton Water hold these national and international statuses.
		The Council has adopted a '2 for 1' tree scheme which plants approximately 120 large trees per annum.
		The Council operates a 'Trees4Life' scheme for families to plant a tree to celebrate babies being born in Southampton.
		The Council's Hawthorns Urban Wildlife Centre provides environmental engagement on the cities protected areas. The centre also manages a small area for wildlife which it uses for education.
		Regular Forest School day camps events provide a range of activities for children which aim to teach new skills and inspire an appreciation of nature.

		<p>The Council's planning policy has introduced the use of the Green Space Factor Tool in 2015, allowing developers to identify habitats on site and how much more they should include in a new development.</p>
		<p>The Council's recent 'Green Wall' Pilot introduced a boundary of trees along the Millbrook road Freightliner site to assess the impacts for ecology and people.</p>
		<p>A 'Living wall' to be implemented soon as part of the Millbrook road Roundabout redevelopment.</p>
		<p>Pollinator project surveys are underway to identify opportunities to introduce urban meadows to support pollinator species.</p>
		<p>A programme of species-specific support projects are underway. These are scoped for bats, peregrines and hedgehogs.</p>
E.	Sustainable Waste and Water Management	<p>Operating through Viola and the Hampshire Waste Partnership a Materials Recovery Facility, separating collected recyclable waste for recycling and reuse.</p>
		<p>Non-recyclable waste sent to Marchwood Energy Recovery Facility which supplies up to 16MW of electricity to the national grid.</p>
		<p>The council operates a commercial waste service which incentivises higher recycling rates by businesses.</p>
		<p>Opportunities for community litter picks are supported and encouraged including events as part of the Great British Spring Clean.</p>
		<p>Promotion of the use of the Council's recycling centres including the HWRC (Household Waste Recycling Centre) for disposal of waste not collected.</p>
		<p>Public engagement schemes to encourage behaviour change in residential recycling, primarily through advertising.</p>
		<p>Student engagement programmes with the two universities to reduce waste from the annual tenancy change period to encourage proper waste management which includes sending more unwanted items to charity.</p>
F.	Sustainable Travel	<p>£3.1m invested in a behaviour change programme (MyJourney brand) that promotes sustainable and active travel. Led to 309 events engaging over 17,000 people and 53 schools. 13 of the schools engaged achieved over 88% active travel rate.</p>

		<p>Developed one of the largest travel plan networks in the country involving work with 106 employers to set up staff travel plans to make commutes more active.</p> <p>14 new community cycle hubs setup, 152 led-rides organised, 58 'bike Dr' events organised and 16 ditch the stabiliser sessions hosted that have helped 100 new young cyclists get riding in 2019.</p> <p>Improvements have been made to local bus services which includes real time information on board and at stops, WiFi, USB charging and less-polluting buses.</p> <p>£11 million of new innovative cycling infrastructure has and will be delivered through cycle networks including the newly constructed (SCN1).</p> <p>A year-on-year increase in the number of cyclists travelling along the three core access corridors into the city centre has been achieved. Between 2017 and 2018 there was a 4% increase in travel to Southampton Access Fund schools by sustainable means.</p> <p>The council hosted the annual 'Let's Ride' which has taken place for the past 7 years and welcomes an average of 9,000 people who enjoy a traffic free ride circuit; encouraging new cyclists.</p> <p>Schools have implemented community street events which limit access to cars, encouraging active travel. St. John's school has permanently closed the street outside the school and now sees active travel rates of 94.9%.</p> <p>The Living Streets Travel Tracker has been promoted for pupils travelling to school. The number of users has doubled to 9,140 and 278,918 active trips have been recorded.</p> <p>15 organisations have been supported to apply for capital grant funding to improve facilities to encourage staff to travel actively over the last year.</p> <p>41 organisations participated in 'Cycle September' last year. 74% of people who didn't ride to work before the event did so after. This is now an annual event alongside 'Walktober'.</p>
G.	Responsible Procurement and Investment	Engagement exercise underway for new Social Value Procurement Policy and Framework (to replace the current ethical procurement policy and sustainable procurement policy).

This page is intentionally left blank

GREEN CITY CHARTER UPDATE

Case Studies of existing commitments

1. Southampton Cycling Network

Southampton City Council has announced the launch of SCN1 (Southampton Cycle Network Route 1) – a safe, high quality cycle route from Totton to Southampton City Centre.

SCN1 is the first route to open on the Southampton Cycle Network, the cornerstone of a ten year strategy to transform the cycling experience in the city. Launched in 2017, the strategy outlines ambitious plans which respond to calls for more cycleways, safer roads, less traffic and better awareness to address common barriers to cycling. Two years later, Southampton City Council has made significant progress across the network, accelerated by a series of successful funding bids to central Government. This has seen an investment of £2.4m in new cycleways with plans for a further £8.3m for projects completing during 2019 alone.

There has been a range of improvements to the SCN1 route, including new and extended segregated cycleways on Second Avenue as well as resurfacing to the shared use path along Millbrook Road West. A segregated off road cycleway is now in place on First Avenue, providing access to the western docks. Millbrook Road East has also received a number of traffic calming measures as part of a 'quietways' scheme to make cycling a safer and more attractive option. The latest section of the route – a new segregated cycleway on Third Avenue – was completed in June this year. The route will continue to see other localised improvements, including the addition of a new footbridge and upgrade of the shared use path at Redbridge Roundabout as well as updates to the crossing at Old Redbridge Road.

2. Electric Vehicles

There has been a significant increase in the number of people buying and using electric vehicles in Southampton. We are working with partners to develop a network of charging points throughout the city to help residents and visitors to change their electric vehicles quickly and efficiently.

Southampton now has 46 charging points across five city centre car parks and eight car parks in Woolston and Bitterne. The network will continue expanding in 2019, and will see the introduction of rapid charging dedicated for taxi and private hire vehicles.

Together with this growing number of charging points, drivers of electric vehicles also have access to a 90% discount for selected city centre car parks, free passage on the Itchen Toll with a SmartCities Card and have benefitted from free electricity at all Southampton owned charging points. This package of incentives is testament to Southampton City Council's commitment – outlined in its Clean Air Strategy - to encourage the uptake of low emission technologies and vehicles.

3. Taxi Licence Conditions

As part of the Green City Charter introduced in 2019, Southampton City Council set an ambitious goal to improving air quality. Road transport has been identified as being one of the major contributors to poor air quality in the city. The council highlighted that a reduction in vehicle emissions across the city is essential to improving air quality and achieving our ambition of creating a cleaner, green, healthier and more sustainable city. There is growing evidence that poor air quality can be responsible for a range of health issues including cancer, respiratory and heart illnesses.

To reduce further emissions produced by the local taxi trade, Southampton City Council are adding new licencing conditions ensure we have a clean air compliant fleet in Southampton by 2023. The aim of the additional conditions is to prevent older, more polluting vehicles being provided with a taxi or private hire licence. Changes will be introduced in two stages, with the first coming into effect on 1 January 2020.

The council introduced several incentives to support taxi and private hire vehicle owners with changing to low emission vehicles. The Low Emission Taxi Incentive Scheme (LETIS), provides a grant to eligible taxi owners, providing up to £3,000 cashback in license cost. Since the launch in December 2017, 77 upgrades have completed.

Southampton will also be introducing a free consultancy service for taxi and private hire drivers to assess their driving styles and recommend how they can achieve savings by upgrading to cleaner vehicles. The taxi and private hire trade will also be supported with dedicated rapid charging points. Southampton has also increased the age policy for electric vehicles from 9 years to 12, making the business case for ownership more attractive.

Councillor Steve Leggett, Cabinet Member for Green City and Environment, added: "The need to take urgent, strong action against air pollution is essential. We know people living, working and visiting Southampton share our commitment to improving air quality and reducing pollution across the city.

"Southampton is leading the way by introducing schemes that go beyond the government's targets. The new licensing conditions are part of a larger, ongoing plan linked to our Green City Charter.

"Working with our partners, we have already seen local bus companies introduce measures to become eco-friendly and Associated British Ports is publishing its own air quality strategy. We are seeing more local businesses and individuals supporting our vision for a cleaner, greener, healthier and more sustainable city."

4. Clean Bus Technology Fund and Traffic Regulation Condition

Southampton City Council been awarded £2.7m from the Clean Bus Technology Fund to work with bus service providers in the city to tackle the 145 older (non-euro 6) buses so they meet the same standard as a Euro 6 vehicle. This scheme is currently being implemented and alongside a fleet upgrade programme and ensure all operational buses in the city meet this same standard by the start of 2020. Source apportionment studies have shown this could deliver reductions in NOx concentrations by as much as 25% at some key locations. A traffic regulation condition requiring a minimum Euro 6

standard for operational buses is to be introduced before 2020 to ensure full participation in the CBTF scheme; delivery of the operators upgrade programme and to prevent older, more polluting buses re-entering the Southampton fleet in the future.

5. My Journey

My Journey is a county wide behaviour change programme which aims to 'Create a culture of walking and cycling'. The programme covers a range of activities and initiatives to change people's travel behaviour through engagement, journey planning, promotion and marketing.



The My Journey programme is split into three work streams:

- **Using cycling as a means of access employment and training**, with a focus on reducing transport barriers for long term unemployed people and working with employers to enable more staff to cycle and walk to work.
- **Engaging with pupils and parents** to build the awareness, skills and confidence to travel to school sustainably.
- **Events, behaviour change campaigns, community support and changes to the built environment** that help to create a culture of walking and cycling in the city.

Cycling as a means of employment and training

In the last 2 years, the 'My Journey to work' programme has reached 6000 people. 150 unemployed people have received 1:1 training, bike loans and personalised journey planning to help.

The My Journey programme has delivered a number of campaigns with workplaces to raise awareness of cycling and create a culture of cycling in organisations. 52 organisations have received direct support to review staff travel and deliver interventions including cycle training, Bike Doctor events, lunchtime walks and rides – all of which help staff to overcome the barriers they have to commuting actively. We have also supported workplace leaders and champions to adopt and promote policies and practices which encourage sustainable travel. For example, The Travel Planners' forum has now grown to include representatives from over 90 organisations who meet quarterly to share ideas or receive training and guidance on how they can promote sustainable travel to their staff.

Engaging with pupils and parents

From 2017-2018, there was a 4% increase in sustainable travel to Southampton Access Fund schools (walking, cycling/scooting or public transport) from 75.9% to 79.8%. This success is thanks to a number of activities which have helped people to understand the challenge, remove barriers to walking and cycling and trigger and motivate people to take action. For example:

- Our air quality exhibit helps students and parents increase their understanding of air quality and the actions they can take to improve air quality in their local community.

- The Bike It programme provides practical support and advice to students at 32 schools to give them the confidence to walk and cycle to school.
- The School Streets programme provides a series of temporary one day road closures outside schools which pave the way for longer term ones in the city.
- The number of pupils using the Living Streets Travel Tracker has over doubled across our Access Fund. There are currently 10,995 pupils using Travel Tracker with 405,726 active trips recorded.
- Our annual Scooter Challenge invites schools from across Southampton and wider Hampshire to see who can encourage the most pupils to scoot to school during the week long challenge. In 2018, 3000 pupils from nine schools took part, while this year's challenge achieved record numbers, with 7000 pupils from 16 schools participating.

Events, behaviour change campaigns, community support and changes to the built environment

In the last 18 months, over 400 separate events have been delivered to help residents explore more sustainable options for travelling across the city.

Annual Big Bike Revival has provided grant funding to organisations in the city to put on local events which remove the barriers to cycling. 11 Community Clubs deliver led rides and training for new or returning cyclists.

A five year partnership with British Cycling has seen regular led rides alongside an annual mass participation closed road ride - HSBC UK Let's Ride Southampton - has successfully attracted new and returning cyclists. The event is also combined with a music and arts festival to appeal to non-cyclists. In 2018, the event saw 9,000 people cycle on a large, closed road circuit from the city centre to Southampton Common. This year's event engaged 10,000 participants who enjoyed a new route starting from St Mary's stadium. [View our video of the 2018 event here.](#)

6. Our Parks and Green Spaces

Enhancing and protecting our natural environment is one of the goals in our Green City Charter. Parks and open spaces are essential to creating a cleaner, greener, healthier and more sustainable city. In 2019, two of our parks (St James' Park in Shirley and Riverside Park in Bitterne Park) were recognised by the Green Flag Award Scheme as being amongst the very best in the world. St James' Park and Riverside Park join other green spaces in Southampton awarded recognition in recent years.

The parks are among a record-breaking 1,970 UK parks and green spaces that received a prestigious Green Flag Award– the mark of a quality park or green space. This international award, now into its third decade, is a sign to the public that the space boasts the highest possible environmental standards, is beautifully maintained and has excellent visitor facilities.

Both parks are unique in character, but are similar in having fantastic community lead friends groups at the heart of their management. They work tirelessly alongside Southampton City Council staff to ensure that the parks are some of the best in the world.

The council also recently completed work on the regeneration of Blechynden Gardens, an important route for people walking between Southampton Central Station and the City Centre. The newly created park is on the site of the remains of the Emperia Buildings, a warehouse built in 1905 which was bombed in 1940 during the Blitz of Southampton in World War II.

The council led on the design and delivery of the project which has transformed the area for future generations to enjoy. The park balances protecting what is left of the Emperia Buildings, blending the remains of the walls with two set piece sculptures, whilst allowing natural plants and wildlife to flourish.



7. Living Walls

Southampton City Council, with its Highways Partner Balfour Beatty, has recently begun work to transform the newly reconstructed Millbrook Roundabout into a greener, cleaner environment with a new Living Wall made up of green planting. Work on what will be the first Living Wall of its kind on the UK's major road network is already underway and is scheduled to complete by October 2019.

The new Living Walls are supplied by Biotecture, a specialist in the design, supply, installation and maintenance of sustainable living walls and green infrastructure. The walls will take the form of ten green columns which will appear to support the flyover. The plants will sit on free-standing frames away from the columns, meaning the structure is not affected.

The plants will be nurtured through their early growth stage in greenhouses which means they will be fully developed and green at the point of installation. They will be robust enough to thrive in the UK climate with 95% coverage all year round. The species have also been selected for their beneficial effect in providing habitats for wildlife and maintaining biodiversity.

The Living Wall is designed to be sustainable, easy to access and easy to maintain. The frames have an integrated irrigation system which uses sensors that maximise efficiency and minimise water waste.



Artist's impression

It is widely accepted that placing vegetation within urban areas has a significant effect on air quality. During photosynthesis plants absorb CO₂ and other gases such as SO₂ (Sulfur Dioxide) and NO₂ (nitrogen dioxide), ozone and airborne ammonia through their leaves. They also act as sinks to reduce the concentration of particulate matter in the local atmosphere. Southampton's new living wall will bring a pollution eating plant approach to the city, and will also be an attractive addition to improve the look and feel of this major route into Southampton.

The Living Wall installation is being funded from efficiency savings made as part of the main £8.3m Millbrook Roundabout

reconstruction scheme which completed earlier this year.

8. Green Space Factor

Southampton is a densely developed city with little opportunity to create new green space. The City Council therefore needed to adopt a broader approach to green infrastructure by trying to green up built development through the use of landscape planting, street trees, green roofs and green walls.

To ensure that new developments contribute to this approach, the Green Space Factor tool was incorporated into the **City Centre Action Plan, Adopted Version 2015** via **Policy AP 12 Green Infrastructure and Open Space**. This policy requires all developments, and especially the key sites, to assess the potential of the site for appropriate green infrastructure and provide suitable qualitative improvements.

The Green Space Factor (GSF) enables an objective assessment of the quality and functionality of GI to produce a score for any site or area in the city centre. The Council provides advice on the green infrastructure required in a particular area or plot and provide examples of interventions that can deliver such benefits.

The GSF is based upon modified versions of the Berlin Biotope Area Factor, Malmö Green Space Factor and work undertaken by the Northwest Development Agency. It is now being adopted more widely, most notably in London (Greater London Authority – Urban Greening Factor).

The Southampton Green Space Factor tool and guidance can be found here: <https://www.southampton.gov.uk/planning/planning-permission/sustainability-checklist.aspx>

Agenda Item 8

DECISION-MAKER:	OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE		
SUBJECT:	ESTATE REGENERATION		
DATE OF DECISION:	10 OCTOBER 2019		
REPORT OF:	CABINET MEMBER FOR HOMES AND CULTURE		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Tina Dyer-Slade	Tel: 023 8083 3597
	E-mail:	Tina.dyer-slade@southampton.gov.uk	
Director	Name:	Denise Edghill	Tel: 023 8083 4095
	E-mail:	Denise.edghill@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY	
None	
BRIEF SUMMARY	
The purpose of this report is to provide an interim update on estate regeneration and the council's aspiration to deliver 1000 council homes. This report provides a brief overview of the work currently being undertaken to produce the outline delivery plan for the 1000 homes programme.	
RECOMMENDATIONS:	
(i)	That the Committee notes the current approach for Estate Regeneration within the programme to deliver 1000 council homes.
REASONS FOR REPORT RECOMMENDATIONS	
1.	At the request of the Chair of the Committee.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
2.	<p>The council has an ambition to deliver 1000 council homes by 2025 this is underpinned by:</p> <ul style="list-style-type: none"> • A long-term vision to continue to provide homes for those in need across the city. • The aim to address the continual reduction of the council stock of between 105 - 164 homes per year (over the last 5 years) through the Right-to-Buy programme. • The ability for the council to have control over the delivery of homes to address the local need. • By giving opportunities through the HRA to give residents secured tenancies. • The ability through shared ownership to help households into property ownership that may not otherwise have been achievable. <p>There are a range of options described below that if used alone would not achieve the council commitment to deliver 1000 council homes by 2025.</p>

3.	Do Nothing – This is not a recommended option given the current and future demand for homes in the city.
4.	Sale of all vacant sites for capital return – This would secure a capital receipt for the council but would not maximise the number of affordable homes or deliver more council homes. This is evidenced by the reduction in the number of affordable homes built in the city by developers in recent years.
5	Sale of all sites for less than best value for the provision of more affordable homes – this would secure a significantly reduced capital receipt and could secure affordable homes, but not council homes with secured tenancies.
6.	A Joint Venture for all sites – This approach would not maximise the number of affordable council homes on the site and has a lengthy programme of selection and implementation associated with it.
7.	Sale and Lease back – This option involves an external investor funding the development in return for a rental payment over a period which may vary but is generally between 20-40 years, it relies on a mix of affordable and market rent properties. The model does not allow for Right-to-Buy to apply. This is a complex arrangement with financial risk and procurement issues. This option does not maximise the number of affordable homes on the site as there would need to be a significant percentage of market rental properties, so it relies on a demand for market rent across the sites.
DETAIL (Including consultation carried out)	
8.	In September 2016, a report considered by the Overview and Scrutiny Management Committee set out the proposed high-level strategy for Estate Regeneration for the city.
9.	The report stated that a range of models for development and funding of new homes would be pursued and the following approaches were listed in the report: <ul style="list-style-type: none"> a) Direct Development within the Housing Revenue Account (HRA). b) The sale of sites to Housing Association partners. c) The sale of sites to institutional funding partners making completed units available to the council through finance leases with options to purchase. d) Use of the Council’s Development and Investment Companies that will allow the Council to develop and invest in housing for sale and offer market rent to reinvest development proceeds in the delivery of affordable homes.
10.	The homes that were implemented on council land in line using this range of delivery options included the following: <p>Direct Development within the Housing Revenue Account (HRA):</p> <ul style="list-style-type: none"> • Development of Erskine Court which opened in 2016 with 54 units of housing with extra care in Lordshill. • Townhill Park Plot 1 which included the provision of 6 houses and 50 flats for general needs which were completed in 2019.

	<ul style="list-style-type: none"> • Potters Court, which is currently under construction and is due to be completed in the autumn of 2020, will provide 84 units of housing with extra care in Wimpson Lane, Millbrook. • Kiln Court, which is also under construction and due for completion in autumn 2020, which will provide 15 general needs homes adjacent to the extra care facilities at Potters Court. <p>The Sale of Sites to Housing Association Partners:</p> <ul style="list-style-type: none"> • Tenders were invited from housing associations for the Brownhill House site in Brownhill Way and Sovereign Housing Association were selected. The project which started on site in 2019 involves the development of 29 homes all of which will be affordable. <p>The Sale of Sites to Institutional Funding providers:</p> <ul style="list-style-type: none"> • This was investigated extensively in relation to the Former Oaklands School and Townhill Park Plot 2 sites. The model does not allow for Right-to-Buy to apply. This is a complex arrangement with financial risk and procurement issues. In addition, this option does not maximise the number of affordable homes on the site as there would need to be a significant percentage of market rental properties. It also relies on a demand being demonstrated for market rent. For all the reasons above the council has therefore not pursued this option at this time. <p>Use of Council’s Development and Investment Companies:</p> <ul style="list-style-type: none"> • The creation of a development and investment company was not pursued but is now being reviewed and investigated. 												
11.	<p>In addition to the above the net housing completions delivered by all housing developers across the city over the past five years is shown below.</p> <table border="1" data-bbox="316 1245 1166 1406"> <thead> <tr> <th></th> <th>13/14</th> <th>14/15</th> <th>15/16</th> <th>16/17</th> <th>17/18</th> </tr> </thead> <tbody> <tr> <td>Past completions</td> <td>405</td> <td>1312</td> <td>1046</td> <td>997</td> <td>826</td> </tr> </tbody> </table> <p>Between 2013 – 2018 (past 5 years) the net total number of housing completions is 4,586 (917 completions per year on average).</p> <p>https://www.southampton.gov.uk/planning/planning-policy/research-evidence-base/amr.aspx</p>		13/14	14/15	15/16	16/17	17/18	Past completions	405	1312	1046	997	826
	13/14	14/15	15/16	16/17	17/18								
Past completions	405	1312	1046	997	826								
12.	<p>As part of the Autumn Budget 2017 the government confirmed its commitment to delivering 300,000 homes per year.</p> <p>https://www.gov.uk/government/publications/autumn-budget-2017-documents/autumn-budget-2017</p> <p>On the 29th October 2018 the Housing Revenue Account (HRA) borrowing cap was formally removed with the publication of the Limits on Indebtedness (Revocation) Determination 2018. In the HM Treasury Budget Policy Paper October 2018, it states:</p>												

	<p><i>“the Housing Revenue Account cap that controls local authority borrowing for house building will be abolished from 29 October 2018 in England, enabling councils to increase house building to around 10,000 homes per year.”</i></p> <p>The government announcement regarding the above included the following: <i>“Today’s move recognises that councils see the borrowing cap as the greatest barrier to building new homes. This gives councils the tools they need to deliver a new generation of council housing. Removing the borrowing cap entirely is also likely to diversify the house building market, with councils being better able to take on projects and sites that private developers would consider too small.”</i></p> <p>https://www.gov.uk/government/news/government-announces-new-generation-of-council-housing</p>
13.	<p>In response to the above the council set up a Task and Finish group to consider the opportunities and implications of this change to the HRA. This group developed the following recommendations which created the opportunity for the council to take advantage of the additional funding available:</p> <ul style="list-style-type: none"> • The principle agreed was that HRA cap projects will be separate from the existing borrowing. • Projects could be supported which are financially appraised and using agreed assumptions proved to cover the cost of the borrowing and therefore financially viable either as a single project or as a programme of projects. Therefore, the borrowing would not negatively impact the HRA. • The above could be funded by one or more loans which are deemed most appropriate at the time in accordance with the council’s treasury strategy. • The repayment programme will be developed as part of the financial model per programme. • The HRA would by default underwrite programmes which is why rigorous financial appraisal systems are vital. • Whilst there would not be a limit to the borrowing; the key issue is to be able to demonstrate financial viability across a programme or business plan.
14.	<p>In addition, the Task and Finish Group recommended that:</p> <ul style="list-style-type: none"> • The development of 1000 council owned homes would be recognised as a council-wide priority through all other departments, planning, legal, finance, procurement, capital assets, housing services, housing operations, adult social care etc. • The would work need to be joined-up with the local plan review. • There would be a need for financial appraisal software, the setting up of a company would also be revisited and reviewed and there would need to be feasibility work once sites had been identified.

	<ul style="list-style-type: none"> • There would also be a need to clarify the demand and need for homes together with the council's requirements in terms of specification for any new properties.
15.	The removal of the HRA borrowing cap presented a significant opportunity for the council and the first project to be approved following this change was the project to build 103 council homes on the former Oaklands School site which was agreed by council in July 2019.
16.	A financial appraisal was developed in house for the Oaklands scheme, the council has now procured specialist financial appraisal software which has been used extensively by Registered Providers to assess financial viability of housing developments. Officers have been trained to carry out appraisals and the finance team will be monitoring and reviewing appraisals. Approvals will be sought through established Financial Procedure Rules and delegations.
17.	<p>To take the opportunity provided by the lifting of the borrowing cap and the ambition to deliver 1000 council homes by 2025 the approach that the regeneration team are currently working on includes:</p> <ul style="list-style-type: none"> - Identifying potential sites and options for the delivery of 1000 council homes by 2025. - Reviewing the sites, the potential housing densities, costs and delivery options that would enable individual projects or programmes to be financially viable. - Carrying out outline financial appraisals, more detailed appraisals will be carried out as each scheme seeks approval to proceed. - Developing scheme indicative programmes. - Working across the council to identify the demand for not only general but also other client group needs. - Developing the overarching council requirements in terms of design & specification requirements going forward. - Working with the council's strategy team who are developing an affordable homes policy.
18.	<p>As part of the 1000 council homes programme which begun in the Summer of 2018, the following have been delivered, are under construction or are approved.</p> <p>Delivered</p> <ul style="list-style-type: none"> • 56 homes Townhill Park completed • 6 Hugg Homes • 10 buy backs (council properties acquired) <p>Under Construction</p> <ul style="list-style-type: none"> • 99 homes at Potters Court and Kiln Court <p>Approved</p> <ul style="list-style-type: none"> • 103 Former Oaklands School Site
19.	Many of the Townhill Park plots identified as part of the regeneration of the estate will be part of the 1000 homes programme. An update will be provided at the next SO18 Big Local meeting in December 2019. The most recent update is that the council officers have been working with Homes England to

	finalise the information required to enter into a contract for the Housing and Infrastructure Fund grant of £3.75M that the city council was successful in securing. This has now been finalised. This grant will fund the traffic calming measures of Meggeson Avenue and the creation of the new local park the 'Village Green' in the centre of the area, both identified as priorities by residents. The local community has been involved in the design of these improvements through extensive public consultation and engagement.
20.	A decommissioning programme is underway for all the plots in the regeneration of Townhill Park. This started with Plot 1 and there is an indicative programme which was approved by Cabinet in December 2017 which suggested that this could be concluded in 2024. The decommissioning progress is monitored against the programme, Plot 2 and Plot 10 have been decommissioned and Plot 9 is underway.
21.	The removal of the HRA borrowing cap gives the council an opportunity to review the delivery options at Townhill Park and the overall programme and pursue approaches that would not have been previously available to be used to deliver the 1000 council owned homes. The commitment to deliver over 640 new homes at Townhill Park remains and will be delivered with a phased approach, 56 homes have already been completed on plot 1. The aim is to get a contractor working on the plot 2 project during 2020. A detailed programme for those plots that can be delivered before 2025 is currently under development as part of the 1000 homes project.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
22.	Financial approvals required to be able to proceed with developments will be sought on a project by project basis or as part of a programme.
23.	There is already funding approved for: <ul style="list-style-type: none"> • Potters and Kiln Court • A decommissioning and demolition programme at Townhill Park and some funding for scheme progression. • The traffic calming measures of Meggeson Avenue and the development of the open space • The former Oaklands School Site development.
<u>Property/Other</u>	
24.	The Council's Capital Assets Team is leading on the 1000 homes programme work involving permanent staff and consultants. There is also the opportunity to bring in additional staff or consultants on a project by project basis.
25.	Advice will continue to be taken on specific delivery and funding models. In addition there has and will continue to be consultation with other local authorities who have experience from which the council can benefit.
26.	There is work ongoing to refine the council's requirements for future homes as part of the 1000 council homes programme. This is being developed in consultation with a number of teams across the council to ensure that properties will meet client group needs, that will be robust and easily maintained and that reflect the councils green aspirations.

LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
27.	The legislation that allows the council to build and acquire homes is Section 9 and 17 of the Housing Act 1985
28.	Specific legal advice is obtained on a project by project basis. This can involve for example: <ul style="list-style-type: none"> • The Use of Right to buy Receipts - Section 11(6) of the Local Government Act 2003 relates to the Council's ability to retain and use Right- to- Buy receipts to fund affordable housing. • Helping to identify appropriate procurement methods for each project or programme. • Appropriation of land - The legislation that allows the council to appropriate the land into the Housing Revenue Account from the General Fund is Section 19 Housing Act 1985.
<u>Other Legal Implications:</u>	
29.	None
RISK MANAGEMENT IMPLICATIONS	
30.	A risk register will be developed for each site and programme as part of the delivery of 1000 council owned homes.
POLICY FRAMEWORK IMPLICATIONS	
31.	The project to deliver a 1000 council owned homes by 2025 will deliver more affordable homes in line with the Southampton City Council Housing Strategy 2016-2025, they will also contribute towards the targets in the Core Strategy. The Southampton City Council Core Strategy Adopted version January 2010 in policy CS4 outlines the target to provide an additional 16,300 homes to be provided between 2006 and 2026. The Planning Authority monitoring report April 2015 – March 2016 says that the target of 16,300 homes will be replaced with 19,450 homes needed between 2011 -2034 in the New Emerging Local Plan.

KEY DECISION?	No
WARDS/COMMUNITIES AFFECTED:	None directly as a result of this report
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	None
Documents In Members' Rooms	
1.	None
Equality Impact Assessment	
Do the implications/subject of the report require an Equality and	No

Safety Impact Assessment (ESIA) to be carried out.		
Data Protection Impact Assessment		
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.		No
Other Background Documents		
Other Background documents available for inspection at:		
Title of Background Paper(s)		Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	None	
2.		

Agenda Item 9

DECISION-MAKER:	OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE		
SUBJECT:	FORWARD PLAN		
DATE OF DECISION:	10 OCTOBER 2019		
REPORT OF:	DIRECTOR - LEGAL AND GOVERNANCE		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Mark Pirnie	Tel: 023 8083 3886
	E-mail:	Mark.pirnie@southampton.gov.uk	
Director	Name:	Richard Ivory	Tel: 023 8083 2794
	E-mail:	Richard.ivory@southampton.gov.uk	
STATEMENT OF CONFIDENTIALITY			
None			
BRIEF SUMMARY			
This item enables the Overview and Scrutiny Management Committee (OSMC) to examine the content of the Forward Plan and to discuss issues of interest or concern with the Executive to ensure that forthcoming decisions made by the Executive benefit local residents.			
RECOMMENDATIONS:			
	(i)	That the Committee discuss the items listed in paragraph 3 of the report to highlight any matters which Members feel should be taken into account by the Executive when reaching a decision.	
REASONS FOR REPORT RECOMMENDATIONS			
1.	To enable Members to identify any matters which they feel Cabinet should take into account when reaching a decision.		
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED			
2.	None.		
DETAIL (Including consultation carried out)			
3.	The Council's Forward Plan for Executive Decisions from 15 October 2019 has been published. The following issues were identified for discussion with the Decision Maker:		
	Portfolio	Decision	Requested By
	Homes and Culture	The Future of St Mary's Leisure Centre	Cllr Galton / Cllr Fuller
	Resources	Commercial Property Investment Fund	Cllr Galton / Cllr Fuller

4.	Briefing papers responding to the items identified by members of the Committee are appended to this report. Members are invited to use the papers to explore the issues with the decision maker.	
RESOURCE IMPLICATIONS		
<u>Capital/Revenue</u>		
5.	The details for the items identified in paragraph 3 are set out in the Executive decision making report issued prior to the decision being taken.	
<u>Property/Other</u>		
6.	The details for the items identified in paragraph 3 are set out in the Executive decision making report issued prior to the decision being taken.	
LEGAL IMPLICATIONS		
<u>Statutory power to undertake proposals in the report:</u>		
7.	The details for the items identified in paragraph 3 are set out in the Executive decision making report issued prior to the decision being taken.	
8.	The duty to undertake overview and scrutiny is set out in Part 1A Section 9 of the Local Government Act 2000.	
<u>Other Legal Implications:</u>		
9.	None	
RISK MANAGEMENT IMPLICATIONS		
10.	The details for the items identified in paragraph 3 are set out in the Executive decision making report issued prior to the decision being taken.	
POLICY FRAMEWORK IMPLICATIONS		
11.	The details for the items identified in paragraph 3 are set out in the Executive decision making report issued prior to the decision being taken.	
KEY DECISION		No
WARDS/COMMUNITIES AFFECTED:		None directly as a result of this report
<u>SUPPORTING DOCUMENTATION</u>		
Appendices		
1.	Briefing Paper – The Future of St Mary’s Leisure Centre	
2.	Briefing Paper – Commercial Property Investment Fund	
Documents In Members’ Rooms		
1.	None	
Equality Impact Assessment		
Do the implications/subject of the report require an Equality and Safety Impact Assessments (ESIA) to be carried out?		Identified in Executive report
Data Protection Impact Assessment		

Data Protection Impact Assessment Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out?		Identified in Executive report
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	

This page is intentionally left blank

BRIEFING PAPER

SUBJECT: THE FUTURE OF ST MARY'S LEISURE CENTRE
DATE: 10 OCTOBER 2019
RECIPIENT: OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE

THIS IS NOT A DECISION PAPER

SUMMARY:

A decision-making report regarding the Future of St Mary's Leisure Centre will be considered by Cabinet on 15th October 2019 ("the Cabinet Report").

Solent University ("SU") have managed St Mary's Leisure Centre ("the Centre") under a Service Concession ("the Agreement") since 1st August 2010. This Agreement formally ended on 31st July 2019 to allow SU to operate from a newly-constructed facility. By agreement with the Council, SU are continuing to operate the Centre whilst the process described in this Briefing Paper is undertaken (subject to Cabinet approval on 15th October 2019).

It is recommended that a 'Community Hub' facility is created in the Centre. This is intended to be a flexible and vibrant space which brings a number of providers together to offer a range of activities, programs and services to the whole of the local community in order to make an active and positive contribution to the achievement of the Council's Strategic Objectives including:-

- Southampton has strong and sustainable economic growth;
- Children and young people get a good start in life;
- People in Southampton live safe, healthy independent lives and
- Southampton is an attractive and modern city where people are proud to live and work.

BACKGROUND and BRIEFING DETAILS:

1. The Centre is an ageing facility which is Grade 2 Listed. Its condition is such that a number of repairs will need to be undertaken in the short to medium term. The Centre is situated in an area of significant deprivation and which has a very diverse population. Whilst this creates challenges in terms of developing an offer with sufficiently broad appeal, it also creates an opportunity to develop a facility which actively supports the whole of the local community.
2. The Cabinet Report recommends that a competitive bidding process is undertaken to select a new operator of the facility. Subject to acceptable service proposals, service standards and commercial terms, this will result in the Council granting a new lease and entering into a new contract with the selected operator.

BRIEFING PAPER

3. It is intended that an organisation will be appointed to operate and maintain the Centre for a period of twenty years.
4. The new facility will support and offer a range of services to the community. The objectives include:-
 - Creating an inclusive and vibrant facility which will be attractive to, and used by, the local community and the community of the wider city;
 - Offering a range of activities and opportunities which are accessed by a broad cross-section of the community;
 - Offering a sufficiently flexible space, lease and contract terms to allow small operators to occupy and/or sub-let spaces to help ensure that a diverse range of activities are offered; these may include 'pop-up' organisations which may elect to operate from the facility for relatively short or longer periods of time;
 - Offering a bidding process which allows bidders to be creative and innovative in their offers. It is anticipated that bids and proposals may include outreach activities, therapy facilities and activities to promote and support positive mental health, physical health and wellbeing activities, art and culture offerings, sports and fitness activities and activities aimed at young people and
 - Ensuring that there is a requirement for the incoming operator to consider offering a publicly-accessible gymnasium and a squash court. The rationale for the former is to continue to provide an opportunity for local community to continue to have access to very local exercise facilities and the latter because there is a deficiency of squash facilities in the city. It should be noted that if, at any point, the operator's position is that there is no longer a community need for these facilities, then the operator will be entitled to approach the Council to describe their proposals, rationale and seek permission to discontinue providing one or both of these facilities.
5. The competitive process, in summary, consists of an assessment of bidders' proposals under the broad headings of the benefits to the whole community, quality of proposal, plans for the future of the centre and the financial stability of the bidding organisation.
6. The Council has been informally approached during 2019 by a number of organisations who have expressed an interest in operating the Centre on either a commercial, community or specific sole interest basis. Records of these approaches have been retained and these organisations will be made aware that the opportunity is formally available at the point at which the bidding process commences.
7. It is likely that the Centre would struggle to directly compete with SU's sports and fitness facility, which is in the vicinity. The change of the offer at the Centre to a community hub facility will complement – rather than seeking to compete with - the SU offer in order to provide a wider and more diverse range of activities and opportunities for the local community.
8. It is anticipated that, subject to the process resulting in a successful appointment, the new operator will take possession of the Centre between March and April 2020.

BRIEFING PAPER

9. It is likely that the new operator will need to close the facility for a period to convert the facility to support its new use. The incoming operator will be required to communicate with, and involve, the local community during this works phase.
10. A consultation process has been undertaken to seek views regarding the future of the Centre. The consultation ran between 23rd July and 8th September 2019.
11. This consultation included the following methods:-
 - A questionnaire was created to seek feedback and this was made available on the Council's website consultation page;
 - Notices were displayed in the Centre;
 - SU have shared the information with their customers;
 - The notice was also sent to local community groups and
 - The Council's Community Engagement Officer engaged with the local community receiving feedback and encouraging the submission of views from local community groups, organisations and individuals and
 - The Daily Echo promoted the consultation.
12. A total of 343 questionnaires were completed. The key question asked was to determine to what extent respondents agreed or disagreed with the proposal to create a community hub within the building. The result was that 83% of respondents agreed, 8% answered neither and 9% disagreed.
13. A question was asked to determine why respondents were interested in this consultation. The results were:-
 - 277 said 'as a resident of Southampton'.
 - 58 said 'as a current users of St Mary's Leisure Centre'.
 - 46 said 'as a community group or association'.
 - 32 said 'as a resident elsewhere in Hampshire'.
 - 22 said 'other'.
 - 18 said 'as a business or organisation'.
 - 14 said 'as an employee of Southampton City Council'.
 - 11 said 'as a political member'.
14. The top five locations to take part were:-
 1. 19% - Bevois Ward.
 2. 12% - Outside Southampton.
 3. 10% - Freemantle Ward.
 4. 9% - Bargate Ward.
 5. 8% - Shirley Ward.
15. Many comments were received on how to use the space in the future. The top five results were:-
 1. 139 stated for Sports and wellbeing use.
 2. 114 stated for Community driven use.
 3. 62 asked for focus on the young generation (youth, children & families).
 4. 43 asked for the facilities or purpose to not change.
 5. 41 asked for the use to be for arts and culture.

BRIEFING PAPER

16. The results of the consultation represent a strong endorsement of the approach recommended in the Cabinet Report. The headline proposal is supported by 83% of respondents and the recommended approach enables – subject to bids – four of the top five proposed uses of the space in future to be achieved.

RESOURCE/POLICY/FINANCIAL/LEGAL IMPLICATIONS:

Policy

17. The proposals are consistent with the Policy Framework.

Financial

18. The Council's financial and commercial assumptions are contained within confidential Appendix 1 to the Cabinet Report. Appendix 1 of the Cabinet Report is not for publication by virtue of categories 3 (financial and business affairs), and 7A (obligation of Confidentiality) of paragraph 10.4 of the Council's Access to Information Procedure Rules, as contained in the Council's Constitution.

It is not in the public interest to disclose this information as the appendix contains confidential and commercially sensitive information regarding the Council's commercial approach to a confidential bidding and selection process. It would prejudice the Council's ability to operate in a commercial environment and obtain best value in contract negotiations and would prejudice the Council's commercial relationships with third parties if they believed the Council would not honour obligations of confidentiality.

Property / Other

19. There is a risk that the process does not result in any bids which meet the Council's commercial and property requirements. If this were to occur, then the Council would review its requirements against the position of the market as established through the bidding process and consider alternative commercial options in a subsequent bidding process.

Legal

20. The bids and resulting land transfer will be required to be fully compliant with the Equalities Act 2010 including the positive duty to exercise the Council's functions having regard to the need to promote equality of opportunity and eliminate discrimination and harassment for those having protected characteristics under the Equalities Act 2010.

OPTIONS and TIMESCALES:

21. The options for the future of the Centre include:-

BRIEFING PAPER

- (i) **Creation of a community hub** - proceed with the competitive bidding process to find an operator to create a community hub. The results of the consultation support this approach. **This is the recommended option.**
- (ii) A **Community Asset Transfer (CAT)** – this option was considered, but has been rejected as it would not enable the Council to exercise sufficient control of the use of the Centre once it was transferred. This may result in the Centre not being used for a range of cross-community activities and this would not, therefore, support the outcome of the consultation. **This is not a recommended option.**
- (iii) **Continue to operate the Centre as a Leisure facility** - undertake a bidding process to select a new operator to continue running the Centre as an (exclusively) leisure and sports facility. A new leisure operator is likely to struggle to compete with SU's new sports facility which is in close proximity and has a 90 station gym, over 40 pieces of cardio equipment, a sports hall, a fitness suite and a range of other state-of-the-art facilities and equipment. Around 20% of the users of the Centre were members of the public and 273 former users of the Centre have now transferred and use the gym facilities at SU's new building. Furthermore, SU is a strategic partner to the Council and if the Council were to seek to compete on a like-for-like basis it is unlikely to be in the interests of either organisation or those who wish to use leisure facilities. This option would not support the outcome of the consultation. **This is not a recommended option.**
- (iv) **Lease the building** on the open market without use restrictions, subject to planning permission – the Council's assessment is that this is most likely to result in the facility being used for a purpose (such as a nightclub) which would not support the Council's objectives for the use of the facility, the beneficial outcomes of such use and the results of the consultation. **This is not a recommended option.**
- (v) **Sell the site** for development into housing or an alternative use. There would be two broad options:-
 - Option one would be for the Centre to be demolished so that new housing or an alternative use-building could be developed, however due to its Grade 2 Listing, a developer is very unlikely to obtain permission to proceed with such a demolition. **This is not a recommended option.**
 - Option two would be for a developer to convert the current building into living accommodation or an alternative use. This would present some issues due to the Grade 2 Listings and, therefore, any accommodation would need to be developed in the context of these restrictions. There is currently a flat on the 2nd floor but this is uninhabitable as the only available escape route is through the building. The Council's assessment is that the result of these challenges is that it is likely developing the Centre for housing purposes may not be financially viable. **This is not a recommended option.**

It is highly unlikely that either of the options above would support the outcome of the consultation nor the Council's objectives.

BRIEFING PAPER

RISK MANAGEMENT IMPLICATIONS

22. A risk register for the project has been developed. The key risk is that the Council's minimum requirements will not be met through the bidding process and that an operator cannot therefore be appointed.

Appendices/Supporting Information:

1. Equality and Safety Impact Assessment (ESIA)

Further Information Available From:	Name:	Paul Paskins
	Tel:	023 8083 4353
	E-mail:	paul.paskins@southampton.gov.uk

BRIEFING PAPER



Equality and Safety Impact Assessment

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

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

Name or Brief Description of Proposal	For St Marys Centre to operate as flexible community hub including a limited leisure offering from January 2020 by allowing a property transfer with a lease to a sole Provider.
Brief Service Profile (including number of customers)	
<p>The aim is to provide a venue for a multi-use community hub including limited leisure facilities in St Marys, operated by one Provider who will operate and fully maintain the venue and be able to sub-let/rent out space to other organisations in order to provide an additional range of flexible activities for the whole community, which is not limited to leisure.</p> <p>Until May 2019 the St Marys Leisure Centre venue has provided leisure facilities to the local community of approx.150 users per week under an agreement between the council and Solent University.</p> <p>The building is being kept open with a limited service provision.</p> <p>The building use is currently classed as a D2 Assembly and Leisure venue for indoor sports and recreation only.</p> <p>The council wish to change the use to a D1/D2 Assembly and Leisure and Non-Residential mixed use venue which will allow the premises full flexibility to operate as a community hub from early 2020.</p>	
Summary of Impact and Issues	
<p>There is a possibility there will be a change in leisure provision delivered from the St Mary’s Leisure Centre venue, with only limited leisure provisions being retained (squash courts and gym).</p> <p>However, a modern new sports facility with community access has been built by Solent University in the area less than 0.2 miles away on the university campus site on East Park Terrace which can provide a full leisure service and more (except squash courts).</p>	

BRIEFING PAPER

Most of the current St Mary's Leisure Centre users have been encouraged to, and have transferred to this facility from May 2019.

There is no longer the need for a full leisure service to be delivered from St Mary's Leisure Centre.

A community hub which can offer a range of more flexible services will be much more beneficial to the local residents.

Potential Positive Impacts

Residents local to the venue (within 2 miles) will have a venue that can be utilised for a range of flexible services including limited leisure provisions that will benefit the community.

Costs to the Council for the building currently are significant and no future budget exists for any management fee or building maintenance and repair.

The new Provider will be fully responsible for structural, repair, building maintenance and insurance of the grade II listed building, removing the risk and cost from the council.

Responsible Service Manager	Paul Paskins
Date	
Approved by Senior Manager	James Strachan
Date	

Potential Impact

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
Age	No specific impact	The new gym at Solent University meets the needs of the older members of the community wanting to engage in leisure services. Improved venue and facility allowing for flexibility of services delivered dependant on community, local and central government trends.
Disability	No specific impact	The new gym at Solent University meets the needs of the disabled community wanting to engage in leisure services. The wheel chair basketball team has already relocated to the new facility.

BRIEFING PAPER

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
		Improved venue and facility which will be able to accommodate people with disabilities.
Gender Reassignment	No specific impact	No specific impact
Marriage and Civil Partnership	No specific impact	No specific impact
Pregnancy and Maternity	No specific impact	Improved venue and facility allowing for flexibility of services delivered dependant on community, local and central government trends.
Race	Negative impact	Solent University's new facility is in close proximity at East Park Terrace. It is open to members of the public and Solent have continued to offer their women only gym classes to the local BME community. 273 former users of St Mary's are already using Solent's facility.
Religion or Belief	Single sex classes held	The women only gym class has already relocated to the new facility at East Park Terrace.
Sex	Single sex classes held	The women only gym class has already relocated to Solent's new facility.
Sexual Orientation	No specific impact	
Community Safety	Positive impact	Most users live within a 2 mile radius. Having the building open and occupied rather than mothballed hopefully will deter from vandalism and anti-social behaviour.
Poverty	No specific impact	Improved venue and facility which can accommodate classes to promote health and well-being allowing for

BRIEFING PAPER

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
		flexibility dependant on community, local and central government trends.
Health & Wellbeing	Positive impact	Improved venue and facility which can accommodate classes to promote health and well-being allowing for flexibility dependant on community, local and central government trends.
Other Significant Impacts		

BRIEFING PAPER

SUBJECT: COMMERCIAL PROPERTY INVESTMENT FUND
DATE: 10 OCTOBER 2019
RECIPIENT: OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE

THIS IS NOT A DECISION PAPER

SUMMARY:

1. The authority agreed a property investment fund in 2016, and subsequently an investment of £29.7M was made in commercial property. The return from this investment is formally reported to Council each year as a part of the update on Treasury Management issues within the year-end outturn report. The report this year, made to the July Council meeting, highlighted that to date the authority has purchased three properties. The rate of return on these investment in 2018/19 was 5.95% gross and 2.05% net (after borrowing costs of £1.16M were incurred), which therefore represents a contribution to the revenue account of around £0.61M.
2. The investment made by Southampton in commercial property highlights that local authorities are increasingly reliant on income generating activities as a means to address their funding challenges. Direct property investment is regularly undertaken by local authorities, both within and external to their own boundaries. Property investment provides a means to secure returns above the costs incurred via borrowing (from the Public Works Loan Board), creating a positive and sustainable income stream for authorities.
3. According to the Medium Term Financial Strategy agreed by Council in February, the authority faces a budget gap of around £9.5m in 2020/21, and a way to help address that shortfall, as well as future shortfalls, is via making a renewed use of the property investment fund.
4. The report to Cabinet recommends recommencement of the previous policy.

BACKGROUND and BRIEFING DETAILS:

5. By adding additional resource into commercial property, the main purpose will be to generate additional income, over and above the costs concerned, and which will be expected to provide a healthy income stream over the longer term. It is therefore proposed to allocate £200M into the capital programme, from 2019/20 onwards, to expand the property investment fund previously agreed. Development of the property investment fund will therefore provide greater resilience to the Council's financial position, independent of Government funding decisions and allocations. Adding to the capital programme in the current year will allow the best opportunity for early investments to be made and realising the income they bring.

BRIEFING PAPER

6. As applied to previous direct property investments, due diligence will be applied to each potential investment decision, which will include the type of asset, location, ownership, tenure and lease terms, covenant quality, yield and growth in future yield, risks and risk management options to mitigate potential risk and 'fit' within an overall and balanced property portfolio.
7. Within the strategy, the potential will be recognised for investment opportunities that arise which whilst they may not offer the optimum financial return, provide for a number of wider aims to be achieved around investing locally in the economy to assist with regeneration and also the generation of returns from local business rates in Southampton. Local authorities benefit from a share of the growth in their local business rates as a part of the funding system for local authorities. Hence, a flexible approach will be considered but as part of an overarching aim to achieve sound and long term returns for the authority for sustainable funding streams with less reliance on Government funding.
8. A governance process was previously agreed when creating the property investment fund, which will be adhered to regarding the proposed allocation. The process recognises the need for due diligence on all acquisitions, as well as the need for flexibility to ensure opportunities are not missed in a competitive market.
9. The agreed governance process allows the Service Lead - Capital and Assets, delegated authority following consultation with the Leader of the Council and the Council's Capital Board to agree the detail of the business plan for the property fund and future variations to investment criteria. In addition, delegated authority was also given to the Service Lead Capital Assets, again following consultation with the Leader of the Council and the Service Director – Strategic Finance and Commercialisation to approve the acquisition or sale of property or other investments in accordance with the business plan, investment criteria and delivery options. Furthermore, that delegated authority for the Service Lead Capital Assets, following consultation with the Leader of the Council and Council's Capital Board extended to taking decisions on real property acquisitions and disposals irrespective of value. Formal legal advice on acquisition and completion of the relevant legal processes (including money laundering compliance, property title checks etc) will add to the overall governance of acquisition proposals. This process will again be followed and will also include full consultation with the Cabinet Member for Resources.
10. It is proposed the Business Plan for commercial property will be refreshed to reflect the new commitment for investment contained in this proposal.

RESOURCE/POLICY/FINANCIAL/LEGAL IMPLICATIONS:

11. Under this proposal, £200m would be added to the capital programme for further investment in the commercial property portfolio. A full report will be made to Cabinet and Council to secure the necessary approvals and relevant Treasury Management limits reviewed and agreement sought for their amendment as needed to reflect this policy.

BRIEFING PAPER

12. The council's 2020/21 revenue budget is expected to include a target level for income to be raised via investing in commercial property, over and above the costs of financing the investment, as a contribution towards balancing the budget.
13. Additionally resource will be required within the Capital and Assessment Management team to undertake appropriate research into the market for investment opportunities. Furthermore, resource will be needed to undertake conveyancing work, either via the in-house legal team or possibly from external solicitors depending on the timescales required and available in-house resource at that point in time. If the council receives an initial introduction from an agent and proceeds with a transaction, it would need to pay a one-off finder's fee.
14. Property investment has already been undertaken by Southampton City Council, as well as other authorities. The policy was adopted in 2016 highlighting the General Power of Competence under the Localism Act.

OPTIONS and TIMESCALES:

15. To generate returns as quickly as possible, it is intended to allocate funds and begin considering investment opportunities as soon as the necessary approval has been given by the Council for the investment sum sought.
16. This option is part of a number of measures that will be needed to ensure future budgets are balanced. If this option were not considered, other proposals would need to be brought forward to meet the legal requirement of a balanced budget which may entail reductions to services.

RISK MANAGEMENT IMPLICATIONS

17. Commercial property investment involves a degree of risk, but whilst this is an inherent part of making investments in can be managed and mitigated. Prices can fluctuate and there are risks around tenant failure. These were recognised as part of the approach with the investment properties held to date and will continue to be recognised by applying checks as part of the due diligence required ahead of each investment (including detailed property and company financial checks etc). Criteria will be applied such as looking at spreading the risk around different sectors of the market; strength and longevity of tenant covenant and location quality. Historically, property rentals have delivered growth and returns and it is intended to re-enter the market as a long term investor, applying a balanced portfolio to manage risks.

Appendices/Supporting Information:

18. None, but a full Cabinet report will be published ahead of the meeting.

Further Information Available From:	Name:	Steve Harrison Tel: 023 8083 4153
	E-mail:	Steve.harrison@southampton.gov.uk

This page is intentionally left blank