Public Document Pack

Cabinet

Monday, 19th July, 2021
at 6.00 pm

PLEASE NOTE TIME OF MEETING

Members

Leader – Councillor Fitzhenry
Deputy Leader and Cabinet Member for Growth – Councillor Moulton
Cabinet Member for Finance – Councillor Hannides
Cabinet Member for Environment – Councillor S Galton
Cabinet Member for Communities, Culture and Heritage – Councillor Vassiliou
Cabinet Member for Health and Adult Social Care – Councillor White
Cabinet Member for Children's Social Care – Councillor P Baillie
Cabinet Member for Education – Councillor J Baillie
Cabinet Member for Customer Service and Transformation – Councillor Harwood

(QUORUM – 3)

Contacts

Cabinet Administrator
Judy Cordell
Tel. 023 8083 2766
Email: judy.cordell@southampton.gov.uk

Service Director – Legal and Business Operations
Richard Ivory
Tel: 023 8083 2794
Email: richard.ivory@southampton.gov.uk

BACKGROUND AND RELEVANT INFORMATION

The Role of the Executive
The Cabinet and individual Cabinet Members make executive decisions relating to services provided by the Council, except for those matters which are reserved for decision by the full Council and planning and licensing matters which are dealt with by specialist regulatory panels.

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

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

Mobile Telephones – Please switch your mobile telephones to silent whilst in the meeting.

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.

Municipal Year Dates (Mondays)

2021	2022
15 June (Tues)	17 January
19 July	7 February
16 August	21 Feb (budget)
13 September	14 March
18 October	18 April
15 November	
20 December	

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

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

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

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.

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

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

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

Southampton: Corporate Plan 2020-2025 sets out the four key outcomes:

- Communities, culture & homes - Celebrating the diversity of cultures within Southampton; enhancing our cultural and historical offer and using these to help transform our communities.
- Green City - Providing a sustainable, clean, healthy and safe environment for everyone. Nurturing green spaces and embracing our waterfront.
- Place shaping - Delivering a city for future generations. Using data, insight and vision to meet the current and future needs of the city.
- Wellbeing - Start well, live well, age well, die well; working with other partners and other services to make sure that customers get the right help at the right time

CONDUCT OF MEETING

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

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

BUSINESS TO BE DISCUSSED
Only those items listed on the attached agenda may be considered at this meeting.

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

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**

To receive any apologies.

2 **DISCLOSURE OF PERSONAL AND PECUNIARY INTERESTS**

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

EXECUTIVE BUSINESS

3 **STATEMENT FROM THE LEADER**

4 **RECORD OF THE PREVIOUS DECISION MAKING** (Pages 1 - 2)

Record of the decision making held on 15th June, 2021 attached.

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

There are no matters referred for reconsideration.

6 **REPORTS FROM OVERVIEW AND SCRUTINY COMMITTEES (IF ANY)**

There are no items for consideration

7 **EXECUTIVE APPOINTMENTS**

To deal with any executive appointments, as required.

ITEMS FOR DECISION BY CABINET

8 **BUDGET 2021-22 AND BEYOND – UPDATE** □ (Pages 3 - 18)

Report by the Cabinet Member for Finance and Capital Assets on the budget.

9 **BUDGET MATTERS: REVENUE AND CAPITAL OUTTURN 2020-21** (Pages 19 - 92)

Report of the Cabinet Member for Finance and Capital Assets on the Revenue and Capital Outturn for 2020-21.

10 **DESTINATION MANAGEMENT PLAN** (Pages 93 - 126)

Report of the Cabinet Member for Communities, Culture and Heritage seeking to adopt a Destination Management Plan for the City of Southampton.

11 **REMOVAL OF EVENING CHARGES** (Pages 127 - 160)

Report of the Cabinet Member for Growth outlining the proposal to remove all evening charges (18:00 to Midnight) from On Street and Off Street parking facilities following a statutory consultation.

12 **EXCLUSION OF THE PRESS AND PUBLIC - EXEMPT PAPERS INCLUDED IN THE FOLLOWING ITEM**

To move that in accordance with the Council's Constitution, specifically the Access to Information Procedure Rules contained within the Constitution, the press and public be excluded from the meeting in respect of any consideration of the exempt appendices 1 to 5 to the following Item.

These appendices are considered to be exempt from general publication based on Category 3 of paragraph 10.4 of the Council's Access to Information Procedure Rules. It is not in the public interest to disclose this because doing so would be commercially sensitive to the Business District.

13 **GO! SOUTHAMPTON BID RENEWAL BALLOT*** (Pages 161 - 168)

Report of the Cabinet Member for Growth detailing the renewal proposals for the GO! Southampton Business Improvement District for a second term of operation.

Friday, 9 July 2021 Service Director – Legal and Business Operations

SOUTHAMPTON CITY COUNCIL
EXECUTIVE DECISION MAKING

RECORD OF THE DECISION MAKING HELD ON 15 JUNE 2021

Present:

Councillor Fitzhenry	-	Leader of the Council
Councillor Moulton	-	Cabinet Member for Growth
Councillor Hannides	-	Cabinet Member for Finance
Councillor S Galton	-	Cabinet Member for Environment
Councillor Vassiliou	-	Cabinet Member for Communities, Culture and Heritage
Councillor White	-	Cabinet Member for Health and Adult Social Care
Councillor P Baillie	-	Cabinet Member for Children's Social Care
Councillor J Baillie	-	Cabinet Member for Education
Councillor Harwood	-	Cabinet Member for Customer Service and Transformation

1. EXECUTIVE APPOINTMENTS 2021/22

Cabinet approved the Executive Appointments for 2021-22 as set out in the register attached to the report, with the following additions:

Health and Wellbeing Board – Councillors Fielker, Stead and Streets
Southern Inshore Fisheries and Conservation Authority – Councillor Guthrie
Southampton Connect – Councillors Guthrie and Vaughan
King Edward VI School – Councillor B Harris
Southampton 2025 – Councillor Bell
Hampshire British Legion Poppy Appeal – Councillor Fuller
Southampton Solent University Board of Governors – Councillor Houghton
Thorner's Homes – Councillor Vaughan
Community Champion for Older Persons – Councillor Stead
Hampshire and Isle of Wight Joint Health Scrutiny Panel – Cllr Stead
Local Government Information Unit – Councillor Fuller
Project Integra Strategic Board – Councillor J Payne
City Eye – Councillor Guest

2. NATIONAL BUS STRATEGY

DECISION MADE: (CAB 2021/22 31941)

On consideration of the report of the Cabinet Member for Growth and having complied with paragraph 15 of the Council's Access to Information Procedure Rules, Cabinet agreed the following:-

(i) To Note the outline and aspirations of the National Bus Strategy and how it aligns and supports the Council's current transport strategy (Connected Southampton 2040) and delivery programmes (Transforming Cities Fund & Future Transport Zone).

(ii) To approve the development of the Enhanced Partnership as the most appropriate statutory route for buses in Southampton; to delegate authority to the Executive Director Place to publish a of Notice of Intent as required in section 138F of Transport Act 2000 by 30th June 2021, and to develop the subsequent Bus Services Improvement Plan.

(iii) To delegate authority to the Executive Director Place, following consultation with the Cabinet Member for Growth, to negotiate, develop and finalise the specific content of the agreements for the Enhanced Partnership Plan and Scheme, and the Bus Service Improvement Plan, subject to complying with the statutory preparation, notice and consultation on both.

DECISION-MAKER:		CABINET COUNCIL			
SUBJECT:		BUDGET 2021-22 AND BEYOND – UPDATE			
DATE OF DECISION:		CABINET (19 JULY 2021) COUNCIL (21 JULY 2021)			
REPORT OF:		CABINET MEMBER FOR FINANCE & CAPITAL ASSETS			
CONTACT DETAILS					
AUTHOR:	**Name:**	Steve Harrison, Head of Financial Planning and Management	**Tel:**	0739 2864525	
	E-mail:	Steve.Harrison@southampton.gov.uk			
DIRECTOR:	**Name:**	John Harrison, Executive Director Finance & Commercialism	**Tel:**	023 8083 4897	
	E-mail:	John.Harrison@southampton.gov.uk			

STATEMENT OF CONFIDENTIALITY
N/A
BRIEF SUMMARY
Following the local elections held on 6 May 2021, the Council has been reviewing its aims and goals within its Corporate Plan for 2020-2025. A refreshed and updated version of the Corporate Plan appears elsewhere on the agenda. In accordance with the changes proposed to the Council's aims and priorities, this report covers how resources are being aligned and investment made to deliver the new priorities, which were reflected in the manifesto proposals of the new administration. Measures have already been implemented to temporarily suspend off-street parking charges during the evening period on Monday to Saturday and all day on Sundays until the end of July, alongside consultation to indefinitely remove all off street and on street evening charges within the city, as a result of commitments made by the new administration to remove these evening parking charges. The new administration believes it is important to quickly align the budget to the key task of supporting and promoting business activity and to get the city moving again as the lockdown restrictions are eased. The budget proposals in this report focus on both short term and longer term measures to support that aim and ensure the quickest possible recovery from the pandemic, whilst actively supporting those who continue to need help and assistance.

RECOMMENDATIONS:

	CAPITAL PROGRAMME (GENERAL FUND AND HOUSING REVENUE ACCOUNT) It is recommended that Cabinet:	
	i)	Notes the proposed additions to the General Fund capital programme to 2022/23 and its financing as shown in table 1 (paragraph 12).
	ii)	Notes the total additions amounting to £22.007M for the General Fund. These schemes are proposed to be included in the capital programme with approval to spend £21.007M plus a further £1.000M (as detailed paragraph 14) which will require

		subsequent approval to spend.
	iii)	Notes the proposed additions amounting to £4.431M to 2022/23 in the HRA capital programme with approval to spend and its financing as shown in table 3 (paragraph 19).
	GENERAL REVENUE FUND It is recommended that Cabinet:	
	iv)	Notes the budget proposals of the Executive as set out in table 2 (paragraph 15), to deliver the manifesto pledges of the Administration.
	v)	Notes the revised Medium Term Financial Forecast (MTFF) estimate for 2022/23 as set out in table 5 and paragraphs 23 to 27, with an update of the MTFF to be brought forward during the autumn.
	vi)	Notes that the proposed additional net revenue spend for 2021/22 of £2.132M will be funded from the central contingency budget.
	HOUSING REVENUE ACCOUNT It is recommended that Cabinet:	
	vii)	Notes the additions to the Housing Revenue Account budget estimates as set out in table 4 (paragraph 21).
	CAPITAL PROGRAMME (GENERAL FUND AND HOUSING REVENUE ACCOUNT) It is recommended that Council:	
	i)	Approves the proposed additions to the General Fund capital programme to 2022/23 and its financing as shown in table 1 (paragraph 12), and associated financing.
	ii)	Notes the total additions amount to £22.007M for the General Fund and agrees that these schemes be included in the capital programme with £21.007M having approval to spend and a further £1.000M (as detailed in paragraph 14) which will require subsequent approval to spend.
	iii)	Approves the proposed additions amounting to £4.431M to 2022/23 in the HRA capital programme with approval to spend and its financing as shown in table 3 (paragraph 19).
	GENERAL REVENUE FUND It is recommended that Council:	
	iv)	Notes and agrees the proposed additions to the budget, as set out in table 2 (paragraph 15).
	v)	Notes the revised Medium Term Financial Forecast (MTFF) estimate for 2022/23 as set out in table 5 and paragraphs 23 to 27, with an update of the MTFF to be brought forward during the autumn.
	vi)	Agrees that the proposed additional net revenue spend for 2021/22 of £2.132M will be funded from the central contingency budget.
	vii)	Agrees to delegate authority to the Executive Director, Communities, Culture & Homes, after consultation with the Cabinet Member for Communities, Culture and Heritage, to decide on the eligibility criteria and process for administering the proposed Community Fund budget (of £0.5M) to tackle anti-social behaviour.
	HOUSING REVENUE ACCOUNT It is recommended that Council	

	viii)	Agrees the additions to the Housing Revenue Account budget estimates as set out in table 4 (paragraph 21).

REASONS FOR REPORT RECOMMENDATIONS

1.	To ensure that the new Administration sets out how resources will align to the new priorities it wants to bring to the city.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2.	To ensure the on-going recovery from COVID-19 is maximised, it is considered that the budget adjustments and initiatives contained in this paper need to commence at the earliest opportunity, rather than wait for the annual budget setting meeting.

DETAIL (including consultation carried out)

National Context

3. Since March 2020, COVID-19 has affected us all, our residents, communities, public institutions, all types of businesses, as well as the voluntary sector and community organisations. It has been a public health crisis, unlike any seen in this country for the last hundred years, as well as creating an economic crisis.

4. The scale of the economic consequences arising from the pandemic have been unprecedented. The UK entered its first recession in 11 years. Gross Domestic Product (GDP) contracted by 24% between February and April 2020, with economic output then rising as restrictions were lifted. Increased cases into the Autumn required renewed restrictions, which led to a slowing of economic activity and a further fall in November. GDP for 2020 as a whole fell by 9.9%, the largest annual fall in 300 years.

5. Since the pandemic crisis started in March 2020 the Government has provided significant support to communities across the country, as well as to both the private and public sector. The March 2021 Budget from Government identified a total package of measures amounting to £407 billion across last year and this year. These measures have included:

- Grants to businesses alongside over £10 billion of business rates holidays and £73 billion loans and guarantees, supporting every sector of the economy.
- One-off Restart Grants to help businesses as they emerge from the lockdown restrictions
- The Coronavirus Job Retention Scheme (CJRS) and Self-Employment Income Support Scheme (SEISS) to protect jobs, with the furlough scheme scheduled to last until the end of September.
- As part of the March Budget, the Chancellor extended the temporary Universal Credit increase of £20 a week, again until the end of September 2021.
- The Government increased the basic element of working tax credit by £1,040 in 2020/21, with a lump sum of £500 in the March Budget to provide support for a further six months.
- Measures to extend the support offered via Statutory Sick pay, such as receiving the benefit from day one, rather than from the usual fourth day of illness.
- For those who are having to self-isolate and unable to work in England, if on low incomes, will qualify for a £500 'Test & Trace' payment.
- A VAT rate cut on hospitality and tourism activities from 20% to 5% until 30 Sep 2021; then 12.5% until 30 April 2022.
- A temporary cut in Stamp Duty Land Tax to support the housing market.

6. Government plans, as announced within the March Budget, are to help drive an investment led recovery, with encouragement to private sector investment with a tax incentive for companies

	investing in qualifying plant and machinery. The March Budget by Government also set out Public investment as a significant part of their economic strategy, with £30 billion extra for capital investment in 2020/21 compared with the previous year. This budget update is intended to align the Council's budget with the priority to kickstart the economy and ensure the authority plays its part to promote a sustainable recovery as the city emerges from the lockdown restrictions. Local authorities have also had to respond to the pandemic, supporting vulnerable residents and working with Government to deliver key parts of its support measures to combat the pandemic and support the economy. The National Audit Office (NAO) reported in March that at the end of 2020, local councils were reporting around £9.7 billion of COVID-19 cost pressures and income losses for 2020/21, with Government support amounting to around £9.1 billion to the sector.
	Local Context
7.	Responding to the COVID-19 pandemic has been the priority not only for central Government, but also local government over this last year. Southampton City Council has played a critical role in helping to lead the local response.
8	In terms of funding received to help the Council with its work, key areas of Government support have been provided via: • £42.3M to fund business rate relief for the retail sector and nursery discount schemes. • £106.9M of grants to support both mandatory schemes and local discretionary scheme in support of businesses who have suffered due to the pandemic. • £30.7M of general (un-ringfenced) COVID-19 support to assist with increased demand on services, particularly for adults and children's social care and to enable additional support to be provided to social care providers. • An estimated £8.5M of support for losses associated with reduced sales, fees and charges activity the council has suffered as a result of COVID-19. This level supports 75% of the losses experienced, after allowing for a 5% reduction for normal budget 'volatility'. It does not, however, provide any compensation for income losses arising from commercial rents. • £7.9M of Contain Outbreak Management Fund (COMF) to support public health work.
9.	The measures taken by the Council during the pandemic include: • Administering the scheme to provide £150 off the council tax bill for 2020/21 for those eligible within the Local Council Tax Support Scheme. • Suspending recovery action across Council services during April and May 2020 for those unable to pay sums owed to the Council, in recognition of the financial challenges arising. • Supported the homeless and rough sleepers to self-isolate in local accommodation. • Administered around £5.9M from Government to help care homes implement and enhance their infection control and testing measures. • Funding additional staffing costs of around £2.7M, mainly for staff in both Adults and Children's Social Care as they responded to the crisis and support vulnerable clients. • Purchased approx. £0.3M for supplies acquired for personal protective equipment (PPE) usage, which ensured we reacted quickly to meet demand in periods of significant supply challenges to ensure that SCC's staff were able to access PPE throughout the pandemic period and ensure that our customers, staff and the public were kept as safe as possible. • Ensured the availability of emergency additional mortuary provision, provided jointly with other Hampshire authorities, as well as extra coroners costs, at around £0.6M. • Operated the emergency food hub, initially located at the Guildhall then to St Mary's. • Provided additional support for COVID-19 safe Home to School Transport at a net extra

cost of £0.4M.

- Ensured school meals continued to be available to those who needed them.

10. More information on the work undertaken by the Council to support businesses via grants was set out in a report to the April meeting of the Overview and Scrutiny Management Committee, which can be found via the link below, though it should be noted the work still continues and further Government funding to support this is expected.

PORTFOLIO / (southampton.gov.uk)

11 The amended aims of the Council are set out in the Corporate Plan update, and this budget will ensure resources are closely aligned to these priorities. To demonstrate the alignment, the new budget measures are shown within each of the different themes of the revised Corporate Plan.

RESOURCE IMPLICATIONS

CAPITAL (GENERAL FUND)

12. The capital investment proposals are listed in the table below:

Table 1: CAPITAL INVESTMENT PROPOSALS

CAPITAL COSTS : GENERAL FUND	2021/22	2022/23	Total
ITEM	**£M**	**£M**	**£M**
GROWTH			
1,000+ Parking Spaces (General Fund element*)	0.327	1.790	2.117
Highways (roads and pavements improvement)	4.000	6.000	10.000
Safer Streets	0.500		0.500
Councillors Minor Works	0.240	0.240	0.480
WELLBEING			
Golf Course improvement	0.500	0.500	1.000
Polygon school - multi use recreation area	0.050		0.050
Daisy Dip Play area	0.035		0.035
OUR GREENER CITY			
Solar Bins		0.800	0.800
Green Flag	0.250		0.250
COMMUNITIES, CULTURE AND HERITAGE			
Solent Sky Museum - light ship	0.020		0.020
Solent Sky Museum – trams	0.020		0.020
City of Culture Investment and Preparation: Restoring and promoting our city's heritage assets		5.687	5.687
City of Culture Investment and Preparation: Vaults restoration		1.023	1.023
CCTV initiatives (GF element*)	0.025		0.025
TOTAL COST (CAPITAL- GENERAL FUND)	**5.967**	**16.040**	**22.007**
LESS: FUNDING			
Councillors Minor Works (Community Infrastructure Levy)	-0.240	-0.240	-0.480
Play area (CIL)	-0.035		-0.035
Borrowing/Council Resources	-5.692	-15.800	-21.492
TOTAL FINANCING	**-5.967**	**-16.040**	**-22.007**

	The following items (marked in table 1 with *) also incur costs in the Housing Revenue Account (HRA – see table 3 below): • Over 1,000 Parking Space (General Fund cost of £2.117M, plus HRA cost of £4.356M, total programme of £6.473M). • CCTV initiatives (General Fund cost of £0.025M, plus HRA cost of £0.075M, total programme of £0.100M). Further details on how the proposals support the aims of the new administration is given below:
13.	**GROWTH:** **Parking Spaces:** The proposed investment of around £6.5M (including HRA) is expected to create 1,170 spaces over 2021/22 and 2022/23. Across the city there are limited places to park in our council neighbourhoods with people parking on grass verges and on green areas which 'churn up' the grass and create muddy and unsightly areas. This will resolve that issue whilst creating many new and free of charge spaces available for our residents. Note the costs are expected to be shared between the General Fund and HRA. **Highways (Roads and Pavements):** £10.0M of additional capital investment is proposed in this year and next to ensure improvements to local roads and pavements can be made, to commence as soon as possible this year, promoting maximum free flow of vehicles and residents, post lockdown easing. **Safer Streets:** £0.5M is proposed to deliver road safety measures. **Councillors Minor Works:** The budget proposals restore the Councillors Minor Works budget to the capital programme at £0.240M pa, to be funded in full by the Community Infrastructure Levy. **WELLBEING:** **Golf course:** investment of £0.5M in this year and again next year to improve the Golf course, recently taken back in-house, via investment in new fencing, access roads, drainage etc. This proposal is for inclusion in the capital programme and will be approved subject to detailed feasibility and costings in order to optimise investment. **Polygon School**: Investment of £0.050M for work needed to deliver a multi-use recreation area at Polygon School. **Daisy Dip Play area:** Investing £0.035M to restore the fire damaged play area. **OUR GREENER CITY** **Solar Bins:** Further investment to enhance the cleanliness and appearance of the city (£0.8M in 2022/23) **Green Flag:** £0.25M is proposed to invest in helping to bring our parks up to green flag standard. **COMMUNIITES, CULTURE AND HERITAGE** **City of Culture Investment and Preparation:** • **Solent Sky Museum:** Grant funding of £0.040M is proposed to facilitate revamping and refurbishment work on the Calshot Lightship and historic trams, as important visitor attractions. • £5.687M capital investment is proposed for **heritage restoration**. Cost estimates have been prepared by Pritchard Architecture as part of the Heritage Asset Management Plan. It is important that the city's heritage sites are invested in and made fit for purpose to benefit local residents and support the City of Culture initiative. • The £1.023M proposed allocation on **Vaults restoration** work will and allow the Council to make better use of these assets.

	CCTV: Proposed investment of £0.100M (£0.025M General Fund plus £0.075M from the HRA) will deter anti-social behaviour, help trace culprits and assist with combating fly-tipping.
14	All schemes in the table 1 (totalling £22.007M) are additions to the capital programme, with approval to spend, except the £1.000M for the Golf course investment which is proposed to be included in the capital programme but approved subject to detailed feasibility and costings in order to optimise investment.

REVENUE (GENERAL FUND)

15. The revenue proposals are listed in the table below:

Table 2: REVENUE BUDGET MEASURES AND IMPLICATIONS

REVENUE COSTS (GENERAL FUND)	2021/22	2022/23	Total
ITEM	**£M**	**£M**	**£M**
GROWTH			
Deliver a transport plan that provides a range of options to travel across the city - feasibility sums.	0.050	0.100	0.150
Promoting economic growth and investment	0.025	0.050	0.075
Mayflower Park Development	0.050		0.050
Delivering 1,000+ new parking spaces across our city's estate (Project work, General Fund)*	0.015	0.015	0.030
Promote Home Ownership	0.050		0.050
Highways (pothole repairs investment)	0.330	0.500	0.830
WELLBEING			
Improve our health and learning for our children and adults across the city.	0.150	0.150	0.300
School meals over the summer	0.790		0.790
Leisure Strategy (including Weuro 2022).	0.092	0.137	0.229
Polygon School (outdoor recreation area).	0.020		0.020
Sports Centre Grant (repairs)	0.010		0.010
OUR GREENER CITY			
Clean up our city- improving our parks, open spaces waterfronts and city/district centres,	0.300	0.300	0.600
Increased enforcement against fly tipping	0.120	0.120	0.240
COMMUNITIES, CULTURE AND HERITAGE			
Car Park charges (net of on-street account)	0.410	0.337	0.747
Rebate on resident parking permit	0.030	0.013	0.043
Community Fund	0.220	0.280	0.500
Solent Sky Museum outreach work	0.060		0.060
Destination management	0.100	0.100	0.200
A COUNCIL THAT WORKS FOR AND WITH YOU			
Freeze council tax		2.129	2.129
Capital Financing costs	0.100	0.700	0.800
TOTAL COST	**2.922**	**4.931**	**7.853**
LESS: FUNDING AVAILABLE			
Family Support Grant	-0.790		-0.790
Net Cost for General Fund	**2.132**	**4.931**	**7.063**

	The following items (marked in the table with *) also incur costs in the Housing Revenue Account (HRA): • Over 1,000 Parking spaces – project work (General Fund cost of £0.030M, plus HRA cost of £0.070M, total extra budget of £0.100M over two years); Further details on how these proposals support the aims of the new administration is provided below:
16.	**GROWTH** **Deliver a Transport Plan**: feasibility work (of £0.150M) is planned to look at all possibilities to enhance city wide travel such as trams, or enhanced rail to progress towards mass transit solutions. **Promoting Economic Growth and Investment:** £0.075M to help drive and generate inward investment and ensure we can work with and across partners to achieve this aim. **Mayflower Park Development**: Feasibility work of £0.050M to develop and bring forward plans for a world class waterfront. **Delivering Parking Spaces:** The revenue costs support the project work around delivery of over 1,000 free parking spaces on the capital investment list (see table 1). **Promote Home Ownership:** Alongside estate regeneration and facilitating additional housebuilding, either directly by the Council or by working with others, the Council wants to invest to encourage home ownership for which the proposed £0.050M will be allocated. **Highways:** £0.830M over two years to promote the priority of getting Southampton moving, the budget proposes a major increase in the amount of resources put into independent pothole fixing gangs. **WELLBEING:** **Improve Health and Learning:** An additional £0.150M in 2021/22 and onwards, for the 'Feed the Future' programme to facilitate a significant review and expansion work providing nutritional food to vulnerable children and our young people. The investment will take the total budget up to £0.275M in this year and 2022/23. **School meals:** This is estimated to cost £0.790M in 2021/22, which can be afforded via funds from a Government family support grant. **Leisure Strategy:** Investment starting with £0.092m in 2021/22 and £0.137M in 2022/23, will provide a strategic framework for the development and delivery of leisure services by the Council as well as support the Women's Euro 2022, which we welcome next year. **Polygon School:** A revenue allocation of £0.020M to support any feasibility work with the outdoor reaction area (see also the proposal under the capital programme for £0.050M for this scheme). **Sports centre**: A small grant (£0.010M) is anticipated to help with repair work. **OUR GREENER CITY** More resource for cleaning up our City and fly tipping enforcement, specifically: • Investment of £0.300M pa is proposed primarily for additional staff to clean the city and enhance its look. • Environmental crime, such as fly-tipping has a detrimental impact on quality of life for the city's residents and in some circumstances can present economic and public health risks. The £0.120M per year will provide extra resource to tackle fly tipping through enforcement activity.

	COMMUNIITES, CULTURE AND HERITAGE **Car Parking charges and rebate on parking permits for residents:** This is subject to a separate report at Cabinet, covering waiving charges on evenings and on Sundays. The purpose of the proposal is to encourage visitors to choose Southampton as a destination for evening or Sunday trips for the purposes of boosting the local economy. The financial impact on the General Fund revenue account and on the On-Street Parking Account (a fund which must be ring-fenced by law) for 2021/22 and 2022/23, is given for information in tables at Appendix 1. **Community Fund:** £0.500M of 'seed funding' for community groups and organisations wishing to provide activities and services for young people, but where the lack of access to initial funding is preventing their ability to provide activities, and that will contribute to providing diversionary and other activities that may assist with reducing anti-social behaviour in some parts of the City. Permission is sought in the recommendations to delegate authority to the Executive Director (Communities, Culture & Homes), after consultation with the Cabinet Member for Communities, Culture and Heritage, to decide on the eligibility criteria and process for administering this new fund. **Solent Sky Museum Outreach**: the proposed £0.060M is funding for the museum to support outreach activities within local communities. **Destination Management:** Destination Management: £0.100M proposed extra budget per year. The vision is to develop tourism in Southampton to deliver exceptional experiences and transform people's perceptions of our culturally diverse and vibrant city, the funds will facilitate that work. **A COUNCIL THAT WORKS FOR AND WITH YOU** **Council Tax**: Our priority is to freeze council tax in 2022/23, which will be confirmed in the February budget report. This will save money for each household in the city during what has been challenging economic times for many residents. A 2% rise in the City Council's core council tax would have cost a typical Band D household around £32.76 extra per year. **Capital Financing:** Total costs of £0.800M are included to accommodate the expected financing costs of the capital investment measures proposed above by 31/03/2023. The full year effect of the capital spending will be felt in annual budgets from 2023/24 onwards and is estimated at around £1.2M.
17.	The extra costs in the 2021/22 budget arising in the General Fund revenue account of £2.132M, resulting from these proposals, will be funded via the corporate contingency budget, leaving around £6.1M in the central budgets for contingency and provision for inflation.
18.	In 2022/23, the additional costs of £4.9M have been included below (see table 5 and paragraphs 23 to 27 below) to be addressed as part of the work to ensure the authority has a balanced budget for 2022/23. However, between now and when the budget is considered for 2022/23 (at February 2022 Council), every effort will be made to identify potential sources of funding from Government, partner bodies, the private sector etc to assist in delivering these new ambitions now and in future.

	Housing Revenue Account (HRA) - Capital
19.	The capital impact on the HRA of the proposals are shown separately below for information:

Table 3: HRA CAPITAL ELEMENT

CAPITAL COSTS (HOUSING REVENUE ACCOUNT)	2021/22	2022/23	Total
ITEM	**£M**	**£M**	**£M**
GROWTH			
1,000+ Parking Spaces HRA	0.673	3.683	4.356
COMMUNITIES, CULTURE AND HERITAGE			
CCTV	0.075		0.075
COST: HRA	**0.748**	**3.683**	**4.431**
LESS FUNDING			
Accommodate within existing programme resource*	-0.748		-0.748
Borrowing/Council Resources		-3.683	-3.683
TOTAL FINANCING	**-0.748**	**-3.683**	**-4.431**

*Via underspends

20.	For 2021/22 the extra cost identified of £0.748M will be found within the existing HRA capital programme via underspends. In 2022/23 the extra spend (circa £3.7M) will be included in the budget plans to be agreed in February 2022 at full Council with funding included as part of the 40 year HRA business plan.
	Housing Revenue Account (HRA) - Revenue
21.	The revenue impact on the HRA of the proposals are shown separately below for information:

Table 4: HRA REVENUE ELEMENT

REVENUE COSTS (HOUSING REVENUE ACCOUNT)	2021/22	2022/23	Total
ITEM	**£M**	**£M**	**£M**
GROWTH			
Delivering 1,000+ new parking spaces across our city's estate (Project work: HRA element)	0.035	0.035	0.070
Plans for estate regeneration - feasibility development work	0.050	0.050	0.100
COMMUNITIES, CULTURE AND HERITAGE			
CCTV	0.010	0.010	0.020
A COUNCIL THAT WORKS FOR AND WITH YOU			
Capital Financing		0.035	0.035
Net Cost: HRA	**0.095**	**0.130**	**0.225**

22.	For 2021/22, the impact on the HRA revenue of the £0.095M in the table above can be accommodated within the overall HRA budget (which stands at around £74M). The £0.130M for 2022/23 will be include in the HRA budget estimates at the February Council meeting on the budget.
	Revised Budget Forecast
23.	The February 2021 budget report to Council reported a shortfall of £22.5M in the forecast position for 2022/23. Table 5 below shows the revised shortfall with the cost of the additional commitments contained in this report added.

Table 5: Budget Shortfall 2022/23 with new items

Item	2022/23 £M
Budget shortfall as reported February 2021 Council meeting	22.5
Additional costs per above table 2	4.9
Revised shortfall	**27.4**

As seen in the table, the proposals within this paper will add to the future budget shortfall, taking the 2022/23 shortfall to an estimated £27.4M. This is a sizeable gap, and in the context of the size of net budget of the authority in 2021/22 (at £199M) represents around 13.8% of net spend. Clearly the authority has a duty to achieve a balanced budget for 2022/23 and work will be done over the summer and autumn to identify measures and ensure any appropriate consultation is done to underpin proposals in readiness for the annual budget setting Council meeting in February 2022.

24. The Medium Term Financial Forecast is under review currently, given the uncertainty that exists around both income streams and spending largely as a result of COVID-19.

Major elements of the Council income, including council tax and business rates will be influenced by the economic effects of COVID-19. For example, empty business premises or additional claimants for local council tax support will reduced the income from either business rates or council tax. Hence the economic effects from easing the lockdown measures as well as the furlough scheme ending, both on local business and employment, will need to be carefully monitored and assumptions made about its impact in future years.

25. The absence of a Government Spending Review covering high level allocations of public funding from 1 April 2022, including that to local government as a whole, means considerable uncertainty over future funding. Individual allocations to councils can only be made once that national framework is set and will emerge in December 2021 when the provisional local government finance settlement covering 2022/23 is also announced.

26. The Medium Term Financial Forecast also does not reflect any changes that may arise through the reform of the business rates retention system or implementation of the fair funding review, both of which the Government delayed until at least 2022/23. The business rate retention reform will increase the capacity for retaining a share of growth locally by the council (from 50% to 75% of growth in business rates). However, the reform also has risks to funding, for example the 'baseline' against which growth is measured will also be recalculated. This can produce 'winners' and losers' from the reform if you have a new 'high' local baseline level against which any business rate growth is measured. The fair funding review by Government will also impact on how it chooses to divide total resources amongst authorities, using a mix of statistical measures to determine the 'relative need' for resources between authorities comparing their spending needs.

These anticipated changes, together with the delay of the multi-year spending review, mean there is much uncertainty over future funding from Government which adds to the uncertainty over the longer term impact on council finances from COVID-19.

27. Work will be undertaken over the summer and into autumn to progress the work on the budget shortfall and to be able to report on a balanced budget by the time of the February 2022 Council meeting. An update of the Medium Term Financial Forecast will be presented for consideration by Cabinet during the Autumn as part of this work and will be informed by assumptions of the local economy post the expected ending of the lockdown measures from 19 July 2021 onwards and expectations of on-going spend linked to the pandemic and demographic pressures affecting the

	budget. Although we have around £38.3M not yet committed in the Medium Term Financial Risk Reserve, any use of this one-off funding would only provide short-term help in addressing the underlying budget shortfall. As far as possible, the budget savings and reductions to bridge the budget shortfall identified will be based on improving efficiency, finding new ways of service provision, encouraging commercial activity for income generation, minimising overheads and engaging partners in collaboration rather than budget cuts. However, the scale of the challenge as it stands is considerable. To navigate the financial challenges facing our organisation over the MTFF period will mean difficult budget decisions will be needed as part of longer term plans to tackle the expected shortfall.
<u>Property/Other</u>	
28.	None
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report</u>:	
29.	Budget reports are consistent with the Section 151 Officer's role to align budget with the aims of the Council and also the duty to ensure good financial administration.
<u>Other Legal Implications</u>:	
30.	None
RISK MANAGEMENT IMPLICATIONS	
31.	None
POLICY FRAMEWORK IMPLICATIONS	
32.	The proposals contained in the report are in accordance with the Council's Policy Framework Plan.

KEY DECISION? No

WARDS/COMMUNITIES AFFECTED:	All

SUPPORTING DOCUMENTATION

Appendices

1.	Parking Charges – Summary of Impact on General Fund and On-Street Parking Account

Documents In Members' Rooms

1.	None

Equality Impact Assessment	
Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out?	Yes
Privacy Impact Assessment	
Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out?	No
Other Background Documents **Equality Impact Assessment and Other Background documents available for inspection at:**	
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

1.	The Revenue Budget 2021/22, Medium Term Financial Forecast 2021/22 to 2024/25 and Capital Programme 2020/21 to 2025/26 (Approved by Council February 2021).	
2.	**Removal of Evening Charges** (Cabinet agenda 19 July 2021)	

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Appendix 1

The table below summarises the impact on the On Street Parking Reserve (see separate report to Cabinet for full information):

On-Street Parking Reserve from 01/08/2021	**2021/22 £'000**	**2022/23 £'000**
Loss of On-Street Evening charges Income	131	200
Contribution to General Fund	300	300
Impact of season ticket refunds & price adjustments	15	3
Signage and other one off costs	10	0
Impact on On Street Account	**456**	**503**
Current Forecast Closing Balance	**2,063**	**3,265**
Revised Closing Balance	**1,607**	**2,306**

The following table summarises the impact on the General Fund:

Off Street General Fund impact	**2021/22 £'000**	**2022/23 £'000**
Suspension of Sunday & evening charges from 21 June to 31 July 2021	155	0
Off Street (Surface and MSCP) Evening charges: from 1st August 2021	416	640
Reintroduce MSCP evening charges 1 April 2023	0	0
Scrap Sunday charges 1st August 2021 to 2 January 2022	154	0
Impact of season ticket refunds and price adjustments	15	10
Contribution from On Street Account	(300)	(300)
Impact on General Fund (see note*)	**440**	**350**

*Note the net impact on the General Fund is what appears in table 2, paragraph 15 above (combining car park charges loss of revenue and resident permit rebates = £0.440M in 2021/22 and £0.350M in 2022/23)

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DECISION-MAKER:		CABINET COUNCIL		
SUBJECT:		REVENUE AND CAPITAL OUTTURN 2020/21		
DATE OF DECISION:		CABINET (19 JULY 2021) COUNCIL (21 JULY 2021)		
REPORT OF:		CABINET MEMBER FOR FINANCE & CAPITAL ASSETS		
		CONTACT DETAILS		
AUTHOR:	**Name:**	Steve Harrison	**Tel:**	023 8083 4153
	E-mail:	Steve.Harrison@southampton.gov.uk		
DIRECTOR:	**Name:**	John Harrison	**Tel:**	023 8083 4897
	E-mail:	John.Harrison@southampton.gov.uk		

STATEMENT OF CONFIDENTIALITY
N/A

BRIEF SUMMARY

This report is a combined outturn report for revenue and capital.

The purpose of this report is to summarise the overall General Fund and Housing Revenue Account (HRA) revenue and capital programme outturn position for 2020/21 and that of the Collection Fund. This report also sets out the revised capital programme estimates for 2021/22 which take account of slippage and re-phasing.

The statement of accounts is still under external audit scrutiny, which means this report is provisional, although no material changes are anticipated.

RECOMMENDATIONS:

	General Fund - Revenue It is recommended that Cabinet:	
	i)	Notes the General Fund revenue outturn for 2020/21 is a balanced position after transfer of £8.63M surplus to reserves, as outlined in paragraph 4 and in paragraph 2 of Appendix 1.
	ii)	Notes the performance of individual Portfolios in managing their budgets as set out in paragraphs 3 to 6 of Appendix 1 and Annex 1.1.
	iii)	Recommends Council to approve the budget carry-forward requests totalling £6.06M as outlined in paragraph 8 of Appendix 1 and detailed in Annex 1.3.
	iv)	Recommends Council to note the performance of the Property Investment Fund (PIF) as detailed in paragraphs 9 to 11 of Appendix 1 and Annex 1.4.
	v)	Notes that the level of General Fund balances at 31 March 2021 was £10.07M and the level of earmarked reserves was £134.55M as detailed in paragraph 18 and 19 of Appendix 1 and Annex 1.5.
	vi)	Notes the accounts for the Collection Fund in 2020/21 detailed in paragraphs 24 to 29 of Appendix 1 and Annex 1.7.

	vii)	Accepts the allocation of £1.011M Rough Sleeping Initiative funding for 2021/22 secured through the recent bidding round.
	Housing Revenue Account It is recommended that Cabinet:	
	viii)	Notes the HRA revenue outturn for 2020/21 as outlined in paragraph 6 and paragraphs 21 to 23 of Appendix 1 and Annex 1.6.
	Capital Programme It is recommended that Cabinet:	
	ix)	Notes the actual capital spending in 2020/21 for the General Fund was £50.20M and for the HRA was £33.97M, as outlined in paragraphs 10 and 11 below and detailed in paragraphs 3 to 6 of Appendix 2.
	x)	Notes the capital financing in 2020/21 as shown in table 3 of Appendix 2.
	xi)	Notes the revised capital programme for 2020/21 to 2025/26 and its financing as summarised in paragraph 11 of Appendix 2 and detailed in Annex 2.2.
	xii)	Notes the latest prudential indicators for the revised capital programme as detailed in Annex 2.3.
	General Fund – Revenue It is recommended that Council:	
	i)	Notes the General Fund revenue outturn for 2020/21 is a balanced position after transfer of £8.63M surplus to reserves, as outlined in paragraph 4 and in paragraph 2 of Appendix 1.
	ii)	Notes the performance of individual Portfolios in managing their budgets as set out in paragraphs 3 to 6 of Appendix 1 and Annex 1.1.
	iii)	Agrees the budget carry-forward requests totalling £6.06M as outlined in paragraph 8 of Appendix 1 and detailed in Annex 1.3.
	iv)	Notes the performance of the Property Investment Fund (PIF) as detailed in paragraphs 9 to 11 of Appendix 1 and Annex 1.4.
	Housing Revenue Account It is recommended that Council:	
	v)	Notes the HRA revenue outturn for 2020/21 as outlined in paragraph 6 and paragraphs 21 to 23 of Appendix 1 and Annex 1.6.
	Capital Programme It is recommended that Council:	
	vi)	Notes the actual capital spending in 2020/21 for the General Fund was £50.20M and for the HRA was £33.97M, as outlined in paragraphs 10 and 11 below and detailed in paragraphs 3 to 6 of Appendix 2.
	vii)	Notes the capital financing in 2020/21 as shown in table 3 of Appendix 2.
	viii)	Approves the revised capital programme for 2020/21 to 2025/26 and its financing as summarised in paragraph 11 of Appendix 2 and detailed in Annex 2.2.
	ix)	Approves the latest prudential indicators for the revised capital programme as detailed in Annex 2.3.

REASONS FOR REPORT RECOMMENDATIONS	
1.	To ensure that Cabinet fulfils its responsibilities for the overall financial management of the Council's resources.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
2.	None, as the outturn position for 2020/21 has been prepared in accordance with statutory accounting requirements.
DETAIL (including consultation carried out)	
	Revenue
3.	The outturn positions for the General Fund Revenue Account, Housing Revenue Account (HRA) and Collection Fund for the Council are summarised in Appendix 1.
4.	The overall outturn on the General Fund was a year end surplus of £8.63M which was transferred to reserves to give a final balanced position. This surplus comprised a favourable variance of £7.56M on General Fund business as usual activities, an improvement of £2.94M from the quarter 3 forecast, and a favourable variance of £1.07M on General Fund COVID-19 pressures, an improvement of £7.42M from the quarter 3 forecast. Details of the significant movements since the last quarter are provided in Annex 1.1.
5.	The level of General Fund balance at 31 March 2021 remained at £10.07M, which is in line with the Medium Term Financial Forecast as agreed at the 24 February 2021 Council meeting. Earmarked reserves totalled £134.55M at the end of 2020/21, of which £4.17M relates to schools' balances. Included within reserves is the carry forward of £32.06M of COVID-19 grant funding, of which £24.67M relates to additional business rates reliefs introduced by the government during the pandemic. The funding is being carried forward via reserves to meet the Council's share of the deficit on the Collection Fund arising from these reliefs, which will be charged to the General Fund in 2021/22. The negative reserve relating to the carry forward of the deficit on the Dedicated Schools Grant (DSG), which at outturn was a cumulative deficit of £8.94M, has been transferred into an unusable reserve so that it does not impact on the revenue account in accordance with new regulations. Reserves (excluding schools' balances) are £28.60M higher than the estimated position at quarter 3. More detail is provided in paragraph 18 to 20 of Appendix 1.
6.	The outturn position for the HRA was a balanced position. This is in line with the budget approved by Council in February 2020. This comprised a favourable variance of £0.17M on HRA business as usual activities, a worsening of £0.01M from the quarter 3 forecast, and an adverse variance of £0.17M on HRA COVID-19 pressures, an improvement of £1.12M from the quarter 3 forecast. Details of the significant movements since the last quarter are provided in Annex 1.6.
7.	At the year end the Collection Fund had a deficit of £51.86M, of which £50.19M relates to the additional business rates reliefs mentioned above. The Council's share of the deficit is £25.79M. £25.80M of government grant funding (£24.67M for rates reliefs and £1.13M compensation for irrecoverable tax losses) have been carried forward via reserves to offset the deficit that will be charged to the General Fund in 2021/22.
8.	The Council has been successful in securing £1.011M of funding through the recent bidding round for the Rough Sleeping Initiative. This funding covers the period 1 July 2021 to 31 March 2022. In order to progress with service delivery the Cabinet is being

	asked to accept this external funding bid.
	Capital
9.	The General Fund and HRA capital expenditure and its financing for 2020/21 and the revised Capital Programme are summarised in Appendix 2.
10.	The total General Fund capital expenditure in 2020/21 was £50.20M compared to the agreed programme of £83.53M, giving a variance of £33.33M (£32.16M net slippage and £1.17M of underspend).
11.	The total HRA capital expenditure in 2020/21 was £33.97M compared to the agreed programme of £47.36M, giving a variance of £13.39M (£7.98M net slippage and £5.41M of underspend).
	Statement of Accounts 2020/21
12.	The statutory timetable for the 2020/21 annual accounts has been amended in response to the Redmond Review. The draft statement of accounts will be presented to Governance Committee on 26 July 2021.
13.	The annual audit, carried out by our auditors Ernst & Young LLP, commenced on 5 July 2021. The audit is expected to be completed in September 2021. Any major changes to the statement of accounts arising from the annual audit are expected to be reported to the 27 September 2021 Governance Committee.
RESOURCE IMPLICATIONS	
Capital/Revenue	
14.	The revenue and capital implications are contained in the report.
Property/Other	
15.	There are no specific property implications arising from this report other than the schemes already referred to within Appendix 2 of the report.
LEGAL IMPLICATIONS	
Statutory power to undertake proposals in the report:	
16.	Financial reporting is consistent with the Section 151 Officer’s duty to ensure good financial administration within the Council.
Other Legal Implications:	
17.	None.
RISK MANAGEMENT IMPLICATIONS	
18.	None.
POLICY FRAMEWORK IMPLICATIONS	
19.	The proposals contained in the report are in accordance with the Council’s Policy Framework Plan.

KEY DECISION? No

WARDS/COMMUNITIES AFFECTED:	All

SUPPORTING DOCUMENTATION

Appendices

1.	Revenue Outturn 2020/21
2.	Capital Outturn 2020/21

Documents In Members' Rooms

1.	None	
2.		
Equality Impact Assessment		
Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out?		No
Privacy Impact Assessment		
Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out?		No
Other Background Documents **Equality Impact Assessment and Other Background documents available for inspection at:**		
Title of Background Paper(s)		Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

1.	The Medium Term Financial Strategy, Budget and Capital Programme 2020/21 to 2022/23 (Approved by Council February 2020)	
2.		

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REVENUE OUTTURN 2020/21

The focus for this report is on indicating the changes since the financial monitoring position reported to Cabinet at its meeting on 23 February 2021 (at quarter 3).

GENERAL FUND REVENUE ACCOUNT - SUMMARY

1. Each portfolio within the General Fund is responsible for monitoring net controllable spend against the budget throughout the financial year. For 2020/21, exceptional variances arising from the COVID-19 pandemic have been monitored and reported on separately to 'business as usual' (BAU) activities. Table 1 below provides a summary of the overall outturn for the year, with an analysis of BAU variances and COVID-19 pressures and movements against the quarter 3 position shown in Tables 2 and 3.

2. The overall outturn for the General Fund Revenue Account was a surplus of £8.63M. This surplus has been transferred to reserves, improving the sums potentially available in the future, to provide an overall balanced position for the year on the General Fund.

Table 1 – General Fund Revenue Account 2020/21

	Final Budget £M	Outturn £M	Outturn Variance £M
Portfolios Net Expenditure	178.29	211.69	33.41 A
Non-Portfolio Net Expenditure	12.91	(5.74)	18.65 F
Net Revenue Expenditure	**191.19**	**205.95**	**14.76 A**
Financing	(191.19)	(214.58)	23.38 F
(Surplus) / Deficit for the year before transfer to reserves	**0.00**	**(8.63)**	**8.63 F**
Transfer to Reserves – Year End Surplus		8.63	8.63 A
(Surplus) / Deficit for the year	**0.00**	**0.00**	**0.00**

Numbers are rounded

3. The outturn position for the General Fund on business as usual (BAU) activities for the year (before the final transfer to reserves) is a favourable variance of £7.56M, a favourable movement of £2.94M from the position forecast at quarter 3. Details of the significant movements since quarter 3 (in excess of £0.2M) are provided in Annex 1.1.

Table 2 – General Fund Business as Usual Outturn 2020/21

General Fund	BAU Outturn Variance £M	BAU Forecast Variance Qtr 3 £M	BAU Movement from Qtr 3 £M
Portfolios Net Expenditure	5.12 A	5.45 A	0.31 F
Non-Portfolio Net Expenditure	12.54 F	10.04 F	2.50 F
Net Revenue Expenditure	**7.42 F**	**4.59 F**	**2.81 F**
Financing	0.13 F	0.00	0.13 F
(Surplus) / Deficit for the year before transfer to reserves	**7.56 F**	**4.59 F**	**2.94 F**

Numbers are rounded

4. £7.20M of the Portfolios business as usual outturn variance relates to Children & Learning. The main element of the adverse variance (£3.63M) continues to be for Looked After Children Provision, due to the higher number of children in residential care and independent fostering agencies than budgeted.

5. The outturn position for the General Fund on COVID-19 pressures for the year (before the final transfer to reserves) is a favourable variance of £1.07M, a favourable movement of £7.42M from the position forecast at quarter 3. Details of the significant movements since quarter 3 (in excess of £0.2M) are provided in Annex 1.1.

Table 3 – General Fund COVID-19 Pressures Outturn 2020/21

General Fund	COVID-19 Pressures Outturn £M	COVID-19 Pressures Qtr 3 £M	COVID-19 Pressures Movement from Qtr 3 £M
Portfolios Net Expenditure	28.29 A	34.53 A	6.24 F
Non-Portfolio Net Expenditure	6.11 F	6.14 F	0.03 A
Net Revenue Expenditure	**22.18 A**	**28.49 A**	**6.31 F**
Financing	23.25 F	22.14 F	1.11 F
(Surplus) / Deficit for the year before transfer to reserves	**1.07 F**	**6.35 A**	**7.42 F**

Numbers are rounded

6. £6.82M of the Portfolios favourable movement from quarter 3 relates to Health & Adults and is mainly due to hospital discharge costs being met by the Clinical Commissioning Group instead of the Council and government funded support replacing forecast Council support to care providers.

7.	A summary of COVID-19 government grants for 2020/21 is provided at Annex 1.2.
	Budget Carry Forwards
8.	A number of service areas have requested the carry forward of budgets from 2020/21. Those recommended to Council for approval are summarised in Annex 1.3 and total £6.06M. It is expected that this spend will be incurred in 2021/22. A significant part of the £6.06M where budget provision is being carried forwards to 2021/22 relates to work which was interrupted or incomplete due to COVID-19 related delays. There is also £35.04M of unspent grant funding being carried forward, most of which is COVID-19 related. The lion's share of the £35.04M is represented by £25.80M of government grant funding for business rates (£24.67M) and council tax (£1.13M) shortfalls (see paragraphs 19 and 27 below) which is required to be carried forward to offset the Collection Fund deficit being recouped in 2021/22.
	Property Investment Fund
9.	As part of the scheme of delegation it was agreed the performance of the Property Investment Fund would be reported at outturn stage to Full Council. Annex 1.4 gives the details of this fund and Cabinet is asked to recommend Council note the performance.
10.	There have been no additional purchases during the year. The rate of return on investment in 2020/21 before borrowing costs and other on-costs was 6.07%. Borrowing costs of 3.90% were incurred giving a net rate of return of 2.17%. All of the properties remain fully let and the tenants are meeting their financial obligations under the leases (although one tenant has vacated the premises but continues to honour the lease).
11.	Investment properties are required to be revalued every year. The current valuation for those within the Property Investment Fund is £24.26M, a reduction in value compared with last year of £1.23M (a loss was also reported in 2019/20 of £2.81M). Under current accounting rules these reduced values do not impact on the General Fund.
	Treasury Management
12.	The Treasury Management outturn for 2020/21 will be reported to Governance Committee on 26 July 2021.
	Dedicated Schools Grant (DSG) and Schools
13.	The Dedicated Schools Grant is a ring-fenced grant and balances are carried forward each year. The position at year end is a deficit of £8.94M, as shown in Table 4 below. This is further detailed in Annex 1.1.

Table 4 – DSG Outturn

	£M
Carry forward from 2019/20	7.42
Net deficit in year	1.52
Balance to carry forward	**8.94**

Numbers are rounded

14.	The DSG deficit is being driven by significant year on year increases in the number and complexity of Education and Health Care Plans (EHCPs) and the increasing numbers of pupils with Special Education Needs and Disability (SEND) being placed in highly expensive out of city placements in independent school settings. A working party is undertaking a strategic review of High Needs activity to manage SEND demand and increasing provision of places within Southampton. Anticipated increases in High Needs grant funding from Government are also expected to support the deficit recovery plan.
15.	The DSG deficit is contained within the ring-fenced Dedicated Schools Grant funding. It will not impact on the wider council services or council tax payers. In accordance with new regulations, an unusable reserve (the DSG Adjustment Account) has been created to hold the deficit so that it does not form part of the balance on earmarked revenue reserves.
16.	There are 13 schools (out of 45 SCC schools) reporting a deficit balance as at the 31 March 2021 as shown in Table 5 below. This is 1 less than the position at the previous year end and the total deficit has decreased by £0.52M. During the year 4 schools cleared their deficits and 3 schools went into deficit from a surplus position.

Table 5 – Schools in Deficit

	2019/20		2020/21	
	Deficit £M	**No. of Schools**	**Deficit £M**	**No. of Schools**
Primary	2.09	9	2.14	9
Secondary	2.54	5	1.97	4
Total	**4.63**	**14**	**4.11**	**13**

Numbers are rounded

17.	These schools are working with the School Finance team to agree deficit recovery plans. Additional resources will continue to be provided in 2021/22 to work with the schools to provide financial advice and assistance with their preparation and implementation of deficit recovery plans.
	<u>Reserves & Balances</u>
18.	The General Fund balance stands at £10.07M, which is the approved minimum level as per the February 2021 Medium Term Financial Forecast (MTFF).
19.	Earmarked reserves totalled £134.55M at the end of 2020/21, comprising £4.17M of schools' balances and £130.38M other revenue reserves. This compares to a forecast of £101.78M at quarter 3 excluding schools' balances and the negative DSG reserve forecast at that time. Included within reserves is the carry forward of £32.06M of COVID-19 grant funding, of which £24.67M relates to compensation for the loss in business rates income due to the additional reliefs introduced by the government to support particular business sectors during the pandemic. Under national accounting arrangements for business rates the Council share of the deficit on the Collection Fund arises in 2021/22 (i.e. a year after the grant funds compensating for this loss were received), so the funding is being carried forward via reserves to be applied in 2021/22.

	As set out in paragraph 15, the DSG deficit has been moved to an unusable reserve and no longer forms part of the balance on earmarked revenue reserves. Further details and the changes to the quarter 3 position are set out in Annex 1.5. The main changes to the quarter 3 position were: • £11.14M improvement in the Medium Term Financial Risk Reserve arising from the contribution of the year-end surplus (£8.63M), re-phasing of some expected drawdowns into 2021/22 and a forecast drawdown not being required in relation to COVID-19 pressures; • £6.87M increase in the transfer to the Revenue Grants Reserve for grants being carried forward into 2021/22. The main elements of this are £6.26M which relates to ring-fenced COVID-19 grants plus £2.98M other funding, offset by a reduction of £2.37M in the estimated compensation for business rates and council tax losses; • £6.06M increase in the Portfolio Carry Forwards Reserve for the budget carry forwards noted in paragraph 8; • £1.62M reduced drawdown of the Revenue Contributions to Capital Reserve following a review of the financing of the capital spend for the year in order to maximise flexibility of resources and slippage/re-phasing of some capital schemes that ring-fenced revenue financing relates to; • £1.53M reduced drawdown of the On-Street Parking Reserve due to forecast works not taking place; • The £1.30M improvement on other reserves includes £0.65M transfer to the Public Health Reserve compared with a forecast drawdown of £0.36M at quarter 3, and £0.27M reduced drawdown of City Deal funding.
20.	Given continued uncertainty and volatility of public funding and the impact of COVID-19 on the Council's expenditure and major income streams, it is more important than ever that the Council maintains adequate reserves and monitors all financial risks and acts to mitigate these where it can.
	HOUSING REVENUE ACCOUNT (HRA)
21.	The HRA has broken even in 2020/21 as summarised in Table 6 below. Further details are provided in Annex 1.6.
	Table 6 – Housing Revenue Account Outturn 2020/21

HRA	Final Budget £M	Outturn £M	Outturn Variance £M
Expenditure	75.61	75.69	0.09 A
Income	(75.61)	(75.69)	0.09 F
(Surplus) / Deficit for the year	**0.00**	**0.00**	**0.00**

Numbers are rounded

22.	The outturn position for the HRA on business as usual (BAU) activities for the year is a favourable variance of £0.17M, an adverse movement of £0.01M from the position forecast at quarter 3, summarised in Table 7 below. Details of the significant movements since quarter 3 are provided in Annex 1.6.

Table 7 – HRA Business as Usual Outturn 2020/21

HRA	BAU Outturn Variance £M	BAU Forecast Variance Qtr 3 £M	BAU Movement from Qtr 3 £M
Expenditure	0.05 F	0.69 F	0.64 A
Income	0.12 F	0.51 A	0.63 F
(Surplus) / Deficit for the year	**0.17 F**	**0.18 F**	**0.01 A**

Numbers are rounded

23. The outturn position for the HRA for pressures from COVID-19 is summarised in Table 8 below. Details of the significant movements since quarter 3 are provided in Annex 1.6.

Table 8 – HRA COVID-19 Pressures Outturn 2020/21

HRA	COVID-19 Pressures Outturn £M	COVID-19 Pressures Qtr 3 £M	COVID-19 Pressures Movement from Qtr 3 £M
Expenditure	0.07 A	1.25 A	1.18 F
Income	0.10 A	0.04 A	0.06 A
(Surplus) / Deficit for the year	**0.17 A**	**1.29 A**	**1.12 F**

Numbers are rounded

COLLECTION FUND (for Business Rates and Council Tax)

24. Proceeds from local business rates and council tax are paid into the Collection Fund operated by the City Council, and then paid out to meet the net budgeted amounts of not only Southampton City Council (SCC) but also the Hampshire Police & Crime Commissioner, Hampshire and Isle of Wight Fire & Rescue Authority. Government also receives a 50% share of the proceeds from the local business rates collected.

The outturn for the Collection Fund as a whole is an overall deficit of £51.86M, as shown in Annex 1.7 and summarised in Table 9. The table shows a comparison of the outturn position with the revised estimate at quarter 3.

Table 9 – Overall Collection Fund Deficit/(Surplus) Carried Forward

	Outturn £M	Quarter 3 Revised Estimate £M	Movement from Qtr 3 £M
Council Tax	1.18	3.13	1.95 F
Business Rates	50.68	56.29	5.60 F
Total	**51.86**	**59.41**	**7.55 F**

Numbers are rounded

25. The vast majority of the outturn deficit relates to the Government's expansion of the business rates retail discount scheme (to 100% relief for the retail, leisure and hospitality sectors) and introduction of the nursery discount scheme in response to COVID-19 (£50.19M). These additional reliefs have been funded by Government grant.

26. Eligible claims for council tax support will lower the yield provided from council tax. The favourable movement since quarter 3 for Council Tax is due to a lower increase in the Local Council Tax Support working age claimants than forecast, plus a reduction in the amount set aside for bad debts.

The favourable movement for Business Rates is mostly due to a reduction in the provision for refunds, following the Government's announcement that appeals relating to COVID-19 restrictions will be ruled out.

27. The net impact for Southampton City Council alone is shown in Table 10.

Table 10 – SCC Share of Collection Fund Deficit 2020/21

	Council Tax £M	Business Rates £M	Total £M
Outturn - SCC Share of Deficit	1.00	24.79	25.79
Less: SCC additional Government Grant for business rates reliefs		(24.67)	(24.67)
Less: SCC additional Government Grant for compensation for irrecoverable tax losses	(1.13)	0.00	(1.13)
Outturn - SCC Net Share of Deficit after additional Government Grant	(0.13)	0.12	(0.01)
Quarter 3 Revised Estimate SCC Net Share of Deficit after additional Government Grant	0.64	1.38	2.02
Movement from Quarter 3	0.77 F	1.26 F	2.03 F

Numbers are rounded

28. The Southampton share of the estimated deficit at quarter 3 was taken into account in setting the 2021/22 General Fund Revenue Budget in February 2021. Under new regulations, the estimated in-year deficit for 2020/21 was spread over the 3 years 2021/22 to 2023/24.

29. The outturn position shows a favourable variance of £2.03M compared with the estimate used for setting the budget. Under the arrangements for operating the

	Collection Fund, differences between the outturn position and the estimates used when setting the budget for the next year are reflected in the following year's estimates. This favourable variance will therefore be taken into account in setting the 2022/23 General Fund Revenue Budget.
	Conclusion
30.	The authority's formal financial statements are still in preparation for the external audit after which they will be submitted for approval by the Governance Committee. COVID-19 has 'stress tested' the Council during 2020/21, which has undertaken key work supporting our residents and local businesses during these difficult times. A robust budget was set in February 2020/21 which factored in financial resilience and an allowance for potential risks. This robustness, and a variety of Government funding streams supporting the Council during COVID-19, has meant a year-end surplus of £8.6M can be reported. However, the challenges facing the Council will continue into 2021/22 with the Covid-19 outbreak continuing and the Government's road map out of lock down not expected to be completed until 19 July, as at the time of writing. The economic effects of the pandemic are likely to be with us for longer than the current financial year with council spending and income almost certainly vulnerable to continuing COVID related pressure. The Council's financial resilience will therefore need careful vigilance and stewardship to ensure the Council can continue to meet these financial challenges and support our communities.

Annexes

1. General Fund Revenue Account Outturn 2020/21
2. COVID-19 Government Grants 2020/21
3. Budget Carry Forwards 2020/21
4. Property Investment Fund 2020/21
5. Earmarked Reserves 2020/21
6. Housing Revenue Account Outturn 2020/21
7. Collection Fund Outturn 2020/21

GENERAL FUND REVENUE ACCOUNT OUTTURN 2020/21

A summary of the overall outturn for the General Fund Revenue Account is shown in the table below:

Portfolio	Final Budget £M	Outturn £M	Outturn Variance £M
Children & Learning	46.96	57.24	10.29 A
Culture & Homes	8.79	10.96	2.18 A
Customer & Organisation	27.12	27.32	0.20 A
Finance & Income Generation	0.75	7.10	6.35 A
Green City & Place	23.25	30.95	7.70 A
Health & Adults	68.06	74.41	6.35 A
Stronger Communities	3.37	3.71	0.35 A
Total Portfolios	**178.29**	**211.69**	**33.41 A**
Levies & Contributions	0.09	0.09	0.00 F
Capital Asset Management	6.02	5.38	0.64 F
Net Housing Benefit Payments	0.00	(0.11)	0.11 F
Other Expenditure & Income	6.80	(11.10)	17.90 F
Net Revenue Expenditure	**191.19**	**205.95**	**14.76 A**
Council Tax	(102.28)	(102.28)	0.00 A
Business Rates	(54.57)	(54.57)	0.00 F
Non-Specific Government Grants	(34.34)	(57.72)	23.38 F
Total Financing	**(191.19)**	**(214.58)**	**23.38 F**
(SURPLUS)/DEFICIT before transfer to reserves	**0.00**	**(8.63)**	**8.63 F**
Transfer to Reserves – Year End Surplus		8.63	8.63 A
(SURPLUS)/DEFICIT	**0.00**	**0.00**	**0.00**

Numbers are rounded

The business as usual (BAU) outturn variance and movement since quarter 3 is shown in the following table:

Portfolio	BAU Outturn Variance £M	BAU Forecast Variance Qtr 3 £M	BAU Movement from Qtr 3 £M
Children & Learning	7.20 A	5.76 A	1.44 A
Culture & Homes	0.16 F	0.31 F	0.15 A
Customer & Organisation	0.42 F	0.09 F	0.33 F
Finance & Income Generation	1.02 A	0.61 A	0.41 A
Green City & Place	0.23 F	1.57 A	1.80 F
Health & Adults	1.70 F	1.99 F	0.29 A
Stronger Communities	0.59 F	0.12 F	0.47 F
Total Portfolios	**5.12 A**	**5.45 A**	**0.31 F**

Levies & Contributions	0.00	0.00	0.00
Capital Asset Management	0.64 F	0.49 F	0.15 F
Net Housing Benefit Payments	0.11 F	0.00	0.11 F
Other Expenditure & Income	11.79 F	9.55 F	2.24 F
Net Revenue Expenditure	**7.42 F**	**4.59 F**	**2.81 F**
Council Tax	0.00	0.00	0.00
Business Rates	0.00	0.00	0.00
Non-Specific Government Grants	0.13 F	0.00	0.13 F
Total Financing	**0.13 F**	**0.00**	**0.13 F**
(SURPLUS)/DEFICIT before transfer to reserves	**7.56 F**	**4.59 F**	**2.94 F**

Numbers are rounded

The COVID-19 pressures outturn and movement since quarter 3 is shown in the table below:

Portfolio	**COVID-19 Pressures Outturn £M**	**COVID-19 Pressures Qtr 3 £M**	**COVID-19 Pressures Movement from Qtr 3 £M**
Children & Learning	3.09 A	3.66 A	0.57 F
Culture & Homes	2.34 A	2.46 A	0.12 F
Customer & Organisation	0.62 A	0.37 A	0.25 A
Finance & Income Generation	5.33 A	4.87 A	0.46 A
Green City & Place	7.93 A	7.07 A	0.86 A
Health & Adults	8.05 A	14.87 A	6.82 F
Stronger Communities	0.93 A	1.23 A	0.30 F
Total Portfolios	**28.29 A**	**34.53 A**	**6.24 F**
Levies & Contributions	0.00	0.00	0.00
Capital Asset Management	0.00	0.10 A	0.10 F
Net Housing Benefit Payments	0.00	0.00	0.00
Other Expenditure & Income	6.11 F	6.14 F	0.03 A
Net Revenue Expenditure	**22.18 A**	**28.49 A**	**6.31 F**
Council Tax	0.00	0.00	0.00
Business Rates	0.00	0.00	0.00
Non-Specific Government Grants	23.25 F	22.14 F	1.11 F
Total Financing	**23.25 F**	**22.14 F**	**1.11 F**
(SURPLUS)/DEFICIT before transfer to reserves	**1.07 F**	**6.35 A**	**7.42 F**

Numbers are rounded

The quarter 3 forecast assumed the BAU underspend (including in-year savings) would be required to help meet the COVID-19 pressures, resulting in a forecast combined BAU and COVID-19 pressures shortfall of £1.76M. The table above does not incorporate the BAU underspend shown in the previous table.

EXPLANATIONS BY PORTFOLIO

1. CHILDREN & LEARNING PORTFOLIO

KEY REVENUE ISSUES – OUTTURN 2020/21

The Portfolio has a deficit of **£7.20M** at year-end for business as usual (BAU) activities. The Portfolio outturn variance has moved adversely by **£1.44M** from the position reported at Quarter 3.

In addition, **£3.09M** of pressures have arisen from the COVID-19 pandemic.

	Outturn Variance £M	**Forecast Variance Qtr 3 £M**	**Movement from Qtr 3 £M**
Portfolio Outturn business as usual	**7.20 A**	**5.76 A**	**1.44 A**
COVID-19 Pandemic	3.09 A	3.66 A	0.57 F
Total	10.29 A	9.42 A	0.87 A

A summary of the Portfolio business as usual outturn variance and movement since the last quarter is shown in the table below:

Service Area	**BAU Outturn Variance £M**	**BAU Forecast Variance Qtr 3 £M**	**BAU Movement from Qtr 3 £M**
Divisional Management & Legal	0.17 A	0.17 A	0.00
Education - Early Years and Asset Management	0.02 F	0.00	0.02 F
Looked After Children & Provision	3.72 A	3.63 A	0.09 A
Multi Agency Safeguarding Hub & Children in Need	1.05 A	0.82 A	0.23 A
Quality Assurance Business Unit	0.20 A	0.13 A	0.07 A
Prevention & Inclusion	0.15 A	0.00	0.15 A
Specialist Core Services	1.67 A	0.77 A	0.90 A
Targeted and Restorative Services	0.22 A	0.26 A	0.04 F
Other	0.04 A	0.02 F	0.06 A
Total	**7.20 A**	**5.76 A**	**1.44 A**

The SIGNIFICANT business as usual movements between Quarter 3 and Outturn for the Portfolio are:

Service Area	Movement in Variance between Qtr 3 and Outturn 2020/21 £M	Explanation:
Multi Agency Safeguarding Hub & Children in Need	0.23 A	The adverse movement of £0.23M from Quarter 3 relates to additional agency staff required due to social work demand pressures within this service from higher and more complex caseloads. The numbers and cost of agency staff will reduce in 2021/22 as vacancies and new posts are filled.
Specialist Core Services	0.90 A	The adverse movement of £0.90M from Quarter 3 mainly relates to the need for agency staff to manage the volume and complexity of cases coming into the service (£0.78M). The numbers and cost of agency staff will reduce in 2021/22 as vacancies and new posts are filled. Additionally, the adverse movement also incorporates an increase in temporary accommodation and other preventative spend within the Protection and Court Teams to assist children and families within the city (£0.12M)

A summary of the Portfolio COVID-19 pressures outturn variance and movement since the last quarter is shown in the table below:

Service Area	COVID-19 Pressures Outturn £M	COVID-19 Pressures Qtr 3 £M	COVID-19 Pressures Movement from Qtr 3 £M
Education - Early Years & Asset Mgt	0.28 A	0.80 A	0.52 F
Looked After Children & Provision	2.05 A	2.10 A	0.05 F
Multi Agency Safeguarding Hub & Children in Need	0.46 A	0.46 A	0.00
Other	0.30 A	0.30 A	0.00
Total	**3.09 A**	**3.66 A**	**0.57 F**

The SIGNFICANT COVID-19 pressures movements between quarter 3 and Outturn for the Portfolio are:

Service Area	Movement in COVID-19 Pressures between Qtr 3 and Outturn 2020/21 £M	Explanation:
Education - Early Years & Asset Mgt	0.52F	The favourable variance movement is due to the significant reduction in the number of Home to School transport journeys resulting from further school closures and reduced relief payments to providers, less than originally anticipated.

Dedicated Schools Grant (DSG)

	Outturn Variance £M	Forecast Variance Qtr 3 £M	Movement from Qtr 3 £M
Balance brought forward from 2019/20	7.42 A	7.42 A	0.00
DSG In-Year Pressures 2020/21 Covid-19 Pressures	1.25 A 0.27 A	1.66 A 0.27 A	0.41F 0.00
In Year Total	1.52 A	1.93 A	0.41F
Balance carried forward to 2021/22	**8.94 A**	**9.35 A**	**0.41F**

The 2020/21 outturn for the Dedicated Schools Grant (DSG) is a £1.52M in-year adverse variance which includes £0.27M for COVID-19 related pressures. The DSG Grant is ring-fenced and the adverse variance will not impact on the General Fund and the non-school services the council provides. The cumulative DSG deficit is £8.94M including £7.42M adverse variance accumulated from previous years.

The £0.41M favourable movement from Quarter 3 is due to the lower overall cost of Top Up payments for children with Education Health Care Plans (EHCPs) than had been estimated.

The deficit is being driven by significant year on year increases in the number and complexity of EHCPs and the increasing numbers of pupils with Special Educational Needs and Disability (SEND) being placed in highly expensive out of city placements in independent school settings. A working party is undertaking a strategic review of High Needs activity to manage SEND demand and increasing provision of places within Southampton.

Pressures on the High Needs services are a nationally recognised issue with significant pressures reported by local authorities as a result of historical grant funding allocations not having kept pace with the significant demand increases in the number and complexity of children with SEND.

The 17% increase in High Needs grant funding in 2020/21 has mitigated some of the pressure being experienced but further work is needed to reduce costs further where possible. High Needs funding announced for next year is a further 12% increase which will help support the deficit recovery plan.

£0.27M of the adverse DSG variance is due to COVID-19 pressures for loss of income from cancelled training courses, lost room lettings income and reduced parental fee income paid directly to maintained nursery settings.

2. CULTURE & HOMES PORTFOLIO

KEY REVENUE ISSUES – OUTTURN 2020/21

The Portfolio has a surplus of **£0.16M** at year-end for business as usual (BAU) activities. The Portfolio outturn variance has moved adversely by **£0.15M** from the position reported at Quarter 3.

In addition, **£2.34M** of pressures have arisen from the COVID-19 pandemic.

	Outturn Variance £M	**Forecast Variance Qtr 3 £M**	**Movement from Qtr 3 £M**
Portfolio Outturn business as usual	**0.16 F**	**0.31 F**	**0.15 A**
COVID-19 Pandemic	2.34 A	2.46 A	0.12 F
Total	2.18 A	2.15 A	0.03 A

A summary of the Portfolio business as usual outturn variance and movement since the last quarter is shown in the table below:

Service Area	**BAU Outturn Variance £M**	**BAU Forecast Variance Qtr 3 £M**	**BAU Movement from Qtr 3 £M**
Housing Needs	0.03 A	0.46 F	0.49 A
Leisure Client	0.00	0.10 A	0.10 F
Cultural Services	0.09 F	0.06 A	0.15 F
Private Sector Housing	0.08 F	0.01 F	0.07 F
Other	0.02 F	0.00	0.02 F
Total	**0.16 F**	**0.31 F**	**0.15 A**

The SIGNIFICANT business as usual movements between Quarter 3 and Outturn for the Portfolio are:

Service Area	Movement in Variance between Qtr 3 and Outturn 2020/21 £M	Explanation:
Housing Need	0.49 A	The movement in Quarter 4 reflects the use of Containment Management Fund to support Covid related homelessness costs, which was not assumed at Quarter 3 forecast. Previously homelessness grant was proposed to fund Covid related costs, however this is now subject to a carry forward bid and therefore creates the adverse movement.

A summary of the Portfolio COVID-19 pressures outturn variance and movement since the last quarter is shown in the table below:

Service Area	COVID-19 Pressures Outturn £M	COVID-19 Pressures Qtr 3 £M	COVID-19 Pressures Movement from Qtr 3 £M
Cultural Services	1.09 A	1.15 A	0.06 F
Housing Needs	0.00 A	0.46 A	0.46 F
Leisure Client	1.03 A	0.61 A	0.42 A
Private Sector Housing	0.22 A	0.24 A	0.02 F
Total	**2.34 A**	**2.46 A**	**0.12 F**

The SIGNIFICANT COVID19 pressure movements between Quarter 3 and Outturn for the Portfolio are:

Service Area	Movement in COVID-19 Pressures between Qtr 3 and Outturn 2020/21 £M	Explanation:
Housing Needs	0.46 F	The movement in Quarter 4 reflects the use of Containment Management Fund to support COVID-19 related homelessness costs, which was not assumed at Quarter 3 forecast.

Leisure Client	0.42 A	Final Settlement of the Leisure contract created additional adverse variances due to the impact of COVID-19 on the Leisure industry.

3. CUSTOMER & ORGANISATION PORTFOLIO

KEY REVENUE ISSUES – OUTTURN 2020/21

The Portfolio has a surplus of **£0.42M** at year-end for business as usual (BAU) activities. The Portfolio outturn variance has moved favourably by **£0.33M** from the position reported at Quarter 3.

In addition, **£0.62M** of pressures have arisen from the COVID-19 pandemic.

	Outturn Variance **£M**	**Forecast Variance** **Qtr 3** **£M**	**Movement from** **Qtr 3** **£M**
Portfolio Outturn business as usual	**0.42 F**	**0.09 F**	**0.33 F**
COVID-19 Pandemic	0.62 A	0.37 A	0.25 A
Total	0.20 A	0.28 A	0.08 F

A summary of the Portfolio business as usual outturn variance and movement since the last quarter is shown in the table below:

Service Area	**BAU Outturn Variance** **£M**	**BAU Forecast Variance Qtr 3** **£M**	**BAU Movement from Qtr 3** **£M**
Customer Services	0.39 F	0.34 F	0.05 F
Facilities Management	0.30 F	0.10 F	0.20 F
IT Services	1.53 A	0.74 A	0.79 A
Projects, Policy & Performance	0.98 F	0.17 F	0.81 F
Registration of the Council	0.19 F	0.00	0.19 F
Other	0.09 F	0.22 F	0.13 A
Total	**0.42 F**	**0.09 F**	**0.33 F**

The SIGNIFICANT business as usual movements between Quarter 3 and Outturn for the Portfolio are:

Service Area	Movement in Variance between Qtr 3 and Outturn 2020/21 £M	Explanation:
Facilities Management	0.20 F	A surplus arose of £0.10M on supplies & services budgets where expenditure was less than planned in the last quarter; and £0.10M from delays in recruitment of a number of posts to the team due to COVID-19.
IT Services	0.79 A	During the closedown process on prepayments, £0.3M of prior year licence liabilities were determined over and above the 2020/21 budget. There were also additional staffing costs of £0.12M from the late implementation of the new staffing structure which was delayed whilst the new Head of Service set up the new IT Strategy. The anticipated efficiency savings within the printing and photocopying budgets did not materialise by year end causing a £0.13M pressure. Due to account management issues on the telephone budgets, management information was not available to recharge costs out to service areas creating a £0.12M pressure within IT, whilst service budgets were underspent. The residual movement between outturn and quarter 3 (£0.12M) was due to increased costs within supplies and services budgets.
Projects, Policy & Performance	0.81 F	There is a surplus of £0.66M from unutilised Brexit non-ringfenced funding plus reduced spend on BAU as £0.26M was identified as COVID costs, less around £0.11M cost increases in non-staffing costs.

A summary of the Portfolio COVID-19 pressures outturn variance and movement since the last quarter is shown in the table below:

Service Area	COVID-19 Pressures Outturn £M	COVID-19 Pressures Qtr 3 £M	COVID-19 Pressures Movement from Qtr 3 £M
IT Services	0.19 A	0.12 A	0.07 A
Land Charges	0.06 A	0.06 A	0.00
HR Services	0.09 A	0.09 A	0.00
Projects, Policy & Performance	0.26 A	0.00	0.26 A

Other	0.02 A	0.10 A	0.08 F
Total	**0.62 A**	**0.37 A**	**0.25 A**

The SIGNFICANT COVID-19 pressures movements between quarter 3 and Outturn for the Portfolio are:

Service Area	Movement in COVID-19 Pressures between Qtr 3 and Outturn 2020/21 £M	Explanation:
Projects, Policy & Performance	0.26 A	Project costs of £0.26M has been reclassified as COVID-19 expenditure (staff assigned to support the COVID-19 response). This redirect the resource away from income generating projects.

4. FINANCE & INCOME GENERATION PORTFOLIO

KEY REVENUE ISSUES – OUTTURN 2020/21

The Portfolio has a deficit of **£1.02M** at year-end for business as usual (BAU) activities. The Portfolio outturn variance has moved adversely by **£0.41M** from the position reported at Quarter 3.

In addition, **£5.33M** of pressures have arisen from the COVID-19 pandemic.

	Outturn Variance £M	**Forecast Variance Qtr 3 £M**	**Movement from Qtr 3 £M**
Portfolio Outturn business as usual	**1.02 A**	**0.61 A**	**0.41 A**
COVID-19 Pandemic	5.33 A	4.87 A	0.46 A
Total	6.35 A	5.48 A	0.87 A

A summary of the Portfolio business as usual outturn variance and movement since the last quarter is shown in the table below:

Service Area	**BAU Outturn Variance £M**	**BAU Forecast Variance Qtr 3 £M**	**BAU Movement from Qtr 3 £M**
Accounts Payable	0.11 F	0.09 F	0.02 F
Accounts Receivable	0.02 F	0.13 F	0.11 A
Commercialisation	0.10 F	0.19 F	0.09 A
Local Taxation & Benefits Service	0.19 F	0.31 F	0.12 A
Procurement Services	0.19 F	0.00	0.19 F
Property Portfolio Management	1.43 A	1.48 A	0.05 F
Supplier Management	0.45 A	0.00	0.45 A
Other	0.25 F	0.15 F	0.10 F
Total	**1.02 A**	**0.61 A**	**0.41 A**

The SIGNIFICANT business as usual movements between Quarter 3 and Outturn for the Portfolio are:

Service Area	Movement in Variance between Qtr 3 and Outturn 2020/21 £M	Explanation:
Supplier Management	0.45 A	There is a £0.25M pressure where the expected year end capitalisation on contracted revenue did not materialise. Also, there is a £0.20M pressure from the end of year electricity and contract costs.

A summary of the Portfolio COVID-19 pressures outturn variance and movement since the last quarter is shown in the table below:

Service Area	COVID-19 Pressures Outturn £M	COVID-19 Pressures Qtr 3 £M	COVID-19 Pressures Movement from Qtr 3 £M
Commercialisation	0.09 A	0.30 A	0.21 F
Corporate Finance	2.75 A	2.75 A	0.00
Local Taxation & Benefits Service	1.18 A	0.51 A	0.67 A
Property Portfolio Management	1.30 A	1.30 A	0.00
Other	0.01 A	0.01 A	0.00
Total	**5.33 A**	**4.87 A**	**0.46 A**

The SIGNFICANT COVID-19 pressures movements between quarter 3 and Outturn for the Portfolio are:

Service Area	Movement in COVID-19 Pressures between Qtr 3 and Outturn 2020/21 £M	Explanation:
Commercialisation	0.21 F	The year end stocktake of all the PPE equipment showed that the authority used less equipment than forecast. This stock will be available for use in 2021/22.

Local Taxation & Benefits Service	0.67 A	A shortfall on Court fee compensation which has been non recoverable on court fees due to the courts not being open during Covid.

5. GREEN CITY & PLACE PORTFOLIO

KEY REVENUE ISSUES – OUTTURN 2020/21

The Portfolio has a surplus of **£0.23M** at year-end for business as usual (BAU) activities. The Portfolio outturn variance has moved favourably by **£1.80M** from the position reported at Quarter 3.

In addition, **£7.93M** of pressures have arisen from the COVID-19 pandemic.

	Outturn Variance £M	**Forecast Variance Qtr 3 £M**	**Movement from Qtr 3 £M**
Portfolio Outturn business as usual	**0.23 F**	**1.57 A**	**1.80 F**
COVID-19 Pandemic	7.93 A	7.07 A	0.86 A
Total	7.70 A	8.64 A	0.94 F

A summary of the Portfolio business as usual outturn variance and movement since the last quarter is shown in the table below:

Service Area	**BAU Outturn Variance £M**	**BAU Forecast Variance Qtr 3 £M**	**BAU Movement from Qtr 3 £M**
Air Quality Monitoring	0.13 A	0.01 F	0.14 A
Central Repairs & Maintenance	0.44 F	0.00	0.44 F
City Services – Waste Operations	0.57 A	0.78 A	0.21 F
City Services – District Operating Areas	0.15 A	0.38 A	0.23 F
City Services – Commercial Services	0.36 A	0.17 A	0.19 A
City Services – Trees & Ecology	0.22 A	0.06 A	0.16 A
Planning	0.24 A	0.11 A	0.13 A
Transportation	0.04 A	0.07 A	0.03 F
Green City & Place Trading	0.98 F	0.11 A	1.09 F
Parking & Itchen Bridge	0.13 F	0.13 F	0.00
Economic Development	0.15 F	0.00	0.15 F

Flood Risk Management	0.06 F	0.00	0.06 F
Sustainability	0.09 A	0.00	0.09 A
Property Services	0.23 F	0.03 A	0.26 F
Skills	0.07 F	0.00	0.07 F
Others	0.03 A	0.00	0.03 A
Total	**0.23 F**	**1.57 A**	**1.80 F**

The SIGNIFICANT business as usual movements between Quarter 3 and Outturn for the Portfolio are:

Service Area	Movement in Variance between Qtr 3 and Outturn 2020/21 £M	Explanation:
Central Repairs & Maintenance	0.44 F	Favourable variance on reactive repairs £0.36M due to relatively mild winter weather and focus on urgent works only due to COVID-19 restrictions. Other movement of £0.08M due to expenditure forecasts at Quarter 3 being based on commitment values with suppliers but the final actual costs of works being lower in several projects resulting in a favourable movement compared to forecast.
City Services – Waste Operations	0.21 F	Dry Mixed Recyclables income higher than anticipated. There was some market recovery in prices evident during quarter 4.
City Services – District Operating Areas	0.23 F	Maintenance work undertaken by landscape teams has been predominantly on parks & play sites and not district areas as forecast. There is a corresponding and off-setting adverse variance on City Services - Commercial Services.
Green City & Place Trading	1.09 F	The favourable movement is a combination of: • Landscape service had significant increase in turnover in 2020/21 creating a favourable variance of £0.30M (in-house work of £0.10M, plus £0.20M external income). • The favourable variance on landscape trading helps offset the adverse variance on parks maintenance in City Services (£0.3M). • The Fleet service generated a £0.70M favourable variance.

		• The chargeout rate for vehicles generating a favourable variance of £0.50M. • Work was undertaken to ensure the forecast deficit of £0.11M at quarter 3 was effectively mitigated. • A number of minor adverse variances combined totalled £0.22M.
Property Services	0.26 F	There was a surplus on staffing spend of £0.20M as a result of several forecast positions not being filled during the final quarter. There has been an additional £0.06M of recharge income generated compared to forecast.

A summary of the Portfolio COVID-19 pressures outturn variance and movement since the last quarter is shown in the table below:

Service Area	**COVID-19 Pressures Outturn £M**	**COVID-19 Pressures Qtr 3 £M**	**COVID-19 Pressures Movement from Qtr 3 £M**
Parking & Itchen Bridge	5.84 A	5.18 A	0.66 A
City Services – Waste Operations	1.02 A	0.90 A	0.12 A
City Services – District Operating Areas	0.16 A	0.34 A	0.18 F
City Services – Commercial Services	0.23 A	0.19 A	0.04 A
Transportation	0.26 A	0.26 A	0.00
Planning	0.24 A	0.13 A	0.11 A
Economic Development	0.17 A	0.08 A	0.09 A
Others	0.01 A	0.00	0.00
Total	**7.93 A**	**7.07 A**	**0.86 A**

The SIGNFICANT COVID-19 pressures movements between Quarter 3 and Outturn for the Portfolio are:

Service Area	Movement in COVID-19 Pressures between Qtr 3 and Outturn 2020/21 £M	Explanation:
Parking & Itchen Bridge	0.66 A	The movement in quarter 4 reflects the impact on income of the lockdown between January and March which reduced income below the levels forecast in December.

6. HEALTH & ADULTS PORTFOLIO

KEY REVENUE ISSUES – OUTTURN 2020/21

The Portfolio has a surplus of **£1.70M** at year-end for business as usual (BAU) activities. The Portfolio outturn variance has moved adversely by **£0.29M** from the position reported at Quarter 3.

In addition, **£8.05M** of pressures have arisen from the COVID-19 pandemic.

	Outturn Variance **£M**	**Forecast Variance Qtr 3 £M**	**Movement from Qtr 3 £M**
Portfolio Outturn business as usual	**1.70 F**	**1.99 F**	**0.29 A**
COVID-19 Pandemic	8.05 A	14.87 A	6.82 F
Total	6.35 A	12.88 A	6.53 F

A summary of the Portfolio business as usual outturn variance and movement since the last quarter is shown in the table below:

Service Area	**BAU Outturn Variance £M**	**BAU Forecast Variance Qtr 3 £M**	**BAU Movement from Qtr 3 £M**
Long Term	0.53 F	1.36 F	0.83 A
Public Health	1.30 F	0.29 F	1.01 F
ICU Provider Relationships	0.35 A	0.15 F	0.50 A
Reablement & Hospital Discharge	0.04 A	0.11 F	0.15 A
Safeguarding AMH & OOH	0.05 A	0.06 F	0.11 A
Adult Services Management	0.40 F	0.06 F	0.34 F
Provider Services	0.09 A	0.04 A	0.05 A
Total	**1.70 F**	**1.99 F**	**0.29 A**

The SIGNIFICANT business as usual movements between Quarter 3 and Outturn for the Portfolio are:

Service Area	Movement in Variance between Qtr 3 and Outturn 2020/21 £M	Explanation:
Long Term	0.83 A	A combination of the following lower costs and extra income (total £0.94M): • A further increase in deceased clients through the final quarter of the financial year has led to a £0.54M reduction in client costs. • A £0.33M increase in income received for the Social Care Transfer Fund. • There has also been further £0.07M favourable movement due to additional client costs being picked up by the CCG for the final quarter of the year through the Scheme 1 and 2 programmes. Less the following (totalling £1.77M): • A budget reduction due to a carry forward request of £1.69M for 21/22 to mitigate against the risk of business failure for care providers during the pandemic. • There is also a separate carry forward of £0.08M for Locally Based Hospital Unit balances to be used in 21/22 to fund discharge of clients in hospital settings. • Both budget carry forward requests are subject to Council approval.
Public Health	1.01 F	A surplus in Public Health of £0.43M has been allocated to fund public health activities on domestic violence, substance misuse and children's centres. £0.87M of Government Grants has been used to offset Corporate costs relating to the test and trace and containing the pandemic work.
ICU Provider Relationships	0.50 A	There is a £0.26M favourable variance due to non COVID related staff vacancies, recruitment and staff secondments with no backfill which continues to be reviewed as part of the restructure of this area. There is also a £0.04M favourable variance on Joint Equipment Store expenditure with an element now being funded from the Improved Better Care Fund. There has also been a budget reduction due to a carry forward request of £0.22M relating to a 10% uplift to providers for 21/22 and £0.58M reduced budget relating to grant funds being carry forward into 2021/22. The carry forward requests are subject to Council approval.

Adult Services Management	0.34 F	There is a £0.18M favourable variance due to a reallocation of staffing costs since Quarter 3 from Adults Services Management to be funded by the ICU Learning Disability Housing Reserve and a reallocation of costs to cover the impact of the COVID response. There has also been a review of the current spend position on the staffing establishment which has increased the favourable variance by £0.09M in line with staffing costs being allocated to the COVID-19 response and the forthcoming service restructure. There is a £0.06M favourable movement on Learning and Development and a £0.2M favourable variance for the Improved Better Care Fund which is subject to a carry forward request. The above favourable variance are less a budget reduction due to a carry forward request of £0.19M due to Improved Better Care Fund balances remaining. The carry forward requests are subject to Council approval.

A summary of the Portfolio COVID-19 pressures outturn variance and movement since the last quarter is shown in the table below:

Service Area	**COVID-19 Pressures Outturn £M**	**COVID-19 Pressures Qtr 3 £M**	**COVID-19 Pressures Movement from Qtr 3 £M**
Long Term	7.04 A	11.36 A	4.32 F
Public Health	0.00	0.29 A	0.29 F
ICU Provider Relationships & System redesign	0.13 F	0.64 A	0.77 F
Reablement & Hospital Discharge	0.45 A	0.84 A	0.39 F
Safeguarding Adult Mental Health and Out of Hours	0.65 A	1.52 A	0.87 F
Adult Services Management	0.11 A	0.07 A	0.04 A
Provider Services	0.06 F	0.15 A	0.21 F
Total	**8.05 A**	**14.87 A**	**6.82 F**

The SIGNFICANT COVID-19 pressures movements between quarter 3 and Outturn for the Portfolio are:

Service Area	Movement in COVID-19 Pressures between Qtr 3 and Outturn 2020/21 £M	Explanation:
Long Term	4.32 F	Combination of: • £1.7M favourable variance due to the Adults element of the 10% uplift to providers payment being superseded by external Central Govt support to providers, such as Infection Control Grants, in the latter half of the financial year. • £2.47M favourable movement on hospital discharge costs being picked up by the Clinical Commissioning Group (CCG) instead as part of the scheme 1 and 2 funding. This is in part due to a delay in reviews in the financial year which has meant continued CCG funding. • £0.15M favourable variance on the COVID-19 related element of the bad debt provision.
Public Health	0.29 F	The favourable movement of £0.29M since Period 3 is due to Public Health COVID-19 response temporary staffing which have since been offset by related grants.
ICU Provider Relationships & System redesign	0.77 F	There is a £0.73M favourable variance due to the ICU element of the 10% uplift to providers payment being superseded by external Central Govt support to providers, such as Infection Control Grants, in the latter half of the financial year. The majority of this amount is subject to a carry forward request. There is also a £0.04M favourable variance due to the ongoing recruitment process for the COVID-19 response taking longer than initially anticipated which is added to a reserve drawdown for 2021/22.
Reablement & Hospital Discharge	0.39 F	There is a favourable variance of £0.39M due to the ongoing recruitment process for the COVID-19 response taking longer than initially anticipated which is added to a reserve drawdown for 2021/22.
Safeguarding Adult Mental Health and Out of Hours	0.87 F	There is a favourable variance of £0.87M due a review of client numbers in year and a subsequent reduction in forecast. This may increase in 2021/22 as services open up following relaxing of lockdown. There is also an element of CCG continuing to pick up costs under the scheme 1 and 2 arrangements in the final quarter of the year.

Provider Services	0.21 F	There is a favourable variance of £0.11M due to previously unexpected additional funding received from Infection Control Grants, plus an £0.10M favourable variance due to an additional element of COVID-19 Scheme 2 funding following end of year client analysis, with the CCG paying for these clients staying in Holcroft House residential home.

7. STRONGER COMMUNITIES PORTFOLIO

KEY REVENUE ISSUES – OUTTURN 2020/21

The Portfolio has a surplus of **£0.59M** at year-end for business as usual (BAU) activities. The Portfolio outturn variance has moved favourably by **£0.47M** from the position reported at Quarter 3.

In addition, **£0.93M** of pressures have arisen from the COVID-19 pandemic.

	Outturn Variance £M	**Forecast Variance Qtr 3 £M**	**Movement from Qtr 3 £M**
Portfolio Outturn business as usual	**0.59 F**	**0.12 F**	**0.47 F**
COVID-19 Pandemic	0.93 A	1.23 A	0.30 F
Total	0.34 A	1.11 A	0.77 F

A summary of the Portfolio business as usual outturn variance and movement since the last quarter is shown in the table below:

Service Area	**BAU Outturn Variance £M**	**BAU Forecast Variance Qtr 3 £M**	**BAU Movement from Qtr 3 £M**
Bereavement Services	0.21 A	0.21 A	0.00
Environmental Health	0.32 F	0.13 F	0.19 F
Port Health & Trading Standards	0.37 F	0.09 F	0.28 F
Stronger Communities	0.08 F	0.08 F	0.00
Other movements	0.03 F	0.03 F	0.00
Total	**0.59 F**	**0.12 F**	**0.47 F**

The SIGNIFICANT business as usual movements between Quarter 3 and Outturn for the Portfolio are:

Service Area	Movement in Variance between Qtr 3 and Outturn 2020/21 £M	Explanation:
Port Health & Trading Standards	0.28 F	Port Health income remained stronger than anticipated during Quarter 4 of 2020/21, generating a £0.25M favourable variance. There were vacancy savings of £0.03M across Port Health and Trading Standards in Quarter 4.

A summary of the Portfolio COVID-19 pressures outturn variance and movement since the last quarter is shown in the table below:

Service Area	COVID-19 Pressures Outturn £M	COVID-19 Pressures Qtr 3 £M	COVID-19 Pressures Movement from Qtr 3 £M
Bereavement Services	0.62 A	0.47 A	0.15 A
Port Health & Trading Standards	0.15 A	0.15 A	0.00
Registration Services	0.33 A	0.41 A	0.08 F
Stronger Communities	0.19 F	0.20 A	0.39 F
Other	0.02 A	0.00	0.02 F
Total	**0.93 A**	**1.23 A**	**0.30 F**

The SIGNFICANT COVID-19 pressures movements between quarter 3 and Outturn for the Portfolio are:

Service Area	Movement in COVID-19 Pressures between Qtr 3 and Outturn 2020/21 £M	Explanation:
Stronger Communities	0.39 F	The favourable movement from Quarter 3 stems from the receipt of grant between November 2020 and March 2021, to fund the Council's work on supporting the most vulnerable members of the community who have been shielding during the most recent lockdowns.

8. NON-PORTFOLIO

KEY REVENUE ISSUES – OUTTURN 2020/21

Non-Portfolio Net Expenditure has a surplus of **£12.54M** at year-end for business as usual activities (BAU). The outturn variance has moved favourably by **£2.50M** from the position reported at quarter 3.

Financing has a surplus of **£0.13M** at year end for business as usual activities (BAU). The outturn variance has moved favourably by **£0.13M** from the position reported at quarter 3.

In addition, **£29.36M** of corporate resources and non-ringfenced government grant support for COVID-19 have been used to meet pressures arising from the COVID-19 pandemic.

	Outturn Variance £M	**Forecast Variance Qtr 3 £M**	**Movement from Qtr 3 £M**
Non-Portfolio Net Expenditure	12.54 F	10.04 F	2.50 F
Financing	0.13 F	0.00	0.13 F
COVID-19 Pandemic	29.36 F	28.28 F	1.08 F
Total	42.03 F	38.32 F	3.71 F

The SIGNIFICANT business as usual movements between Qtr 3 and Outturn for Non-Portfolio areas are:

Area	**Movement in Variance between Qtr 3 and Outturn 2020/21 £M**	**Explanation**
Other Expenditure & Income	2.24 F	Part of the contingency funds held centrally to meet unforeseen pressures were not called upon during the year

The SIGNFICANT COVID-19 pressures movements between quarter 3 and Outturn for Non-Portfolio areas are:

Area	Movement in Variance between Qtr 3 and Outturn 2020/21 £M	Explanation
Non-Specific Government Grants	1.11 F	The final estimate for fees and charges income loss compensation was £1.04M higher than forecast at quarter 3 and a further £0.07M was received in un-ringfenced funding towards additional administration costs arising from COVID-19

COVID-19 Government Grants 2020/21

	£000
Non-Specific Government Grants	
Section 31 Business Rates Grants	(25,586)
COVID-19 Local Authority Support	(15,532)
Compensation for Loss of Fees & Charges	(7,374)
Local Tax Income Guarantee Scheme	(1,127)
Other Grants	(354)
Sub-Total Non-Specific Government Grants	(49,973)
Ring-fenced Government Grants	
Contain Outbreak Management Fund	(5,916)
Council Tax Hardship Fund	(2,584)
Test and Trace Service Grant	(1,571)
Local Authority Discretionary Grant Funding to Businesses	(1,564)
Pupil Premium Catch Up Funding	(1,228)
Adult Social Care Infection Control Discretionary Grants	(951)
Other Grants	(4,767)
Sub-Total Ring-fenced Government Grants	(18,581)
Grants administered on behalf of Central Government	
Small Business and Retail, Hospitality and Leisure Grants	(37,550)
Local Restrictions Support Grants to Businesses	(10,638)
Closed Business Lockdown Grants	(7,251)
Adult Social Care Infection Control Grants	(3,205)
Other Grants	(970)
Sub-Total Grants administered on behalf of Central Government	(59,614)
Total	**(128,168)**

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Appendix 4

Carry Forwards of Budget

Portfolio	£M	Description
Children & Learning	0.62	Feasibility studies for the building of a new special school; Year of the Child initiatives; to support school improvement, the music service and school attendance
Culture & Homes	0.21	City of Culture bid
Customer & Organisation	0.73	Child Friendly City initiatives; for projects delayed due to COVID-19 e.g. Customer Experience Programme; EU Settlement Scheme.
Finance & Income Generation	0.35	To support project work and implementation of new systems; development of commercialisation agenda; council tax hardship scheme
Green City & Place	1.61	Development of plans delayed due to COVID-19: Mayflower Masterplan, Local Plan and Local Transport Plan; repairs to industrial units; to support projects delayed due to COVID-19: Flood Risk Management, Green City projects and the Future of Work programme.
Health & Adults	2.00	To mitigate risk of social care provider failure due to the significant changes in the market as a consequence of COVID-19; development of pathway between Domestic Abuse and Mental Health Services; to support discharge of Learning Disability and Mental Health clients in hospital settings
Stronger Communities	0.54	Community Chest grants; catch-up on statutory food safety inspections delayed due to COVID-19; Port Health additional work following BREXIT; development of stronger communities team; support to domestic homicide cases and domestic abuse review.
Total Carry Forwards	**6.06**	

In addition to the above, £35.04M of revenue grants have also been carried forward through reserves. This includes £24.67M of additional Business Rates Relief Grant and £1.13M of Local Tax Income Guarantee for irrecoverable tax losses (see paragraph 27 of Appendix 1) as well as £6.26M for other COVID-19 grants.

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Property Investment Fund as at 31 March 2021

	Purchase Date	Purchase Price	Purchase Costs	Capital Investment	2020/21 Rent per annum	Interest	MRP Charge	Valuation 31 March 2020	Valuation 31 March 2021	2020/21 Change in Valuation
		£	£	£	£	£	£	£		£
3 Ely Road, Cambridge	08/09/16	6,125,000	343,438	6,468,438	403,406	-197,566	-54,681	6,299,075	5,205,725	-1,093,350
241 & 271 Winchester Road, Southampton	05/10/16	14,000,000	689,500	14,689,500	922,588	-448,662	-124,177	10,801,510	10,322,725	-478,785
Unit 50, Warth Park Way, Raunds, Northants	23/04/17	8,200,000	328,000	8,528,000	477,304	-260,471	-72,091	8,394,170	8,732,025	337,855
Total		**28,325,000**	**1,360,938**	**29,685,938**	**1,803,297**	**-906,698**	**-250,949**	**25,494,755**	**24,260,475**	**-1,234,280**

Rate of Return	**6.07%**	**Gross**
	2.17%	**Net**

Agenda Item 9
Appendix 5

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Appendix 6

Reserve	Balance as at 31/03/2021	Forecast as at Quarter 3	Difference
	£M	**£M**	**£M**
Medium Term Financial Risk Reserve	59.79	48.65	11.14
Digital Strategy	2.23	2.23	0.00
Revenue Contributions to Capital	1.62	0.00	1.62
Social Care Demand Risk Reserve	11.61	11.58	0.03
Revenue Grants Reserve	35.04	28.17	6.87
Portfolio Carry Forwards	6.06	0.00	6.06
PFI Sinking Fund	4.53	4.48	0.05
Insurance General Reserve	2.66	2.65	0.01
On Street Parking Reserve	2.82	1.30	1.53
Other	4.01	2.72	1.30
Sub-Total	**130.38**	**101.78**	**28.60**
DSG Reserve	0.00	(9.35)	9.35
Schools' Balances	4.17	(0.79)	4.96
Total	**134.55**	**91.64**	**42.91**

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Appendix 7

Housing Revenue Account Outturn 2020/21

	Final Budget £M	Outturn £M	Outturn Variance £M
Expenditure			
Responsive repairs	13.27	15.29	2.03 A
Housing investment	5.19	3.80	1.39 F
Rents payable	0.10	0.15	0.05 A
Debt management	0.09	0.08	0.00 F
Supervision & management	22.52	22.86	0.34 A
Interest & principal repayments	5.09	4.78	0.32 F
Depreciation	20.47	21.55	1.08 A
Direct revenue financing of capital	8.89	7.19	1.70 F
Total expenditure	**75.61**	**75.69**	**0.09 A**
Income			
Dwelling rents	(70.24)	(70.48)	0.24 F
Other rents	(1.23)	(1.20)	0.02 A
Service charge income	(3.26)	(2.47)	0.78 A
Leaseholder service charges	(0.88)	(1.54)	0.66 F
Interest received	(0.01)	0.00	0.01 A
Total income	**(75.61)**	**(75.69)**	**0.09 F**
(Surplus) / Deficit for the year	**0.00**	**0.00**	**0.00**

Numbers are rounded

The HRA has a policy of returning to a budgeted £2M balance for the year. The impact of budget variances are offset by increasing or decreasing borrowing for capital financing accordingly.

A summary of the Portfolio business as usual outturn variance and movement since the last quarter is shown in the table below:

Service Area	**BAU Outturn Variance £M**	**BAU Forecast Variance Qtr 3 £M**	**BAU Movement from Qtr 3 £M**
Responsive Repairs	2.03 A	0.90 A	1.13 A
Cyclical Maintenance	1.39 F	1.00 F	0.39 F
Supervision & Management	0.34 A	0.20 F	0.54 A
Interest & Principal Repayments	0.31 F	0.39 F	0.08 A
Depreciation	0.84 A	0.00	0.84 A

Direct Revenue Financing of Capital	1.46 F	0.00	1.46 F
Dwelling Rents	0.24 F	0.05 F	0.19 F
Service Charge Income	0.78 A	0.78 A	0.00
Leaseholder Service Charges	0.66 F	0.22 F	0.44 F
Other	0.10 F	0.00	0.10 F
Total	**0.17 F**	**0.18 F**	**0.01 A**

The SIGNIFICANT business as usual movements between Quarter 3 and Outturn for the Portfolio are:

Service Area	Movement in BAU Variance between Qtr 3 and Outturn 2020/21 £M	Explanation:
Responsive Repairs	1.13 A	There is a £1.13M adverse movement compared to the quarter 3 forecast as this forecast was based on data prior to the introduction of the quarter 4 lockdown. The trading division income was subsequently reduced due to a reduction in work also within the capital programme as a consequence of the lockdown and although materials costs were also reduced, staffing costs continued to be incurred.
Cyclical Maintenance	0.39 F	There is a £0.39M favourable variance due to reduced access to properties during the quarter 4 lockdown, combined with changed working practices due to social distancing, both of which caused a reduction in cyclical maintenance jobs.
Supervision & Management	0.54 A	There is £0.10M adverse variance due to a property maintenance compliance review and implementation as well as a £0.07M adverse variance due work carried out on a cost/benefit analysis of fixed term welfare rights advisors. There is also a £0.22M adverse variance due to additional revenue costs of the IT upgrade to Total Mobile, specifically relating to remote working software. The remaining £0.15M adverse variance relates to smaller variances with the service.

Depreciation	0.84 A	There has been a recalculation of component replacement costs as part of the regular asset revaluation requirements which has resulted in an increased depreciation charge leading to a £0.84M adverse variance. However, this charge is used for financing of the Housing capital programme which means that the requirement for direct revenue financing of capital (which is used to finance the programme in excess of the depreciation charge) is reduced.
Direct Revenue Financing of Capital	1.46 F	There is a £1.46M favourable variance due in part to the increased depreciation charge for capital financing (£0.84M – see above) and a reduction in capital spend in year leading to the remaining £0.62M favourable variance.
Dwelling Rents	0.19 F	There is a £0.19M favourable variance due to a recalculation of the implications of a 53-week rent allocation and the amortisation across multiple years.
Leaseholder Service Charges	0.44 F	There is a £0.44M favourable variance following a review of Section 20 charges implementation in the last 3 years, which has led to an increase and improvement in the collection of leaseholder contributions to works and services.

A summary of the Portfolio COVID-19 pressures outturn variance and movement since the last quarter is shown in the table below:

Service Area	**COVID-19 Pressures Outturn £M**	**COVID-19 Pressures Qtr 3 £M**	**COVID-19 Pressures Movement from Qtr 3 £M**
Supervision & Management	0.07 A	1.25 A	1.18 F
Dwelling Rents	0.10 A	0.04 A	0.06 A
Total	**0.17 A**	**1.29 A**	**1.12 F**

The SIGNFICANT COVID-19 pressures movements between quarter 3 and Outturn for the Portfolio are:

Service Area	Movement in COVID-19 Pressures between Qtr 3 and Outturn 2020/21 £M	Explanation:
Supervision & Management	1.18 F	There is a £1.18M favourable variance to the quarter 3 forecast, of which £1.24M favourable is due to a reappraisal of the bad debt provision forecasting – this is due to the furlough scheme continuing, which was previously forecast to have ceased before the end of the financial year, and so the debt position did not develop as adversely as expected. Debt has continued to rise however through the year, although this has been mainly around existing tenant rather than former tenant debt (the former is provided at 33.3%, the latter 100%) which is contrary to the debt movement in the previous financial year. The forthcoming financial year has an increased bad debt provision in anticipation of the cessation of the furlough scheme. The favourable movement is offset by £0.06M due to additional Personal Protective Equipment purchases within the service.

COUNCIL TAX COLLECTION FUND REVENUE ACCOUNT
FOR YEAR ENDED 31ST MARCH 2021

Original Estimate 2020/21 £M	Council Tax	Revised Estimate 2020/21 £M	Actual 2020/21 £M	Variance Adverse / (Favourable) 2020/21 £M
	Income			
(124.42)	**Total Council Tax Income**	**(121.11)**	**(121.87)**	**(0.76)**
	Expenditure			
124.13	**Total Council Tax Expenditure (incl. precepts)**	**121.61**	**120.42**	**(1.19)**
(0.30)	Council Tax - Deficit / (Surplus) for the Year	0.50	(1.45)	(1.95)
0.30	Council Tax - Deficit / (Surplus) Brought Forward	2.63	2.63	0.00
(0.00)	**Council Tax Deficit / (Surplus) Carried Forward**	**3.13**	**1.18**	**(1.95)**
	Business Rates			
	Income			
(114.31)	**Total Business Rates Income**	**(56.38)**	**(56.59)**	**(0.21)**
	Expenditure			
114.81	**Total Business Rates Expenditure**	**113.35**	**107.95**	**(5.39)**
0.50	Business Rates - Deficit / (Surplus) for the Year	56.97	51.36	(5.60)
(0.50)	Business Rates - Deficit / (Surplus) Brought Forward	(0.68)	(0.68)	0.00
0.00	**Business Rates Deficit / (Surplus) Carried Forward**	**56.29**	**50.68**	**(5.60)**
0.00	**Total Collection Fund Deficit / (Surplus) Carried Forward**	**59.41**	**51.86**	**(7.55)**
	Council Tax (Surplus)/Deficit			
	Contribution (to)/ from SCC		1.00	
	Contribution (to)/ from HPCC		0.13	
	Contribution (to)/ from HFRA		0.05	
	Council Tax Collection Fund Balance c/f		1.18	
	Business Rates (Surplus)/Deficit			
	Contribution (to)/ from SCC		24.79	
	Contribution (to)/ from MHCLG		25.38	
	Contribution (to)/ from HFRA		0.51	
	NDR Collection Fund Balance c/f		50.68	
	Total SCC (Surplus)/Deficit		**25.79**	

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CAPITAL FINANCIAL MONITORING FOR THE PERIOD TO MARCH 2021

1. The focus for this report is on the capital outturn position for 2020/21, the variances compared with the agreed programme, the financing of the capital spend and any changes to the programme.

2. The effects of COVID on capital programme delivery have been reported throughout the year, this report also highlights where it has been an issue during the final quarter of the year i.e. between the reported outturn and budgets already adjusted as at quarter 3 for the impact of COVID.

2020/21 CAPITAL OUTTURN POSITION

3. The total General Fund capital expenditure in 2020/21 was £50.20M compared to an estimate of £83.53M, giving a variance of £33.33M or 39.90% of the programme. The variance is comprised of £32.16M net slippage and £1.17M of surplus budget. Net slippage is the net effect of slippage where budget is rolled forward into future years and rephasing where budget from future years has been brought forward to the current year.

4. The total HRA capital expenditure in 2020/21 was £33.97M compared to an estimate of £47.36M, giving a variance of £13.39M or 28.27% of the programme. The variance is comprised of £7.98M net slippage and £5.41M of surplus budget. Net slippage is the net effect of slippage where budget is rolled forward into future years and rephasing where budget from future years has been brought forward to the current year.

5. The performance of individual capital programmes in 2020/21 is summarised in table 1 and 2.

Table 1 – Summary of the General Fund & HRA Capital Outturn 2020/21

	Approved Programme	Actual	Variance	
	£M	£M	£M	%
Children & Learning	17.24	14.16	(3.08)	(17.87)
Culture & Homes	1.03	0.07	(0.96)	(93.20)
Customer & Organisation	6.20	5.06	(1.14)	(18.39)
Finance & Income Generation	1.27	1.26	(0.01)	(0.79)
Green City & Place	55.77	27.91	(27.86)	(49.96)
Health & Adults	0.15	0.13	(0.02)	(13.33)
Stronger Communities	1.87	1.61	(0.26)	(13.90)
Total GF Capital Programme	**83.53**	**50.20**	**(33.33)**	**(39.90)**
Total HRA Capital Programme	47.36	33.97	(13.39)	(28.27)
Total Capital Programme	**130.89**	**84.17**	**(46.72)**	**(35.69)**

Table 2 – 2020/21 Breakdown of Variance by Programme

Programme	Slippage/ (Rephasing) £M	(Surplus)/ Deficit £M	Variance £M
Children & Learning	(2.37)	(0.71)	(3.08)
Culture & Homes	(0.95)	(0.01)	(0.96)
Customer & Organisation	(1.13)	(0.01)	(1.14)
Finance & Income Generation	0.00	(0.01)	(0.01)
Green City & Place	(27.36)	(0.50)	(27.86)
Health & Adults	(0.02)	0.00	(0.02)
Stronger Communities	(0.33)	0.07	(0.26)
Total GF Capital Programme	**(32.16)**	**(1.17)**	**(33.33)**
Total HRA Capital Programme	(7.98)	(5.41)	(13.39)
Total Capital Programme	**(40.14)**	**(6.58)**	**(46.72)**

6. Reasons for major variances on individual schemes since the last reported position are detailed for each programme in annex 2.1.

CAPITAL FINANCING

7. The resources used to finance the 2020/21 expenditure for the General Fund HRA capital programmes are summarised in table 3 below. The most significant source of financing for the General Fund was capital grants and for the HRA it was MRA financing.

Table 3 – Capital Financing 2020/21

	General Fund £M	HRA £M	Total £M
Total Financing Required	**50.20**	**33.97**	**84.17**
Financed By: -			
Council Resources	7.51	0.00	7.51
Capital Receipts	9.62	7.21	16.83
Direct Revenue Financing	0.66	7.19	7.85
Capital Grants	30.31	0.00	30.31
Contributions	2.10	0.51	2.61
MRA	0.00	19.06	19.06
Total	50.20	33.97	84.17

8. Any deficit spend on individual schemes are financed from identified additional funding or from savings elsewhere within the programme. Programmes are required to balance their capital programmes within the resources available to them, this may result in reduced outputs where a deficit results in reductions being made elsewhere in the programme.

9.	The impact of scheme variances for 2020/21 on future years' capital expenditure will feed into future capital programme updates aligned to Council priorities and the five key programme areas.
	THE 5 YEAR CAPITAL PROGRAMME
10.	Table 4 shows a comparison of the latest capital estimate for the period 2020/21 to 2025/26 including any amendments noted elsewhere within this report, compared to the previously reported programme for the same period, and shows a decrease of £6.58M which can be wholly attributed to project budget surplus in 2020/21.
11.	**Table 4 – Programme Comparison**

	2020/ 2021 £M	2021/ 2022 £M	2022/ 2023 £M	2023/ 2024 £M	2024/ 2025 £M	2025/ 2026 £M	Total £M
Actual 2020/21 /Latest Programme	84.17	217.31	275.07	142.88	83.49	33.45	836.37
Previous Programme	130.89	179.40	272.86	142.88	83.47	33.45	842.95
Variance	**(46.72)**	**37.91**	**2.21**	**0.00**	**0.02**	**0.00**	**(6.58)**

12.	Annex 2.2 provides details of the revised budget by individual scheme and use of resources by each programme up to 2025/26.
	PRUDENTIAL INDICATORS
13.	The Prudential Code requires the Prudential Indicator for Actual Capital Expenditure to be reported against the estimates previously reported. The estimates shown in the tables in annex 2.3 are those reported to Council as part of the February 2021 Annual Treasury Management Strategy and Prudential Limits report.

SUPPORTING DOCUMENTATION

Annexes

1.	GF & HRA Major Variance Explanations
2.	GF & HRA Scheme Budgets and Use of Resources for 2020/21 to 2025/26
3.	Prudential Indicator for Actual Capital Expenditure

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Appendix 10

GF & HRA MAJOR VARIANCE EXPLANATIONS SINCE LAST REPORTED POSITION

CHILDREN & LEARNING	
	Slippage and Rephasing
1.	R&M Programme for schools (Slippage of £0.69M from 2020/21 to 2021/22) Slippage is predominantly due to the following schemes: • Mount Pleasant Clock Tower – there has been a delay in developing the tender package for this scheme as a result of a performance issue with the external consultant appointed to do this. This has been addressed for the post-contract phase of the scheme and works will now commence in April 2021. • Mason Moor Roofing – investigations at the start of the scheme found a serious defect in an internal drain run of the existing roof. The least disruptive option to address this was to redesign the roof covering and insulation in this area. The extra design time, and the supply of bespoke insulation have delayed commencement of on-site works. This will also incur additional contractor costs. • Mansel Park Roofing - a previously hidden defect was discovered in the existing-roof deck construction at this school shortly after works commenced. Works were put on hold while further intrusive surveys were carried out to establish the extent of this defect and have resulted in the roof covering system for three large areas of roof to be redesigned before works could recommence. This will also incur additional contractor costs The slippage and additional costs as a result of these issues have been factored into 2021/22 budget.
2.	Oasis Academy Sholing Renovation (Slippage of £0.76M from 2020/21 to 2021/22) The school's trust is managing these works and a funding transfer agreement is in place to reimburse costs. The trusts completion of works, which are outside of the Council's control, are progressing slower than anticipated therefore reducing the amount expected to be reimbursed in 2020/21. The outstanding sum is forecast to be paid in 2021/22. This delay will not impact on pupil capacity at the school.
CUSTOMER & ORGANISATION	
	Slippage and Rephasing
3.	Client Case Management System (Slippage of £0.61M from 2020/21 to 2021/22) The system provider has been unable to develop the system within the agreed timespan due to the impact of Covid-19 on their business and software development delays. An implementation date has been agreed for October 2021.

GREEN CITY & PLACE	
	<u>Slippage and Rephasing</u>
4.	<u>Transport Schemes Match Funding (Slippage of £1.50M from 2020/21 to 2021/22)</u> This budget is intended to support large grant bids to the Department for Transport for significant infrastructure works in realigning West Quay Road and widening the Northam rail bridge. Progress has been made during year in developing business cases for each scheme but the bid for additional funding is reliant on the central government grant process which has been delayed to prioritise funding associated with the response to Covid-19.
5.	<u>Cycling (Slippage of £1.17M from 2020/21 to 2021/22)</u> The impact of Covid-19 and the ongoing lockdown in quarter 4 has required the service to prioritise delivering schemes which met the requirements and implications of specific Covid-19 related funding which materialised during the year. This has caused the Section 106 funded cycling schemes on Queensway, Cumberland Place and New Road to be pushed into 2021/22 as there was not the resource capacity to do both.
6.	<u>Public Transport (Slippage of £0.22M from 2020/21 to 2021/22)</u> The impact of Covid-19 and the ongoing lockdown in quarter 4 has required the service to prioritise delivering schemes which met the requirements and implications of specific Covid-19 related funding which materialised during the year. This has caused the Section 106 funded minor bus related works, including real time passenger information and bus stop improvements in various locations across the city to be delayed until 2021/22 as there was not the resource capacity to do both.
7.	<u>S106 Unallocated (slippage of £1.52M from 2020/21 to 2021/22)</u> This is Green City & Place related S106 income that has been received by the authority but not yet allocated as funding to a specific scheme. This slipped funding will be reviewed and allocated to appropriate schemes as they are identified in 2021/22.
8.	<u>Future Transport Zones (Slippage of £7.93M from 2020/21 to 2021/22)</u> The Council is the accountable body for this Solent wide grant funded project and this budget is predominately to fund grant payments to partner organisations. Recruitment has now taken place for a fixed-term term team over the for the life of the project to administer the grants and the first tranche of payments to partners will be made in early 2021/22.
9.	<u>Vehicle Purchases (Slippage of £2.73M from 2020/21 to 2021/22)</u> An order to replace the City Services vehicles was not yet delivered, as anticipated, before the end of the financial year will now be paid in 2021/22. In addition, identifying vehicles for the Housing Operations team that meet both service's need and the objectives of the green city charter has caused delays resulting in further slippage of £1.9M.

10.	Transforming Cities Fund (Slippage of £6.63M from 2020/21 to 2021/22) Following the appointment of a full-time delivery team for this scheme and a detailed review of timelines and work scheduling based on the implications of Covid-19 and the interconnectivity of schemes within the project; the wider capital programme; and events in the city the budget profile has been updated for all years of this three-year programme.
11.	Weston Shore Coastal Erosion (slippage of from £0.97M from 2020/21 to 2021/22) The original design using a concrete wall to protect the shoreline in this area is no longer feasible due to the condition of the land underneath. Alternative methods have been assessed and the scheme will now continue based on a rock amour revetment construction in 2021/22.
12.	Townhill Park Infrastructure (slippage of £0.71M from 2020/21 to 2021/22) The construction of the village green, estimated at £0.54M, will now be completed in 2021/22, with the remaining traffic calming measures on Meggeson Avenue and improvements to Ozier Road coinciding with the landscaping work on the village green. This is a grant funded scheme for which the deadline to spend the funding has also been delayed to March 2022.
HRA	
	Slippage and Rephasing
13.	Right to Buy, Satisfactory Purchase Scheme - Slippage of £2.83M from 2020/21 to 2021/22 The acquisitions policy which includes the repurchase of properties that were sold under the Right to Buy scheme is currently under review. This review will be finalised in the first quarter of 2021/22. As a result, the purchasing previously on hold will recommence.
14.	Energy Company Obligations, Canberra Towers - Slippage of £3.21M from 2020/21 to 2021/22, Due to sensitivity currently around fire safety in high-rise tower blocks there has been increased scrutiny of the contract, design and delivery for this scheme. As a result, the consultant's delivery of works on the feasibility stage commenced later than expected. The full budget requirements will be known following a review the feasibility report and the confirmation of design choices in April 2021. As a result, the budget required to carry out the works will not be needed until 2021/22.

	Surplus & Deficit
15.	Renew Warden Alarm - Surplus of £0.52M, an increase of £0.02M since last reported position The majority of on-site works have been suspended in 2020/21 as contractors reviewed all site-based activities and amended risk assessments and working methods to ensure compliance with social distancing restrictions, this was further compounded by the additional restrictions introduced in January 2021. As a result, the budget not spent in this financial year will not be required, as works in 2021/22 will be met by the approved budgets for that year.
16.	Estate Regeneration Woodside/Wimpson - Surplus of £0.52M, no movement since last reported position The contractor for this scheme did not reached ‘practical completion’ as anticipated in March 2021, as a major defect has been detected with fire alarm system, which requires re-installation and subsequent making good. Completion is now expected at the end of May 2021. The budget not spent in this financial year will not be required as the uncompleted works will be covered by the future budgets.
17.	Gas Heating Upgrades/Refurbishments - Surplus of £0.51M, an increase of £0.18M since last reported position The ongoing impact of Covid-19 has caused a delay to the programme of boiler replacements as workers have had restricted access to resident’s homes or communal areas to carry out works due to social distancing guidelines. The further lockdown since January 2021 has increased this delay. Although there is a backlog of boiler replacements, it has been reviewed and agreed that this backlog can be covered by the future year budgets.
18.	Block Modernisation Programme - Surplus of £0.94M, increase of £0.97M since last reported position Social distancing restrictions have delayed the completion of this scheme as workers were unable to work in occupied flats until these restrictions were eased. This is because at any time 2 operatives are required to work for more than 15 minutes without social distancing making it difficult to carry out sprinkler installations and fire door works in the block corridors. This delay was further increased by the new restriction introduced in January 2021. As a result, the full budget has not been spent in 2020/21 and the delayed works will be covered by the existing budget for future years.
19.	Oaklands Site - Surplus of £0.84M, increase of £0.84M since last reported position The impact of Covid-19 caused the contractor uncertainty in what works they would be able deliver which has led to them being unable to provide forecasts completion dates with confidence which has then impacted on the scheduling and installation of the utility infrastructure. The remaining works will be completed within the existing budgets for future years.

20.	Right to Buy - Satisfactory Purchase Scheme – nil surplus or deficit, decrease of £2.58M since last reported position This budget is no longer anticipated to underspend as last reported, the unspent budget from 2020/21 will now be slipped to form part of the budget for 2021/22. This is because the review of the Right to Buy scheme is now expected to be completed in quarter one of 2021/22 after which property purchasing will be approved to recommence, due to the size of the budget in future years and given the shortage of available properties impact on the price the budget will now be required in future years.
21.	Energy Company Obligations - Canberra Towers – nil surplus or deficit, decrease of £2.90M since last reported position This budget is no longer anticipated to underspend as last reported, the unspent budget from 2020/21 will now be slipped to form part of the budget for 2021/22. As consultants have now been appointed to develop and review design choices for this scheme and it is anticipated the budget surplus will be required in future years.
22.	Structural Works – nil surplus or deficit, decrease of £0.77M since last reported position This budget is no longer anticipated to underspend as last reported, the unspent budget from 2020/21 will now be slipped to form part of the budget for 2021/22. This is because further works have been identified at International Way from condition surveys which will be funded by the formerly surplus budget in future years.

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CHILDREN & LEARNING

Scheme No.	Project Description	Budget 2020/21 £M	Budget 2021/22 £M	Budget 2022/23 £M	Budget 2023/24 £M	Budget 2024/25 £M	Budget 2025/26 £M	Total £M
CC0004	Primary Review P2 - Fairisle Junior	0.364	0.050	0.000	0.000	0.000	0.000	0.414
CC0008	Springwell School - Main Expansion 15/16	0.256	0.197	0.000	0.000	0.000	0.000	0.453
CC0010	Springhill Primary Academy School - one modular building	0.000	0.000	0.039	0.000	0.000	0.000	0.039
CC0014	St Denys	0.068	0.004	0.000	0.000	0.000	0.000	0.072
CC0020	R&M Programme for School	1.470	3.844	2.000	1.361	0.000	0.000	8.675
CC0021	Early Years Expansion Programme	0.114	0.421	0.200	0.000	0.000	0.000	0.735
CC0023	St Mark's School	7.695	21.005	6.500	0.507	0.000	0.000	35.707
CC0025	Schools Devolved Capital	0.485	0.000	0.000	0.000	0.000	0.000	0.485
CC0029	Bitterne Park Secondary Building Programme - planning contribution	0.017	0.000	0.000	0.000	0.000	0.000	0.017
CC0030	Bitterne Park Autism Resource Base	0.000	0.014	0.000	0.000	0.000	0.000	0.014
CC0033	St George's School ESFA	0.740	0.000	0.000	0.000	0.000	0.000	0.740
CC0034	Sholing Technical College Renovation	1.267	0.760	0.000	0.000	0.000	0.000	2.027
CC0035	Regent Park Expansion	0.923	0.207	0.000	0.000	0.000	0.000	1.130
CC0037	St George's Expansion	0.067	0.665	1.555	0.050	0.000	0.000	2.337
CC0038	Cantell School Expansion	0.389	0.440	0.000	0.000	0.000	0.000	0.829
CC0039	Chamberlayne Refurbishment	0.001	7.528	0.000	0.000	0.000	0.000	7.529
CC0040	Weston Shore Infants New Roof	(0.163)	0.000	0.000	0.000	0.000	0.000	(0.163)
CC0041	Healthy Pupil Capital Fund	0.071	0.022	0.000	0.000	0.000	0.000	0.093
CC0042	Sure Start Sholing Year R Springwell	0.051	0.067	0.000	0.000	0.000	0.000	0.118
CC0043	Great Oaks (Additional Interim Capacity & Improvement works)	0.017	0.000	0.000	0.000	0.000	0.000	0.017
CC0044	Regent Park Sports Facility	0.051	1.349	0.000	0.000	0.000	0.000	1.400
CC0046	Bitterne Park Cricket Nets	0.008	0.000	0.000	0.000	0.000	0.000	0.008
CC0047	Mount Pleasant Junior School - Safeguarding	0.010	0.258	0.000	0.000	0.000	0.000	0.268
CC0048	Newlands Hearing Centre	0.000	0.650	0.430	0.029	0.000	0.000	1.109
CC0049	SEND Review	0.000	4.500	36.500	0.000	0.000	0.000	41.000
CC0050	Children's Services - Residential Unit	0.000	0.998	0.665	0.000	0.000	0.000	1.663
CC0051	Children's Services - Assessment Unit	0.000	0.649	0.000	0.000	0.000	0.000	0.649
CC0052	Maytree School Playground	0.000	0.050	0.000	0.000	0.000	0.000	0.050
CC0053	Surestart	0.033	0.067	0.000	0.000	0.000	0.000	0.100
CC0054	Purchase of two double modular classrooms at Bitterne Park School	0.222	0.000	0.000	0.000	0.000	0.000	0.222
CC0055	Modular relocation & purchase from Springwell to Vermont	0.001	0.213	0.000	0.000	0.000	0.000	0.214
CC0056	Reconfiguration of Compass School Green Lane	0.004	0.484	0.010	0.000	0.000	0.000	0.498
		14.161	**44.442**	**47.899**	**1.947**	**0.000**	**0.000**	**108.449**

Sources of Finance							
Council Resources	0.000	17.981	45.633	0.586	0.000	0.000	64.200
Central Govt Grants	14.146	26.461	2.266	1.361	0.000	0.000	44.234
Direct Revenue	0.015	0.000	0.000	0.000	0.000	0.000	0.015
Total Programme	**14.161**	**44.442**	**47.899**	**1.947**	**0.000**	**0.000**	**108.449**

CULTURE & HOMES

Scheme No.	Project Description	Budget 2020/21 £M	Budget 2021/22 £M	Budget 2022/23 £M	Budget 2023/24 £M	Budget 2024/25 £M	Budget 2025/26 £M	Total £M
CAP1	City of Culture - VE Day	0.000	0.510	0.000	0.000	0.000	0.000	0.510
CAP11	Outdoor Leisure	0.000	0.000	12.700	4.100	0.050	0.000	16.850
CAP18	Hoarders Project	0.000	0.100	0.000	0.000	0.000	0.000	0.100
CG0132	Arts Gallery Improvements	0.010	0.010	0.000	0.000	0.000	0.000	0.020
CG0134	Woodmill Outdoor Activity Centre (Stone Repair - Tidal Wall)	(0.003)	0.000	0.000	0.000	0.000	0.000	(0.003)
CG0136	Ancient Scheduled Monuments	0.000	0.149	0.000	0.000	0.000	0.000	0.149
CG0138	Sections 106 Playing Field Improvement	0.000	0.071	0.000	0.000	0.000	0.000	0.071
CG0139	Outdoor Sports Centre Improvements	0.000	0.430	0.000	0.000	0.000	0.000	0.430
CG0140	Art in Public Places – Millbrook and Weston	0.000	0.013	0.000	0.000	0.000	0.000	0.013
CG0142	Tudor House Museum Phase 2 Implementation	0.009	0.000	0.000	0.000	0.000	0.000	0.009
CG0201	S106 - Playing Fields - Unallocated	0.000	0.234	0.000	0.000	0.000	0.000	0.234
CG0202	S106 - Art in Public Spaces - Unallocated	0.000	0.036	0.000	0.000	0.000	0.000	0.036
CG0203	S106 - City Walls - Unallocated	0.000	0.014	0.000	0.000	0.000	0.000	0.014
CG0208	Heritage Assets- Strategy	0.051	0.000	0.000	0.000	0.000	0.000	0.051
LCAP1	Extend Library Opening Hours	0.000	0.064	0.185	0.000	0.000	0.000	0.249
LCAP2	SeaCity Museum	0.000	0.015	0.000	0.000	0.000	0.000	0.015
LCAP3	Heritage Assets Repairs	0.000	0.200	0.000	0.000	0.000	0.000	0.200
CG0216	Art Gallery Roof	0.000	1.400	0.000	0.000	0.000	0.000	1.400
		0.067	**3.246**	**12.885**	**4.100**	**0.050**	**0.000**	**20.348**

Sources of Finance							
Council Resources	0.000	1.731	7.022	3.100	0.050	0.000	11.903
Capital Receipts	0.048	0.107	0.263	0.000	0.000	0.000	0.418
Contributions	0.000	1.285	5.600	1.000	0.000	0.000	7.885
Central Govt Grants	0.000	0.100	0.000	0.000	0.000	0.000	0.100
Other Grants	0.019	0.023	0.000	0.000	0.000	0.000	0.042
Total Programme	**0.067**	**3.246**	**12.885**	**4.100**	**0.050**	**0.000**	**20.348**

CUSTOMER & ORGANISATION

Scheme No.	Project Description	Budget 2020/21 £M	Budget 2021/22 £M	Budget 2022/23 £M	Budget 2023/24 £M	Budget 2024/25 £M	Budget 2025/26 £M	Total £M
CA0010	Client Case Management System	1.041	2.106	0.000	0.000	0.000	0.000	3.147
CAP10	Smarter Ways Of Working	0.000	2.650	1.000	1.000	1.000	0.000	5.650
CF0002	Digital Investment Phase 2 &3	0.048	0.000	0.000	0.000	0.000	0.000	0.048
CG0155	Desktop Refresh Programme	0.970	0.000	0.000	0.000	0.000	0.000	0.970
CG0158	Civic Centre Upgrade	0.375	0.807	0.000	0.000	0.000	0.000	1.182
CG0211	IT Equipment and Software Refresh	1.759	3.471	1.515	1.306	1.015	0.000	9.066
CG0214	Office 365	0.798	0.000	0.000	0.000	0.000	0.000	0.798
CI0001	Customer Relationship Management Project	0.026	0.016	0.000	0.000	0.000	0.000	0.042
CI0002	CRM Phase 2	0.032	0.068	0.000	0.000	0.000	0.000	0.100
CI0020	Other. PA System	0.000	0.060	0.000	0.000	0.000	0.000	0.060
CI0030	Digital Customer - Content Mgmt.	0.000	0.050	0.000	0.000	0.000	0.000	0.050
CI0040	Digital Customer - Contact Centre Telephony	0.007	0.243	0.000	0.000	0.000	0.000	0.250
PCAP1	Civic Centre North Entrance	0.000	0.015	0.000	0.000	0.000	0.000	0.015
		5.056	**9.486**	**2.515**	**2.306**	**2.015**	**0.000**	**21.378**
Sources of Finance								
	Council Resources	2.918	8.423	2.515	2.306	2.015	0.000	18.177
	Capital Receipts	2.138	0.000	0.000	0.000	0.000	0.000	2.138
	Direct Revenue	0.000	1.063	0.000	0.000	0.000	0.000	1.063
	Total Programme	**5.056**	**9.486**	**2.515**	**2.306**	**2.015**	**0.000**	**21.378**

GREEN CITY & PLACE

Scheme No.	Project Description	Budget 2020/21 £M	Budget 2021/22 £M	Budget 2022/23 £M	Budget 2023/24 £M	Budget 2024/25 £M	Budget 2025/26 £M	Total £M
CAP2	Bitterne Community Hub	0.000	0.000	30.000	0.000	0.000	0.000	30.000
CAP20	Play Areas (high priority as part of Leader initiatives)	0.000	0.396	0.000	0.000	0.000	0.000	0.396
CAP21	Open Spaces (and remaining play parks)	0.000	0.260	0.000	0.000	0.000	0.000	0.260
CAP22	Transport Schemes Match Funding	0.000	1.650	5.150	0.000	0.000	0.000	6.800
CAP27	Pavements	0.000	1.000	0.500	0.500	0.500	0.000	2.500
CAP3	Green City - Salix Clean Growth Fund	0.000	2.163	5.700	4.000	4.000	3.827	19.690
CAP6	Highways Programme	0.000	6.800	7.800	7.800	7.800	0.000	30.200
CCAP1	Mayflower Park Revetments	0.000	0.250	0.250	0.000	0.000	0.000	0.500
CCAP2	Weston Shore Footpath	0.000	0.090	0.000	0.000	0.000	0.000	0.090
CCAP3	Southampton Common	0.000	0.050	0.000	0.000	0.000	0.000	0.050
CCAP4	Green Flag Improvements	0.000	0.223	0.000	0.000	0.000	0.000	0.223
CCAP5	Traveller Defences	0.000	0.100	0.000	0.000	0.000	0.000	0.100
CCAP7	Covid improvements - Depots	0.000	0.250	0.000	0.000	0.000	0.000	0.250
CG0003	Improved Safety – Engineering	0.114	0.000	0.000	0.000	0.000	0.000	0.114
CG0004	QE2 Mile - Bargate Square	0.000	0.960	0.000	0.000	0.000	0.000	0.960
CG0005	Road Safety Partnership	0.015	0.000	0.000	0.000	0.000	0.000	0.015
CG0006	Cycling	0.570	1.107	0.000	0.000	0.000	0.000	1.677
CG0008	Public Transport	0.763	0.705	0.000	0.000	0.000	0.000	1.468
CG0009	Improved Safety	0.065	0.090	0.000	0.000	0.000	0.000	0.155
CG0010	Travel to School	0.059	0.000	0.000	0.000	0.000	0.000	0.059
CG0011	Workplace Travel Plan Measures	0.029	0.000	0.000	0.000	0.000	0.000	0.029
CG0012	School Travel Plan Measures	0.010	0.000	0.000	0.000	0.000	0.000	0.010
CG0013	Accessibility	0.029	0.000	0.000	0.000	0.000	0.000	0.029
CG0016	Local Transport Improvement Fund	0.671	0.000	0.000	0.000	0.000	0.000	0.671
CG0017	Intelligent Transport Systems	1.437	0.000	0.000	0.000	0.000	0.000	1.437
CG0020	Redbridge Roundabout Junction Improvements	0.102	0.000	0.000	0.000	0.000	0.000	0.102
CG0024	Electric Vehicle Action Plan	0.127	0.498	0.000	0.000	0.000	0.000	0.625
CG0026	Additional Roads Programme	1.432	0.000	0.000	0.000	0.000	0.000	1.432
CG0027	Essential Highways Minor Works	0.044	0.000	0.000	0.000	0.000	0.000	0.044
CG0028	Pothole Action Fund	0.733	0.000	0.000	0.000	0.000	0.000	0.733
CG0029	Cycleways Improvements Programme	0.008	0.076	0.000	0.000	0.000	0.000	0.084
CG0030	Anti-Terrorist Measures	0.027	0.000	0.000	0.000	0.000	0.000	0.027
CG0033	Eastern strategic cycle route development	0.000	0.035	0.000	0.000	0.000	0.000	0.035
CG0034	NCR: Ave East Lodge Rd – Dorset St	0.004	0.026	0.000	0.000	0.000	0.000	0.030
CG0037	Bus Lane & Traffic Enforcement	0.035	0.000	0.000	0.000	0.000	0.000	0.035
CG0038	Bus Corridor Minor Works	0.033	0.223	0.000	0.000	0.000	0.000	0.256
CG0039	Millbrook Roundabout Highway Capacity Improvements	0.020	0.000	0.000	0.000	0.000	0.000	0.020
CG0040	Northam Rail Bridge and corridor improvements	0.000	0.093	0.000	0.000	0.000	0.000	0.093
CG0042	Other Bridge Works	0.412	0.030	0.000	0.000	0.000	0.000	0.442
CG0045	Various Principal	1.091	0.000	0.000	0.000	0.000	0.000	1.091
CG0046	Classified Roads	0.865	0.000	0.000	0.000	0.000	0.000	0.865
CG0048	Millbrook Roundabout Detailed Design	0.016	0.000	0.000	0.000	0.000	0.000	0.016
CG0049	Unclassified Roads	0.962	0.402	0.000	0.000	0.000	0.000	1.364
CG0050	Footways - Various Treatments	1.072	0.000	0.000	0.000	0.000	0.000	1.072
CG0051	Highways Network Delivery	0.718	0.000	0.000	0.000	0.000	0.000	0.718
CG0052	Highways Drainage Investigations	0.267	0.000	0.000	0.000	0.000	0.000	0.267
CG0053	Street Lighting	0.000	0.013	0.000	0.000	0.000	0.000	0.013

GREEN CITY & PLACE CONTD

Scheme No.	Project Description	Budget 2020/21 £M	Budget 2021/22 £M	Budget 2022/23 £M	Budget 2023/24 £M	Budget 2024/25 £M	Budget 2025/26 £M	Total £M
CG0054	Road Restraint Systems	0.138	0.000	0.000	0.000	0.000	0.000	0.138
CG0058	Platform for Prosperity	0.003	0.000	0.000	0.000	0.000	0.000	0.003
CG0060	Highways Improvements (Developer)	0.166	0.405	0.000	0.000	0.000	0.000	0.571
CG0063	Emergency Repairs to Multi-Storey Carparks	0.000	0.056	0.000	0.000	0.000	0.000	0.056
CG0064	Car Park shutters	0.080	0.000	0.000	0.000	0.000	0.000	0.080
CG0145	Bitterne Public Services Hub	0.009	0.168	0.000	0.000	0.000	0.000	0.177
CG0147	Enterprise Centre	0.007	0.000	0.000	0.000	0.000	0.000	0.007
CG0148	Town Depot	0.012	0.218	0.000	0.000	0.000	0.000	0.230
CG0149	Royal Pier	0.000	0.406	0.000	0.000	0.000	0.000	0.406
CG0150	Mayflower Park Spitfire Memorial	0.000	0.012	0.000	0.000	0.000	0.000	0.012
CG0151	West Quay Phase 3 Watermark West Quay	0.009	0.423	0.000	0.000	0.000	0.000	0.432
CG0152	West Quay Phase 3 Site B	0.000	0.057	0.000	0.000	0.000	0.000	0.057
CG0176	Replacement Card Readers	0.006	0.000	0.000	0.000	0.000	0.000	0.006
CG0193	Former Toys R Us Site Development	0.007	0.254	26.700	0.000	0.000	0.000	26.961
CG0195	Itchen Bridge Card Readers	0.115	0.045	0.000	0.000	0.000	0.000	0.160
CG0196	M27/M3 Travel Demand Management	0.000	0.360	0.000	0.000	0.000	0.000	0.360
CG0197	S106 - Highways - Unallocated	0.000	0.381	0.000	0.000	0.000	0.000	0.381
CG0198	S106 - Integrated Transport - Unallocated	0.000	0.248	0.000	0.000	0.000	0.000	0.248
CG0199	S106 - Open Spaces - Unallocated	0.000	0.714	0.000	0.000	0.000	0.000	0.714
CG0200	S106 - Play Areas - Unallocated	0.000	0.189	0.000	0.000	0.000	0.000	0.189
CG0204	S106 - QE2 Mile - Unallocated	0.000	0.300	0.000	0.000	0.000	0.000	0.300
CG0205	S144 Contract Completion	0.006	0.000	0.000	0.000	0.000	0.000	0.006
CG0209	Future Transport Zone	0.662	16.868	11.230	0.000	0.000	0.000	28.760
CG0215	Transforming Cities Fund	6.412	36.028	45.836	22.000	1.500	0.000	111.776
CT0001	Purchase of vehicles	0.534	5.091	2.000	2.000	2.000	0.000	11.625
CT0003	Lighting Upgrades Salix Works	0.000	0.006	0.000	0.000	0.000	0.000	0.006
CT0009	Cedar Lodge Play Area	0.000	0.003	0.000	0.000	0.000	0.000	0.003
CT0018	Daisy Dip Play Area	0.116	0.000	0.000	0.000	0.000	0.000	0.116
CT0020	Coxford Play Area	0.000	0.007	0.000	0.000	0.000	0.000	0.007
CT0035	Hum Hole	0.000	0.002	0.000	0.000	0.000	0.000	0.002
CT0036	Lordsdale Greenway	0.000	0.005	0.000	0.000	0.000	0.000	0.005
CT0037	Riverside Park	0.003	0.002	0.000	0.000	0.000	0.000	0.005
CT0039	Westwood Greenway	0.000	0.028	0.000	0.000	0.000	0.000	0.028
CT0040	Mayfield Park Improvements	0.000	0.023	0.000	0.000	0.000	0.000	0.023
CT0041	City Pride - Improvements to Queens Park	0.010	0.025	0.000	0.000	0.000	0.000	0.035
CT0042	Shoreburs Greenway Footpath Improvement Project	0.085	0.000	0.000	0.000	0.000	0.000	0.085
CT0043	Portswood Entrance Improvements	0.000	0.008	0.000	0.000	0.000	0.000	0.008
CT0044	Blechynden Terrace Park	0.000	0.012	0.000	0.000	0.000	0.000	0.012
CT0046	Tree Surgery Mobile Elevated Working Platform	0.082	0.000	0.000	0.000	0.000	0.000	0.082
CT0047	Wildflower Area Mower	0.036	0.000	0.000	0.000	0.000	0.000	0.036
CT0049	Realignment of Park Walk Entrance to East Park	0.024	0.007	0.000	0.000	0.000	0.000	0.031
CT0053	Purchase of vehicles - Electric Vehicles	0.678	0.000	0.000	0.000	0.000	0.000	0.678
CT0054	Purchase of vehicles - Refuse Collection Vehicles	2.935	0.000	0.000	0.000	0.000	0.000	2.935
CT0055	Solar Powered Compactor Bins	0.884	0.000	0.000	0.000	0.000	0.000	0.884
CT0059	Woodmill Play Area	0.002	0.000	0.000	0.000	0.000	0.000	0.002
CT0061	Weston Shore Coastal Erosion	0.000	0.972	0.000	0.000	0.000	0.000	0.972
CT0063	Red Lodge Bin Storage	0.054	0.000	0.000	0.000	0.000	0.000	0.054
CT0064	Welfare Improvements at Mayfield Depot	0.000	0.019	0.000	0.000	0.000	0.000	0.019
CT0065	Clean Air Zone	0.053	0.217	0.000	0.000	0.000	0.000	0.270
CT0066	Townhill Park Infrastructure - Roads	2.605	0.178	0.000	0.000	0.000	0.000	2.783
CT0067	Townhill Park Infrastructure - Parks	0.000	0.536	0.000	0.000	0.000	0.000	0.536
CT0069	Eddies Play Trail	0.000	0.005	0.000	0.000	0.000	0.000	0.005
CT0070	Hoglands Park Improvements	0.091	0.000	0.000	0.000	0.000	0.000	0.091
CT0071	Tranman - Fleet System Upgrade	0.017	0.019	0.000	0.000	0.000	0.000	0.036
CT0074	S106 - Air Quality - Unallocated	0.000	0.011	0.000	0.000	0.000	0.000	0.011
CT0075	City Services - Depots	0.153	0.567	0.000	0.000	0.000	0.000	0.720
CT0076	Rozel Court Play Area	0.000	0.036	0.000	0.000	0.000	0.000	0.036
CT0077	Millbrook Rec Play Area	0.000	0.053	0.000	0.000	0.000	0.000	0.053
CT0078	Bracklesham Close Play Area	0.000	0.046	0.000	0.000	0.000	0.000	0.046
CT0079	Pat Bear Close Play Area	0.056	0.000	0.000	0.000	0.000	0.000	0.056
CT0080	Ivy Dene Play Area	0.000	0.038	0.000	0.000	0.000	0.000	0.038
CT0082	Peace Fountain	0.126	0.024	0.000	0.000	0.000	0.000	0.150
CT0090	Green City - Action Plan	0.000	0.652	0.270	0.078	0.000	0.000	1.000
CCAP8	Golf Course Cottages	0.000	0.085	0.000	0.000	0.000	0.000	0.085
CCAP9	Decarbonisation	0.000	1.680	0.000	0.000	0.000	0.000	1.680
CG0218	FTZ Programme - Other	0.001	0.000	0.000	0.000	0.000	0.000	0.001
CT0083	Skate Park at Hoglands Park	0.000	0.250	0.000	0.000	0.000	0.000	0.250
		27.907	**85.229**	**135.436**	**36.378**	**15.800**	**3.827**	**304.577**
Sources of Finance								
	Council Resources	3.198	19.568	72.785	10.878	10.630	1.914	118.973
	Capital Receipts	7.167	0.000	1.235	0.000	0.000	0.000	8.402
	Contributions	2.055	8.829	3.350	2.500	2.500	1.913	21.147
	Central Govt Grants	14.803	56.387	58.066	23.000	2.670	0.000	154.926
	Other Grants	0.038	0.000	0.000	0.000	0.000	0.000	0.038
	Direct Revenue	0.646	0.445	0.000	0.000	0.000	0.000	1.091
	Total Programme	**27.907**	**85.229**	**135.436**	**36.378**	**15.800**	**3.827**	**304.577**

HEALTH & ADULTS

Scheme No.	Project Description	Budget 2020/21 £M	Budget 2021/22 £M	Budget 2022/23 £M	Budget 2023/24 £M	Budget 2024/25 £M	Budget 2025/26 £M	Total £M
CA0003	S106 - Centenary Quay	0.000	0.016	0.000	0.000	0.000	0.000	0.016
CA0006	Telecare Equipment	0.133	0.100	0.100	0.100	0.067	0.000	0.500
CA0009	Integrated Working	0.000	0.100	0.000	0.000	0.000	0.000	0.100
		0.133	**0.216**	**0.100**	**0.100**	**0.067**	**0.000**	**0.616**
Sources of Finance								
	Council Resources	0.133	0.200	0.100	0.100	0.067	0.000	0.600
	Capital Receipts	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Contributions	0.000	0.016	0.000	0.000	0.000	0.000	0.016
	Central Govt Grants	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Other Grants	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	MRA	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Direct Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Total Programme	**0.133**	**0.216**	**0.100**	**0.100**	**0.067**	**0.000**	**0.616**

STRONGER COMMUNITIES

Scheme No.	Project Description	Budget 2020/21 £M	Budget 2021/22 £M	Budget 2022/23 £M	Budget 2023/24 £M	Budget 2024/25 £M	Budget 2025/26 £M	Total £M
CG0018	CCTV Cameras	0.010	0.000	0.000	0.000	0.000		0.010
CT0027	Disabled Facilities Grants - Approved Adaptations	1.142	2.216	2.250	0.000	0.000	0.000	5.608
CT0028	Disabled Facilities Grants - Support Costs	0.247	0.298	0.000	0.000	0.000	0.000	0.545
CT0030	Estate Parking Improvements	0.001	0.230	0.000	0.000	0.000	0.000	0.231
CT0068	Warm Homes	0.193	0.361	0.000	0.000	0.000	0.000	0.554
CT0072	S106 - Affordable Homes - Unallocated	0.000	1.122	0.000	0.000	0.000	0.000	1.122
CT0081	Crematorium Refurbishment	0.020	0.548	0.000	0.000	0.000	0.000	0.568
		1.613	**4.775**	**2.250**	**0.000**	**0.000**	**0.000**	**8.638**
Sources of Finance								
	Council Resources	0.000	0.548	0.000	0.000	0.000	0.000	0.548
	Capital Receipts	0.267	0.298	0.000	0.000	0.000	0.000	0.565
	Contributions	0.041	1.377	0.000	0.000	0.000	0.000	1.418
	Central Govt Grants	1.252	2.326	2.250	0.000	0.000	0.000	5.828
	Other Grants	0.053	0.226	0.000	0.000	0.000	0.000	0.279
	Total Programme	**1.613**	**4.775**	**2.250**	**0.000**	**0.000**	**0.000**	**8.638**

HOUSING REVENUE ACCOUNT

Sum2	Scheme No.	Project Description	Budget 2020/21 £M	Budget 2021/22 £M	Budget 2022/23 £M	Budget 2023/24 £M	Budget 2024/25 £M	Budget 2025/26 £M	Total £M
	CG0065	Roofing Lot 1 West- Flat Roofs	0.761	1.898	1.946	1.946	1.946	1.946	10.443
	CG0066	Roofing Lot 2 East- Pitched Roofs	0.056	1.072	1.384	1.384	1.384	1.384	6.664
	CG0083	Door Entry Systems	0.373	0.364	0.352	0.250	0.250	0.250	1.839
	CG0087	Wall Structure & Finish	0.047	0.838	0.679	1.229	1.650	1.650	6.093
	CG0088	Chimney	0.001	0.000	0.000	0.000	0.000	0.000	0.001
	CG0093	Lift Refurbishment – Canberra Towers	0.000	0.060	0.000	0.000	0.000	0.000	0.060
Improving Quality of Homes	CG0096	Housing Refurbishment Programme	0.798	1.539	1.166	1.166	1.166	1.166	7.001
	CG0159	Lift Refurbishments – Sturminster House	0.006	0.000	0.000	0.000	0.000	0.000	0.006
	CG0163	Renew Porch/Canopy	0.139	0.150	0.250	0.250	0.250	0.250	1.289
	CG0174	Lift Refurbishment - Shirley Towers	0.196	1.343	0.046	0.718	0.718	0.718	3.739
	CG0186	Electrical System Upgrades/Refurbishments	0.244	0.332	0.331	0.329	0.317	0.317	1.870
	CG0189	Total Mobile	0.617	0.050	0.050	0.050	0.000	0.000	0.767
	CG0212	HHSRS and Disrepair	0.000	0.050	0.050	0.050	0.050	0.050	0.250
	CG0221	IT upgrade - Compliance module	0.000	0.100	0.000	0.000	0.000	0.000	0.100
Improving Quality of Homes Total			3.238	7.796	6.254	7.372	7.731	7.731	40.122
	CG0084	External Windows and Doors	0.008	2.408	3.300	3.300	3.300	3.300	15.616
	CG0089	Electrical Heating Systems	0.027	2.749	2.000	2.000	2.000	2.000	10.776
	CG0099	ECO: City Energy Scheme	0.321	0.638	0.000	0.000	0.000	0.000	0.959
	CG0125	Energy Company Obligations - Canberra Towers	0.185	6.011	2.800	1.450	1.450	1.450	13.346
	CG0129	Energy Company Obligations - Thornhill Heating	0.002	0.500	2.289	2.289	2.289	2.289	9.658
Making Homes Energy Efficient	CG0130	Energy Company Obligations - Lydgate - External Wall Insulation	0.000	0.005	0.000	0.000	0.000	0.000	0.005
	CG0181	Gas Heating Upgrades/Refurbishments	0.321	0.500	0.500	0.500	1.222	1.222	4.265
	CG0182	Insulation Upgrades	0.010	1.056	1.056	1.056	1.056	1.056	5.290
	CG0183	Millbank House EWI Refurbishment	0.001	0.853	2.000	0.000	0.000	0.000	2.854
	CG0184	Millbrook House - EWI Upgrade	0.006	0.300	1.359	1.359	1.359	1.359	5.742
	CG0185	Albion Towers Heating	0.033	0.492	0.000	0.000	0.000	0.000	0.525
	HCAP3	P-Type Ring beam EWI	0.000	0.020	0.110	0.110	0.000	0.000	0.240
	CG0222	British Gas Rectification works Project	0.023	6.032	7.431	0.105	0.431	0.000	14.022
Making Homes Energy Efficient Total			0.937	21.564	22.845	12.169	13.107	12.676	83.298

HOUSING REVENUE ACCOUNT CONTD

Sum2	Scheme No.	Project Description	Budget 2020/21 £M	Budget 2021/22 £M	Budget 2022/23 £M	Budget 2023/24 £M	Budget 2024/25 £M	Budget 2025/26 £M	Total £M
Making Homes Safe	CG0080	Communal Areas Works	1.371	0.493	0.400	0.641	0.000	0.000	2.905
	CG0082	Structural Works	3.427	2.993	0.000	0.000	0.000	0.000	6.420
	CG0097	Hants Fire & Rescue Service - Fire Safety / Sprinkler Project	3.956	0.096	0.000	0.000	0.000	0.000	4.052
	CG0100	Water Quality Remedial Works	0.188	0.150	0.150	0.150	0.150	0.150	0.938
	CG0102	Remedial Works Following Compliance Inspections	0.127	0.232	0.100	0.100	0.100	0.100	0.759
	CG0123	Hants Fire & Rescue Service - Fire Safety (Doors)	0.017	0.000	0.000	0.000	0.000	0.000	0.017
	CG0178	Structural Works	0.916	0.752	0.834	0.834	0.834	0.834	5.004
	CG0179	Non High Rise FRA Remedial Works	0.144	0.200	0.200	0.200	0.200	0.200	1.144
	CG0187	Block Modernisation Programme	2.104	4.200	4.130	4.160	0.000	0.000	14.594
	HCAP1	HRA IT Equipment and Software Refresh	0.000	0.877	0.170	0.070	0.070	0.000	1.187
	HCAP10	Asbestos Removal	0.000	0.250	0.000	0.000	0.000	0.000	0.250
	HCAP5	External Wall Cladding Systems1 Surveys	0.000	0.070	0.000	0.000	0.000	0.000	0.070
	HCAP6	Fire Risk Assessment reviews	0.000	0.350	0.000	0.000	0.000	0.000	0.350
	HCAP7	Fire Risk Assessment remedial Actions	0.000	0.450	0.000	0.000	0.000	0.000	0.450
	HCAP8	Supported Sprinkler Work	0.000	0.700	0.000	0.000	0.000	0.000	0.700
	HCAP9	General needs Sprinkler Work	0.000	0.350	0.000	0.000	0.000	0.000	0.350
Making Homes Safe Total			12.250	12.163	5.984	6.155	1.354	1.284	39.190
New Homes & Regeneration	CG0114	Townhill Park Regeneration	1.049	7.564	1.333	1.455	0.000	0.000	11.401
	CG0115	Erskine Court Rebuild	0.022	0.000	0.000	0.000	0.000	0.000	0.022
	CG0116	Estate Regeneration Woodside/Wimpson	4.612	0.717	0.000	0.000	0.000	0.000	5.329
	CG0119	Right to Buy - Satisfactory Purchase Scheme	0.000	2.831	0.000	0.000	0.000	1.700	4.531
	CG0190	GN New Homes	0.000	5.516	32.655	66.891	39.117	0.000	144.179
	CG0191	Oaklands Site	9.157	5.976	0.490	0.000	0.000	0.000	15.623
	HCAP13	Annual spend on new-build after 1000 homes project	0.000	0.000	0.000	0.000	0.000	1.985	1.985
New Homes & Regeneration Total			14.840	22.604	34.478	68.346	39.117	3.685	183.070
Supporting Communities	CG0069	Decent Neighbourhoods Projects	0.744	1.378	1.681	1.258	1.500	1.500	8.061
	CG0090	Roads/Paths/Hard Standing	0.229	0.321	0.321	0.321	0.321	0.321	1.834
	CG0109	THP Phase 2 MacArthur/Vanguard	0.019	0.000	0.000	0.000	0.000	0.000	0.019
	CG0110	Decent Neighbourhoods: Shirley	0.001	0.000	0.000	0.000	0.000	0.000	0.001
	CG0111	Decent Neighbourhoods: Estate Improvement Programme (EIP)	0.118	0.200	0.200	0.200	0.200	0.200	1.118
	CG0112	DN: Cuckmere Lane	0.000	0.111	0.000	0.000	0.000	0.000	0.111
	CG0207	Container Homes Project	0.000	0.500	0.000	0.000	0.000	0.000	0.500
	CG0213	Ward Cllr Area Improvements	0.011	0.389	0.200	0.200	0.200	0.200	1.200
Supporting Communities Total			1.122	2.899	2.402	1.979	2.221	2.221	12.844
Supporting Independent Living	CG0078	Disabled Adaptions - Extensions.	0.004	0.000	0.000	0.000	0.000	0.000	0.004
	CG0104	Renew Warden Alarm	0.003	0.518	0.424	0.424	0.424	0.424	2.217
	CG0177	Disabled Adaptations	1.567	2.321	1.600	1.600	1.600	1.600	10.288
	HCAP11	Supported Blocks - Common Area Covid Safe Spaces	0.000	0.050	0.000	0.000	0.000	0.000	0.050
	CG0076	Disabled Adaptions - Internal Major Adaptions	0.001	0.000	0.000	0.000	0.000	0.000	0.001
	CG0079	Disabled Adaptions - Impairment Equipment	0.003	0.000	0.000	0.000	0.000	0.000	0.003
Supporting Independent Living Total			1.578	2.889	2.024	2.024	2.024	2.024	12.563
			33.965	**69.915**	**73.987**	**98.045**	**65.554**	**29.621**	**371.087**

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Sources of Finance							
Council Resources	0.000	28.715	33.426	60.220	30.300	2.244	154.905
Capital Receipts	7.206	9.113	12.677	9.007	4.316	2.766	45.085
Contributions	0.514	1.915	0.301	0.000	0.000	0.000	2.730
Central Govt Grants	0.000	0.500	0.000	0.000	0.000	0.000	0.500
MRA	19.059	25.489	21.534	22.115	22.711	23.424	134.332
Direct Revenue	7.186	4.183	6.049	6.703	8.227	1.187	33.535
Total Programme	**33.965**	**69.915**	**73.987**	**98.045**	**65.554**	**29.621**	**371.087**

GENERAL FUND AND HRA CAPITAL OUTTURN 2020/21 – PRUDENTIAL INDICATORS

1. Table 1 below reports the movement in the total capital programme since last reported and updates the prudential indicators up to and including 2024/25. These indicators reflect the change made in this report.

Table 1 – Estimate of Capital Expenditure

Capital Expenditure and Financing	2020/2021 Actual £M	2020/2021 Forecast £M	2020/2021 Variance £M	2021/2022 Forecast £M	2022/2023 Forecast £M	2023/2024 Forecast £M	2024/2025 Forecast £M
General Fund	50.20	83.53	(33.33)	147.39	201.09	44.83	17.93
HRA	33.97	47.36	(13.39)	69.92	73.99	98.05	65.55
Total Expenditure	**84.17**	**130.89**	**(46.72)**	**217.31**	**275.07**	**142.88**	**83.49**
Capital receipts	16.83	17.76	(0.94)	9.52	14.18	9.01	4.32
Capital Grants	30.31	45.96	(15.65)	86.02	62.58	24.36	2.67
Contributions	2.61	9.06	(6.45)	13.42	9.25	3.50	2.50
Major Repairs Allowance	19.06	19.07	(0.01)	25.49	21.53	22.12	22.71
Direct Revenue Financing	7.85	10.41	(2.56)	5.69	6.05	6.70	8.23
Council Resources - borrowing	7.51	28.63	(21.12)	77.17	161.48	77.19	43.06
Total Financing	**84.17**	**130.89**	**(46.72)**	**217.31**	**275.07**	**142.88**	**83.49**

2. When the strategy was last updated in February 2021, the CFR for 31 March 2021 was estimated at £527.44M, the Council's actual CFR at the end of the year was £506.31M. This decrease was due to the variance in the capital programme, £12.77M on the General Fund and £8.35M on HRA. The capital financing requirement for future years, based on the proposed programme, is detailed in table 2 below.

Table 2 – Current and Estimated Capital Financing Requirement

	31/03/21 Actual £M	31/03/21 Forecast £M	Variance £M	31/03/22 Estimate Forecast £M	31/03/23 Estimate Forecast £M	31/03/24 Estimate Forecast £M	31/03/25 Estimate Forecast £M
Balance Brought forward	339.58	339.58	0.00	337.18	374.57	490.39	492.60
New Borrowing	7.51	20.28	(12.77)	48.45	128.06	16.97	12.76
MRP	(6.50)	(6.50)	0.00	(7.24)	(8.73)	(11.10)	(11.72)
Movement in Other Liabilities	(3.41)	(3.41)	0.00	(3.82)	(3.51)	(3.66)	(4.34)
Total General Fund Debt	**337.18**	**349.95**	**(12.77)**	**374.57**	**490.39**	**492.60**	**489.30**
HRA	169.13	177.48	(8.35)	194.69	226.31	284.73	315.03
Total CFR	**506.31**	**527.43**	**(21.12)**	**569.26**	**716.70**	**777.33**	**804.33**
Estimated Debt	306.39	359.90	(53.51)	468.83	621.22	682.08	707.23
Under / (Over) Borrowed	**199.92**	**167.53**	**20.39**	**100.43**	**95.48**	**95.25**	**97.10**

3. The estimated gross debt reported in February 2021 was £359.91M the actual debt at the end of the year was £306.40M. This decrease was due to a reduction in the short-term borrowing requirement of £53.51M. Table 3 below

details this and the estimated debt in future years based on the proposed programme.

4. Table 3 – Current and Estimated Gross Debt

	31/03/21 Actual £M	31/03/21 Forecast £M	Variance £M	31/03/22 Estimate Forecast £M	31/03/23 Estimate Forecast £M	31/03/24 Estimate Forecast £M	31/03/25 Estimate Forecast £M
Borrowing (Long Term GF)	95.63	107.63	(12.00)	203.13	327.42	333.52	334.51
Borrowing (Long Term HRA)	135.97	177.48	(41.51)	194.72	226.32	284.73	313.24
Borrowing (Short Term)	10.36	10.36	0.00	10.36	10.36	10.36	10.36
Total Borrowing	**241.96**	**295.47**	(53.51)	**408.21**	**564.10**	**628.61**	**658.11**
Finance leases and Private Finance Initiatives	50.97	50.97	0.00	47.52	44.38	41.09	37.11
Transferred Debt	13.47	13.47	0.00	13.10	12.74	12.38	12.01
Total Other Debt	**64.44**	**64.44**	0.00	**60.62**	**57.12**	**53.47**	**49.12**
Total Debt	**306.40**	**359.91**	(53.51)	**468.83**	**621.22**	**682.08**	**707.23**

5. Table 4 below shows the ratio of financing costs to net revenue stream based on the proposed capital programme. This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet borrowing costs. The ratio is based on the forecast of net revenue expenditure in the medium term financial model. The upper limit for this ratio is currently set at 15% and will remain so for the General Fund to allow for known borrowing decisions in the next five years and to allow for additional borrowing affecting major schemes.

6. This indicator is not so relevant for the HRA, especially since the introduction of self-financing, as financing costs have been built into their 40-year business plan including the voluntary payment of MRP. No problem is seen with the affordability but if problems were to arise then the HRA would have the option not to make principle repayments in the early years, which it has currently opted to do.

7. Table 4 - Ratio of Financing Costs to Net Revenue Stream

	2020/21 Actual %	2020/21 Forecast %	Variance %	2021/22 Forecast %	2022/23 Forecast %	2023/24 Forecast %	2024/25 Forecast %
General Fund	8.39	8.45	(0.06)	10.74	10.64	12.00	12.52
HRA	6.40	6.48	(0.08)	10.98	10.89	12.21	10.72
Total	**8.94**	**9.01**	**(0.07)**	**12.14**	**11.75**	**13.12**	**13.26**

DECISION-MAKER:	CABINET			
SUBJECT:	ADOPTING A DESTINATION MANAGEMENT PLAN FOR SOUTHAMPTON			
DATE OF DECISION:	19 JULY 2021			
REPORT OF:	COUNCILLOR VASSILIOU CABINET MEMBER FOR COMMUNITIES, CULTURE & HERITAGE			
CONTACT DETAILS				
Executive Director	**Title**	EXECUTIVE DIRECTOR FOR COMMUNITIES, CULTURE & HOMES		
	Name:	MARY D'ARCY	TEL:	023 80834611
	E-mail	MARY.D'ARCY@SOUTHAMPTON.GOV.UK		
Author:	**Title**	HEAD OF CULTURE & TOURISM		
	Name:	CAROLYN ABEL	TEL:	023 80834516
	E-mail	CAROLYN.ABEL.SOUTHAMPTON.GOV.UK		
STATEMENT OF CONFIDENTIALITY				
NONE				

BRIEF SUMMARY

Over the past 10 years tourism has been one of the fastest growing sectors in the UK, forecast prior to the pandemic to be worth £257bn by 2025. In 2019, tourism generated an estimated £422m of direct expenditure to Southampton's economy, supporting 7,720 full time equivalent direct and induced jobs.

Southampton has not previously had a bespoke Destination Management Plan nor a Destination Management Organisation. The former being the business plan for building and managing the visitor economy in a destination which is shared and owned by a range of stakeholders within the destination and is used as a guide to manage and invest in the destination. The latter is how the Destination Management Plan is delivered and developed in partnership.

In 2020 in recognition of the significant impact of the tourist industry in the city and aligned sectors such as hospitality and retail, Southampton City Council commissioned TEAM Tourism to deliver a 10 year Destination Management Plan for the City of Southampton, with clear objectives and actions to drive and direct the regeneration of the City's visitor economy. Team Tourism were also tasked with identifying options and set up costs for a context appropriate Destination Management Organisation model, to support sustainable delivery**.**

RECOMMENDATIONS:

	(i)	That Cabinet agrees and adopts the Southampton Destination Management Plan 2021-2031 as attached at Appendix 1
	(ii)	That Cabinet agrees to additional resources to support the creation and implementation of a virtual Destination Management Partnership. Specifically, the additional resource will be 1 additional post to (£50, 000 per annum) to support bespoke marketing, engagement and inward investment and a funding pot

		of £50, 000 per annum for the partnership to act as seed funding for future investment.
	(iii)	That the Head of Culture & Tourism is delegated authority to • make minor and consequential amendments to the Plan • take all decisions and actions arising from recommendations of the DMO partnership and • any other ancillary decisions required in order to give effect to the recommendations in this report
	(iv)	That the Head of Culture & Tourism is delegated authority to agree the Terms of Reference of the DMO Partnership Board following consultation with Board Members
REASONS FOR REPORT RECOMMENDATIONS		
1.	Over the past 10 years tourism has been one of the fastest growing sectors in the UK, forecast prior to the pandemic to be worth £257bn by 2025. In 2019, tourism generated an estimated £422m of direct expenditure to Southampton's economy, supporting 7,720 full time equivalent direct and induced jobs.	
2.	Regionally other destinations have invested in the sector and the Solent LEP 2050 vision identifies the cultural and visitor economy as one of its six priority areas. This dovetails with the Council's recently adopted Economic and Green Growth Strategy 2020-2030, international city agenda and its bid to be the UK City of Culture 2025. All are key drivers to develop the visitor economy as part of the City's post-Covid recovery and longer term approach to the 'levelling up' agenda.	
3.	Unlike other cities and regions, Southampton has never had a Destination Management Plan (DMP) or Destination Management Organisation (DMO) The former being the business plan for building and managing the visitor economy in a destination, which jointly owned with stakeholders and used as a guide to manage and invest in the destination. The latter is how the destination is managed and developed by the partnership.	
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED		
4.	Not adopting a destination management plan – this option is rejected given the strategic and economic priority of the visitor economy and associated sectors in the City of Southampton and the contribution this work has to the medium and longer-term recovery of the City.	
5.	Not supporting the delivery of the plan, via a destination management organisation/ partnership – this is rejected because if a plan is adopted the resourcing of that plan is critical to the long term success of the city, the economic recovery of the city as laid out in other City Council strategies as well as the city's bid to be the UK City of Culture in 2025.	
6.	Not supporting the additional resource request of £50, 000 staffing and £50, 000 working balance to enable the destination management partnership to be set up and operate. This is rejected as without this resource the parthership will be unable to operate. Alternative means of resourcing the partnership have been discussed as part of the development of the DMP such as membership or inward investment by external bodies such as the LEP and will continue. It is however	

	the ambition that having dedicated resource, that is able to work towards inward investment, will in time reduce the reliance on council resources.
7.	Another option considered was to invest more than that highlighted in this report with 2 x additional posts increasing the additional council resource request to £144, 000. Having reviewed the nature of the work required and in recognition of the financial challenges across all sector, this option was rejected in favour of that recommended in this report.
8.	The development of the DMP and ideas for a DMO have been subject to extensive consultation with key stakeholders and partners across the city including as laid out in Appendix 2
DETAIL (Including consultation carried out)	
9.	Across the city, stakeholders have sought to meet some of this need to co-ordinate and promote the city as a destination with a variety of approaches such as: Destination Southampton (conferences), the volunteer Guides (tours and experiences), GO! Southampton (marketing, events). Southampton City Council has also invested time and energy to this sector: • As lead partner, in 2018 the Council secured funding from Visit England's Discover England Fund (DEF) to deliver the 'Leisure excursions in Southern England for Cruise and Conference' project. It resulted in new itineraries and resources for Southampton, Hampshire and Plymouth. • In 2019, the Council partnered with GO! Southampton to develop the new VisitSouthampton website, with a three-year funding partnership agreement. • 'Tourism' was added into the responsibilities of the Head of Culture as part of the 2019 leadership resourcing review in recognition of the need to further the Council's leadership in this strategic area. With the development and delivery of this plan being a key next step in this critical area.
10.	In Autumn 2020, TEAM Tourism (TT) was commissioned to: • Deliver a 10-year DMP for Southampton, with clear objectives and actions to drive and direct the regeneration of the city's visitor economy • Identify options and set up costs for a context appropriate DMO model to support sustainable delivery The approach required TT to be cognisant and reflective of: • Southampton's circumstances, resources and relationships • Strategic plans including Solent LEP's 2050 Vision Economic, the Council's Economic and Green Growth Strategy 2020-2030, UK City of Culture 2025 bid, the Local Plan etc • The impact of Covid-19 on the city, sector and supply chain • Finding realistic and pragmatic solutions whilst being ambitious and stretching
11.	The methodology involved consulting with internal and external stakeholders and workshops with a smaller steering group to test approaches, share findings and respond to interim and draft reports.
12.	The DMP vision is articulated as: **Our 10-year vision is to develop tourism in Southampton to deliver exceptional experiences and transform people's perceptions of our**

	culturally diverse and vibrant city. Southampton will be known as a welcoming cultural destination, captivating our cruise visitors, growing conferences and drawing on our stories to create memorable experiences for visitors and communities. The strategic aims are to: • Recognise the economic and social value of tourism, and develop this sector sustainably • Enhance Southampton's reputation and image as a thriving city and destination The four strategic objectives (supported by strategic drivers including addressing the carbon neutral agenda), centre on: • Developing a distinctive destination • Transforming the awareness and perceptions of our city • Creating a visitor-focused city • Working in partnership more effectively The DMP also outlines the market, products, challenges and opportunities with a strategy that focuses on a prioritised and incremental action plan that fits within three broad horizons to reflect the reality of Southampton's situation: • Phase 1: Recovery and Foundations (2021-2024) • Phase 2: Development and Stability (2024-2027) • Phase 3: Sustainable Regeneration (2027-2030)
13.	Delivery of the plan inevitably requires infrastructure and resources. TT reviewed existing arrangements and undertook a gap analysis to devise possible options reflecting the infrastructure, financial and Covid-recovery challenges and opportunities in the city. An assessment of the advantages, disadvantages, governance, staff and resource implications resulted in the five possible options: • Standalone Independent DMO • Management with existing 3rd Party DMO • SCC Direct Delivery • The 'Virtual DMO' • Local Host Organisation
14.	Whilst the **independent DMO model** adopted by other destinations was desirable, it was considered unviable in Southampton. These concerns have been borne out by the subsequent Department for Digital, Culture, Media and Sports review of DMOs to look at how they are funded and structured and whether there is a "more efficient and effective model".
15.	**Management with existing 3rd Party DMO** would not address Southampton's aspirations and ambitions for destination development and would still require significant coordination and financing.
16.	**SCC Direct Delivery** was desired by some partners and not others. The main concerns centred on short termism/ changes in priorities and funding, capacity and expertise making the delivery of the 10year plan vulnerable

17.	The **Local Host Organisation** may not have tourism as the organisation's primary focus, with differing skill sets and risks around financial resilience and capacity to deliver on behalf of the city partnership.
18.	The **'Virtual' DMO** has challenges around leadership, coordination, capacity and financing but it builds on the strength of the partnership and seeks to give focus to destination management. It offers a pathway from which to build towards a more formal approach, adapting as partners learn to develop a sustainable visitor economy and exploit local, regional, national and international opportunities. The potential pathway is illustrated below (although equally, if it delivers results it could continue): **Phase 1: (2021-2024)** **Recovery and Foundation** | **Phase 2: (2024-2027)** **Development and Stability** | **Phase 3: (2027-2030)** **Sustainable Regeneration**
19.	
20.	In terms of governance, the following is proposed: • Recruit an independent Chair with the experience and authority to drive this partnership • Form a Partnership Board involving public and private sector bodies that will oversee delivery of the DMP, set annual objectives, agree the plan, KPIs and allocate any shared/ additional resources to delivery partners or contracted third parties • Partnership Board is represented by the Chair in relevant strategic forums as the tourism advocate in the city
21.	It is proposed that the partnership is supported by dedicated Council resource to coordinate activities as outlined below.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
22.	There are no capital resource implications at this stage other than through related work around the Heritage Assets as part of destination development and place-shaping.
23.	The role of the Council is crucial in destination management, however it is led and managed, given the responsibilities and interdependencies around how the city is regenerated, looks, feels and is activated and animated for visitors and residents. The delivery of the DMP will benefit from existing schemes and pipeline projects already in train across the Council including transport, place shaping, parks and heritage assets and will dovetail with work being undertake to deliver our economic recovery, local plan, environmental and carbon neutral ambitions as well as leisure, cultural activities and city wide communications.

There is also the significant opportunity to align existing resources to develop shared campaigns and align skills development and training opportunities with activities undertaken by others e.g. GO! Southampton's Welcome Host training.

24. The Council has already allocated resource to develop its ambition to drive and support tourism and the visitor economy in Southampton in the form of a management post within the Culture and Tourism division. Once recruited to this post will oversee the creation and co-ordination of the Destination Management Partnership and support the delivery of the DMP.

However, alone this resource is insufficient to support a credible partnership or plan of delivery. Therefore, it is recommended that additional resource in the form of one extra post that will focus on bespoke marketing, engagement and inward funding is created and that an annual budget of £50,000 is provided to act as seed funding for an investment pot.

The total additional resource requirement is therefore £100,000 per annum, bringing the total resource allocation per annum to £175,000.

Table 1 shows how this resource compares to other cities with existing destination management organisations and approaches noting however that there are differences in scale and type of approach and therefore this is for illustrative purposes only.

Table 1

Destination	FTEs	Budget (ex staff & office overheads)
Southampton (Proposed)	**2**	**£50, 000**
Destination Bristol	**12**	**~£200,000**
Marketing Sheffield	**6.5**	**£200,000**
Bradford MBC	**3**	**£69,000**
Marketing Manchester	**18**	**~£1.2m**

25. The overall rationale for this additional resource request is that:

- The time is right e.g. quality of partnerships/desire for collaboration, the emerging local, regional and national strategies, economic recovery opportunities, ambition to be UK City of Culture and extend relationships beyond the City to create and lever regional, national and international relationships are all in place
- The Council demonstrates its leadership and commitment to taking forward this agenda and providing a platform for Levelling Up the City by providing support for partnership working, which is aligned to a number of strategic priorities for the Council and partners at a time when all are experiencing the challenges created by a global pandemic.
- To maintain momentum having now developed the DMP for its successful delivery.

	• Moreover, post-Brexit and post-Covid recovery, the City has the resources to address issues of the diversification of markets and products, to both reduce some dependencies that have been affected and capitalise on other markets more fully.
26.	Support will also be required from legal and finance colleagues in the governance and set up of the partnership to ensure the Council's interests and that of partners are protected.
27.	Alternative options considered to this level of resourcing • Not to provide additional SCC resource and rely upon existing resource and parthership investment. At this point in time partners are unable to commit additional resource beyond that already commited in terms of Go! Southampton and others described above. Without the additional resource it is unlikely that the Plan will be implemented in any meaningful way • Provide resource above the level recommended in this report, by increasing the number of posts to 3 FTE and for additional resource of £144,000 per annum (instead of £100,000 per annum). On balance and in recognition of the needs and challnges for the Council at this time, this is not the recommended option
Property/Other	
28.	Not applicable
LEGAL IMPLICATIONS	
Statutory power to undertake proposals in the report:	
29.	Section 1, Localism Act 2011 provides a 'general power of competence', giving local authorities the legal capacity to do anything that an individual can do that is not specifically prohibited
Other Legal Implications:	
30.	As noted above, legal colleagues will be instructed to advise on governance arrangements to ensure that all decisions have the appropriate vires

RISK MANAGEMENT IMPLICATIONS

Risks	Mitigation
Limited stakeholder buy-in and/ or goodwill is withdrawn at various points along the journey	**Shared purpose and ambition** **Good governance** **Relationship management** **Communication** **Partnership work & investment**
Key partners no longer part of the city ecology	**Provide Business support/ advice if required** **Identify different delivery partners**
Insufficient resource to deliver plan impacts on the regeneration of the visitor economy	**Partnership commitment and resource to support delivery**

Insufficient resource impacts on preparedness for UK City of Culture	**As above**	

POLICY FRAMEWORK IMPLICATIONS	
31.	The proposal is consistent with and not contrary to the Council's policy framework

KEY DECISION?	**Yes/No**
WARDS/COMMUNITIES AFFECTED:	

SUPPORTING DOCUMENTATION

Appendices

1.	Destination Management Plan 2021-2031
2.	Stakeholder Consultees

Documents In Members' Rooms

1.	None

Equality Impact Assessment

Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	**No**

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	

SOUTHAMPTON'S
DESTINATION MANAGEMENT PLAN
2021-2031

Please note: the imagery and design of this document will be developed by the Destination Partnership.

Contents page

Southampton’s Destination Management Plan 2021-2031

Executive Summary

Our 10-year vision is to develop tourism in Southampton to deliver exceptional experiences and transform people’s perceptions of our culturally diverse and vibrant city. Southampton will be known as a welcoming cultural destination, captivating cruise visitors, growing conferences and drawing on our stories to create memorable experiences for visitors and communities.

Our strategic aims are to:

- Recognise the economic and social value of tourism, and develop this sector sustainably
- Enhance Southampton’s reputation and image as a thriving city and destination

Our strategy has been developed during the Covid-19 pandemic, Brexit and the climate emergency. It looks to a future where Southampton can prosper in a sustainable, responsible manner, building on its strong asset base and current momentum. There is also a strong sense of invigorated collaboration and our UK City of Culture bid is creating a mood of optimism and confidence that this strategy will build on for the long term.

Prior to Covid-19, the city was performing well, though without strategy, coordination or adequate resourcing. Strong accommodation occupancies, healthy footfall in its retail heart, good attendances at cultural and sporting events and a regular supply of cruise passengers, staying in the city before or after their cruise or visiting for the day. There were concerns that not enough cruise passengers were choosing to experience Southampton, visitation to its daytime attractions could be higher and the city welcome significantly improved.

Overall, visitors have been coming to the city to shop, go to a show or concert, depart on a cruise ship or attend a meeting rather than to visit as a desirable destination. Southampton should be better known for its important heritage, its cultural activities and its city atmosphere. Whilst the neighbouring destinations are a key part of our attraction, Southampton is more than a base for visiting the New Forest or the Isle of Wight or embarking on a cruise.

Our key visitor products are:

- Discovery and Enrichment – our museums and galleries, medieval heritage and historic parks, our events programme
- Performance – for sport, theatre, concerts and events
- Social Fun – food, drink, nightlife and shopping
- Business – a national/international centre for marine events and academic/research specialisms
- Cruise – Europe and the UK’s pre-eminent cruise port

These products already attract large numbers of people who stay in our hotels and apartments, visit our theatres, galleries, museums and shops and leave and depart from our city. We will find ways of encouraging them to stay longer, enjoy more of what we have to offer and return, sharing their experiences of visiting Southampton. As well as developing our existing markets, we will increase our appeal to city breakers and culture hungry visitors.

We have lots to offer, with recent investment in key attractions and facilities, a strong retail centre, great theatre, our universities, our parks and open spaces and a varied events programme.

However, we also have work to do:

- Our city gateways are underwhelming. We need to improve how visitors navigate the city and add to the critical mass of attractions, events and facilities for tourists and residents.

- We need to animate and enliven our heritage, reveal our stories for local people and visitors alike.

- We need to come together with one voice that can speak for tourism, harnessing the ability, resources and interests of the whole city.

- Using this one voice we will present a clear, coherent and consistent image to the rest of the country and the world.

- We need to 'raise our game' in attracting major conferences and events, working together and adding facilities where necessary.

- We will need to recover and respond to the significant impact of the pandemic on our visitor economy, supply chain and wider city.

- Above all, we need to 'think tourism' and place visitors at the heart of key decisions for major projects, including the proposed Mayflower Quarter.

Our strategy will be delivered in three distinct phases to ensure that we build a sustainable, credible and collaborative destination:

- Phase 1: Recovery and Foundations (2021-2024)
  The plan will focus on recovering from the Covid-19 pandemic, developing capacity and the Destination Management Organisation (DMO) structure/partnership, bidding for UK City of Culture and delivering quick-win projects

- Phase 2: Development and Stability (2024-2027)
  We will consolidate our partnerships, deliver UK City of Culture and its legacy, and enhance our delivery and activities

- Phase 3: Sustainable Regeneration (2027-2030)
  Towards the plan's end we will focus on building on the UK City of Culture legacy and developing new products and markets, with an agreed and sustainable delivery model

The strategy will deliver the vision by focussing on four main objectives:

1. Developing a distinctive destination
   Creating/enhancing visitor facing products: heritage, culture and conference facilities/events- increasing our appeal for discretionary visitors

2. Transforming the awareness and perceptions of our city
   Dramatically improving the brand, and marketing the city by working together with a consistent, joined-up approach and clear message

3. Creating a visitor-focussed city
   Putting tourism at the heart of our approach, improving the wider city offer and enhancing visitor welcome through physical improvements and investing in our people

4. Working in partnership more effectively
   Creating a strong voice for tourism and an effective delivery mechanism through working together. Making the most of our existing strengths and plugging the current gaps

1. Introduction

This Destination Management Plan (DMP) provides a galvanising opportunity to build a better and more productive tourism sector for Southampton. This plan has been developed during a global pandemic, the EU/Brexit transition and the climate emergency. This has resulted in a period of considerable uncertainty with significant social, economic and environmental challenges for all partners and stakeholders. It sits therefore, within the context of emerging economic, environmental and cultural responses and strategies and international ambitions.

The Covid-19 pandemic has hugely impacted the hospitality, tourism, cruise and cultural sector. While the nature and scale of recovery of tourism remains uncertain and we will need to be flexible, this plan represents an exciting opportunity for Southampton to build and grow its visitor economy. Pre-Covid-19, our approach is likely to have been different in terms of structural arrangements, and the resources that we might have been able to draw upon larger. The unfortunate reality is that each destination across the country is having to review the sustainability of current approaches; Southampton is seizing the opportunity to shape its response to deliver sustainable regeneration and change.

For tourism to recover and develop in this city, we will need to demonstrate strong collective leadership, mobilising around a shared vision and a realistic but stretching action plan, so that we can bring about the change and benefits we need and want for Southampton.

This requires us to be multi-faceted in our approach – that is to invest in and build upon the good work that is being delivered, find ways to address the gaps, and more effectively pool resources as we develop the tourism sector and realise our ambitions for Southampton.

As a city we face long-standing challenges that need to be tackled collectively. Southampton's visitor offer is not well understood. It has some great strengths, but we do not present a clear or coherent narrative to visitors. We have no flagship attractors, though we have some high-quality offerings and others that have yet to reach their potential. Our audiences are not necessarily visiting because it is Southampton, but because what they want or need to do is here e.g. a cruise, shopping or a meeting. Visitors from outside our region know little about our assets or experiences, and international visitors have no grasp of the richness of our heritage and our stories and the disconnect with our waterfront is a disappointment.

But we have huge opportunities on which to build: our bid to become UK City of Culture (UKCoC) in 2025; our important cultural (including heritage) mix; our public and green spaces; our pre-eminence as a cruise centre and our academic and sector specialisms. On our doorstep we have very popular destinations such as the New Forest, Isle of Wight, Bournemouth, Portsmouth and Winchester, which draw many visitors to the region.

Our 10-year vision is to develop tourism in Southampton to deliver exceptional experiences and transform people's perceptions of our culturally diverse and vibrant city. Southampton will be known as a welcoming cultural destination, captivating cruise visitors, growing conferences and drawing on our stories to create memorable experiences for visitors and communities.

The strategy will deliver this vision by focussing on four main priorities:

- Developing a distinctive destination;
- Transforming the awareness and perceptions of our city;
- Creating a visitor focussed city;
- Working in partnership more effectively.

2. The Current Situation

2.1 The Impacts and Benefits of Tourism

Our visitors come in many guises. They could be a cruise passenger staying overnight before embarking; someone coming because they have work, business or a meeting in Southampton; an international academic coming for a conference; a football fan going to the Saints; a family visiting a museum or gallery or park; someone visiting for a shopping trip or for a night out with friends, or parents visiting their student children.

These visitors impact on our city in many ways but, by the same token, our city can impact on our visitors – from our image, ease of booking, transport links, parking, shopping, attractions, theatres and events, bars, hotels, street cleanliness and welcome. Visitors take these experiences away with them and share them with others - the positive, and the negative.

Tourism brings significant benefits to our city. In 2019, tourism generated an estimated £422 million of direct expenditure to our economy. This supported a total of 7,720 Full time Job Equivalents (FTEs) including indirect and induced jobs.

The Economic Impact of Tourism to Southampton – 2019				
	Trips ('000)	**Nights ('000)**	**Spend (£'000)**	**% overnight trips**
Overnight Visits – by purpose				
Holiday	238	699	42,845	42.3%
Business	163	526	53,084	29.0%
Visits to friends/relatives	121	565	23,738	21.5%
Other	37	132	3,063	6.6%
Study	4	84	5,726	0.7%
Overnight Visits – by Origin				
UK	455	1,236	74,501	80.8%
Overseas	108	769	53,955	19.2%
Overnight visit – total	**563**	**2,005**	**128,456**	
Day Visits	**7,710**		**293,630**	
Total Visits	**8,273**		**422,086**	

Source: The Economic Impact of Tourism in Southampton 2019 – Tourism South East (2020)

This expenditure spreads far and wide into our local economy; from direct spend on retail, entertainment and hospitality, through the supply chain and - via the people employed in the tourism sector - into numerous other areas. Because visitors bring new money into the city, the overall size of the local economy benefits and grows.

Tourism can also:

- Support a range of jobs with a range of skills and entry requirements
- Enhance our image and profile – not just as a place to visit but also as a place to move to, invest in, or study
- Develop a sense of place and pride among our communities and residents

- Support a wide range of facilities that enhance the quality of life for our residents. This can include supporting shops, restaurants, galleries, theatres, attractions, walks and trails, events and festivals

2.2 Visitor Offer and Product Themes

There are 22 city centre hotels with approximately 2,300 rooms. These range from budget hotels to 4* and 5* brands. In addition, there are a further 16 hotels in the surrounding M27 Corridor, which have a total of approximately 1,600 letting bedrooms. This hotel supply comprises a mix of budget and 3* and 4* hotels. Additionally, planning permission has been given for two new 150 room hotels and 80 serviced hotel apartments as part of the Leisure World development. There is an opportunity to look at the quality of the provision and how the mix and type can better meet market needs. Similarly, with the impact of the pandemic, hoteliers may need to look at alternative markets and approaches, particularly given reliance on cruise and business markets.

The following table outlines a series of the primary potential experiences for Southampton and its offer in each of these.

Experiences	Our Product
Cruise - comprises outbound visitors (staying in Southampton pre/post cruise) and transit call passenger excursions	• Strong outbound (overnight) demand, particularly in some hotels • The draw for excursions (inbound visits) links to other themes – particularly 'discovery' (see below)
Surrounding destinations and product	• Paulton's Park, Isle of Wight (and associated events – Festival, Cowes Week), Winchester, New Forest and Portsmouth
Performance - includes visiting Southampton for theatre, concert, show, or a watching a sporting event	• Mayflower Theatre, MAST Studios • O2 Guildhall, Turner Sims and concerts at St Mary's Stadium • Events – e.g. Let's Rock Southampton, Mela • Match days at SAFC and internationals at the Ageas Bowl (Eastleigh)
Social fun - fun trip with a group of friends	• Food, drink and nightlife • Retail
Discovery and enrichment - sub-themes include heritage and cultural attractions, stories, tours and trails	• Attractions including for example: SeaCity Museum, Southampton City Art Gallery, Tudor House Museum and Gardens, John Hansard Gallery, Solent Showcase Gallery, Steamship Shieldhall and Solent Sky Museum • Medieval/Middle Ages Heritage/ Town Walls • See Southampton guides, Southampton Tourist Guides Association and Trails (e.g. Walk the Walls, Titanic Trail, Jane Austen Trail) • Events – e.g. Southampton Mela, Southampton Pride, Southampton Film Week

Business - including conferences and exhibitions	• Key events include Southampton International Boat Show, Sea Work, Marine Autonomy and Technology Showcase and Ocean Business • Venues include the National Oceanography Centre (NOC), Grand Harbour Hotel, SAFC and Solent Conference Centre
Occasion / celebration - an event specific to a visitor/family – e.g. graduation, weddings	• Large (~50,000) student population driving VFR, graduations • Weddings (albeit primarily driven by the local population)
Family fun - time out with the kids	• Attractions (as above) e.g. SeaCity Museum, Solent Sky Museum, Steamship Shieldhall • Surrounding area – especially Peppa Pig World at Paulton's Park
Romance/Luxury/Pampering Time with partner (or a close friend) but with a focus on treating yourself	• Southampton Harbour Hotel and Spa, Leonardo Royal Southampton Grand Harbour, Pig in the Wall • Shopping (see above) • Restaurants (see above)
Active - outdoor and fitness related activities	• Events – ABP Southampton Marathon (~10k attendance), Let's Ride, Southampton Sporterium • Alpine Snowsports, Southampton Water Activities Centre

2.3 Markets

In terms of our overnight markets, these include key midweek markets:

- Cruise passengers - between April and October and particularly for 4/5* hotels
- Corporate business travellers – year-round (especially 3* hotels)

Other midweek markets for our hotels include residential, delegates (for Southampton Boat Show and Ocean Business, Seawork and CLIA conferences), University Graduations, contractors, cruise ship crews, and group tours and midweek breaks (for Peppa Pig World, Isle of Wight and New Forest).

Our main weekend markets are:

- Cruise passengers – these typically account for at least half of weekend occupancy
- Weekend breakers – key drivers are Peppa Pig World, the Isle of Wight and New Forest

Other minor weekend markets are football, stag/hen, group tours, weddings/family markets, VFR, and cruise ship crews.

For day trips, retail is a key driver, and theatre and concerts are also a strong pull from our regional catchment area.

3. Strengths, Opportunities and Challenges for Tourism

We have strengths, some challenges but also exciting opportunities for developing tourism.

3.1 Our Strengths

- **A strong performing destination** – it is estimated that tourism in Southampton generates £422m of spend and supports 7,700 jobs and our hotel occupancies and rates are good.
- **Southampton is the UK's No. 1 Cruise city and Europe's largest cruise port** – this brings profile, prestige, and business. The pre- and post-cruise trip stays are very important to our hotel sector (though it may be a potential vulnerability). However, our excursions market is less well developed.
- **Performance, sporting (and business) venues** – there are strong 'performance' venues like the Mayflower Theatre and SAFC that generate some overnight trade.
- **Recent investment** – our tourism offer has seen recent investment – e.g. the Cultural Quarter, Mayflower Theatre and new hotels (the Moxy and Harbour Hotel) – and there is significant developer interest in new hotel developments.
- **Universities** – our two Universities are important in tourism terms. They drive VFR trips (graduations etc) but also (and importantly) conferences through their research specialisms. They are also key conference venues and can help to create a sense of dynamism and innovation in the city through their research and national and international profile
- **Committed organisations** – there are a number of key players proactive in the tourism sector – e.g. GO! Southampton, Destination Southampton, the Hoteliers Association, Business South, and See Southampton, Southampton Tourist Guides Association and teams of volunteers supporting attractions and welcoming visitors. Others are keen to be involved (e.g. the Chambers of Commerce). Hampshire County Council/Visit Hampshire, Southampton City Council and Solent LEP are all committed to the sector and will need to be appropriately deployed, if required.
- **Strong surrounding destinations** – e.g. the Isle of Wight, New Forest, Paulton's Park that generate trips to Southampton.
- Established **MICE (meetings, incentives, conferencing, exhibitions) and leisure events** like the Boat Show, Sea Work, and Ocean Business.

3.2 Our Challenges

- **A lack of Unique Selling Points (USPs)** – we do not have a distinctive product, profile or icon in tourism terms.
- **Critical mass** - there is limited critical mass to our offer, and we are perceived by the market to be a less compelling destination to visit than our potential competitors.
- **A lack of discretionary markets -** generally people are choosing not to visit Southampton because it is Southampton but because there is something else here – a show, a cruise, a meeting.
- **City Gateways** - the quality of the arrival experience (via train, coach, port terminals, road) needs to be significantly improved, including building a sense of excitement and anticipation about what visitors might see, do and enjoy in the city. This will also help to build local pride in the city as residents see positive imagery and activities about their city.

- **Urban realm** - our urban realm is a challenge with a lack of sense of place, and poor connectivity between different areas of visitor interest. The lack of an accessible waterfront is a major weakness.
- **Legibility and access** - the city is not easy to navigate for visitors and accessing it is seen as a particular challenge for cruise visitors. It can also be a challenging city to navigate for people with mobility requirements including those with wheelchairs, push chairs and suitcases. Equally there are opportunities to ensure that the city's diverse stories and communities are represented in our products and the welcome to visitors from across the UK and the world.
- **Partnership voice** - while the number of committed organisations is a strength, it is also a challenge. Various organisations are delivering parts of a tourism agenda currently, but there is no single organisation owning and leading tourism.

3.3 Opportunities

- **UK City of Culture (UKCoC)** – whether we win or not, the UKCoC bid is an opportunity to galvanise our offer, partnerships and transform our profile utilising our partnerships, assets and people including our civic leaders such as the Mayor, and bidding for Lord Mayor status (as part of the Platinum Jubilee in 2022)
- **Cruise** - the cruise market is an opportunity – both lengthening the stay pre or post, and growing the excursions market, supported by a 5th major cruise terminal opening in summer 2021.
- **Heritage Assets** – we have some strong heritage assets – e.g. our walls and vaults, maritime and aviation heritage - and unique stories including around transmigration and as a city of sanctuary and gateway to the world. From a visitor perspective, there are opportunities to utilise these more, and also to develop products resonant with culturally diverse audiences.
- **Economic growth** - the growth of the city in economic and population terms will create opportunities for day visits and business visits. Our sector specialisms and research will create opportunities for business tourism and conferences that could be developed.
- **Marine -** as a maritime centre and the base for the UK's largest marine event, the potential exists for further leisure and business events and to be seen as a national centre for water-based activities.
- **Mayflower Quarter and infrastructure** - the Mayflower Quarter proposals aim to transform our urban realm and connect it more strongly to the waterfront. There will be tourism opportunities particularly in relation to Mayflower Park, as well as creating a more accessible and navigable city. This will be supported by work to transform key city routes and the Central Station which will begin in earnest in 2021 and be completed in 2023.
- **New hotel development and investment** - recent announcements around Leisure World and the Bargate development bring with them the prospect of two new 150-bedroom hotels, 80 serviced hotel apartments as well as new restaurants, cinema, casino and retail and green spaces creating over 1000 new jobs. These will bring opportunities to increase capacity and potentially the generation of their own markets.
- **Green Spaces** - utilising our parks as spaces and potential event venues subject to environmental and neighbourhood sustainability, supported by ambitions to secure Green Flag awards as a benchmark for good management and public access.
- **Inclusion and access** – there are opportunities to develop new products that draw on the city's own culturally diverse populations and have appeal for national and international

audiences. Considerations also around being a child-friendly and dementia-friendly city would also add to Southampton's appeal as a welcoming, thoughtful destination.

3.4 Covid-19 Impact

The Covid-19 pandemic has hugely impacted the hospitality, tourism, cruise and cultural sector in the immediate term, and the long-term implications remain uncertain. With over 80% of tourism businesses closed compared to just 24% of all businesses; 75% of employees furloughed compared to 27% of all employees and revenue down by 73% for accommodation in 2020, tourism will open later and operate under restricted capacity for months to come. Combined revenue (inbound and outbound) decreased by £79.7bn (equivalent to a potential loss of over 1.2m FTE jobs)[1].

It is estimated by VisitEngland that there was a 48% drop in domestic tourism in 2020, and that international visits are unlikely to return to pre-pandemic levels before 2023. Whereas Oxford Economics believes that domestic tourism will return to 2019 levels by 2022, and inbound overseas level will not return to 2019 levels until 2024.[2]

Meanwhile in March 2021, DCMS launched a review to assess how Destination Management Organisations (DMOs) are funded, structured and perform their roles, in order to establish whether there is a more efficient and effective model for supporting English tourism at the regional level.

Whilst the rollout of the vaccine programme is positive news, and government support has been made available through local authorities, the wider visitor economy will continue to need local, regional and national support as it seeks to reassure visitors, rebuild markets and continue to adapt and develop sustainable business models.

4. The Strategy

4.1 Vision

Our 10-year vision is to develop tourism in Southampton to deliver exceptional experiences and transform people's perceptions of our culturally diverse and vibrant city. Southampton will be known as a welcoming cultural destination, captivating our cruise visitors, growing conferences and drawing on our stories to create memorable experiences for visitors and communities.

4.2 Aims and Objectives

Our strategic aims are to:

- Recognise the economic and social value of tourism, and develop this sector sustainably
- Enhance Southampton's reputation and image as a thriving city and destination

This will be achieved through the delivery of four objectives:

1. Developing a distinctive destination – stronger visitor-facing products
2. Transforming the awareness and perceptions of our city – the brand and marketing the city
3. Creating a visitor-focussed city – the wider city offer and visitor welcome

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[1] Tourism Alliance presentation February 2021

[2] https://resources.oxfordeconomics.com/hubfs/Global-Travel-Service-July-2020.pdf

4. Working in partnership more effectively – a strong voice for tourism and an effective delivery mechanism

4.3 Strategic Drivers

A number of strategic drivers underpin our aims and objectives:

- **Partnership and the wider agenda** – tourism in Southampton does not exist in isolation. To be successful and contribute to the wider economy and as a cultural destination, the delivery of this plan will need to be undertaken in partnership with a range of public and private sector organisations and utilising our partnerships, assets and people including our civic leaders, such as the Mayor, to promote the destination. Both tourism and non-tourism bodies within Southampton as well as our partners in the wider Hampshire/Solent sub-region, reaching out nationally and internationally.

- **Incremental development** – the DMP will be delivered and developed in three broad phases that reflect the reality of the challenges we face:

  - Phase 1: Recovery and Foundations (2021-2024)
    The plan will focus on recovering from the Covid-19 pandemic, developing capacity and the DMO structure/partnership, bidding for UK City of Culture, delivering quick-win projects
  - Phase 2: Development and Stability (2024-2027)
    We will consolidate our partnerships, deliver UK City of Culture and its legacy, and enhance our delivery and activities
  - Phase 3: Sustainable Regeneration (2027-2030)
    Towards the plan's end we will focus on building on the UK City of Culture legacy and developing new products and markets, with an agreed and sustainable delivery model

  The plan will be reviewed through these phases and revised where necessary.

- **A long-term process** – we recognise that developing Southampton as a visitor destination and brand is a long-term process that will require on-going investment and commitment. If this was easy, we would be further along that journey - but we have a good foundation upon which to build.

- **Our strategic proposition** - in the longer term, our core focus will be about building on enhancing our cultural offer and strategy, City of Culture legacy and using it as a differentiator for the city within the wider Hampshire/Solent offer. Drawing on the notion of Southampton's Stories - the past and the contemporary, the diverse and inclusive we recognise Southampton's product needs further development and this will take time.

  In the short term (the Recovery and Foundations phase), our activity will focus on using and enhancing a wider set of themes that the city already has strengths in – our theatre and performance culture, nightlife, retail, the surrounding area and its heritage and attractions, which will need ongoing investment and improvements plans.

- **Theme mix** - the focus will be on developing four motivational themes and markets over time. These are summarised in the following table below:

Experience theme	Description
Discovery and Enrichment	Developing our cultural (and heritage) and parks offers over time. Our market focus will initially be on day visits but as the product develops the market focus will broaden.
Conferences	Focusing on multi-day conferences that are attracting national (and international) delegates.
Cruise	A two-fold approach. Firstly, to increase the length of stay of embarking/disembarking passengers and, secondly, encouraging more transit passengers to visit for the day (through the Discovery theme).
City breaks	Using our theatre and performance, retail and nightlife offers to attract regional overnight trips – primarily couples or groups of friends.

- **Green and sustainable regeneration** – the greening of our tourism sector, in line with our wider city commitments is vital. Elements of this will include prioritising value over volume (through encouraging a greater length of stay and spend) and encouraging efficient use of energy among businesses and visitors, understanding tourism's impact on the environment, and encouraging visitors to think and learn about this as part of the customer journey.

5. Objective 1: Developing a Distinctive Destination

The following sections outline our proposed approach within each objective. For each objective we outline the rationale for why this is important and the longer-term aspirations and needs. We also outline some of the action areas that will be taken forward in phase 1 of the plan (Recovery and Foundations). A detailed Action Plan has been developed and will be agreed and prioritised by the Destination Partnership as part of the annual business planning cycle.

5.1 Rationale and Approach

As a visitor destination we have been performing relatively well – our hotel occupancies and rates are good. However, this is largely driven by less discretionary markets (cruise, corporate travellers, small meetings) and, at present, we lack a distinctive offer that will attract discretionary visitors – i.e. people choosing to visit Southampton as a destination. We have some significant and potentially exciting assets and a priority for the next 10 years is to increase the appeal of the city by developing and strengthening our product.

Culture and Events

Culture will be a core element of our offer. It differentiates us from our surrounding destinations (like the New Forest, Winchester, Portsmouth) but also complements them when marketed in a wider regional offer.

Bidding, securing and delivering UKCoC is of key importance but the momentum we create before and after that is just as important. While UKCoC is about more than the visitor economy, developing our bid should help to catalyse tourism and the visitor offer. Ideally the cultural and creative sector and UKCoC needs to create visitor facing product – e.g. events, exhibitions but also 'on street culture' like murals, public art and street events (using our heritage assets in creative ways).

In the future, we need to develop more high-profile events that have a wider appeal than our current portfolio. Some of these could spin out of UKCoC and should link to some of our city themes (examples could include wine, Ocean/maritime, Titanic etc). Our parks provide a potential asset to host events, although there are considerations in terms of the environmental and neighbourhood challenges this can create. We also consider a major visitor attraction (ideally within the revitalised Mayflower Quarter) would help to raise profile and add depth to our offer but recognise that the feasibility of this would need careful thought.

Our attractions have done well in digitally engaging with audiences during the pandemic. To develop tourism, we need to make more of facilities like SeaCity Museum, City Art Gallery, John Hansard Gallery and Solent Showcase in the Cultural Quarter through longer opening hours, temporary exhibitions, smarter (and wider) marketing and place animation in this area. Our theatre and live music are real strengths but need stronger packaging and visitor-facing promotion, and these are augmented by the newly re-opened God's House Tower as a new heritage and arts centre in 2019.

If deemed appropriate and viable, in the context of the Mayflower Quarter proposals, a purpose-built multi-purpose venue could provide an opportunity to bring in major events/concerts (our capacity is currently limited) and support the development of our cultural theme.

Heritage
We have significant potential in our heritage assets (our Walls, vaults and other buildings) and strong themes (our Medieval and Maritime Heritage, Titanic, Mayflower, wartime Southampton, transmigration, gateway to the world) that are under appreciated and utilised. The dispersed nature of some of our assets and their limited size makes them difficult for visitors to experience and appreciate. Past interpretation schemes have tried to address this but these have not been well maintained or updated to reflect the developing digital opportunities. There are also opportunities to re-interpret and tell the stories of our diverse communities associated with Southampton's history and heritage, and to reach wider and new audiences.

To make more of our heritage we need to invest in its physical fabric, create itineraries and experiences around strong heritage themes particularly for cruise passengers, group organisers and special interest visitors. We need to investigate the potential for digital interpretation (e.g. augmented or virtual reality), reviewing signing/interpretation boards of our historic monuments and sites to ensure they are up-to-date and integrated across the city. The Bargate offers a potential hub or orientation point for tours and itineraries, interpretation and visitor information combined with other visitor facing elements e.g. events (see above). We could use our heritage assets as a backdrop (e.g. to host street plays, pop-ups) or develop uses to specifically showcase them (e.g. an expanded and developed Heritage Open Days programme).

Our guides and volunteers, and attractions like Solent Sky Museum and SS Shieldhall are an invaluable asset for the city. We need to continue to support and promote them. We also need to consider ways to sustain them – possibly through a city-wide recruitment CPD/training programme, and recognition events linked to other initiatives, including those being developed by UKCoC.

Conferences and Exhibitions
We host some major conferences and exhibitions linked to our academic institutions and specialist position in the Marine and Maritime sector. Smaller residential and day conferences are an important source of business for our hotels and venues. Covid-19 has been disastrous for this sector, but evidence suggests that the post-Covid world will see a resurgence in people seeking to meet in person and carry out business face to face – though there will undoubtedly be an increase in hybrid events that provide virtual attendance opportunities.

However, our conference venue offer has limited capacity – we have a few venues in the city centre and beyond (like Ageas Bowl) that are capable of hosting 500-600 people but some of these (like Southampton Football Club) have limited availability. Larger events in the city typically require bespoke arrangements which may be a barrier for some organisers. Additional venues and increased delegate capacity (with associated exhibition space) would strengthen our offer and provide an opportunity for the city to bid for larger conferences. New hotel developments might increase the number of venues but will not diversify the offer. A purpose-built centre (either dedicated or a good multi-purpose venue – see above) would enhance the offer but there would be a question over feasibility (given competition from Bournemouth and Brighton, and post-Covid uncertainties). Alternatives could exist through further development of the National Oceanography Centre or specific purpose-built facilities associated with existing operations of the Universities or Football Club.

The Southampton International Boat Show in September is a critical event for us – in terms of profile and the business it brings. It attracts 100,000 visitors each year – both day and staying. The organisers, British Marine who are based in the city, have exciting plans to both broaden and deepen its appeal. These plans need to be developed in conjunction with the development and delivery of the Mayflower Quarter proposals.

Cruise
The cruise excursions (day trip) market is not well developed in Southampton and tends to feature destinations further afield, such as Stonehenge, Winchester and London. The product opportunities outlined above, in association with other initiatives (see below) will positively impact on influencing this market to spend more time in the city itself. There may be opportunities to develop relationships with the cruise operators to create a Southampton shore-based offer.

5.2 Action Areas

The following table summarises key areas for action in the recovery period and into the development and stability period:

Action Area	Description
UK City of Culture	Developing the narrative and themes for City of Culture, working up the bid and programme ideas. From a tourism perspective it is key that the programme is as visitor facing in its appeal as possible but also that the tourism sector is in a position to support the delivery of City of Culture (through e.g. commercial approach, product knowledge training, marketing support).
Events	Review existing programme to identify gaps and opportunities and develop a festivals and events strategy, alongside the development of a park's strategy. Work proactively with local and external event organisers to develop new and

	enhance existing events, particularly focussed on the city's green and outside spaces.
Current City Attractions/ Museums	Improve the performance and attractiveness of our current attractions through longer opening hours, temporary exhibitions, smarter marketing and joint promotion.
Theatre and Cultural Performance	Packaging and promotion of theatre and cultural/music performances with accommodation for potential visitor audiences.
Guiding/ Volunteers	Development of a programme of support and training for existing and new guides and volunteers.
Conferences	Investigate the feasibility of constructing a multi-purpose building capable of hosting larger events/conferences.
The Bargate	Assess the options for development of The Bargate as a visitor hub for the Old Town.
Heritage Itineraries	Re-visit/ develop 3-4 itineraries/ heritage experiences that can be packaged as a guided or self-guided experience. Stories could include Medieval Southampton, Mayflower, Titanic, Migration.
Signage and Interpretation	Review signage and interpretation for our heritage monuments and investigate the feasibility and potential for digital interpretation.
Southampton International Boat Show	Continue to develop the Boat Show and increase its footprint and content to broaden its appeal and links with local hospitality businesses and residents.

6. Objective 2: Transforming Awareness and Perceptions

6.1 Rationale and Approach

We suffer from a poorly-defined image and brand – we have no strong associations for consumers. While this partly reflects our product offer, it also reflects a lack of investment in city-wide marketing over the last decade.

Priorities are to develop our profile as a destination through:

- Focusing on building content and our brand in the long term around themes of Discovery and Enrichment – emphasising our cultural (performance, visual arts and heritage) offer. The developing City of Culture bid will be key to this narrative and stimulating wider communication
- Develop stronger 'Southampton-plc' marketing collateral (aligned to a city-wide approach) – web, social media, print, images etc. for partnership, business and third-party use
- Proactive work with press and third parties (e.g. online travel agents, review sites) on campaign development and content distribution
- Develop relationships with cruise ship ground handlers, group organisers and coach operators to provide ideas for itineraries, familiarisation visits and contacts with local businesses

In the shorter term (the Recovery period) the priorities in theme development will be more pragmatic focusing on retail, the evening economy/theatres, and attractions – primarily targeting our local and regional audiences – through a proactive campaign. VisitSouthampton is an appropriate vehicle for this. As the UKCC bid (and associated content) starts to gain momentum, the emphasis in our marketing should start to evolve.

Business tourism is a vital sector for us. While Destination Southampton does an excellent job in bidding for and organising conferences, they have limited resources for proactive marketing. Much of Southampton's conference business is small meetings from the immediate region and in the short-term online conferencing may impact. A long-term priority should be to increase the amount of marketing undertaken (through e.g. additional event attendance and research into potential events) and the development of a Conference Ambassador programme amongst the city's business leaders and academics to raise the profile of Southampton in specific strong and relevant sectors.

6.2 Action Areas

The following table summarises key areas for action in the Recovery and into the Development and Stability phases:

Action Area	Description
Southampton collateral	On-going development of our marketing collateral through e.g. developing our website (adding more content, lists and making it more dynamic), our social media output, and developing an image and content library for partner use.
Itineraries	Developing existing ideas for half day, whole day and 2-3 day itineraries to feature the heritage, culture, retail and hospitality sector of the city, targeting the domestic day trip and short break market.
Press	Create a bank of digital content for distribution for consumer and travel press and establish relationships with travel media (possibly through appointment of a specialist travel PR company).
Third party content	Research and review existing content about Southampton on third party websites, online travel agents, review sites, bloggers/vloggers, guidebooks and provide updates and accurate content and images as needed.
Third party relationships	Identify organisations likely to be featuring the city and provide a reliable point of contact for promotions. These might include VisitBritain, VisitEngland, TSE, HCC/VisitHampshire, Cruise lines, Coach Operators, incoming Tour Operators, Shore Excursion operators, airlines, airports etc.
Tactical City campaign	Look to develop a regional marketing campaign selling Southampton's retail, the evening economy/theatres, and attractions building on VisitSouthampton and SO What?
Cruise Marketing – (Pre & Post and Official Shore Excursion)	Develop packages with local attractions and hotels; dedicated sections of VisitSouthampton for pre and post stays and transit passengers; agree and collectively resource a specific marketing programme to cruise lines and shore excursion operators. (See also Appendix 2)
Ambassador Programme	Develop a programme to engage with the city's leading academics and business leaders to target national and international conferences relating to their specialist sectors.
Business Tourism Marketing	Marketing to organisers through increased familiarisation visits, potential attendance at key shows, and research into potential events with a good fit to Southampton.

7. Objective 3: Creating a Visitor-Focused City

7.1 Rationale and Approach

Objective 1 focuses on product development that will make us a more compelling destination to consider visiting. However, our wider city offer is of equal importance – the hotels, bars, restaurants, retail all make a huge contribution to a decision to visit and to the satisfaction of visitors during their trip. Sense of place, the urban realm, and our welcome are also key for visitors.

We have a varied accommodation stock in the city centre and surrounding area. In the medium term, as markets recover and grow, additional capacity and variety may be required, and this will need to be determined by further research. For visitors, Southampton's current retail is a great strength and the bar/restaurant offer is reasonable although the city would benefit from greater variety, distinctiveness and quality (particularly in terms of restaurants). We need to continue to work proactively with developers, chains and potential businesses to bring forward viable schemes that will increase our capacity and broaden our offer.

Our pedestrian signposting scheme is good in some places and is particularly crucial given the distances between different areas of visitor interest. In others, wayfinding appears to leave visitors stranded and confused, whilst having to navigate some challenging roads and uneven walkways. The city's arrival/landing points (especially the station and the port) and our road signing need attention. The volunteer guides are good at providing a good in-person welcome at the cruise terminals, but this takes place in a busy and noisy space. It is a volunteer activity that can be withdrawn or reduced at any time. The railway station equally fails to enthral and excite visitors or residents keen to feel pride in their city.

The lack of an accessible waterfront is seen as a weakness for the city. Certain areas of the city, particularly the Cultural Quarter, lack animation especially at weekends. The Mayflower Quarter proposal and planned infrastructure changes as part of the Transforming Cities Fund represents an exciting opportunity for both residents and for our visitors – helping to create a more legible city, improving the city's gateways and enabling waterfront access at Mayflower Park.

Addressing these city-wide issues will be a long-term priority and will be largely driven by broader city centre development plans (like the Mayflower Quarter); and by the local/regional economy and population (captured via the emerging Local Development Plan) driving investment in retail, bars, restaurants and other facilities. However, in our broader city and economic planning we need to think 'tourism' and understand the wider economic benefits it brings – embedding the needs of our visitors in future developments and making the city more distinctive. This includes considering how visitors move around the city on foot and by public transport. Pan-city bus travel is good at moving residents around, but the travel experience of visitors falls short.

Tourism is not high profile within the city and the overall welcome and information for visitors needs to be improved. A specific tourist information centre is unlikely to be cost effective but there are a range of other initiatives that could be implemented: e.g. a visitor hub at The Bargate (see above) and/or God's House Tower; Visitor Information Points (i.e. information resources in visitor facing locations – a hotel, attraction or retail space); and staff engagement, training and familiarisation (with a view to cross selling the city).

Cruise visits are crucial to our city. We have a lot to offer passengers on transit cruises. The strength and variety of the excursions available to passengers is fundamental to that success, but we want to attract more of those passengers into the city itself. However, the arrival experience in Southampton is poor with busy roads and inappropriate exits from the port, lack of connectivity to the railway station and a lack of quality welcome facilities, foreign language print and coordination among the various parties involved in shoreside welcome. We need to work collectively to improve the experience on arrival, make it easier to access the city's heritage assets and to offer unusual 'behind the scenes' experiences. Most transit passengers are from Europe and we need to make sure we can welcome them in their own languages. For the British passengers who stay in our city before or after their cruise, we want to invite them to stay longer and experience more of what Southampton and surrounding destinations have to offer.

7.2 Action Areas

The following table summarises key areas for action in the recovery period and into the development and stability period:

Action Area	Description
Planning/Place-shaping	Embedding the tourism agenda in wider city planning and policy and licensing, delivering development schemes and ensuring we take account of visitors in future developments and our city maintenance, alongside that of residents.
Investment and Facilitation	Facilitate and encourage new hotel and attraction development – through provision of information and insight (e.g. the Hotel Solutions work) and supporting developers/ prospective businesses.
Visitor Information Points (VIPs)	Creation of a network of Visitor Information Points (VIPs) at the City Council's own attractions and other visitor touch points (like God's House Tower, retail centres), supported by maps and relevant printed material, training and displays.
Staff Training	Development of training materials, highlighting Southampton's stories and key locations - including Welcome to Excellence training – and rolling this out to front of house staff at hotels, taxis, volunteers at cruise terminals and cruise ship staff, shore excursion companies etc to ensure quality and consistency. This could be potentially introduced as part of the UKCoC bid.
'City Welcome'	Develop dedicated 'City Welcome' content in partnership with cruise operators (and agents) for distribution to cruise ship passengers staying in the city, with special VIP offers, suggested itineraries – to encourage longer stays and repeat visits
Animation	Animation of city open spaces – especially the Cultural Quarter (links to objective 1) through e.g. working with the city's arts, creative and cultural sector to showcase our creativity, pop-up bars/ restaurants, 'container quarters' or creative zones
Signage	Improve 'Welcome to Southampton' and 'White on Brown' tourist signs on access roads into the city for those arriving by car and for foot passengers from cruises and ferry ports to create a sense of place and welcome

8. Objective 4: Working in Partnership

8.1 Rationale and Approach

The number of committed organisations we have in Southampton is a strength with various organisations delivering parts of our tourism agenda. However, there is no one organisation owning and leading tourism. Resources within the sector are limited and this hampers our activity. In the short-term, issues like Covid-19 recovery and the BID Renewal ballot create uncertainties about resources and our organisational landscape. There is a widespread and strong commitment to the city and a real desire to improve things. This gives us a great foundation on which to build.

Moving forward we need:

- Leadership in terms of an organisation or group that will drive the Destination Management Plan forward and enhance the sector's profile in the city
- A single voice that represents and advocates for tourism in Southampton
- Greater private sector involvement in decision-making and implementation, and funding destination related activity
- To work in a wider context in terms of:
    - Working with other interests (planning, regeneration, events, City of Culture etc.) across the city to ensure that a holistic approach to the visitor economy is adopted
    - Work beyond the city's boundaries with other destinations to provide and promote customer focused experiences
- Facilitate and enable partnerships to work locally and develop initiatives together
- Improve market and product intelligence

We have examined a number of options for the development of a destination management function and concluded that a 'virtual' Destination Management Organisation (or Destination Management Partnership) is proposed in the short term. At this stage, it is the most viable option in the absence of the opportunities to levy sufficient income to sustain a DMO. This is at a time when other DMOs are struggling financially and may have to resort to alternative models (reflected in the DCMS review of DMO models).

It builds on our strengths (like Destination Southampton and GO! Southampton). However, it is not straight-forward and it will require partners to work together and align resources to make it happen. It can also evolve over time into a more formal organisation (if required) and provide a single partner relationship for the UKCoC bid. The current roles of Destination Southampton and GO! Southampton make it even more appropriate; but the solution is unique so it is not without risks. It will only succeed if all the players commit time and resources to delivering the DMP and a shared vision and purpose. Without this, the DMP cannot progress, unless the city decides to pursue an alternative leadership model and finds a mechanism by which this can be financed.

It is proposed that our Destination Partnership appoints an independent chair who will be the voice and face of tourism in the city, developing external relationships at regional and national levels. The board will involve both public and private sector bodies and consist of existing organisations to minimise duplication and build on momentum. It will oversee the delivery of this DMP, setting annual objectives, agreeing the (annual) work programme and allocating any shared/additional resources to delivery partners or contracted third parties. The partnership will be supported by a new, dedicated resource based in the Council to coordinate activities. We will investigate the appetite for more regular industry-wide events (e.g. an annual conference or an Awards programme).

The new partnership will bring together our existing organisations (e.g. the Southampton Hoteliers Association, Destination Southampton) into a single umbrella grouping. This will enable us to make a stronger case to local strategic decision-makers, key agencies and media, providing evidence of the importance of the sector to city and a voice for tourism at the top table. We will ensure integration into other strategic economic forums and investigate the need for additional business support programmes in the city.

Strengthening our external regional and national relationships will enable us to adopt a more concerted and joined-up approach to seeking external funding to deliver the city's priorities. The partnership will also develop a stronger evidence base through the commissioning of market research and monitoring our progress in delivering this DMP.

8.2 Action Areas

The following table summarises key areas for action in the recovery period:

Action Area	Description
Destination Management Partnership	Agree and establish board with an independent chair and supporting structure, agree and appoint resource (if necessary) to develop progress and sustain momentum. Consider resources required to deliver programme and appoint either lead partners or contracted third parties to deliver specific area and develop advocacy for the sector, dovetailing with wider governance approaches.
Network Development	Investigate appetite for, and feasibility of attracting industry-wide events and business support to Southampton
External Party Liaison	Develop appropriate relationships with nearby destinations, LEP, TSE, VB/VE with a view to pooling and attracting additional resource
External Funding	Building from the action plan seek to secure external funding for appropriate delivery, ensuring city-wide coordination and avoiding duplicate applications.
Research	Develop an on-going programme of research to support marketing, development, and monitoring activity. Examples could include accommodation occupancy, event impacts, visitor surveys, economic data, cruise insights, customer journey.
Programme Management	Agree priorities and KPIs for DMP delivery; consider, agree, and pool resources among partners

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Appendix 2 - Stakeholder Consultee Invites

ABP
AR Urbanism
Business South
Destination Southampton
GO! Southampton
God's House Tower/ a space arts
Guides – Blue Badge, See Southampton, Southampton Tourist Guides Association
Hampshire Chamber of Commerce
Hampshire County Council/ Visit Hampshire
Hoteliers Association
Mayflower Theatre
Marketing Collective/ Hampshire Attractions
Pritchard Architects/ Planning Solutions
SCC – Cabinet, Communications, Place
Solent LEP
Solent Sky Museum
Southampton Airport
Southampton City Football Club
Southampton Chamber of Commerce
Southampton International Boat Show
Southampton2025
SS Shieldhall
Tourism South East
Universities – Solent and Southampton
Visit England

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DECISION-MAKER:	CABINET			
SUBJECT:	REMOVAL OF EVENING PARKING CHARGES AND SUSPENSION OF OFF-STREET SUNDAY PARKING CHARGES			
DATE OF DECISION:	19 JULY 2021			
REPORT OF:	**COUNCILLOR MOULTON** **CABINET MEMBER FOR GROWTH**			
CONTACT DETAILS				
Executive Director	**Title**	Executive Director for Communities, Culture & Homes		
	Name:	Mary D'Arcy	Tel:	023 8083 4611
	E-mail	Mary.D'Arcy@southampton.gov.uk		
Author:	**Title**	Service Manager for Parking and Itchen Bridge		
	Name:	Richard Alderson	Tel:	023 8083 2725
	E-mail	Richard.Alderson@southampton.gov.uk		
STATEMENT OF CONFIDENTIALITY				
None				

BRIEF SUMMARY		
To determine whether to remove parking charges from all on-street pay and display bays between 18:00 and 20:00 and all Council off-street car parks including between 18:00 and Midnight		
To determine whether a commitment is made to propose re-implement evening charges to the Council's 5 Multi-Storey car parks in the 2023/24 financial year		
To determine whether to suspend parking charges on Sundays in all Council off-street car parks between 12:00 and 18:00 on a temporary basis		
RECOMMENDATIONS:		
	(i)	Remove parking charges from all on-street pay and display bays between 18:00 and 20:00 and all Council off-street car parks between 18:00 and Midnight
	(ii)	To commit to proposing the re-implementation of evening charges in the Council's 5 Multi-Storey car parks from 1st June 2023.
	(iii)	Suspend parking charges on Sundays in all Council off-street car parks between 12:00 and 18:00 until 02/01/2022
REASONS FOR REPORT RECOMMENDATIONS		
1.	To boost the local evening and Sunday business economy following the Covid19 pandemic by encouraging additional visitors to the City Centre where they might otherwise be discouraged due to the parking charges in place.	
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED		
2.	To not remove evening charges • Visitors may not choose Southampton City Centre as an evening destination	

3.	To not commit to proposing the re-implementation of evening charges in the Council’s 5 Multi-storey car parks 2022/23 • The Council will not have a means to manage any developing trends in which parking is not available to visitors who would benefit the evening economy as they are occupied by other user groups
4.	To not suspend parking charges on Sundays on a temporary basis • Southampton City Centre may not stand out as a clear destination for visitors as the economy reopens following the Covid19 pandemic
DETAIL (Including consultation carried out)	
5.	The Council introduced evening charges in its on-street pay and display bays and off-street surface car parks in 2013 via a Cabinet Decision. At that time evening charges were already in place in the West Park Road Pay and Display Multi-storey Car Park and the 4 barrier-controlled Multi-Storey Car Parks (Bedford Place, Eastgate Street, Grosvenor Square and Marlands). The underlying purpose behind the introduction of evening charges in 2013 was to manage turnover within parking bays during the evening period, in much the same way that parking bays are managed during the day.
6.	The evening charge was originally introduced as a £2 flat rate charge that applied between 18:00 and 20:00 within on-street pay and display bays and between 18:00 and Midnight in the off-street surfaces pay and display car parks. The on-street pay and display bays were subsequently amended to £0.50 per 30 minutes between 18:00 and 20:00. The £2 flat rate was retained between 18:00 and Midnight in the off-street surface pay and display car parks.
7.	West Park Road Multi-Storey Car Parks has a daily tariff that operates between 08:00 and Midnight. The tariff was amended in 2019, reducing the maximum charge from £8 to £6 reflecting reduced demand at this facility. The barrier-controlled car parks all charge £1 per hour (up to a maximum of 3 hours) between 18:00 and Midnight.
8.	The Council’s City Centre off-street parking facilities have had long standing Sunday parking charges. The charging or limited waiting periods in the suburban off street car parks operate between 08:00 and 18:00 Monday to Saturday and are therefore not affected by the proposals outlined in this paper.
9.	The Council has determined to propose removing evening parking charges in all on-street pay and display bays between 18:00 and 20:00 and all Council off-street car parks between 18:00 and Midnight. The purpose of the proposal is to encourage visitors to choose Southampton as a destination for evening trips for the purposes of boosting the local evening economy. The measure would be supported by communications such as press releases, clear website information and on-site notices so that the wider public are clearly aware of the changes.
10.	The 3 week statutory consultation for the proposal commenced on Friday 4th June 2021 and concluded in Friday 25th June 2021. 60 representations were received. 55 representations were submitted in opposition to the proposal. 1 representation was submitted in support of a proposal. 4 representations were submitted as neutral comments. The Officer’s report which includes the representations and officer’s response are attached as Appendix 1.
11.	In proposing the removal of the evening charge, due consideration is given to the following points;

	• The resident population of Bargate Ward (City Centre) increased by 58% between 2001 and the 2011 census, progressing from being the Ward with the lowest population in the City, to the Ward with the highest population. The current estimated population of the Ward is approximately 23,400 (2018 mid-year estimate) and is set to grow to 28,000 by 2024. This growth over the past two decades has been and will continue to be driven by high density residential developments, such as the Fruit & Veg Market and Leisure World. Evening charges contributed to the management of overspill parking by City Centre residents who may otherwise decide to park on-street or in Council off-street facilities upon returning home from work. It is not anticipated that the removal of parking charges would prompt an immediate change in resident parking behaviour. However, it is identified that there is a need to balance resident and visitor parking needs following the removal of evening parking charges. It is recommended that this is addressed by committing to propose the reintroduction of evening parking charges in the Council's 5 multi-storey car parks. • The current Local Transport Plan (Connected to Southampton 2040), adopted in 2019 sets the strategic policy framework. This includes the supporting Parking Plan (2019) as a supporting document which sought to manage the supply of part of a strategy to support future Park and Ride, the sustainable growth of the City Centre and managing traffic on and within the Inner Ring Road. The LTP along with national policy, such as the National Bus Strategy and Gear Change, provide the framework to be considered for a non-car based recovery from Covid19. While evening charges may make a small adverse impact in the delivery of these objectives, the Council will continue to facilitate and promote a range of alternative travel modes such as walking, cycling and e-scooters, while working with local public transport operators to provide attractive alternative journey options.
12.	The on-street pay and display charges in the City Centre are underpinned by the First Controlled Zone which operates between 08:00 and 20:00. This also denotes the operating period for the single yellow lines within the City Centre. It is noted that current DfT guidance does not recommended the implementation of Controlled Zones across a large area in this way. The Council has therefore used this opportunity to examine each single yellow line location within the City Centre and determine whether they should become 'No Waiting at Any Time' (double yellow lines), 'No Waiting 08:00 to 18:00' or left as 'No Waiting 08:00 to 20:00'. This was proposed as part of the consultation on removing evening charges. 1 representation relating specifically to this proposal was received during the consultation.
13.	Following the 2013 introduction of evening charges, some City Centre residents requested alternative parking provision. The Council determined to facilitate this by offering a range of Season Ticket options only available to City Centre residents. The Season Tickets still seek to manage parking via appropriate pricing with the reduced cost being reflective of the fact that many residents will be working during the day and would not be parking at peak times. The removal of the evening charging period may impact on whether City Centre residents determine to

	purchase a Season Ticket. Some of the Season Tickets would also no longer have value as they cover the evening period only. Therefore, as part of the proposal, the Council has determined to propose amending the City Centre Season Tickets as follows; • Annual City Centre Resident On Street Evening and Weekend Season Ticket to be reduced from £400 to £300 • Annual City Centre On Street Season Ticket to be reduced from £1000 to £900 • Annual City Centre Resident Off Street Season Ticket to be reduced from £725 to £650 • Six Month City Centre Resident Off Street Season Ticket to be reduced from £375 to £340 • The addition of a Six Month City Centre Resident Season Ticket to be price at £475 • The removal of the City Centre Resident On Street Evening Season Ticket option • The removal of the Annual Off Street Overnight Season Ticket option No representations relating specifically to this proposal were received during the consultation. Furthermore, it is noted that the change in the effective terms and conditions of the parking environment may prompt residents to request refunds on their existing season tickets. Were this facilitated on a pro-rata basis, the maximum financial impact is projected as £30,000.
14.	The Council has also proposed to suspend off-street parking charges on Sundays until 02/01/2022. The purpose of this temporary suspension being to set Southampton apart from other regional retail destinations in the months following the removal of all lockdown measures and the opening up of the economy, so that City Centre businesses benefit from additional visitors on Sundays. This proposal if approved, would be supported by communications such as press releases, clear website information and on-site notices so that the wider public are clearly aware of this offer.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
15	Receipts from car parking are split into Off Street income, which is paid directly to the General Fund, and On Street income, which is ringfenced in line with section 2 of the Highways Act 1984. The proposal to remove evening charges will impact on both streams of revenue, although the estimated cost of the proposal is difficult to accurately assess as a result of the changing circumstances in respect of COVID19. The estimate of lost income for the delegated decision to suspend off street evening and Sunday charges between June 21st and July 31st is estimated at a maximum of £0.155M.

	The proposal to scrap evening charges from 1st August onwards is estimated at £0.547M in 2021/22. Of the £0.547M, £0.131M is a loss of On Street income, and £0.416M is loss of Off street income. The full year impact of the proposal for 2022/23 is calculated to be £0.84m, of which £0.64M is loss of Off Street parking income, £0.2M is loss of On Street parking income. Reintroducing evening charges for Multi Storey Car Parks on 1st June 2023 will increase income by £0.25M from the 2023/24 financial year, on the assumption that car parking income has recovered to pre pandemic levels. The proposal to suspend Sunday charges for off street parking facilities is also difficult to estimate on the basis it is dependent on post pandemic recovery assumptions, but lost income to the General Fund arising from the proposal is estimated to be £0.154m between 1 August 2021 and 2 January, 2022. There are some incidental costs associated with the proposed changes, including the cost of TRO, and amendments to signage and meters. This is estimated to cost £0.01M and be met from the On Street Parking reserve. Season ticket refunds are expected to cost a maximum of £0.03M in 2021/22 as a result of changes made. The impact of price reductions as proposed in paragraph 13 would be a maximum exposure of £0.01M across both off and on street revenue, assuming no benefit from take up of the 6 month resident season ticket option. The Council receives rental income from the NCP car park within its property portfolio. There is a risk that the removal of evening charges could impact on level of rental income, however evening tariffs for Council and West quay car parks have been more favourable historically and the impact is not expected to be significant.
	Given the bulk of the impact would be borne by the General Fund, it is proposed that £0.3M from the On Street account is utilised to mitigate the impact on the General Fund each year. This is allowable under subsection 4b of the Highways act 1984.
16.	**The table below summarises the impact on the On Street reserve:**

On-Street Parking Reserve from 01/08/2021	2021/22 £'000	2022/23 £'000	2023/24 £'000
Loss of On-Street Evening charges Income	131	200	200
Contribution to General Fund	300	300	300
Impact of season ticket refunds & price adjustments	15	3	3
Signage and other one off costs	10	0	0
Impact on On Street Account	**456**	**503**	**503**
Current Forecast Closing Balance	**2,063**	**3,265**	**4,265**
Revised Closing Balance	**1,607**	**2,306**	**2,806**

The following table summarises the impact on the General Fund:

Off Street General Fund impact	2021/22 £'000	2022/23 £'000	2023/24 £'000
Suspension of Sunday & evening charges from 21 June to 31 July 2021	155	0	0
Off Street (Surface and MSCP) Evening charges:from 1st August 2021	416	640	640
Reintroduce MSCP evening charges 1 June 2023	0	0	(250)
Scrap Sunday charges 1st August 2021 to 2 January 2022	154	0	0
Impact of season ticket refunds and price adjustments	15	10	10
Contribution from On Street Account	(300)	(300)	(300)
Impact on General Fund	**440**	**350**	**100**

It should be noted that the budget impacts will be dealt with as part of the administration's budget review process and will be presented to Full Council in July 2021

Property/Other

17. None identified

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

18. Southampton City Council is the Local Highway Authority and the Traffic Authority for the City and as such has the power to restrict and regulate traffic under the Road Traffic Regulation Act 1984. The act includes provision for the variation of off street and on street parking charges under Sections 35C and 46A respectively.

19. The following provision is available within the City of Southampton (Off-Street Parking Places) Order;

2.1 The Council may suspend any provision of this Order at its complete discretion.

Other Legal Implications:

20. In recommending these proposals regard has been had to s.149 Equalities Act 2010 (the public sector equality duty) and a detailed Equalities Impact Assessment has been carried out to assess the impact of the proposals and any mitigation required which is included with this report.

21. Regard has also been had to s.17 Crime & Disorder Act 1998 and it has been determined that the proposals will have no negative impact on crime or disorder in the relevant parking and amenity areas.

RISK MANAGEMENT IMPLICATIONS	
22.	City Centre Residents become dominant users of high demand parking areas preventing evening visitors from being able to access parking which may deter them from making future visits • This would be mitigated by proposing the re-introduction of evening charges in the multi-storey car parks in 2023/24 to provide visitors with an alternative option if high demands parking areas are full
23.	Free parking may result in an increase in traffic during the evening period • The main focus of the proposal is to encourage the level of City Centre visitors as seen during the pre-pandemic period. It is not expected that evening traffic would increase over and above 2019/20 levels by a significant amount. However, there would be scope to monitor this and subsequently consider measures to address any significant traffic as part of any future proposals
24.	Financial viability of some car parks may be affected as well as overall impact to Parking Account • This would be mitigated in part by proposing the re-introduction of evening charges in the multi-storey car parks in 2023/24. Parking Services will also investigate proposals to recover the reduction in revenue
POLICY FRAMEWORK IMPLICATIONS	
25.	Local Transport Plan (Connected to Southampton 2040) and 2019 Parking Strategy seek to manage parking supply as a means of supporting Park and Ride. • The Park and Ride proposal is projected for weekend use only and the users would predominantly be daytime retail visitors
26.	The National Bus Strategy and Gear Change outline national framework for a non-car based recovery from Covid19 • Local Authorities can determine appropriate measures to promote post-Covid recovery and this will involve a range of measures including parking, public transport and active travel

KEY DECISION?	**Yes**
WARDS/COMMUNITIES AFFECTED:	Bargate and Bevois

SUPPORTING DOCUMENTATION

Appendices	
1.	Officer’s Report

Documents In Members’ Rooms: None

Equality Impact Assessment	
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	**Yes**
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	

Appendix 1

DECISION-MAKER:	CABINET			
SUBJECT:	Responses received regarding The City of Southampton (City Centre) Order 2021 & The City of Southampton (Off-Street Parking Places) Order 2021			
DATE OF DECISION:	19TH JULY 2021			
REPORT OF:	Richard Alderson, Service Manager – Parking & Itchen Bridge			
CONTACT DETAILS				
AUTHOR:	**Name:**	Jordan Crane	**Tel:**	023 8079 8065
	E-mail:	Jordan.Crane@balfourbeatty.com		

Background

In June 2021 the Council approved (see Appendix 1) the advertising of Traffic Regulation Order amendments to:

1. Remove the on-street evening parking charges which currently apply in the city centre Monday to Saturday, 6pm – 8pm.
2. Remove the off-street overnight parking charges which currently apply in the city centre car parks between 6pm – midnight.
3. Amend the no waiting Monday to Saturday: 8am – 8pm & Sunday: 1pm – 6pm restrictions in the following roads to no waiting at any time: Bellevue Road, Bernard Street, Carlton Crescent, Carlton Place, East Street, Gloucester Square, Henstead Road, Kings Park Road, Kingsway, Morris Road, Ordnance Road, Portland Street, Queensway, St. Marys Place, St. Marys Place Spur, South Front, Threefield Lane, Western Esplanade & York Walk.
4. Amend the no waiting Monday to Saturday: 8am – 8pm & Sunday: 1pm – 6pm restrictions in the following roads to no waiting Monday to Saturday: 8am – 6pm & Sunday: 1pm – 6pm: Canal Walk, Canute Road, Castle Square, Castle Way, Charles Street, College Place, College Street, Duke Street, East Street Service Road, Lansdown Hill, Marsh Lane Industrial Estate, Richmond Street, Service Road behind 78-90 Above Bar Street, Service Road to Rear of 92-102 Above Bar Street, Service Rd behind 25-35 Castleway, Simnel Street & Terminus Terrace (North).
5. Update the available season tickets (on and off-street) to reflect the changes to the parking charges (including cost).

Consultation

The proposals were advertised with public notices (see appendix 2) put up on-street, in the effected car parks and published in the Hampshire Independent newspaper.

In response 60 responses were received. Of these 55 were objections, 1 was in support and 4 were comments. A summary of the main issues raised by the objectors and the officer response is provided at appendix 4 with all the responses provided in full at appendix 5.

Recommendations

Following a detailed review of the responses it is not considered that any overriding concerns were raised. As such it is recommended that the proposals are approved for implementation as advertised.

Alternative Options

To withdraw the proposals – This is not recommended as this would not achieve the aim of these proposals to encourage visitors back into the city centre following the COVID-19 pandemic and for the changes to the waiting restrictions, to manage access along the public highway on key routes while facilitate additional on-street evening parking where it is practical to do so.

RESOURCE IMPLICATIONS

Receipts from car parking are split into Off Street income, which is paid directly to the General Fund, and On Street income, which is ringfenced in line with section 2 of the Highways Act 1984. The proposal to scrap evening charges will impact on both streams of revenue, and the estimated cost of the proposal is difficult to accurately assess as a result of constantly changing circumstances in respect of COVID19.

The estimate of lost income for the delegated decision to suspend off street evening and Sunday charges between June 21st and July 31st is estimated at a maximum of £0.155M.

The proposal to scrap evening charges from 1st August onwards is estimated at £0.541M in 2021/22. Of the £0.541M, £0.131M is a loss of On Street income, and £0.416M is loss of Off street income. The full year impact of the proposal for 2022/23 is calculated to be £0.84m, of which £0.64M is loss of Off Street parking income, £0.2M is loss of On Street parking income.

Reintroducing evening charges for Multi Storey Car Parks on 1st June 2023 will increase income by £0.25M from the 2023/24 financial year, on the assumption that car parking income has recovered to pre pandemic levels.

The proposal to suspend Sunday charges for off street parking facilities is also difficult to estimate on the basis it is dependent on post pandemic recovery assumptions, but lost income to the General Fund arising from the proposal is estimated to be £0.154m between 1 August 2021 and 2 January, 2022.

There are some incidental costs associated with the proposed changes, including the cost of TRO, and amendments to signage and meters. This is estimated to cost £0.01M and be met from the On Street Parking reserve.

Season ticket refunds are expected to cost a maximum of £0.03M in 2021/22 as a result of changes made. The impact of price reductions as poposed in paragraph 13 would be a maximum exposure of £0.01M across both off and on street revenue, assuming no benefit from takeup of the 6 month resident season ticket option.

The Council receives rental income from the NCP car park within its property portfolio. There is a risk that the scrapping of evening charges could impact on level of rental income, however evening tariffs for Council and West quay car parks have been more favourable historically and the impact is not expected to be significant.

Given the bulk of the impact would be borne by the General Fund, it is proposed that £0.3M from the On Street account is utilised to mitigate the impact on the General Fund each year. This is allowable under subsection 4b of the Highways act 1984.

The table below summarises the impact on the On Street reserve:

On-Street Parking Reserve from 01/08/2021	2021/22 £'000	2022/23 £'000	2023/24 £'000
Loss of On-Street Evening charges Income	131	200	200

Contribution to General Fund	300	300	300
Impact of season ticket refunds & price adjustments	15	3	3
Signage and other one off costs	10	0	0
Impact on On Street Account	456	503	503
Current Forecast Closing Balance	2,063	3,265	4,265
Revised Closing Balance	1,607	2,306	2,806

The following table summarises the impact on the General Fund:

Off Street General Fund impact	2021/22 £'000	2022/23 £'000	2023/24 £'000
Suspension of Sunday & evening charges from 21 June to 31 July 2021	155	0	0
Off Street (Surface and MSCP) Evening charges:from 1st August 2021	416	640	640
Reintroduce MSCP evening charges 1 April 2023	0	0	(2500)
Scrap Sunday charges 1st August 2021 to 2 January 2022	154	0	0
Impact of season ticket refunds and price adjustments	15	10	10
Contribution from On Street Account	(300)	(300)	(300)
Impact on General Fund	440	350	50

Property/Other: None

LEGAL IMPLICATIONS

1. Southampton City Council is the Local Highway Authority and the Traffic Authority for the City and as such has the power to restrict and regulate traffic under the Road Traffic Regulation Act 1984.
2. The Council is required to exercise its functions under the Road Traffic Regulation Act 1984 to secure the expeditious, convenient and safe movement of vehicular and other traffic (including pedestrians) and the provision of suitable and adequate parking facilities on and off the highway.
3. In preparing and determining the proposals set out in this report the Council is required to have regard to the provisions of Equalities legislation, the Human Rights Act 1998 and s.17 Crime and Disorder Act 1998 (the duty to have regard to the need to remove or reduce crime and disorder in the area).

POLICY FRAMEWORK IMPLICATIONS

None

KEY DECISION?	No
WARDS/COMMUNITIES AFFECTED:	Bargate & Bevois

SUPPORTING DOCUMENTATION

Appendices

1	DDN + ESIA
2	Public Notice
3	Map of Proposals
4	Objections and Officer Response
5	Full responses

Documents In Members' Rooms

1.	Not Applicable

Equality Impact Assessment

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

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.	N/A	

TO BE COMPLETED BY HIGHWAYS MANAGER

REPORT MONITORING FORM		
DATE OF DECISION:		
DECISION MAKER:	Kate Martin – Director of Place	
SUBJECT/TITLE OF REPORT:	Responses received regarding The City of Southampton (City Centre) Order 2021 & The City of Southampton (Off-Street Parking Places) Order 2021	
KEY DECISION?	No	[TYPE YES, NO or N/A]
DATE PROPOSAL INCLUDED IN FORWARD PLAN:		N/A
REGULATION 15 EXCEPTION?		[TYPE YES, NO or N/A]

Date notification given to Scrutiny:		N/A
REGULATION 16 URGENCY?		[TYPE YES, NO or N/A]
Date agreement of Scrutiny obtained:		N/A

OTHER LEGAL IMPLICATIONS: Paragraph number/comment:

Human Rights Act 1998:	X	
Equalities Act 2010	X	
Crime & Disorder Act 1998(specifically s.17 duty):		
Proceeds of Crime Act 2002(Money Laundering):		
Freedom of Information Act 2000:		
European "State Aid" Guidance:		

POLICY FRAMEWORK PLANS:

Annual Library Plan		Adult Learning Plan	
Best Value Performance Plan		14-19 Strategy	
Community Strategy (Including Local Agenda 21 Strategy)		Economic Development Strategy	
Children & Young Peoples Plan (CYPP)		Health and Well-Being Strategy	
Plan & Strategies which together comprise the Development Plan		Crime & Disorder Reduction Strategy	
Youth Justice Plan		Local Transport Plan	X
Medium Term Plan Economic Development			
Housing Strategy (inc HRA Business Plan)			

KEY AREAS TO BE ADDRESSED/CONSIDERED:

Organisational Development/Human Resources Issues	

Report Tracking

VERSION NUMBER:	
DATE LAST AMENDED:	
AMENDED BY:	

PEOPLE WHO HAVE BEEN CONSULTED IN THE PREPARATION OF THE REPORT

Authors who fail to carry out adequate consultation resulting in deferral will be required to provide reasons.

Name	**Departments that MUST be consulted**	Date consultation Issued	Date comments Received
Sarita Riley	**Legal Services**		
Jon Evans	**Financial Services**		

Others who have been consulted:			
Name	Division/Portfolio	Date consultation Issued	Date comments Received

Appendix 1 – DDN & ESIA

DELEGATED DECISION NOTIFICATION | 2021/0106

Directorate:	Growth
Decision Maker	Pete Boustred (Head of Green City and Infrastructure)
Subject	Traffic Regulation Order to propose the removal of On Street and Off Street Evening Charges
Register of Delegated Powers Reference Number or Cabinet Decision Number:	Officer Scheme of Delegation 14.19
Decision / Reason	**Decision** To approve the formal advertisement of a Traffic Regulation Order to propose; The removal of on-street and off-street parking charges between the hours of 18:00 and Midnight The removal of the First Controlled Zone. All existing "No Waiting" restrictions on the following roads to become "No Waiting at any time" restrictions; Bellevue Road, Bernard Street, Carlton Crescent, Carlton Place, East Street, Gloucester Square, Henstead Road, Kings Park Road, Kingsway, Morris Road, Ordnance Road, Portland Street, Queensway, St. Marys Place, St. Marys Place Spur, South Front, Threefield Lane, Western Esplanade & York Walk All existing "No Waiting" restrictions on the following roads to remain as 08:00 to 20:00 Monday to Saturday and 13:00 to 18:00 on Sunday; Access Rd to rear of 6-32 Cossack Green, Ascupart Street, Bell Street, Broad Green, Brunswick Square, Cement Terrace, Chandos Street, Clifford Street, Coleman Street, Cossack Green, Craven Street, East Park Terrace, High Street, James Street, Johnson Street, King Street, Lime Street, Lower Canal Walk, North Front, Orchard Lane, Orchard Place, Palmerston Road, St. Mary Street, Service Road behind 85-89 Commercial Road, Service Rd behind 119-125 High Street, Service Rd behind 132-134 High Street, South Front, Terminus Terrace (South), Winkle Street & Winton Street All existing "No Waiting" restrictions on the following roads to change to 08:00 to 18:00 Monday to Saturday and 13:00 to 18:00 on Sunday; Canal Walk, Canute Road, Castle Square, Castle Way, Charles Street, College Place, College Street, Duke Street, East Street Service Road, Lansdown Hill, Marsh Lane Industrial Estate, Richmond Street, Service Road behind 78-90 Above Bar Street, Service Road to Rear of 92-102 Above Bar Street, Service Rd behind 25-35 Castleway Simnel Street & Terminus Terrace (North)

The amendment of Season Ticket Titles/Charges as follows;

- Annual City Centre Resident On Street Evening and Weekend Season Ticket (Cost – £400) to be changed to City Centre Resident Weekend Season Ticket (Cost – £300)
- Annual City Centre Resident On Street Season Ticket (Cost – £1000) to be changed to City Centre Resident On Street Season Ticket (Cost – £900)
- Annual City Centre Resident Off Street Season Ticket (Cost – £725) to be changed to Annual City Centre Resident Off Street Season Ticket (Cost – £650)
- Six Month City Centre Resident Off Street Season Ticket (Cost – £375) to be changed to Six Month City Centre Resident Off Street Season Ticket (Cost – £340)

The addition of the follow Season Ticket Options

- Six Month City Centre Resident On Street Season Ticket (Cost – £475)

Deletion of the following Season Ticket Options

- Annual City Centre Residents On Street Evening Season Ticket
- Annual Off Street Overnight Season Ticket

Reason

To encourage visitors to the City Centre in the evening period for the benefit of the night time and retail economy

To align with DfT recommendations for Controlled Zones not to cover an extensive area

To maintain access along the public highway on key routes and keep public highway clear in front of dropped accesses

To maintain access along the public highway between 08:00 and 20:00 while maintaining the late evening parking facility for residents

To align "No Waiting" restrictions with Pay and Display timings where it is appropriate to do so

To adjust Season Ticket charges appropriately following the removal of the evening charge period

Declared Officer / Member Interests	None

Details of consultation undertaken (other reasons / organisations consulted		Yes	No	Date
	Executive Member	☒	☐	By copy of this DDN
	Ward Councillors	☒	☐	By copy of this DDN
	Chief Officer affected	☒	☐	By copy of this DDN
	Others (specify)	☐	☒	

Contact Person	Pete Boustred	Contact No	023 8083 3541
Authorised Signatory		Date	01/06/2021

Commencement for call-in	
Last date for call-in	
Implementation Date	

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	Removal of evening charges in all on-street and off-street parking bays
Brief Service Profile (including number of customers)	
Up to 5,000 Evening Visitors 20,000 City Centre Residents	
Summary of Impact and Issues	
• City Centre Residents may become dominant users of parking spaces over a sustained period of time • Potential impact to bus / taxi trades as driver may choose to drive instead of taking public transport	
Potential Positive Impacts	
• Encourages visitors to the City Centre during the evening period	
Responsible Service Manager	Richard Alderson
Date	04/06/2021
Approved by Senior Manager	Pete Boustred
Date	04/06/2021

Potential Impact

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
Age	None	N/A
Disability	Some facilities used by Blue Badge Holders may reach capacity in evening periods	Disabled Parking Bays are in place in many car parks and on-street and would be still be enforced in the evening period
Gender Reassignment	None	N/A
Marriage and Civil Partnership	None	N/A
Pregnancy and Maternity	None	N/A
Race	None	N/A
Religion or Belief	None	N/A
Sex	None	N/A
Sexual Orientation	None	N/A
Community Safety	None	N/A
Poverty	None	N/A
Health & Wellbeing	None	N/A
Other Significant Impacts	None	N/A

Appendix 2 – Public Notice

PUBLIC NOTICE

THE CITY OF SOUTHAMPTON (CITY CENTRE) ORDER 2021

NOTICE IS HEREBY GIVEN THAT SOUTHAMPTON CITY COUNCIL proposes to make the above Order, the effects of which would be:

1 To remove the on-street evening parking charges which currently apply Monday to Saturday, 6pm – 8pm.

2 To change the no waiting Monday to Saturday: 8am – 8pm & Sunday: 1pm – 6pm restrictions in the following roads to no waiting at any time: **Bellevue Road, Bernard Street, Carlton Crescent, Carlton Place, East Street, Gloucester Square, Henstead Road, Kings Park Road, Kingsway, Morris Road, Ordnance Road, Portland Street, Queensway, St. Marys Place, St. Marys Place Spur, South Front, Threefield Lane, Western Esplanade & York Walk**.

3 To change the no waiting Monday to Saturday: 8am – 8pm & Sunday: 1pm – 6pm restrictions in the following roads to no waiting Monday to Saturday: 8am – 6pm & Sunday: 1pm – 6pm: **Canal Walk, Canute Road, Castle Square, Castle Way, Charles Street, College Place, College Street, Duke Street, East Street Service Road, Lansdown Hill, Marsh Lane Industrial Estate, Richmond Street, Service Road behind 78-90 Above Bar Street, Service Road to Rear of 92-102 Above Bar Street, Service Rd behind 25-35 Castleway, Simnel Street & Terminus Terrace (North).**

4 To update the available season tickets to reflect the change in the parking charges (including cost).

5 To consolidate and update the format of the First Controlled Zone Order and its amendments.

Copies of the draft Order, relevant map and statement of reasons for proposing can be viewed online at transport.southampton.gov.uk/TRO or may be inspected on Wednesdays and Fridays 9am – 4pm at the Southampton and Fareham Legal Services Partnership in the Civic Centre, Southampton SO14 7LY. Further information may also be obtained from the Highways division on 023 8079 8021.

Any person wishing to object or make any other representation relating to this Order must do so in writing via the Councils website: transport.southampton.gov.uk/TRO or by post to the Highways Legal Team at Southampton City Council, Civic Centre, Southampton, SO14 7LY quoting the notice title and stating the grounds for objection, within 21 days of the date of this Notice (i.e. by 25th June 2021).

Please note that all representations submitted, including the name and address of the person submitting it, may be made available for public inspection.

Dated: 4th June 2021

Richard Ivory, Solicitor
Service Director: Legal and Business Operations
Southampton and Fareham Legal Services Partnership

SOUTHAMPTON
CITY COUNCIL

PUBLIC NOTICE

THE CITY OF SOUTHAMPTON
(OFF-STREET PARKING PLACES) ORDER 2021

NOTICE IS HEREBY GIVEN THAT SOUTHAMPTON CITY COUNCIL proposes to make the above Order, the effects of which would be:

1 To remove the off-street overnight parking charges which currently apply 6pm – Midnight.

2 To update the available season tickets to reflect the change in the parking charges (including cost).

3 To consolidate the off-street order and its amendments.

Copies of the draft Order, relevant map and statement of reasons for proposing can be viewed online at transport.southampton.gov.uk/TRO or may be inspected on Wednesdays and Fridays 9am – 4pm at the Southampton and Fareham Legal Services Partnership in the Civic Centre, Southampton SO14 7LY. Further information may also be obtained from the Highways division on 023 8079 8021.

Any person wishing to object or make any other representation relating to this Order must do so in writing via the Councils website: transport.southampton.gov.uk/TRO or by post to the Highways Legal Team at Southampton City Council, Civic Centre, Southampton, SO14 7LY quoting the notice title and stating the grounds for objection, within 21 days of the date of this Notice (i.e. by 25th June 2021).

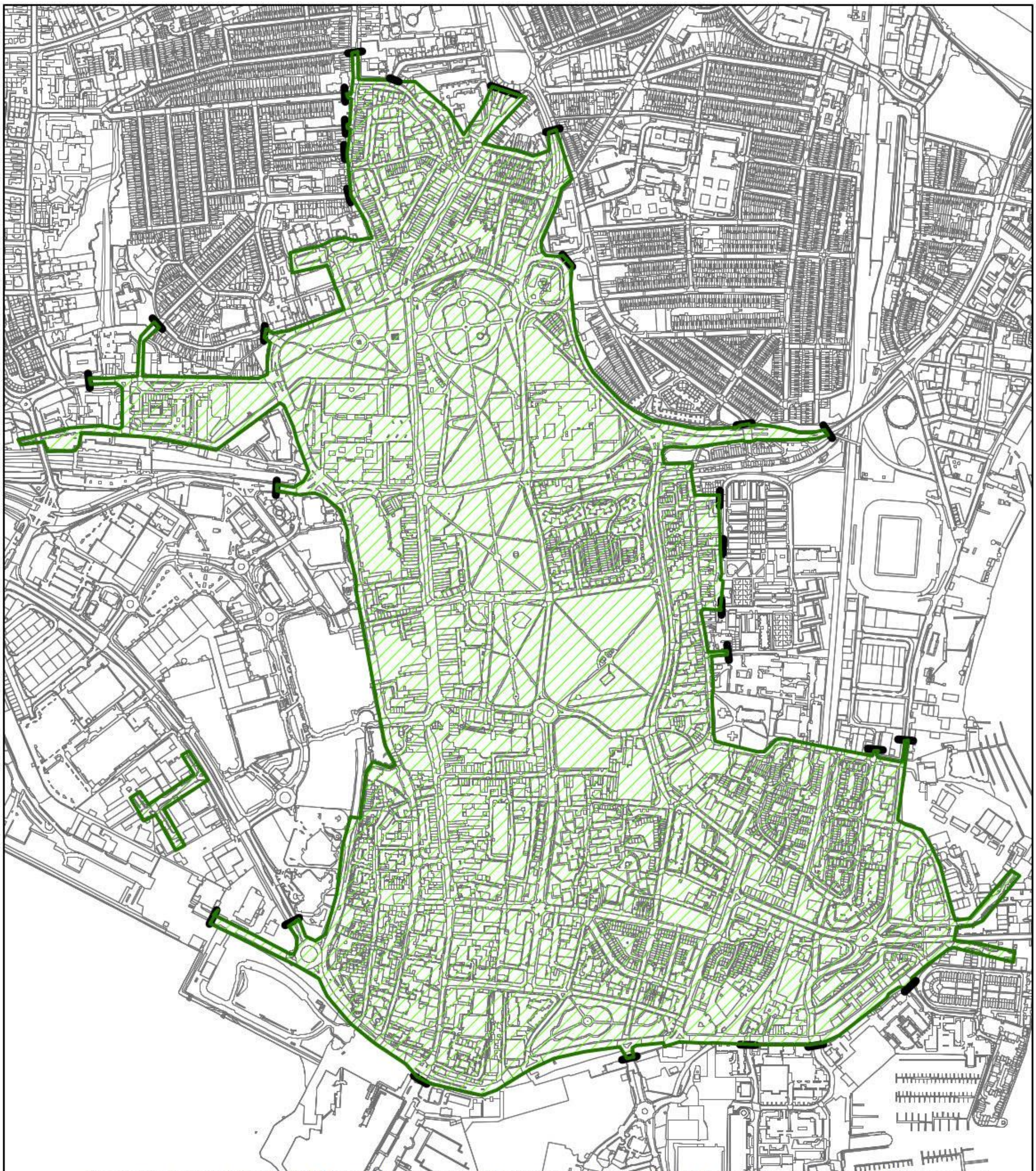
Please note that all representations submitted, including the name and address of the person submitting it, may be made available for public inspection.

Dated: 4th June 2021

Richard Ivory, Solicitor
Service Director: Legal and Business Operations
Southampton and Fareham Legal Services Partnership

SOUTHAMPTON
CITY COUNCIL

Appendix 3 – Map of Proposals



N

Highways Service Partnership
Graham Muir, Traffic Engineer
Traffic Management
City Depot & Recycling Park
Southampton
SO15 0LJ

Highways Service Partnership

Balfour Beatty

SOUTHAMPTON CITY COUNCIL ®

Title *Map of Pay & Display Zone*

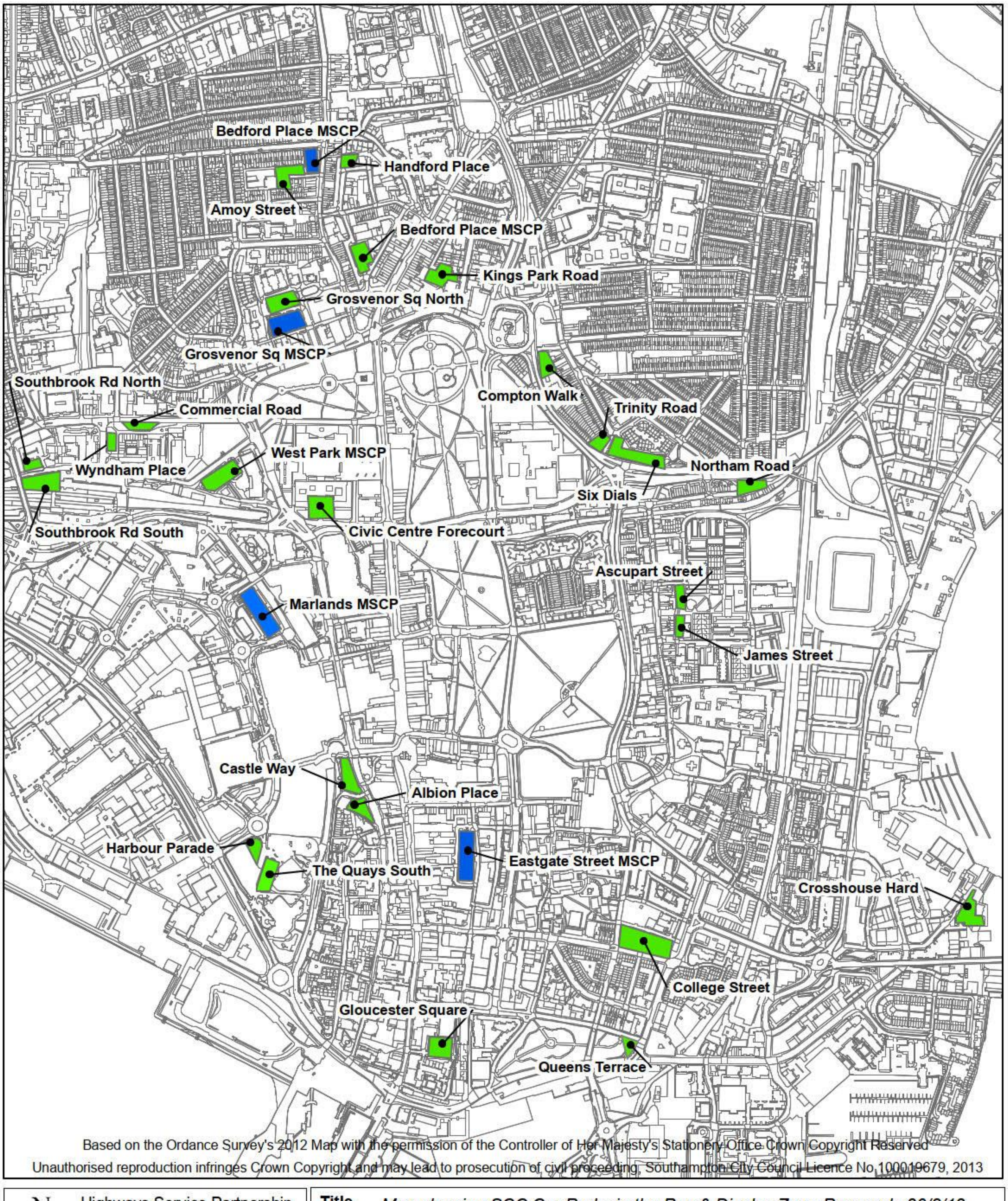
Key

Pay & Display Zone

Entry / Exit signs to Pay & Display Zone

Plan Number: *GMFCZP2014*

Date: *3/3/14*



N

Highways Service Partnership
Graham Muir, Traffic Engineer
Traffic Management
City Depot & Recycling Park
Southampton
SO15 0LJ

Highways Service Partnership

Balfour Beatty

SOUTHAMPTON CITY COUNCIL

Title *Map showing SCC Car Parks in the Pay & Display Zone Proposals 30/8/13*

Key

SCC Pay & Display Car Parks

SCC Pay at Station on exit (Pay on foot) car parks

Plan Number: *GMCPONSv1*

Date: *31/7/13*

Appendix 4 – Objections and Officer Response

Ref	Objection/Concern	Officer Response
Removal of evening/overnight parking charges		
1	In line with local, national and international targets to reduce our carbon footprint and improve air quality, the Council should be looking to reduce the number of journeys people make by car, rather than increase them. These proposals will increase air pollution against local and national government policy.	The aim of these proposals it to encourage visitors back into the city centre following the COVID-19 pandemic. It is not expected that traffic levels will increase above the pre-pandemic levels. The Council is committed to adopting a range to measure to improve air quality within the city, including encouraging the take up of electric vehicle via season ticket concessions for car parks and Itchen Bridge crossings.
2	The income lost by providing free parking should be spent on sustainable transport and active travel.	The Council will continue to use to on-street surplus to support transport related measures.
3	The council should not be encouraging and subsidising driving into the city. 1/3 households in the city do not have a car and will not benefit from the proposals.	The Council is proposing these changes to encourage visitors back into the city centre following the COVID-19 pandemic to support local businesses. This will directly and indirectly benefit the wider community.
4	There is no evidence that removing parking changes will boost the evening economy. Other Cities have implemented evening charges to manage evening parking	A number of factors determine people's choice of an evening destination and creating a favourable parking environment in comparison to other destinations is one within the Councils immediate control. The changes will be promoted by the Council's Communications team to ensure that the wider public are aware of the change.
5	Encouraging people to drive to pubs and bars is irresponsible and will lead to more drink driving	Drink driving is a criminal offence and monitored/enforced by the Police. It is not within the scope of parking proposals to manage this type of external behaviour.
6	Encouraging people to drive into the city centre will cause more congestion.	The aim of these proposals it to encourage visitors back into the city centre following the COIVD-19 pandemic. It is not expected that traffic levels will increase above the pre-pandemic levels. In general traffic levels in the evening and night-time significantly less than during the daytime peak and as such congestion issues should be limited.
7	All residents will take advantage of this and they will be parking their own cars so there will no be space for visitors.	Parking charges will still apply during the peak day time hours, which reduces the likelihood residents parking for extended periods. Otherwise the utilisation of parking spaces will be monitored, and consideration can be given to further changes to the management of the parking should this be necessary.

Ref	Objection/Concern	Officer Response
8	The proposals do not go far enough all parking should be free	The purpose of parking charges is to manage the turnover of vehicles in car parks to the benefit of all visitors. Removing charges all together would reduce vehicle turnover and have a significant impact on visitors to the city centre.
9	The financial impact has not been properly considered	Financial impact is not a consideration in the determination of a proposal relating to parking charges
Changes to waiting restrictions		
10	The width of the road adjacent to the college car park, Bernard street, encourages individuals to accelerate beyond any considered safe speed. To remove the occasional parked vehicle will only encourage this irresponsible behaviour even more. We also already have to live with overweight container lorries plus noisy empty car transporters travelling through the town late at night generating an appalling amount of pollution as my windowsill can testify. Any change to the current situation should involve moving the traffic away from residential/town centre. The overall parking facilities in Southampton are already poor and the council appears to be on a crusade to ban the car. When the stadium holds an event,parking throughout Southampton becomes a joke. Cars enter the car park via the exit and there is never a day go by that several cars travel the wrong way down Bernard Street.	Bernard Street is an A-road (A 33) and as such forms part of the strategic road network where higher levels of traffic and vehicle movement are to be expected. While the frustration with vehicle noise is understandable the Council would not be able to support any measure to restrict traffic on this strategic route which connects the city centre and the port. Enforcement of speed limits and one-way restrictions is the responsibility of the Police and on-going issues can be reported directly to them. While it is accepted that parked vehicles can reduce vehicle speeds, they are not formal traffic calming features and cannot be relied upon for this purpose. It is considered appropriate to restrict the sporadic parking in this section of the road to prevent potential obstruction and safety issues. It is also noted that there are multiple suitable parking facilities in the immediate vicinity. The change to no waiting at any time restrictions may also assist during stadium events by encouraging vehicles to use the car park or the on-street parking bays.

Appendix 5 – Full Responses

Ref	Type	Response
1	Objecting	The current width of the road adjacent to the college car park Bernard street currently encourages individuals to accelerate beyond any considered safe speed . To remove the occasional parked vehicle will only encourage this irresponsible behaviour even more. We also already have to live with overweight container lorries plus noisy empty car transporters travelling through the town late at night generating an appalling amount of pollution as my windowsill can testify. Any change to the current situation should involve moving the traffic away from residential/town centre. The overall parking facilities in Southampton are already poor and the council appears to be on a crusade to ban the car. When the stadium holds an event,parking throughout Southampton becomes a joke. Cars enter the car park via the exit and there is never a day go by that several cars travel the wrong way down Bernard Street.
2	Objecting	This huge step backwards is completely out of step with the country which is moving towards more active, sustainable transportation. Don't take Southampton back to the 1980s! There is no evidence this move will help businesses in any way, while it will increase traffic, pollution, congestion and obesity in Southampton.
3	Objecting	This is very bad idea. This changes will not bring potential customers to the city. All residents will take advantage of this and they will be parking their own cars so there will no be space for visitors. I believe this may be worth it to discuss with traffic wardens itself not management. I have spoken once with lady warden and she has told me that she don’t believe that will improve in any ways to bring visitors to town.
4	Supporting	What is needed to get the economy moving.
5	Objecting	Fundamentally we should not be encouraging car journeys. The council has declared a climate crisis so this is a counter-productive move. Encouraging people to drive into the city to boost the evening economy seems peculiar given that those who drive cannot spend much in bars and restaurants on alcohol as they have to drive home again. You could even say the policy risks more drink-driving. It is not clear how much money the council will lose by doing this. Presumably something else will need to be cut as a result. I the council can find the funds for this proposed scheme then they should consider subsidising bus transport instead. Free evening bus transport to and from the city would encourage people to come in but they would also be able to spend more in the bars and get home safely. There are plenty of people without access to cars who would benefit from such a policy, rather than just benefit the people who do have a car.
6	Objecting	what about the third of people who don't have access to a car, or choose not to drive in? Shouldn't reducing bus fares be priority instead?
7	Objecting	Providing more subsidy to car drivers is unnecessary. How about the 1/3 of households in the city that have no car? Encouraging still more car use is bad for the wealth of the city and bad for the health of its inhabitants.
8	Objecting	The goal should be more people using public transport and active travel not encouraging and subsidising more cars and pollution in our city.
9	Objecting	Car parking charges are not expensive or a deterrent to people going to places such as the theatre. Southampton is already a congested city, and the council needs to be pro-active in encouraging alternatives to cars. This is an unnecessary and backward step.
10	Objecting	We need better transport into town not free parking. If I'm going out the parking charge is expected it wouldn't change my mind to come out or not.

		Hill lane gridlocks daily how about sorting the pollution come from all the standstill cars instead. Stop encouraging people to buy cars and drive.
11	Objecting	This appears to be a very retrograde step - encouraging people to drive into the city. More effort should be put on improving evening public transport and active travel options. Encouraging people to drive into town for an evening out when alcohol is invariably involved seems somewhat foolhardy and potentially dangerous. Also where how would the loss in revenue be made up? I do not want to see me, as a resident, subsidising car drivers from out of the city.
12	Objecting	Following the government's and international community's aim to reduce our carbon footprint, we should aim to reduce the number of journeys people make by car, rather than increase them. Free parking is not sustainable, not now, and not in the long run, and it excludes the 30-40% of Southampton residents who do not drive, and who will spend their money elsewhere if they cannot get to our local shops easily and safely. What is sustainable, are ways to get around Southampton using public transport or active travel. With the income lost on free parking, improvements can be made instead to make the city center as well as neighborhood high streets better accessible on foot, cycle, or scooter. Work with the local bus companies to increase their coverage of the city, and address bus bottlenecks where they are delayed by excessive motor traffic. That will not only be a sustainable legacy, but it will also contribute to the City of Culture bid, turning Southampton into a more welcoming place to spend time in.
13	Objecting	I believe giving more benefits like this for people to drive into the city is a backward step for Southampton. More benefits must be given to people walking, cycling and taking public transport into the city. Traffic on our Southampton roads should be decreased rather than increased so that there is less air pollution, accidents and better safety for people to travel by bike. I completely oppose this idea.
14	Objecting	I don't have a car. What are you doing to help me? Bus fares are expensive. There's v little covered safe bike parking. Please do something that can benefit everyone, not just car owners.
15	Objecting	Why is the city once again giving special treatment to car owners? Efforts to reduce congestion and air pollution, and to increase pedestrian safety are desperately needed, and these all affect 100% of the city's residents. This measure only helps drivers, and then only a fraction of the time (they still have to deal with the congestion, air pollution, and are still pedestrians most of the day).
16	Commenting	Whilst temporary removal of the evening parking charges will assist evening workers we should also be considering other transport users. Is there potential to subsidise bus users perhaps, something like 30% of people, especially the young, do not have access to a car.
17	Objecting	Encouraging cars into the city is poor planning and counter intuitive to the clean air plan. Keep the parking fees as they are or increase them and spend the money generated on a public transport network

18	Objecting	I don't see why making it cheaper to bring a car into city centre makes any sense when we have congestion, bad air pollution and an urgent need to encourage active travel. 30% of Southampton residents (generally those on poorer income) don't even have a car so won't benefit. Better to provide free bus travel to encourage people to use these.
19	Objecting	We do not need to encourage more car use. The focus should be on provide safe cycle routes and bike storage and safe night buses. This council prioritise cars over everything else. The agenda has to change. Ban cars in the city centre and make more areas pedestrian friendly.
20	Objecting	I would prefer to see an equivalent to the money lost from this proposal, being spent on improved public transport options. An improved provision would encourage people to leave their cars at home and give us all a more pleasant living environment. The levels of traffic in Southampton are unsustainable and make certain areas of the city unhealthy and disagreeable.
21	Objecting	Your proposal benefits only those in the city who own cars, excluding those who are without their own means of transport (typically lower income households). Instead of subsidising parking and encouraging more traffic onto the roads (resulting in more traffic and increased levels of pollution), perhaps you should look at subsidising or otherwise lowering bus fares across the city which would relieve traffic congestion, lower pollution levels, and benefit more people across the city.
22	Objecting	Reduce bus fares instead
23	Objecting	There is no evidence that this will improve trade and there are better things to be spending council money on that subsidising parking
24	Objecting	Many people don't have a car or are trying to reduce their use of one, so reducing bus fares would be a better action to take.
25	Objecting	Over a third of people in the city dont have cars, it might have been better to reduce bus charges for city residents.
26	Objecting	This proposal goes completely against reducing pollution and indeed deaths associated with poor air quality. The council should be promoting and supporting initiatives that reduce air pollution such as walking; cycling; affordable public transport or even carbon neutral public transport using non-fossil fuels. These proposals aimed at car users benefit the few not the many. These is against both local and central govt policy.
27	Objecting	It would be strategically better to develop affordable public transport ootions as well as well lit cycling and walking routes to reduce emissions and bind citizens to a green transport agenda. Reducing car park charges only benefits better off car owners. Time for a whole city wide transport policy
28	Objecting	1) The traffic is relentless in Southampton during the day. How about a break during the evening when people could find other means to get into the city. Why not have reduced fares during the evening as a promotional campaign and proper secure entry cycle parking hubs would help further. Money may be better spent on a creative alternatives rather than promoting increased traffic through free parking. 2) We are expecting taxis to convert to green technology so inviting more polluting vehicles into the city in the evening makes no sense. There is also a risk that you will be promoting drink driving.
29	Objecting	Not everyone drives in Southampton and this is unfair on them. Parking costs money as the surfaces need to be maintained and security needs to enforced. This bill has to be picked up through taxation and a large proportion of people would be charged when they don't have a need of free parking. You are also encouraging car use over alternative and active transport (especially so after also removing key bus lanes and cycle lanes and removing pedestrianised areas) and this will increase traffic jams. Traffic jams increase noise, exhaust emissions, brake and tyre particle pollution. This is harmful to the population, goes against your Clean Air Day and #GetSouthamptonMoving campaigns.

30	Objecting	Please reduce bus fares instead. They are ridiculously high if you need to use 2 services to get around.
31	Objecting	What about the third of residents that don't have cars? Surely it makes more sense to reduce bus fares to ease congestion and pollution too?
32	Commenting	As about a third of Southampton residents don’t have a car why not increase number of bus lanes and reduce bus fare
33	Objecting	This proposal will reduce much needed funds coming into the city council, necessitating cuts elsewhere. A third of people in Southampton do not have a car and rely on buses, cycling or walking to get around. We are in a climate emergency, as recognised by the Government. The city council should be encouraging the use of greener forms of transport, so reducing bus fares and putting in more bus lanes would be a much better way to "get people moving". As a bus user, I can vouch for the time spent at bus stops waiting for buses that are late or cancelled because they have been caught in traffic during rush hour. You will not get people to change from cars to public transport unless public transport if much cheaper and more reliable. Please new administration, get your priorities right!
34	Objecting	Think about how we should meet air quality targets. Many residents don’t have cars, and many would prefer not to have to drive into the city. Use the money you’re planning on losing from parking charges on improving alternatives to car use - e.g covered bike parking and bike only lanes - reduced bus fares - increased pedestrianisation (keep Bedford Place closed to motor vehicles).
35	Objecting	While I understand the wish to support businesses which have been seriously affected by Covid restrictions, I do not think this is the best way to achieve that. Many people do not have cars, and would benefit more from the budget change being an expenditure on additional public transport than foregoing income from parking. Addtionally, this encouragement of car use will increase both CO2 emissions and pollution of various types, contrary to both the City's and the country's declared aims of continuing reduction.
36	Objecting	Southampton has one of the highest air pollution levels in the country. Instead of encouraging more cars to travel into the city centre, the Council should improve cyle parking (including covered cycle parking), reduce bus fares and further encourage green travel options. It should also fast-track the proposed park & ride facility.
37	Objecting	This council administration is not taking air pollution seriously and at this rate will risk an imposed clean air zone. More bus and cycle lanes with the revenue from parking charges please
38	Objecting	The city centre already struggles with high traffic levels, and removing charges would only encourage even more traffic. Additionally, the removal of these charges is not helpful at all to anyone who cannot or will not drive (myself included). Instead, the council should consider schemes such as discounted bus and/or rail fares, and encourage active travel into the city centre e.g. providing covered bicycle parking.
39	Objecting	Free or low price bus tickets and better provision for bike and scooter parking would be preferable to get more people into town. And keep priority on the roads for buses and taxis which moves a greater volume of people faster. Encouraging vehicles into town goes against the Council's aims to reduce pollution and carbon in the city. It should be more expensive to park in town than to take a family on the bus, and bus tickets should allow travel on all services to make routes easier to use.
40	Objecting	How does encouraging people to drive into the centre of Southampton fit with the need to reduce pollution? Also this only subsidises car drivers. What about those that don't have a car? How about subsidising buses instead?
41	Commenting	The proposal doesn't go far enough. The proposal should remove all parking charges if the council wants to preserve or improve the amenities of the area. If that's not possible then I object to the proposal as it's inadequate
42	Commenting	Removing parking charges does not help the third of people in many parts of the city with no car, or the young people who particularly use the city's night time economy but are less like to have access to a car or be able to drive. Better buses, running later, well promoted, would be a more

		sensible use of the money lost by the removal of the parking charges. Using a bike is also a really efficient way to get into the city centre, and making this as safe as possible would be another better response. Encouraging car driving just adds to the City's congestion and already poor air quality.
43	Objecting	The removal of car parking charges will encourage more car use in a Climate Emergency and is the wrong proposal. More than a third of people don't have cars, and many choose not to drive into town anyway. More (covered) bike parking and reduced bus fares would be better.
44	Objecting	More free parking means more congestion in our town. Also a lot of people do not have a car and choose other means to travel into town.
45	Objecting	There is too much traffic in Southampton. Making it easier for people to bring cars into the city makes things worse. Our city would be a more liveable place with significantly less traffic, and would eventually have higher value to outsiders if it was more difficult to get in, but nicer when you got here.
46	Objecting	a third of people don't have cars, and many choose not to drive into town anyway. More (covered) bike parking and reduced bus fares would be better.
47	Objecting	I'm concerned how Southampton Council will cover the expense of lost parking charges, and I feel that the money would be better invested in measures which would ensure better air quality in the city, such as subsidizing evening bus travel. Many people will be going into the city to attend the theatres, restaurants and bars, which would not require a big car to bring back shopping, and may be drinking when attending these venues so subsidized and later running buses may reduce the risk of drink driving.
48	Objecting	This is the wrong direction to take in terms of the climate emergency. One third of Southampton citizens do not have a car. Getting every moving would be better served by exploring ways to reduce and simplify bus fares, and to introduce lanes dedicated to buses and emergency vehicles. A reliable and frequent late night bus service would encourage people to use public transport on nights out. This proposal runs the risk of increasing the number of people who drive when over the legal alcohol limit-I accept of course that this is not its intention, but could be an unwanted consequence.
49	Objecting	Councillors should be following Govt policy and encourage active travel into town centre by putting its financial resources towards providing bigger carrots to cycle and walk or bus into town (eg subsidised bus fares, more buses, covered cycle parking). The above proposal will have the opposite effect and make private car use the more attractive option, to the detriment of those cycling and walking by creating more hazardous road conditions and causing increased air pollution from motor vehicles.
50	Objecting	Do have deep concens about the loss of income and how this would lead to cuts in hihway maintenance without any proven evidence it would boast business in the city centre. Cuts inroad maintence will lead to increase pollution in the city.
51	Objecting	This is a good source of revenue for essential services and evening and overnight parking charges would help deter people from driving into the city centre and encourage them to use public transport instead.
52	Objecting	This avenue stream had it's uses and helps reduce traffic and pollution in the town centre to some degree
53	Objecting	An essential revenue stream for public services

54	Objecting	This is a crazy plan. We need to encourage people to leave their cars at home and making it cheaper than getting the is not helping. This will increase pollution, reduce safety and reduce revenue for the Council.
55	Objecting	Eradicating parking charges encourages people to drive rather than take less polluting forms of transport into the city centre. We should be subsidising public transport links to the city rather than make it more congested and polluted with drivers.
56	Objecting	I recognise that this may well be welcomed by many residents but the wider impact on those residents, business and council finances does not appear to have been fully considered before consulting on these proposals. This is out of step with neighbouring local authorities and cities in particular, who need to manage traffic flow and minimise pollution levels. There is no evidence that allowing cars to park for free will automatically pump more money into the local economy especially as the levels of charging are comparable or often less than similar cities, with several like Brighton and Portsmouth often charging 24 hours a day. This incentivises car use at a time when government policy and the overall direction of travel of most cities is to try and manage/reduce car use for the benefit of the environment and improve the quality of the experience of urban areas. This proposal is in effect not in line with Government policy which is trying to encourage greater use of healthier forms of transport and alternatives. Buses in the evenings are likely to find the viability of their services are affected by this proposal as it is a disincentive to use alternative modes of transport. Southampton has still got high levels of air pollution and this will not help address the environmental challenges we face as a city particularly as the population is expected to rise by many 1000s in the next decade or so. Many of these new residents will live in the regenerated city centre area, which will be most impacted by this proposal. The financial impact to the Council finances (both general revenue and parking account) are a concern as these are not budgeted for and will therefore result in cuts to other services or investment in the city.
57	Objecting	Encourage people to use buses/walk/cycle by keeping the parking charges, which could be used to improve the city in line with the net zero 2030 commitment.
58	Objecting	I wish to register my objection to the proposed removal of parking charges on the basis that: 1. It is contradictory for the Council to promote clean air in a heavily polluted city while at the same time incentivising car users to come in larger numbers in an unmanaged way to the city centre 2. The environmental impact of the administration's desire for more cars in the city centre has not been modelled, and they are ignoring relevant issues 3. The Council has not given due consideration of what their plans will mean for local residents – the city centre is not just a commercial area, there is an increasing number of people and families who live here 4. The financial impact has not been properly considered at a time when the Council's finances are under increasing strain from Covid costs and loss of income. This plan will worsen the loss of income 5. There has been no creative thinking or intelligent analysis of sustainable recovery and how that could look rather than a simplistic "go back to how things used to be" 6. For the hospitality sector, it would be better to not promote drinking and driving which is a likely consequence

		7. The claim that people who have paid £30 or more for a theatre ticket, or £20 per head for a meal out are not then willing to pay around £2 for parking is baseless - where is the evidence for this claim? 8. This runs counter to what the majority of cities are doing in terms of parking management, is short-sighted, unevidenced, and reflects poor decision making by the administration.
59	Objecting	Don’t make parking free. Driving (ICE) cars contributes to 40,000 excess deaths in UK per year, particularly causing harm among children, poorer people and ethic minorities. Please tax this ill health causing activity.
60	Objecting	The council should be encouraging public transport and other sustainable transports rather than car driving. The city centre has still be thriving with lots of people with the parking charges in place. The removal of a bus lane and the parking charges does not support the Green City Charter or the need to improve the Air Quality in the Southampton city.

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DECISION-MAKER:	CABINET	
SUBJECT:	GO! SOUTHAMPTON BUSINESS IMPROVEMENT DISTRICT (BID) RENEWAL BALLOT 2021	
DATE OF DECISION:	19 JULY 2021	
REPORT OF:	**COUNCILLOR MOULTON, CABINET MEMBER - GROWTH**	
CONTACT DETAILS		
Executive Director	**Title**	Executive Director of Place
	Name:	**Kate Martin**
	E-mail:	Kate.Martin@southampton.gov.uk
Author:	**Title**	Policy and Strategy Manager
	Name:	**Romilly Beard**
	E-mail:	Romilly.Beard@southampton.gov.uk

STATEMENT OF CONFIDENTIALITY

The appendices attached to this report are exempt from publication, the confidentiality of which is based on Category 3 of paragraph 10.4 of the Council's Access to Information Procedure Rules. It is not in the public interest to disclose this because at the time of the Cabinet meeting the papers will be commercially sensitive to the Business Improvement District with plans to make a version of them publicly available in September.

BRIEF SUMMARY

On the 9 April 2021 the Chief Executive received a formal notice to request that Southampton City Council hold a renewal ballot for the GO! Southampton Business Improvement District (BID) *(Attached in Appendix 5)*.

The BID proposer is the Board of GO! Southampton (registered name Southampton Business Improvement District (BID) Ltd.)

This report sets out the process described in the BID (England) Regulations 2004 (as amended in 2013). Both the BID and the Council must follow these regulations. The report then outlines the BID proposals, which have been developed closely with local businesses, through consultation and with the Council.

The BID will reach the end of its first five-year term on the 31 March 2022 and so a renewal, evolution and alternations ballot is proposed to be held in November 2021, in order for the BID to continue into a second term with a clear mandate from levy payers.

It is proposed that, if successful at ballot, the new arrangements will apply for the period of five years from 1st April 2022 to 31st March 2027.

With the formal notice to request a renewal and alternations ballot GO! Southampton also submitted a range of documents for review and that form the manifesto detail for levy payers. Key documents submitted:

- The BID Proposals (Renewal Business Plan: 2022-2027, including the Schedule of Baseline Services.)
- Indicative 5-year GO! Southampton BID Budget
- The Financial Arrangements and draft Operating Agreement
- Business consultation summary

The Council is not required to formally agree any BID proposal and may only veto the BID proposals if they are contrary to formally adopted and published Council policies. This process has included an assessment of baseline services.		
After a formal review by the Council's Policy and Strategy team officers can confirm that the proposals put forward by GO! Southampton are in line with Council published policies this report therefore recommends that the Council formally endorses the renewal ballot and requests the Returning Officer to hold a renewal ballot in November 2021.		
RECOMMENDATIONS:		
	(i)	To instruct the Returning Officer to hold a ballot in relation to GO! Southampton's renewal proposals. The postal ballot will run for at least 28 days prior to closing on 11 November 2021.
	(ii)	To agree to delegate authority to Executive Director of Place to vote on behalf of the Council in the GO! Southampton ballot, as a non-domestic ratepayer of Council-owned properties in the enlarged BID area. (*A map of the current and new BID areas can be found in Appendix 2.*)
	(iii)	Authorise the Service Director - Legal and Business Operations to complete the necessary legal agreements required for the operation of the GO! Southampton BID arrangements.
REASONS FOR REPORT RECOMMENDATIONS		
1.	Under the BID regulations, the Council has a duty to receive BID proposals as part of the process to ballot. The Council has a role in ensuring compliance and has the power under the regulations to veto a BID proposal after ballot where it believes the BID proposals: • are likely to materially conflict with any of the Council's formal policies; • place an inequitable and significantly disproportionate financial burden on any class of non-domestic ratepayer as a result of manipulation of the BID area or BID levy.	
2.	The recommendations are in support of the "Go Southampton" renewal and alteration proposal as it is considered to: • conform to all required BID Regulations; • add value to existing initiatives and local strategic priorities, particularly the Council Plan, Economic Green Growth Strategy 2030 and the City of Culture 2025 bid; • support a local recovery from the COVID pandemic, the shock to the sectors mandated to close, including non-essential retail, hospitality and leisure; • provide leverage of additional resource and initiatives to improve the experience, marketing and viability of the City Centre and thereby enhance the economic growth of the city and outcomes for residents and businesses. The map in this appendix provides the new, proposed BID area extensions.	
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED		
3.	Should the Council vote not to support the proposal, it would risk the loss of levy revenue of £6.18 million for 2022-2027 as the BID would be dissolved without a ballot and therefore the levy revenue not collected. Without the BID, working with the Counc the following would be impacted: • The promotion and regeneration of the city centre; • The loss of a dedicated programme to support recovery from the economic impacts of COVID 19, especially across the retail and hospitality sectors; • The loss of additional support for the City of Culture 2025 bid; • The loss of additional leverage and external funding; and	

	• Damage to business relationships and dis-engagement of local businesses to work in partnership with each other and with the Council for the betterment of the area.
DETAIL (Including consultation carried out)	
4.	In terms of the inception of the BID. In accordance with Regulation 3(2) of the Business Improvement Districts (England) Regulations 2004 on 8 January 2016 the Chair of the Southampton BID Steering Group served 84 days' notice on the Council and the Secretary of State of the intention to request the billing authority to put the BID proposal to a ballot. In accordance with Regulation 4(2) of the Business Improvement Districts (England) Regulations 2004 on 9 April 2021 the Chair of the Southampton BID served notice on the Council and the Secretary of State of the intention to request the billing authority to put the BID proposal to a ballot.
5.	The key documents submitted to Southampton City Council (SCC) in 2016 for a Cabinet decision in support of the proposals to create a Business Improvement District correspond with those submitted for the renewal and alternations ballot. Key documents include: • BID Proposals in the form of a business plan for the period 2022 > 2027, including a Schedule of Baseline Services; • An indicative budget for the period 2022 > 2027; • Financial arrangements, management policies and operating agreement; • A summary of the formal consultation with levy payers (businesses).
6.	The rateable value at which businesses will pay the levy has increased to £19,000. The BID levy rate will be amended in future years in line with inflation. Fewer small businesses will therefore be liable to pay the levy. In addition the levy rate accounts for those businesses that are paying management charges.
7.	What are the key changes being proposed to the BID Arrangements in comparison to the 2017-2022 term? The key changes that are being proposed are: • To maintain the levy multiplier at 1.56% and 1.46% in the first year, followed by small inflation linked increases in subsequent years; • To increase to a rateable value of £19,000 the threshold beneath which businesses are not required to pay the levy and also therefore do not get a vote; • The services to be provided are a natural evolution of the work currently being carried out and a response to changing circumstances, especially given the impacts of national lock-downs on the non-essential retail and hospitality sectors. • To alter the BID Area to include a greater part of the city centre. The details of the new proposed area are laid out later in this report.
8.	GO! Southampton's approach to levy payer consultation is intrinsic to its purpose and governance model. GO! Southampton is an organisation led by businesses and as such it engages regularly with businesses in a number of ways: • GO! Southampton is run by a board that includes 17 businesses and meets on a bi-monthly basis. • GO! Southampton has three project-related theme groups that are open to all businesses and currently involve 51 businesses on a regular basis. These theme groups steer sections of GO! Southampton's programme.

	• GO! Southampton has levy payer representation on a separate standing executive committee of the GO! Southampton board and on a separate finance and scrutiny committee. In addition, GO! Southampton has carried out the following engagement activities specifically focussed on developing the proposals for the next BID term: Made a survey available to all businesses. The survey was aimed at gauging support for GO! Southampton and gathering views about what types of project GO! Southampton should focus on. The BID have also sought formal responses from local managers, held one-to-one discussions with business owners and worked with the umbrella body British BIDs to assess voter intentions. In total GO! Southampton have gathered an indication from businesses representing 335 premises on whether they are likely to support GO! Southampton for another term and have found 72% in support by number and 77% by aggregate rateable value.
9.	The ballot will be the responsibility of Southampton City Council's Returning Officer and will run for at least 28 days before closing. The ballot is currently expected to close at 5pm on Thursday 11th November 2021. The ballot will be a secret postal ballot of the eligible hereditaments on the National Non-Domestic Ratings List at the time of the Notice of Ballot being issued. Where the occupiers of individual hereditaments have nominated in writing the name of the person who should vote on their behalf, the notice of ballot and ballot papers will be sent to them.
10.	Arrangements for the collection of the BID levy are set out in a formal Operating Agreement between the BID Company and Southampton City Council. The Council will be responsible for collecting the BID levy on behalf of the BID Company. The BID levy will be payable in one instalment per year. Bills will be raised in March and payment will become due on 1st April each year. Enforcement measures for the collection of the BID levy will be detailed in the Operating Agreement between the BID Company and Southampton City Council.
11.	The Schedule of Baseline Services has been reviewed in relation to the provision from Southampton City Council to ensure this is a fair reflection of the services and captures all that is being delivered. The following service areas have confirmed this: 1. City Services including Street Cleansing 2. Highways 3. Cleansing of multi-storey car parks 4. Events, Culture and Tourism 5. Economic Development 6. Enforcement 7. Late Night Levy 8. Rough Sleeping 9. Transport and access
RESOURCE IMPLICATIONS	
<u>Revenue</u>	
12.	The costs of the BID ballot will be covered by existing budgets from within the Place Directorate, unless: • the number of votes cast in favour of the BID is less than 20% of the total number of votes eligible to be cast, and • the ballot is unsuccessful

	In this case the costs would be covered by the BID.
13.	The regulations require the BID to offer reassurance on ballot costs. The costs of the BID ballot, estimated by the Returning Officer at £5,500 are subject to the parameters of the ballot not changing significantly from those initially proposed. In case the council is not required, under Regulation 10, to cover the costs of the ballot, the BID has confirmed that the Board of GO! Southampton has agreed to set aside contingency funds for this amount.
14.	There are seven hereditaments in the BID area that Southampton City Council would be responsible for the increased levy: the Civic Centre; Sea City Museum; Tudor House; 6 & 6A Bugle Street; Network Eagle Lab (Marlands); parts of the first, second and third floors of One Guildhall Square and 109 East Street. The Council would have a vote for each one. The total levy contribution for these seven properties is currently £32,365. If the renewal ballot is successful the levy liability for 2022/23 for the same seven properties will be £34,060. The increase derives from the use of the 2017 Ratings List to calculate levy payments and not the 2010 Ratings List, currently used. Generally rateable values are higher on the 2017 Ratings List, however some are lower, such as the Civic Centre. This additional cost will be met from existing premises' budgets.
LEGAL IMPLICATIONS	
Statutory power to undertake proposals in the report:	
15.	The Local Government Act 2003 and the Business Improvement Districts (England) Regulations 2004 (The Regulations) provide the statutory powers and framework to enable a Business Improvement District (BID) to be created. The Council is obliged to approve the BID Proposal unless there is a conflict between the BID's proposal and the Council's formally adopted policies.
16.	At this stage in the process the Council, as billing authority, is only required to instruct the Returning Officer to hold a ballot once satisfied that the BID Proposer has met all the requirements under the Regulations. Where the relevant billing authority is of the view that the BID proposals conflict with a policy formally adopted by and contained in a document published by the authority the authority shall, as soon as reasonably practicable after receiving the proposals, notify the BID body in writing explaining the nature of that conflict. Officers have stated elsewhere in this report that there is no conflict.
17.	The Council has implied legal powers under the above legislation and a general power of competence under section 1 of the Localism Act 2011 (subject to overriding fiduciary duties) to enter into arrangements to facilitate the BID arrangements including levy collection and may enter into a Baseline Agreement for the Provision of Standard Services and an Operating Agreement to confirm agreed arrangements. Local Authorities are required to provide a schedule of baseline services under Schedule 1 of the BID regulations.
Other Legal Implications:	
18.	When making decisions the Cabinet and officers must ensure that they understand that the interests of the Council as owner of hereditaments in the BID and certain duties under the Regulations may not coincide. Although this is unlikely in practice it may be necessary put in place arrangements to deal with a conflict of interests albeit that a person does have rights of appeal in the event of the Council exercising it.
19.	The Council has a right to exercise a veto after the outcome of the re-ballot if the Council considers the arrangements are likely to either conflict to a material extent with any of their published policies or place a disproportionate and inequitable financial burden on any person or group of persons through manipulation of the BID geographical area or the structure of the BID levy.

20.	In due course, if the BID does not deliver the envisaged benefits, there could be indirect reputational risks for the Council. However, by supporting the BID process and remaining involved as a close partner in the management of the activities of the BID, the Council will be seeking to mitigate any potential future risk.
RISK MANAGEMENT IMPLICATIONS	
21.	None
POLICY FRAMEWORK IMPLICATIONS	
22.	A review of the proposed GO! Southampton BID Business Plan 2022-2027 against Southampton City Council strategies and policies confirms that there are no conflicts. Further, the Business Plan proposals support the following strategies: • The council's ambitions to be recognised as a city of culture as stated in the Southampton City Council Strategy (2020-2025) • The council's focus on supporting and growing local business within the council's Economic and Green Growth Strategy (2020-2030) yes • Southampton Physical Activity and Sports Strategy (2018-2023) • Drugs Strategy (2017-2020) • Safe City Strategy (2017-2020) • Domestic & Sexual Abuse Multi Agency Strategy (2017-20) • Homelessness Prevention Strategy (2018-2023) • Domestic & Sexual Abuse Multi Agency Strategy (2017-20) • Alcohol Strategy (2017-2020) • Clean Air Strategy (2019-2025) • Land Quality Strategy (2018-2023) • Joint Health and Wellbeing Strategy (2017-2025) • Land Quality Strategy (2018-2023) • Local Transport Plan (2020-2040).

KEY DECISION?	**Yes**
WARDS/COMMUNITIES AFFECTED:	Bargate

<u>SUPPORTING DOCUMENTATION</u>

Appendices	
1.	The proposed BID area includes some new areas that weren't included in the BID area during the first term (exempt)
2.	BID Proposals in the form of a business plan for the period 2022 > 2027 - including a Schedule of Baseline Services (exempt)
3.	Indicative 5-year GO! Southampton BID Budget (exempt)
4.	Business consultation summary (exempt)
5.	Formal notice to request that Southampton City Council hold a renewal ballot for the GO! Southampton Business Improvement District (BID) (exempt)
6.	ESIA

Documents In Members' Rooms

1.	None
Equality Impact Assessment	
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out?	**Yes**

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	

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