

Public Document Pack

Overview and Scrutiny Management Committee

Thursday, 8th September, 2022
at 5.30 pm

PLEASE NOTE TIME OF MEETING

Council Chamber, Civic Centre,
Southampton

This meeting is open to the public

Members

Councillor Fuller (Chair)
Councillor Houghton (Vice-Chair)
Councillor Cooper
Councillor Furnell
Councillor Guthrie
Councillor Shields
Councillor Stead
Councillor White
Councillor Winning

Appointed Members

Catherine Hobbs, Roman Catholic Church
Francis Otieno, Primary Parent Governor
Rob Sanders, Church of England

Contacts

Ed Grimshaw
Democratic Support Officer
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Scrutiny Manager
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PUBLIC INFORMATION

Overview and Scrutiny Management Committee

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

Role of Overview and Scrutiny

Overview and Scrutiny includes the following three functions:

- Holding the Executive to account by questioning and evaluating the Executive's actions, both before and after decisions taken.
- Developing and reviewing Council policies, including the Policy Framework and Budget Strategy.
- Making reports and recommendations on any aspect of Council business and other matters that affect the City and its citizens.
- Overview and Scrutiny can ask the Executive to reconsider a decision, but they do not have the power to change the decision themselves.

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

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

Procedure / Public Representations

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

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

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

Fire Procedure:-

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

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

Dates of Meetings: Municipal Year 2022/23

2022	2023
9 June	12 January
14 July	2 February
11 August	9 March
8 September	13 April
13 October	
10 November	
15 December	

CONDUCT OF MEETING

TERMS OF REFERENCE

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

RULES OF PROCEDURE

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

BUSINESS TO BE DISCUSSED

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

QUORUM

The minimum number of appointed Members required to be in attendance to hold the meeting is 4.

DISCLOSURE OF INTERESTS

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

DISCLOSABLE PECUNIARY INTERESTS

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

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

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

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

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

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

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

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

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

Other Interests

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

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

Any public authority or body exercising functions of a public nature

Any body directed to charitable purposes

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

Principles of Decision Making

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

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

In exercising discretion, the decision maker must:

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

AGENDA

1 APOLOGIES AND CHANGES IN PANEL MEMBERSHIP (IF ANY)

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

2 DISCLOSURE OF PERSONAL AND PECUNIARY INTERESTS

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

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

3 DECLARATIONS OF SCRUTINY INTEREST

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

4 DECLARATION OF PARTY POLITICAL WHIP

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

5 STATEMENT FROM THE CHAIR

6 MINUTES OF THE PREVIOUS MEETING (INCLUDING MATTERS ARISING)

(Pages 1 - 2)

To approve and sign as a correct record the Minutes of the meetings held on 11 August 2022 and to deal with any matters arising, attached.

7 FORWARD PLAN

(Pages 3 - 162)

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

Appendix 1 – Financial Monitoring until the end of June

Appendix 2 – TCF update

Appendix 3 – Evening Parking Charges

8 PROTECTING, PRESERVING AND PROMOTING THE RIVER ITCHEN IN SOUTHAMPTON - SCRUTINY INQUIRY TERMS OF REFERENCE

(Pages 163 - 170)

Report of the Director, Legal and Business Services requesting that the Committee agrees the terms of reference for a scrutiny inquiry focussing on protecting, preserving and promoting the River Itchen in Southampton.

9 MONITORING SCRUTINY RECOMMENDATIONS TO THE EXECUTIVE

(Pages 171 - 174)

Report of the Director, Legal and Business Services, enabling the Overview and Scrutiny Management Committee to monitor and track progress on recommendations made to the Executive at previous meetings.

Wednesday, 31 August 2022

Director of Legal and Business Services

SOUTHAMPTON CITY COUNCIL
OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE
MINUTES OF THE MEETING HELD ON 11 AUGUST 2022

Present: Councillors Fuller (Chair), Houghton (Vice-Chair), Furnell, Shields, White, Winning and Streets
Appointed Members: Rob Sanders

Apologies: Councillors Cooper and Stead

Also in attendance: Cabinet Member for Transport and District Regeneration – Councillor Keogh

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

It was noted that following receipt of the temporary resignation of Councillor Guthrie from the Committee, the Service Director, Legal and Governance acting under delegated powers, had appointed Councillor Streets to replace them for the purposes of this meeting.

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

RESOLVED: that the minutes for the Committee meeting on 14 July 2022 be approved and signed as a correct record.

10. **FORWARD PLAN**

The Committee noted the report of the Director, Legal and Business Services enabling the Overview and Scrutiny Management Committee detailing items requested for discussion from the current Forward Plan.

On consideration of the briefing paper relating to the forthcoming Officer Decision “Proposed Traffic Regulation Order (TRO) relating to rental e-scooters” the Committee noted that there would be a further report in October that would allow Councillors to consider the extension of the Government’s experimental scheme for e-scooters. It was noted that the current Experimental Traffic Regulation Order would expire in September and the conversion to a TRO would enable the scheme to continue should Council wish to continue with the trail.

11. **SCRUTINY INQUIRY 2022/23 - SHORTLIST**

The Committee considered the report of the Director of Legal and Business Services requesting that the Committee consider the shortlisted subjects and identify a preferred topic for the 2022/23 inquiry

RESOLVED that after consideration of the shortlisted of subjects, as set out in paragraph 8 of the report the Panel concluded that, whilst all of the topics were important, the scrutiny inquiry for 2022-2023 would be an investigation into the River Itchen and requested that the scrutiny manager bring forward terms of reference for the inquiry at the September meeting. The Committee acknowledged that an inquiry into Gambling harms in the following year could help to inform the Council’s new licensing policy from 2024.

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Agenda Item 7

DECISION-MAKER:	OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE		
SUBJECT:	FORWARD PLAN		
DATE OF DECISION:	8 SEPTEMBER 2022		
REPORT OF:	DIRECTOR - LEGAL AND BUSINESS SERVICES		
<u>CONTACT DETAILS</u>			
Executive Director	Title	Director – Legal and Business Services	
	Name:	Richard Ivory	Tel: 023 8083 2794
	E-mail	Richard.ivory@southampton.gov.uk	
Author:	Title	Scrutiny Manager	
	Name:	Mark Pirnie	Tel: 023 8083 3886
	E-mail	Mark.pirnie@southampton.gov.uk	
STATEMENT OF CONFIDENTIALITY			
None			
BRIEF SUMMARY			
This item enables the Overview and Scrutiny Management Committee (OSMC) to examine the content of the Forward Plan and to discuss issues of interest or concern with the Executive to ensure that forthcoming decisions made by the Executive benefit local residents.			
RECOMMENDATIONS:			
	(i)	That the Committee discuss the items listed in paragraph 3 of the report to highlight any matters which Members feel should be taken into account by the Executive when reaching a decision.	
REASONS FOR REPORT RECOMMENDATIONS			
1.	To enable Members to identify any matters which they feel Cabinet should take into account when reaching a decision.		
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED			
2.	None.		
DETAIL (Including consultation carried out)			
3.	The Council's Forward Plan for Executive Decisions from 13 September 2022 has been published. The following issues were identified for discussion with the Decision Maker:		
	Portfolio	Decision	Requested By
	Finance & Change	Financial Monitoring for the period to the end of June 2022	Cllr Fuller & Houghton
	Transport & District Regeneration	Transforming Cities Fund Update Report	Cllrs Fuller & Houghton

	Transport & District Regeneration	Evening Parking Charges	Cllr Fuller & Houghton
4.	Briefing papers responding to the items identified by members of the Committee are appended to this report. Members are invited to use the paper to explore the issues with the decision maker.		
5.	The 'Financial Monitoring for the period to the end of June 2022' agenda item was initially scheduled to be considered by the Committee at the 11 August meeting. Due to annual leave commitments the Cabinet Member was unable to attend and, given the nature of the report and the decisions required to be taken by Cabinet, the Chair agreed that the item would be discussed at the September meeting of the OSMC. Attached to this report is the published 16 August 2022 Cabinet report and related appendices.		
RESOURCE IMPLICATIONS			
<u>Capital/Revenue</u>			
6.	The details for the items identified in paragraph 3 are set out in the Executive decision making report issued prior to the decision being taken.		
<u>Property/Other</u>			
7.	The details for the items identified in paragraph 3 are set out in the Executive decision making report issued prior to the decision being taken.		
LEGAL IMPLICATIONS			
<u>Statutory power to undertake proposals in the report:</u>			
8.	The duty to undertake overview and scrutiny is set out in Part 1A Section 9 of the Local Government Act 2000.		
<u>Other Legal Implications:</u>			
9.	The details for the items identified in paragraph 3 are set out in the Executive decision making report issued prior to the decision being taken.		
RISK MANAGEMENT IMPLICATIONS			
10.	The details for the items identified in paragraph 3 are set out in the Executive decision making report issued prior to the decision being taken.		
POLICY FRAMEWORK IMPLICATIONS			
11.	The details for the items identified in paragraph 3 are set out in the Executive decision making report issued prior to the decision being taken.		
KEY DECISION		No	
WARDS/COMMUNITIES AFFECTED:		None directly as a result of this report	
<u>SUPPORTING DOCUMENTATION</u>			
Appendices			
1.	Cabinet Paper - Financial Monitoring for the period to the end of June 2022		
2.	Briefing Paper - Transforming Cities Fund Update Report		
3.	Briefing Paper – Evening Parking Charges		

Documents In Members' Rooms		
1.	None	
Equality Impact Assessment		
Do the implications/subject of the report require an Equality and Safety Impact Assessments (ESIA) to be carried out?		Identified in Executive report
Data Protection Impact Assessment		
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out?		Identified in Executive report
Other Background Documents		
Equality Impact Assessment and Other Background documents available for inspection at:		
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)	
1.	None	

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Agenda Item 7

Appendix 1

DECISION-MAKER:	CABINET		
SUBJECT:	FINANCIAL MONITORING FOR THE PERIOD TO THE END OF JUNE 2022		
DATE OF DECISION:	16 AUGUST 2022		
REPORT OF:	CABINET MEMBER FOR FINANCE & CHANGE		
<u>CONTACT DETAILS</u>			
Executive Director	Title:	Executive Director for Finance, Commercialisation & S151 Officer	
	Name:	John Harrison	Tel: 023 80834897
	E-mail:	John.Harrison@southampton.gov.uk	
Author:	Title:	Head of Financial Planning & Management	
	Name:	Steve Harrison	Tel: 0739 2864525
	E-mail:	Steve.Harrison@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY
N/A
BRIEF SUMMARY
<p>The report summarises the General Revenue Fund, Housing Revenue Account (HRA) and Collection Fund financial position for the Council as at the end of June 2022 and informs Cabinet of any major changes in the overall General Fund and HRA capital programme for the period 2022/23 to 2026/27.</p> <p>The deficit as outlined in this report is £15.24M as at 30 June 2022, with the most significant deficit being for the Children & Learning portfolio (£9.19M). Mitigation plans are being worked on to reduce the forecast deficit.</p>

RECOMMENDATIONS:

	<u>General Revenue Fund</u>	
	It is recommended that Cabinet:	
	i)	Notes the forecast outturn position is a £15.24M deficit, as outlined in paragraph 4 and in paragraph 1 of appendix 1.
	ii)	Notes the performance of treasury management, and financial outlook in paragraphs 5 to 8 of appendix 1.
	iii)	Notes the forecast year end position for reserves and balances as detailed in paragraphs 9 and 10 of appendix 1.
	iv)	Notes the Key Financial Risk Register as detailed in paragraph 11 of appendix 1.
	v)	Notes the performance against the financial health indicators detailed in paragraphs 15 and 16 of appendix 1.
	vi)	Notes the forecast outturn position outlined in the Collection Fund Statement detailed in paragraphs 19 to 22 of appendix 1.

	<u>Housing Revenue Account</u> It is recommended that Cabinet:
vii)	Notes the forecast outturn position is a nil variance against budget as outlined in paragraph 5 and paragraph 17 of appendix 1.
	<u>Capital Programme</u> It is recommended that Cabinet:
viii)	Notes the revised General Fund Capital Programme, which totals £359.50M as detailed in paragraph 1 of appendix 2.
ix)	Notes the HRA Capital Programme is £266.72M as detailed in paragraph 1 of appendix 2.
x)	Approves the net addition of £0.33M to the Transport & District Regeneration programme, along with approval to spend as detailed in paragraphs 3 and 4 of appendix 2.
xi)	Approves slippage and rephasing of £37.58M (£30.64M of General Fund and £6.94M of HRA) as detailed in paragraph 5 and 6 of appendix 2. Noting that the movement has zero net movement over the 5-year programme.
xii)	Notes that the overall forecast position for 2022/23 at quarter 1 is £186.11M, resulting in a potential surplus of £3.00M, as detailed in paragraphs 7 and 8 of appendix 2.
xiii)	Notes that the capital programme remains fully funded up to 2026/27 based on the latest forecast of available resources although the forecast can be subject to change; most notably regarding the value and timing of anticipated capital receipts and the use of prudent assumptions of future government grants to be received.
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.	Not Applicable.
DETAIL (including consultation carried out)	
	<u>Revenue</u>
3.	The financial position for the General Revenue Fund, Housing Revenue Account (HRA) and Collection Fund for the Council as at the end of June 2022 and key issues are summarised in appendix 1.
4.	The current forecast spending against the council's net General Fund revenue budget for the year of £193.05M is projected to be a £15.24M deficit, with a forecast deficit of £9.19M for Children & Learning being a key component. This is a significant and concerning adverse variance to be reporting so early in the year. Mitigation plans are being worked on to reduce the forecast deficit.
5.	The forecast position for the HRA is a nil variance against the budgeted deficit of £0.92M, with a forecast surplus of £0.62M against an expenditure budget of £77.33M offset by a forecast deficit of £0.62M against an income budget of £76.41M.

	<u>Capital</u>
6.	Appendix 2 sets out any major changes in the overall General Fund and Housing Revenue Account (HRA) capital programme for the period 2022/23 to 2026/27, highlighting the changes in the programme since the last reported position in July 2022. The report also notes the major forecast variances against the approved estimates.
7.	Following a review to ensure that all projects are accurately profiled, and budgets are suitably aligned to anticipated works and spend, there is £37.58M of slippage (£30.64M General Fund and £6.94M HRA) from 2022/23 into later years, as detailed in paragraphs 5 and 6 of appendix 2.
8.	The current forecast position for 2022/23 at quarter 1 is £186.11M, resulting in a potential surplus of £3.00M, as detailed in paragraphs 7 and 8 of appendix 2.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
9.	The revenue and capital implications are contained in the report.
<u>Property/Other</u>	
10.	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	
<u>Statutory power to undertake proposals in the report:</u>	
11.	Financial reporting is consistent with the Section 151 Officer's duty to ensure good financial administration within the Council.
<u>Other Legal Implications:</u>	
12.	None.
RISK MANAGEMENT IMPLICATIONS	
13.	See comments within report.
POLICY FRAMEWORK IMPLICATIONS	
14.	The update of the Capital Programme forms part of the overall Budget Strategy of the Council.

KEY DECISION? No

WARDS/COMMUNITIES AFFECTED:	All
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SUPPORTING DOCUMENTATION

Appendices

1.	Revenue Financial Monitoring
2.	Capital Financial Monitoring

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?		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 Revenue Budget 2022/23, Medium Term Financial Strategy and Capital Programme (Council 23 February 2022)	

REVENUE FINANCIAL MONITORING FOR THE PERIOD TO JUNE 2022

FINANCIAL POSITION

1. The current forecast spending against the Council's net General Fund revenue budget for the year is projected to be a £15.24M deficit. This is a significant and concerning adverse variance to be reporting so early in the year. This is summarised in Table 1 below.

Table 1 – General Revenue Fund Forecast 2022/23

	Budget Qtr 1 £M	Annual Forecast Qtr 1 £M	Forecast Variance Qtr 1 £M
Portfolios Net Expenditure	204.91	220.17	15.26 A
Non-Portfolio Net Expenditure	(11.87)	(11.87)	0.00
Net Revenue Expenditure	193.05	208.31	15.26 A
Financing	(193.05)	(193.07)	0.02 F
(Surplus) / Deficit for the year	0.00	15.24	15.24 A

NB Numbers are rounded

2. More detail, including explanations of significant variances as at quarter 1 (in excess of £0.2M) is provided in Annex 1.1.

3. The most significant adverse variance is in the Children & Learning portfolio, which is forecast to be in deficit by £9.19M. This deficit relates primarily to Looked After Children Provision (£5.63M), with placement numbers not reducing as planned, Home to School Transport (£1.58M), with increased numbers of eligible pupils, and agency staff costs within Specialist Core Services (£1.55M). £1.63M of the adverse variances in other portfolios relates to increased energy costs as inflationary pressure takes effect.

Mitigation plans are being worked on to reduce the forecast deficit. Ultimately any persisting deficit will need to be covered by corporate resources which would therefore reduce the council's future financial resilience and the resources available to help address the previously reported £23.4M budget shortfall in 2023/24 (identified at Council budget papers in February 2022), with this shortfall likely to have risen as inflationary pressures on costs take effect.

Implementation of Savings Proposals

4. Of the £9.09M savings plans included within the 2022/23 budget £3.91M (43%) have been achieved or are on track to be achieved before the end of this financial year. The balance of £5.18M (57%) are currently not forecast to be achieved and are included in the adverse variances reported for portfolios. These represent a risk until all management actions required to deliver the savings are complete.

	<u>Treasury Management</u>
5.	<p>Treasury Management borrowing and investment balances as at 30 June 2022 and forecasts for the year-end are set out in Annex 1.2. After taking into account maturing and new debt requirements in year and a forecast reduction in investment balances, net borrowing is expected to increase to £378.75M for 2022/23. This will change throughout the year as capital plans firm up and actual cash flow are known.</p> <p>The forecast cost of financing the council's loan debt is estimated at £17.36M of which £5.38M relates to the HRA, however this will be subject to movement as the need for further borrowing for the remainder of the year becomes more certain. These costs will be continually monitored, as traditionally there is some slippage with the capital programme each year that results in costs being pushed into later years. Any reduction in the budgeted costs for 2022/23 reflecting any slippage may help offset the large adverse position reported in table 1 above.</p>
6.	<p>Although we currently do not have any short term debt, we anticipate borrowing before year end to replace maturing long term debt, expected reduction in reserves and to fund the forecast capital programme for the year, until a decision is taken with regards to long term borrowing. Any increase in short term borrowing costs will be offset by a reduction in long term costs. This is later than previously reported as cash flows have remained higher than expected.</p>
7.	<p>The Council will monitor the impact of the high levels of inflation on financial markets and provide updates via the Treasury Management reports to Governance Committee.</p>
8.	<p>Annex 1.2 includes an overview of current performance along with an update on the financial outlook. The Council approved a number of indicators at its meeting in February 2022. The Council has operated within the agreed prudential indicators for the first 3 months of the year and is forecast to do so for the remainder of the year. The main changes from the revised Prudential and Treasury Management Codes published by CIPFA in December 2021 are outlined in Annex 1.2.</p>
	<u>Reserves & Balances</u>
9.	<p>The General Fund Balance is currently £10.07M with no planned drawdown during the year.</p>
10.	<p>At the 31 March 2022, earmarked revenue reserves totalled £96.19M, plus Schools Balances totalling £5.70M. The balance at 31 March 2022 included revenue grants totalling £18.11M carried forward via the Revenue Grants Reserve - General, of which £14.08M relate to COVID-19, which are expected to be used in 2022/23. The estimated forecast position as at the 31 March 2023 (excluding Schools Balances) is £57.00M. The council holds a Medium Term Financial Risk Reserve (MTFR), which exists to provide cover for a variety of anticipated risks such as future funding via Government financial settlements, budget management issues including any non-delivery of expected savings and unexpected events that produce financial 'shocks'. The MTFR reserve is currently estimated as having a £43.20M balance unallocated at the end of the end of the MTFS period. However this doesn't include any contribution towards the in-year deficit highlighted in paragraph 1. This reserve is also important as it creates some capacity for transformation and invest to save measures and therefore helps to provide both financial resilience and support financial sustainability.</p> <p>Any reduction in the MTFR reserve, such as applying it to cover the in-year deficit</p>

	reported here, will reduce future financial resilience and the resource available to deal with future financial difficulties, including the budget shortfall of £23.4M currently reported for 2023/24.
	<u>Key Financial Risks</u>
11.	The Council maintains a financial risk register which details the key financial risks that face the Council at a given point in time. It is from this register that the level of balances and reserves is determined when the budget is set at the February Council meeting. The register has been reviewed and is attached as Annex 1.3.
	<u>Schools</u>
12.	Some schools have not yet agreed their budgets for 2022/23, so the forecast position for Schools' Balances is not available for this quarter and will be updated for quarter 2. One school became an academy on 1 May 2022, the accounts of which are being finalised. This school had a small surplus at the end of March 2022. Schools with deficit budgets continue to be supported by the School Finance Team to develop Deficit Recovery Plans (DRP). There is 1 school that has received a compulsory order to convert to an academy which has a forecast budget surplus of £0.06M.
13.	The current 3-year deficit recovery timetable for schools in deficit to get back to a balanced budget may be extended to 5 years if necessary, for schools that have experienced significant COVID-19 pressures.
	<u>Dedicated Schools Grant (DSG) 2022/23</u>
14.	The forecast outturn for the Dedicated Schools Grant (DSG) as at the end of June 2022 is a £10.09M cumulative deficit. The deficit is forecast to reduce by £1.0M compared with the position as at the end of 2021/22 due to additional funding coupled with managing demand through earlier intervention and providing additional places in special schools to reduce the number of pupils being placed in highly expensive placements in independent school settings. The Schools Budget is ring-fenced and the DSG deficit will not impact on the wider council services or council tax payers. This deficit is being driven by significant year on year increases in the number and complexity of Education Health Care Plans (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. There is also pressure on Early Years funding from a reduction in children placed in Early Years settings. A review of the service provision is under way to reduce costs and increase income to mitigate the reduced funding.
	<u>Financial Health Indicators</u>
15.	In order to make an overall assessment of the financial performance of the authority it is necessary to look beyond pure financial monitoring and take account of the progress against defined indicators of financial health. Annex 1.4 outlines the performance to date, and in some cases the forecast, against a range of financial indicators which will help to highlight any potential areas of concern where further action may be required.
16.	For Treasury Management, rates for new long term borrowing are higher than budgeted and are on an upward trend. However, the higher interest rates are having a positive impact on investment income and this mitigates the impact on the revenue

budget.

For Income Collection, average days sales outstanding and outstanding debt more than 12 months old are below target. Performance is being impacted by resourcing the implementation of new systems as well as vacancies and staff absence within the debt collection team. Recovery of new debt is being prioritised over old (as more chance of recovery), with older debt aging further. Planned system improvements are expected to help improve performance.

For Creditor Payments, the percentage of valid and undisputed invoices paid within 30 days is below target. A bi-weekly report is being used to engage with users who have approvals and goods receipts notes that are outstanding for more than 30 days. In addition, data on reasons for delays is being produced on a regular basis to help take targeted action.

Housing Revenue Account

17. The Housing Revenue Account is forecast to have a nil variance against the budgeted deficit for the year, as summarised in Table 2 below.

Table 2 – Housing Revenue Account Forecast 2022/23

	Budget Qtr 1 £M	Annual Forecast Qtr 1 £M	Forecast Variance Qtr 1 £M
Expenditure	77.33	76.71	0.62 F
Income	(76.41)	(75.79)	0.62 A
(Surplus) / Deficit for the year	0.92	0.92	0.00

NB Numbers are rounded

18. Details of significant variances to budget are provided in Annex 1.5.

Collection Fund

19. Annex 1.6 shows the forecast outturn position for the Collection Fund at quarter 1, with the position summarised in Table 3.

Table 3 – Collection Fund Forecast 2022/23

	Council Tax £M	Business Rates £M	Total £M
Distribution of previous years' estimated surplus/(contribution towards estimated deficit)	2.92	(24.27)	(21.35)
Net income and expenditure for 2022/23	(0.22)	(5.87)	(6.09)
(Surplus)/Deficit for the year	2.70	(30.14)	(27.44)
(Surplus)/Deficit brought forward from 2021/22	(2.76)	17.11	14.35

Overall (Surplus)/Deficit Carried Forward	(0.06)	(13.03)	(13.09)
SCC Share of (Surplus)/Deficit	(0.05)	(6.38)	(6.43)
Add: Variance in SCC Government grant income for business rates reliefs for 2022/23		2.31	2.31
Add: SCC Government grant income shortfall in 2021/22 due to deferral of CARF scheme to be repaid to reserves in 2023/24		4.43	4.43
SCC Net Share of (Surplus)/Deficit after Government Grant adjustments to be taken into account in 2023/24 budget setting*	(0.05)	0.36	0.31

NB Numbers are rounded

*£1.20M of the 2020/21 in-year deficit estimated at January 2021 is already included for 2023/24 in the Medium Term Financial Strategy (final year of the exceptional deficit required to be spread over 3 years).

20.	The position on the Collection Fund as a whole is a surplus to be carried forward of £13.09M. Most of the surplus relates to business rates and comprises a £7.16M variance in the 2021/22 outturn deficit (excluding the £1.99M 2020/21 exceptional deficit being carried forward into 2023/24) and an in-year surplus of £5.87M. The deficit brought forward was lower than had been estimated in January 2022 mainly because reliefs under the COVID Additional Relief Fund (CARF) scheme announced in December 2021 were deferred until 2022/23. The in-year surplus is primarily due to lower retail, hospitality & leisure reliefs than had been estimated (£5.99M) and a reduction in the estimated provision required for appeals (£0.84M), offset by backdated CARF relief (£0.93M). This forecast is based on bills raised for 2022/23 as at the end of June 2022.
21.	Both the retail, hospitality & leisure reliefs and CARF reliefs are funded by Government grant, so changes to these forecasts impact on the grant income receivable to the General Fund. The table shows the net impact for SCC only as a forecast deficit of £0.36M for business rates, once the adverse variance to Government grant for business rates relief for 2022/23 and the repayment to reserves for the 2021/22 shortfall in CARF grant income are factored in.
22.	Significant uncertainty still underpins any estimate relating to the economic effects of high inflation and the cost of living crisis, together with any ongoing effects of the COVID-19 pandemic. As a risk area to the SCC budget, financial trends will be carefully monitored.
	Conclusion and Outlook
23.	This is the first report on our financial forecast for 2022/23. In the previous 2 financial years, budget variances arising from the COVID-19 pandemic were separated from those for business as usual activities (BAU) to enable a clearer view of the financial impact of the pandemic. The Government no longer requires regular COVID-19 financial monitoring data and it is becoming increasingly more difficult to directly link budget pressures to the pandemic, so the separation of variances has been discontinued.

24.	<p>The Council faces severe financial pressures, not only from high demand for services, particularly within Children’s & Learning, but also due to the impact of high levels of inflation. The pay award for 2022/23 has yet to be settled and the Trade Unions have called for an increase of around 11%. This compares with 2.5% provided for within the budget. Any award above the 2.5% allowed for would worsen the forecast deficit. The £15.24M adverse forecast reported in table 1 is clearly of significant concern, and represents around 7.9% of the Council’s net budget. Mitigation measures are being planned and taken to offset this forecast, but should the adverse position materialise it could only be financed from reserves or balances held by the Council, reducing the Council’s capacity to address future financial shocks and importantly reducing flexibility to use such resources to cope with our forecast future budget shortfalls.</p>
25.	<p>While the Council has sufficient reserves and contingency to meet these financial pressures in the short term, any use of these resources in 2022/23 would reduce the amount available to help address the shortfall between the Council’s budgeted expenditure and anticipated funding in future years. The MTFS agreed in February 2022 showed a budget shortfall of £23.4M for 2023/24, which is highly likely to be exacerbated by the high demand for services and inflationary pressures currently being experienced.</p>

Annexes

1. General Revenue Fund Forecast Qtr 1 2022/23
2. Treasury Management Qtr 1 2022/23
3. Key Financial Risk Register Qtr 1 2022/23
4. Health Indicators Qtr 1 2022/23
5. HRA Forecast Qtr 1 2022/23
6. Collection Fund Qtr 1 2022/23

**OVERALL GENERAL REVENUE FUND FORECAST OUTTURN POSITION FOR
2022/23**

Portfolio	Budget Quarter 1	Annual Forecast Quarter 1	Forecast Variance Quarter 1
	£M	£M	£M
Children & Learning	58.12	67.30	9.19 A
Communities& Customer Engagement	3.63	4.23	0.60 A
Economic Development	2.17	2.97	0.80 A
Finance & Change	38.37	39.56	1.19 A
Health, Adults & Leisure	81.33	83.72	2.39 A
Housing & the Green Environment	5.94	5.97	0.03 A
Leader	13.83	14.53	0.69 A
Safer City	1.27	1.31	0.04 A
Transport & District Regeneration	0.26	0.58	0.33 A
Total Portfolios	204.91	220.17	15.26 A
Levies & Contributions	0.09	0.09	0.00
Capital Asset Management	10.79	10.79	0.00
Other Expenditure & Income	(22.75)	(22.75)	0.00
Net Revenue Expenditure	193.05	208.31	15.26 A
Council Tax	(111.24)	(111.24)	0.00
Business Rates	(32.78)	(32.78)	0.00
Non-Specific Government Grants	(49.03)	(49.05)	0.02 F
Total Financing	(193.05)	(193.07)	0.02 F
(SURPLUS)/DEFICIT	0.00	15.24	15.24 A

NB Numbers are rounded

EXPLANATIONS BY PORTFOLIO

1. CHILDREN & LEARNING PORTFOLIO

KEY REVENUE ISSUES – QUARTER 1 2022/23

The Portfolio is currently forecast to have a deficit of **£9.19M**, which represents a percentage variance against budget of 15.8%.

	Forecast Variance £M	% of budget
Portfolio Forecast Outturn	9.19 A	15.8%

A summary of the Portfolio forecast variance is shown in the table below:

Service Area	Forecast Variance Quarter 1 £M
Divisional Management & Legal	0.21 A
Education - Home to school transport and property mgt	1.58 A
Education - Services for schools, High Needs	0.18 A
Children Looked After	5.63 A
Specialist Core Services	1.55 A
Other	0.05 A
Total	9.19 A

The SIGNIFICANT issues for the Portfolio are:

Service Area	Forecast Variance Qtr 1 £M	Explanation
Divisional Management & Legal	0.21 A	The adverse variance of £0.21M relates to pressures with external costs of higher court fees and experts' costs. Based on current demand levels, these pressures are not expected to reduce.
Education - Home to school transport and property mgt	1.58 A	The service is experiencing cost pressures mainly driven by the increased numbers of pupils with an Education, Health and Care Plan (EHCP) who are eligible for home to school transport. The cost pressures are for increased numbers of school escorts as well as increased transport costs. Also, since the pandemic availability of vehicles and drivers has decreased which has driven up the unit costs for transport. These pressures were previously met by additional funding during the pandemic. To mitigate the pressures the service is exploring a range of initiatives including re-procurement and the offer of independent travel training.
Children Looked After	5.63 A	<p>There are a number of demand pressures within the Children Looked After Teams' placement spend. These adverse variances against budget are detailed below:</p> <p>Residential placements - £2.30M Independent Foster Carers - £1.07M SCC Foster Carers - £0.68M Special Guardianship - £0.39M Children in Care Teams - £0.78M</p> <p>The variances are mainly due to the forecasted non achievement of savings put forward in the February 2022 budget. Placement numbers and costs are currently not reducing as planned and are now expected to be reduce at a slower pace.</p> <p>Additionally, within the Children Looked After staffing teams there is an adverse variance relating to agency staff of £0.41M. This is mainly due to increased demand within these teams. The numbers of agency staff is expected to decrease during the year as the new structures that have recently been created, manage the demand.</p>

Specialist Core Services	1.55 A	There is an adverse variance of £1.55M relating to agency staff currently in the service. The levels of demand with the service has meant that additional agency staff are required in the service teams. Additionally, a number of new permanent staff into the service are not fully case holding currently leading to a requirement for more agency as cover.
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2. COMMUNITIES & CUSTOMER ENGAGEMENT PORTFOLIO

KEY REVENUE ISSUES – QUARTER 1 2022/23

The Portfolio is currently forecast to have a deficit of **£0.6M**, which represents a percentage variance against budget of 16.5%.

	Forecast Variance £M	% of budget
Portfolio Forecast Outturn	0.60 A	16.5%

A summary of the Portfolio forecast variance is shown in the table below:

Service Area	Forecast Variance Quarter 1 £M
Bereavement Services	0.60 A
Total	0.60 A

The **SIGNIFICANT** issues for the Portfolio are:

Service Area	Forecast Variance Qtr 1 £M	Explanation
Bereavement Services	0.60 A	The significant variance in Bereavement Services relates to energy cost increases for electricity and gas to run the Crematorium Service of £0.15M, and additional coroners costs of £0.45M expected to be incurred from Hampshire County Council as the backlog of cases are dealt with.

3. ECONOMIC DEVELOPMENT PORTFOLIO

KEY REVENUE ISSUES – QUARTER 1 2022/23

The Portfolio is currently forecast to have a deficit of **£0.80M**, which represents a percentage variance against budget of **37.0%**.

	Forecast Variance £M	% of budget
Portfolio Forecast Outturn	0.80 A	37.0%

A summary of the Portfolio forecast variance is shown in the table below:

Service Area	Forecast Variance Quarter 1 £M
Facilities Management	0.45 A
Property Portfolio Management	0.22 A
Planning	0.08 A
Economic Development	0.05 A
Total	0.80 A

The **SIGNIFICANT** issues for the Portfolio are:

Service Area	Forecast Variance Qtr 1 £M	Explanation
Facilities Management	0.45 A	The adverse variance of £0.45M is from increasing energy costs for SCC premises.
Property Portfolio Management	0.22 A	In 2021/22 the investment property income budget was reduced by £0.75M to reflect the impact of the Covid pandemic. The reduction was temporary and ramps back up by £0.25M each year, to return to pre-pandemic levels of budgeted income by 2024/25. The current forecast for investment property income

		indicates the income achieved in 2022/23 will be at a similar level to 2021/22 making the ramp-up unachievable. This is partly due to profit share arrangements in the larger leases being based on prior year performance which means there is a delay in the recovery being reflected in SCC income.
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4. FINANCE & CHANGE PORTFOLIO

KEY REVENUE ISSUES – QUARTER 1 2022/23

The Portfolio is currently forecast to have a deficit of **£1.19M**, which represents a percentage variance against budget of 3.1%.

	Forecast Variance £M	% of budget
Portfolio Forecast Outturn	1.19 A	3.1%

A summary of the Portfolio forecast variance is shown in the table below:

Service Area	Forecast Variance Quarter 1 £M
Business Development Management Team	0.01 F
Business Support	0.25 A
City Services - Management & Compliance	0.06 F
City Services - Waste Operations	0.06 F
Highways Contracts	0.37 A
IT Services	0.70 A
Total	1.19 A

The SIGNIFICANT issues for the Portfolio are:

Service Area	Forecast Variance Qtr 1 £M	Explanation
Business Support	0.25 A	The £0.25M savings target is forecast not to be achieved as this requires a comprehensive review of the way the Business Support function interacts with all the other Council services, which has not yet been undertaken.
Highways Contracts	0.37 A	The £0.37M adverse variance is the estimated overspend on electricity costs on the street lighting contract for the current year.
IT	0.70 A	The £0.70M adverse variance relates to the IT savings target of £0.90M where savings of £0.20M have already been identified. It is hoped that further savings can be identified during the year.

5. HEALTH, ADULTS & LEISURE PORTFOLIO

KEY REVENUE ISSUES – QUARTER 1 2022/23

The Portfolio is currently forecast to have a deficit of **£2.39M**, which represents a percentage variance against budget of **2.9%**.

	Forecast Variance £M	% of budget
Portfolio Forecast Outturn	2.39 A	2.9%

A summary of the Portfolio forecast variance is shown in the table below:

Service Area	Forecast Variance Quarter 1 £M
Adults - Adult Services Management	0.10 F
Adults - Long Term	1.23 A
Adults - Provider Services	0.08 A
Adults - Reablement & Hospital Discharge	0.22 A
Adults - Safeguarding Adult Mental Health & Out Of Hours	0.25 A
ICU - Provider Relationships	0.65 A
ICU - System Redesign	0.06 A
Total	2.39 A

The **SIGNIFICANT** issues for the Portfolio are:

Service Area	Forecast Variance Qtr 1 £M	Explanation
Adults - Long Term	1.23 A	<p>As at Quarter 1 there is a £1.23M adverse variance due to:</p> <ul style="list-style-type: none"> • A £2.56M potential impact of the revised discharge to assess process where clients are discharged from hospital in line with the updated Covid response process. This often leads to increased average costs compared to pre Covid levels due to the early discharge plus potential lack of reablement support to ensure that clients don't require enhanced packages of care. • There is an element of reduced income relating to direct payments due to a movement in the client base for applicable charging and non achievement of savings around double handed care which have a combined adverse variance of £0.19M. • There is a forecast adverse variance of £0.06M due to a projected increase cost of Learning Disability client demand. • There is a £0.12M adverse variance due to the cost of staffing pressures for agency staff covering vacancies and overtime in the Social Wellbeing and Learning Disability teams. • These costs are partly offset by an expected recovery of Nursing Home spot rate client costs as part of the revised agreement which would be a cost of £1.7M (full year effect).
Adults - Reablement & Hospital Discharge	0.22 A	<p>As at Quarter 1 there is a £0.22M adverse variance forecast due to ongoing agency staffing pressures in the Hospital Discharge and Connect teams. This is partly, but not fully, offset by Hospital Discharge funding from the CCG/NHS and Covid Contain Outbreak Management Funding.</p>
Adults - Safeguarding Adult Mental Health & Out Of Hours	0.25 A	<p>As at Quarter 1 there is a £0.25M adverse variance forecast due to a £0.18M forecast increased expenditure for residential, nursing and direct payments. There is also a £0.07M adverse variance due to vacant posts covered by locum staff and secondees forecast to be in place until August and September 2022.</p>

ICU Provider Relationships	0.65 A	As at Quarter 1 there is a £0.65M adverse variance. This is in part due a service review that is taking place at a cost of £0.13M. There is also a £0.52M adverse variance against the Contract Review savings target due to the savings currently being viewed as not being achievable this year. All contracts are now being reviewed to identify where savings or rightsizing may help to contribute to the delivery of this saving so this position may change.
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6. HOUSING & THE GREEN ENVIRONMENT PORTFOLIO

KEY REVENUE ISSUES – QUARTER 1 2022/23

The Portfolio is currently forecast to have a deficit of **£0.03M**, which represents a percentage variance against budget of 0.5%.

	Forecast Variance £M	% of budget
Portfolio Forecast Outturn	0.03 A	0.5%

A summary of the Portfolio forecast variance is shown in the table below:

Service Area	Forecast Variance Quarter 1 £M
City Services – Commercial Services	0.07 F
City Services – District Areas	0.27 A
City Services – Trees & Ecology	0.09 F
City Services - Trading areas (Fleet & Landscapes)	0.07 F
Other	0.01 F
Total	0.03 A

The SIGNIFICANT issues for the Portfolio are:

Service Area	Forecast Variance Qtr 1 £M	Explanation
City Services - District Areas	0.27 A	The adverse variance in the District teams relates to the significant increase in fuel costs resulting from wholesale cost increases since February 2022, generating an adverse variance of £0.17M; and to an unachievable saving of £0.10M relating to efficiencies to be generated by solar compactor bins. The required vehicles are still on back order and are not likely to be delivered until early 2023.

7. LEADER PORTFOLIO

KEY REVENUE ISSUES – QUARTER 1 2022/23

The Portfolio is currently forecast to have a deficit of **£0.69M**, which represents a percentage variance against budget of **5.0%**.

	Forecast Variance £M	% of budget
Portfolio Forecast Outturn	0.69 A	5.0%

A summary of the Portfolio forecast variance is shown in the table below:

Service Area	Forecast Variance Quarter 1 £M
Cultural Services	0.59 A
HR Services	0.02 A
Land Charges	0.04 A
Legal Services & Customer Relations	0.04 A
Total	0.69 A

The **SIGNIFICANT** issues for the Portfolio are:

Service Area	Forecast Variance Qtr 1 £M	Explanation
Cultural Services	0.59 A	<p>The adverse variation of £0.59M relates to £0.20M for the estimated impact of increasing energy costs for the city's venues and libraries; £0.17M for additional salary costs for overtime, allowances and agency which are required to run the venues and £0.03M cost of sales purchases, these costs had previously been covered by additional income but this is no longer possible due to the venues' increased income target.</p> <p>There are further pressures; £0.03M for the Commonwealth Queen's Baton relay; and £0.16M of income not being achieved, of this £0.15M relates to an events income saving from 2019/20 that is unachievable and £0.01M relates to media hire income in the libraries that is now an obsolete service.</p>

8. SAFER CITY PORTFOLIO

KEY REVENUE ISSUES – QUARTER 1 2022/23

The Portfolio is currently forecast to have a deficit of **£0.04M**, which represents a percentage variance against budget of 2.9%.

	Forecast Variance £M	% of budget
Portfolio Forecast Outturn	0.04 A	2.9%

A summary of the Portfolio forecast variance is shown in the table below:

Service Area	Forecast Variance Quarter 1 £M
Port Health & Trading Standards	0.04 A
Total	0.04 A

There were no SIGNIFICANT issues for the Portfolio at Quarter 1.

9. TRANSPORT & DISTRICT REGENERATION PORTFOLIO

KEY REVENUE ISSUES – QUARTER 1 2022/23

The Portfolio is currently forecast to have a deficit of **£0.33M**, which represents a percentage variance against budget of **128.4%**.

	Forecast Variance £M	% of budget
Portfolio Forecast Outturn	0.33 A	128.4%

A summary of the Portfolio forecast variance is shown in the table below:

Service Area	Forecast Variance Quarter 1 £M
Parking & Itchen Bridge	0.34 A
Transportation	0.01 F
Total	0.33 A

The **SIGNIFICANT** issues for the Portfolio are:

Service Area	Forecast Variance Qtr 1 £M	Explanation
Parking & Itchen Bridge	0.34 A	The adverse variance of £0.34M reflects increases in energy costs for 2022/23 of £0.17M for electricity costs for the Multi Storey car parks and Toll Plaza, and an adverse income position for Off Street parking of £0.15M as a result of continuing working from home trends.

10. NON-PORTFOLIO EXPENDITURE & INCOME

KEY REVENUE ISSUES – QUARTER 1 2022/23

Non-Portfolio Expenditure & Income is currently forecast to have a surplus of £0.02M, which represents a percentage variance against budget of **0.01%**.

	Forecast Variance £M	% of budget
Non-Portfolio Forecast Outturn	0.02 F	0.01%

A summary of the Non-Portfolio forecast variance is shown in the table below:

Service Area	Forecast Variance Quarter 1 £M
Capital Asset Management	0.00
Net Housing Benefits Payment	0.00
Other Expenditure & Income	0.00
Council Tax	0.00
Business Rates	0.00
Non-Specific Government Grants & Other Funding	0.02 F
Total	0.02 F

There were no SIGNIFICANT issues for the Non-Portfolio areas at Quarter 1.

Treasury Management

Borrowing and Investments

1. The table below shows the year's opening balance of borrowing and investments, current levels and those predicted for year-end. Forecast borrowing is currently based on year end capital monitoring and will be subject to review during the year.

The Authority maintained its strategy of keeping borrowing and investments below their underlying levels in order to reduce risk and make a net saving.

2.

	31-Mar-22 Actual	31-Mar-22 Average Yield / Rate	30-Jun-22 Actual	30-Jun-22 Average Yield / Rate	31-Mar-23 Forecast	31-Mar-23 Forecast Average
	£M	%	£M	%	£M	%
Long Term Borrowing						
Public Works Loan	246.30	2.88	256.29	2.75	340.29	2.84
LOBO Loans from Banks	9.00	4.89	9.00	4.86	9.00	4.87
	255.30	2.95	265.29	2.88	349.29	2.82
Short Term Borrowing						
Other Local Authorities	0.00	0.00	0.00	0.00	10.00	2.25
Other	0.36		0.36	1.26	0.36	1.26
Total External Borrowing	255.66	0.00	265.65	2.85	359.65	2.78
Other Long Term Liabilities						
PFI Schemes	47.52	9.01	45.95	10.20	44.37	10.20
Deferred Debt Charges (HCC)	13.10	2.66	12.92	2.56	12.73	2.56
Total Gross External Debt	316.28	3.87	324.51	4.08	416.75	3.89
Investments:						
Managed In-House						
Government & Local Authority	0.00	0.00	(10.52)	1.06		
Cash (Instant access)	(54.50)	0.51	(46.60)	1.12	(10.00)	2.25
Cash (Notice Account)	0.00	0.00	0.00	0.00	0.00	0.00
Long Term Bonds	(1.06)	5.27	(1.01)	5.27	(1.00)	5.27
Managed Externally						
Pooled Funds (CCLA) & Shares	(27.25)	3.81	(27.00)	4.04	(27.00)	3.00
Total Investments	(107.22)	3.46	(85.13)	3.96	(38.00)	2.86
Net Debt	209.06		239.38		378.75	

3. After taking into account maturing and new debt requirements in year and a forecast reduction in investment balances, net borrowing is expected to increase to £378.75M for the year.

This will change throughout the year as capital plans firm up and actual cash flow are known and will be reported at the next quarter.

4. The interest cost of financing the council's long term and short term loan debt is charged to the general fund revenue account and is detailed below together with a summary of performance to date.

As detailed below rates for new long term borrowing are higher than budgeted and are on an upward trend. However, the higher interest rates are having a positive impact on investment income, and this mitigates the impact on the revenue budget.

Borrowing

5. The forecast cost of financing the council's loan debt is £17.36M of which £5.38M relates to the HRA, however this will be subject to movement as the need for further borrowing for the remainder of the year becomes more certain.

6. Short term interest rates have remained low and are likely to do so for the remainder of the year and offer good value, which we will utilise to fund any further borrowing needs in the year, unless an opportunity arises to secure a long term loan at advantageous rates or to provide certainty for the portfolio.

Although we currently do not have any short term debt, we anticipate borrowing before year end to replace maturing long term debt, expected reduction in reserves and to fund the forecast capital programme for the year, until a decision is taken with regards to long term borrowing. Any increase in short term borrowing costs will be offset by a reduction in long term costs. This is later than previously reported as cash flows have remained higher than expected.

7. The Authority has previously raised the majority of its long-term borrowing from the PWLB but will consider long-term loans from other sources including banks, pensions and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Authority intends to avoid this activity in order to retain its access to PWLB loans.

8. As outlined in the treasury strategy, the Authority's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective. The Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.

Over the April-June quarter, short-term rates rose between 0.5% and 0.9% and long-term rates rose between 0.6% and 0.8%.

9. The Authority has an increasing CFR due to the capital programme and currently has a further estimated borrowing requirement of £91.10M for the year, as determined by the Liability Benchmark which takes into account capital spend, maturing debt, usable reserves and working capital. Having considered various options and in consultation with our advisors, it was decided to take a long-term maturity loan. This loan provides some longer-term certainty and stability to the debt portfolio and was in respect of the GF for unfinanced debt at the 31 March 2022.

Rates are on an upward trajectory and are currently above the rate used for setting budget. Further borrowing will be required during the year and rates will be monitored to determine the appropriate time; current advice is to take small amounts over regular period due to interest volatility.

Long Term Loans	Date	Amount £M	Rate %	Period (Years)
PWLB Maturity Loan	12/05/2022	10,000	2.94%	25
Total Borrowing		10,000.00		

	<u>Investment</u>																																																																						
10.	<p>The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves. During the year investment balances have ranged between £109.37M and £73.27M during the year and are currently £85.13M but are expected to reduce to £38M by year end.</p> <p>The 0.25% increases in Bank Rate at the MPC's meetings in May and June and with the prospect of more increases to come, short-dated cash rates, which had ranged between 0.7% - 1.5% at the end of March, rose on average by 0.65% over the quarter.</p> <p>At the end of June, the rates on DMADF average 1.06% and the return on sterling low volatility net asset value (LVNAV) Money Market Funds averaged 1.12%.</p> <p>Forecast income is now £1.4M, £0.38M higher than originally budgeted.</p>																																																																						
	<u>External Managed investments</u>																																																																						
11.	The council has invested £27M in property funds as an alternative to buying property directly. As previously reported these funds offer the potential for enhanced returns over the longer term but may be more volatile in the shorter term and are managed by professional fund managers which allows the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments.																																																																						
12.	Because these funds have no defined maturity date but are usually available for withdrawal after a notice period (90 days), their performance and continued suitability in meeting the Authority's investment objectives is regularly reviewed.																																																																						
13.	Strategic fund investments are made in the knowledge that capital values will move both up and down on months, quarters and even years; but with the confidence that over a three to five-year period total returns will exceed cash interest rates. In light of their performance over the long-term and the Authority's latest cash flow forecasts, investment in these funds has been maintained.																																																																						
14.	<p>The market has continued to improve since year end when the value was last reported as £30.89M and at £32.51M has increased by a further £1.62M and is now £5.51M above the initial investment of £27M.</p> <p>The dividend for April to June has been estimated at £0.27M, 4.04% against the original investment, this is similar to 2021/22. If rates remain at this level the total forecast dividend for the year is £1.09M.</p>																																																																						
	<u>Financial Review and Outlook</u>																																																																						
15.	<p>A summary of the external factors, which sets the background for Treasury, as provided by the council's treasury advisors, Arlingclose Ltd, is summarised below.</p> <p><u>Arlingclose's Economic Outlook for the remainder of 2022/23 (based on the June 2022 interest rate forecast)</u></p> <table border="1"> <thead> <tr> <th></th> <th>Current</th> <th>Sep-22</th> <th>Dec-22</th> <th>Mar-23</th> <th>Jun-23</th> <th>Sep-23</th> <th>Dec-23</th> <th>Mar-24</th> <th>Jun-24</th> <th>Sep-24</th> <th>Dec-24</th> <th>Mar-25</th> <th>Jun-25</th> </tr> </thead> <tbody> <tr> <td>Official Bank Rate</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Upside risk</td> <td>0.00</td> <td>0.50</td> <td>0.75</td> <td>0.75</td> <td>0.75</td> <td>0.75</td> <td>0.75</td> <td>0.75</td> <td>0.75</td> <td>0.75</td> <td>0.75</td> <td>0.75</td> <td>0.75</td> </tr> <tr> <td>Arlingclose Central Case</td> <td>1.25</td> <td>1.75</td> <td>2.25</td> <td>2.25</td> <td>2.25</td> <td>2.25</td> <td>2.25</td> <td>2.25</td> <td>2.25</td> <td>2.00</td> <td>2.00</td> <td>1.75</td> <td>1.75</td> </tr> <tr> <td>Downside risk</td> <td>0.00</td> <td>-0.25</td> <td>-0.25</td> <td>-0.25</td> <td>-0.25</td> <td>-0.25</td> <td>-0.25</td> <td>-0.25</td> <td>-0.50</td> <td>-0.50</td> <td>-0.75</td> <td>-0.75</td> <td>-0.75</td> </tr> </tbody> </table>		Current	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Official Bank Rate														Upside risk	0.00	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	Arlingclose Central Case	1.25	1.75	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.00	2.00	1.75	1.75	Downside risk	0.00	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.50	-0.50	-0.75	-0.75	-0.75
	Current	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25																																																										
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Downside risk	0.00	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.50	-0.50	-0.75	-0.75	-0.75																																																										
16.	The economic interest rate outlook provided by the Council's treasury advisor, Arlingclose Ltd, for June 2022 is detailed below and is based on the following Underlying Assumptions:																																																																						

- The MPC will raise Bank Rate further to dampen aggregate demand and reduce the risk of sustained higher inflation.
- Arlingclose expects Bank Rate to rise to 2.25% by December, in 25bp steps at each of the next four meetings. We now also expect a reduction in Bank Rate during the forecast period.
- Risks remain weighted to the upside in the short term following the MPC's more hawkish stance.
- Gilt yields will remain under upward pressure in the short term on inflation and central bank policy expectations, and investor uncertainty. Yields will decline over the medium time as weak growth places pressure on central banks to ease policy.
- The risks around the gilt yield forecasts remain tilted to the upside over the short term, primarily due to US policy uncertainty. Over the medium term, the balance of risks shifts to the downside as growth softens.

17. Following Russia's Invasion of Ukraine in February, global inflationary pressures have intensified sharply, leading to a sizeable deterioration in the outlook for world and UK growth.

The economic backdrop in the April-June quarter was characterised by higher oil, gas and commodity prices, fears of rising and persistent inflation and its damaging impact on consumers' cost of living, little indication of an imminent end to Russia-Ukraine hostilities and supply chain bottlenecks exacerbated by war in Ukraine and lockdowns in China.

Added to this was tough rhetoric and action by central bankers globally on fighting inflation through higher interest rates and quantitative tightening even as financial conditions became increasingly difficult for consumers, more so for those whose wages have not kept pace with inflation.

In the UK inflation remained elevated. Ofgem, the energy regulator, increased the energy price cap by 54% in April, equivalent to around £700 for a household with average energy consumption (the cap had already increased 12% back in October 2021). May data showed CPI edging higher to 9.1% while the core CPI rate, which removes energy, fuel and food was 5.9%. RPI rose to 11.7%.

The labour market continued to show signs of tightness as employers struggled to fill vacancies with workers with skill sets matching their requirements. The unemployment rate 3m/year for April fell to 3.8% and is now below pre-pandemic levels. Pay growth was 6.8% for total pay (including bonuses) and 4.2% for regular pay; however, adjusted for inflation, growth in total pay was just 0.4%, whilst regular pay fell 2.2%.

Unsurprisingly, with disposable income squeezed and another energy cap increase due in October, consumer confidence plummeted to the level last seen during the 2008/09 financial crisis. Quarterly GDP growth was 0.8% in the January-March quarter and the Bank of England now expects a decline of 0.3% in Q2 2022.

Having increased interest rates by 0.25% in April, the Bank of England's Monetary Policy Committee on the 15th of June 2022 voted 6-3 to increase the official Bank Rate by 0.25% to 1.25%. Those members in the minority preferred to increase Bank Rate by 0.5%. Rises in the

	<p>input and output producer price measures suggest further inflationary pressure is in the pipeline. The Bank of England is therefore unlikely to become complacent, so further rate rises look likely in the near term.</p> <p>Annual inflation in the US rose to 8.6% in May, the highest in nearly 40 years. The Federal Reserve also stepped up its fight against inflation with a 0.5% hike in rates in May followed by a further increase of 0.75% in June, the latter its most aggressive hike since 1994 and higher than markets expected, taking policy rates to a range of 1.5% - 1.75%.</p> <p>Inflation in the Eurozone also pushed higher to 8.1%, with energy price pressures a major contributor. Europe is heavily impacted by the energy crisis following the Russian invasion of Ukraine, but concerns about the Eurozone's peripheral members and highly indebted members states complicates the European Central Bank's response as it seeks to normalise monetary policy. The ECB stated it would end quantitative easing at the beginning of July and then increase interest rates by 0.25% later in the month, the first hike since 2011. The central bank's Governing Council also convened an emergency meeting in June to address 'fragmentation' risks.</p>
	<p><u>Credit background</u></p>
18.	<p>In May Moody's affirmed the long-term rating of Guildford Borough Council at Aa3, a reflection of the Council's solid track record of budgetary performance and high level of usable reserves, but changed the 'outlook' (the longer-term direction of travel) to negative. The agency downgraded the long-term rating of Warrington Borough Council from A2 to A3 and that of Transport for London (TfL) from A3 to Baa1.</p> <p>Having completed its full review of its credit advice on unsecured deposits at UK and non-UK banks, in May Arlingclose extended the maximum duration limit for five UK banks, four Canadian banks and four German banks to six months. The maximum duration for unsecured deposits with other UK and non-UK banks on Arlingclose's recommended list is 100 days.</p> <p>Arlingclose continued to monitor and assess credit default swap levels for signs of credit stress but made no changes to the counterparty list or recommended durations. Nevertheless, increased market volatility is expected to remain a feature, at least in the near term and, as ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remains under constant review.</p>
	<p><u>Investment Performance</u></p>
19.	<p>The council's advisors undertake quarterly investment benchmarking across its client base. We previously had a more diversified portfolio and at higher interest rates than the average as a result of moving into the bond programme earlier than most clients, but there is now more competition for bonds from both government bodies and other local authorities, so opportunities to replace maturing bonds are limited and we have seen a fall in suitable instruments. With this in mind, and the changes to Prudential code to only borrow when cash flows dictate, our investments primarily now consist of a previous long term investment in property funds and short term investments for cash flow purposes.</p>
20.	<p>Our current investments in bonds has reduced from £3M to £1M following maturities in 2021/22 and we maintained the property funds at £27M, with all other cash being placed in short term deposits as shown in table in paragraph 2.</p>
21.	<p>As detailed in paragraph 11 our cash balances have continued to be higher than forecast. As a result, we had £57.12M in short term investment which is above our normal working balances.</p>

	Our target is to reduce this to a £10M working balance to reduce borrowing and therefore net interest costs but this will be dependent on actual capital spend and movement in balances.
22.	<p>Investments managed internally are currently averaging a return of 1.16% which is slightly higher than the average unitary authority at 0.96% whilst maintaining a higher average credit rating at AAA. Total income returns at 2.08% is also higher than the average for both unitary (1.52%) and LA's (1.39%), this is primarily due to historic investment in EIB bonds which return 5.27%, although on a small balance of £1M, since maturities cannot be replaced at the same level.</p> <p>We hold 36% of our investments in strategic funds which offer higher return over the long term as detailed in paragraphs 11 to 14 above. This is higher than the average but in line with our strategy.</p> <p>In addition, due to the increase in the capital value of our external funds of +19.6% our total investment return at 9.11% is significantly higher than the average LA's at 3.10% and the average unitary at 1.78% across Arlingclose's client base, but as previously reported it is the income return that is the driver to invest plus.</p>
	<u>Revision to CIPFA Codes</u>
23.	CIPFA published revised Prudential and Treasury Management Codes in December 2021. The Prudential Code took immediate effect although detailed reporting requirements could be deferred until the 2023/24 financial year and have not been included in this report whilst we are reviewing the impact of the proposed changes.
24.	<p>The main changes or expected changes from previous codes include:</p> <ul style="list-style-type: none"> • Additional reporting requirements for the Capital Strategy. • For service and commercial investments, in addition to assessments of affordability and prudence, an assessment of proportionality in respect of the Authority's overall financial capacity (i.e. whether plausible losses could be absorbed in budgets or reserves without unmanageable detriment to local services). • Forward looking prudential code indicators must be monitored and reported to members at least quarterly. • A new indicator for net income from commercial and service investments to net revenue stream. • Inclusion of the liability benchmark as a treasury management prudential indicator. CIPFA recommends this is presented as a chart of four balances – existing loan debt outstanding; loans CFR, net loans requirement, liability benchmark – over at least 10 years and ideally cover the authority's full debt maturity profile. • Excluding investment income from the definition of financing costs. • Credit and counterparty policies should set out the Authority's policy and practices relating to Environmental, Social and Governance (ESG) investment considerations. • Additional focus on the knowledge and skills of officers and elected members involved in decision making
25.	Early indications are that future long term investments, such as CCLA will be prohibited but we will not need to unwind existing investments.

KEY FINANCIAL RISKS

The following table identifies the key financial risks to the council's financial position over the short to medium term together with a summary of the mitigating actions in place and planned. These financial risks are reflected in the assessment of the adequacy of estimates and reserves. The assessment of risk is based on the following risk scoring criteria:

LIKELIHOOD (Probability)					
A - Almost certain	> 95%	↑	Is expected to occur in most circumstances		
B - Likely			Will probably occur in most circumstances		
C - Possible	50%		Might occur at some time		
D - Unlikely		↓	Could occur at some time		
E - Very Unlikely	< 5%		May only occur in exceptional circumstances		

IMPACT	5 - Minor	4 - Moderate	3 - Significant	2- Major	1- Extreme
Service delivery / key priorities	No noticeable effect	Some temporary disruption to a single service area/ delay in delivery of one of the council's objectives	Regular disruption to one or more services/ a number of corporate objectives would be delayed or not delivered	Severe service disruption on a directorate level / many corporate priorities delayed or not delivered	Unable to deliver most priorities / statutory duties not delivered
Financial Impact	Loss or loss of income < £10k	Loss or loss of income £10k - £499k	Loss or loss of income £500k - £4.99m	Loss or loss of income £5m < £9.99m	Loss or loss of income >£10m
Reputation	Internal review	Internal scrutiny required to prevent escalation	Local media interest. Scrutiny by external committee or body	Intense public, and media scrutiny	Public Inquiry or adverse national media attention

- **Robustness of estimates**

Key Financial Risk	INHERENT RISK		Comments/Mitigating Actions in place	RESIDUAL RISK	
	Likelihood	Impact		Likelihood	Impact
FE1. Interest rates are underestimated.	Likely	Major	<ul style="list-style-type: none"> • Prudent estimates are made around future rates when costing the financing of the capital programme. • Market intelligence provided by Treasury Management advisors. • Treasury Management Strategy is aligned with CIPFA Code and DLUHC Guidance re investing funds prudently and having regard to the security and liquidity of its investments before seeking the highest rate of return. 	Possible	Significant
FE2. Existing fees and charges: Projected levels of income within the period are not achieved and/or maintained.	Possible	Significant	<ul style="list-style-type: none"> • Fees and charges have been reviewed as part of the business planning process. If there are 'in year' shortfalls these form part of the budget monitoring processes. 	Possible	Significant
FE3. New income streams: Projected levels of income within the period are not achieved.	Possible	Significant	<ul style="list-style-type: none"> • Income generating activity has been identified as part of current approved savings proposals. There is a risk that in light of the economic backdrop that these levels of income will not be achieved. • Higher risk as it is based on new sources of income. 	Possible	Significant
FE4. Volatility of Business Rates funding given the uncertainty around impact of successful appeals.	Likely	Major	<ul style="list-style-type: none"> • The appeals provision has been reviewed and updated in light of known current appeals/challenges and potential threats and will be reviewed on a regular basis. • Appeals can be backdated and as a consequence of this the Council has set aside a provision to deal with this element of the financial impact. • The appeals window for the 2017 rating list will be closed on 31 March 2023 and there may be an increase in the number of cases lodged as the deadline approaches. • Legislation has been enacted to prevent appeals as a consequence of measures to control COVID-19. Billing authorities were allocated a share of a £1.5Bn COVID-19 Additional Relief Fund for 2021/22 to award discretionary relief to those business ineligible for existing support linked to business rates. 	Possible	Significant

- **Robustness of estimates**

Key Financial Risk		INHERENT RISK		Comments/Mitigating Actions in place	RESIDUAL RISK	
		Likelihood	Impact		Likelihood	Impact
FE5.	Increase in demand led spending pressures (including impact of Welfare Reform, social care, safeguarding) over and above the current budget provision.	Possible	Extreme	<ul style="list-style-type: none"> • Annual budget setting process developed in consultation with service managers • Monitoring of capital (quarterly) and revenue (monthly) budgets, reported to EMB and Cabinet (Quarterly). • Action plans to address any significant in year budget variances are agreed with EMB with the status of the agreed actions reported to EMB on a monthly basis • Destination 22 action plan intended to reduce the number of Looked After Children 	Possible	Major
FE6a.	Third party provider costs will increase as a result of the introduction of the National Living Wage	Almost certain	Significant	<ul style="list-style-type: none"> • As each contract is procured any impact of this will need to be assessed and addressed to ensure services are procured within budget. 	Possible	Significant
FE6b.	Third party provider costs increase as result of SCC having to 'step in' in the event of potential provider failure (social care providers)	Unlikely	Significant	<ul style="list-style-type: none"> • ICU contract monitoring arrangements and general market oversight and intelligence • Market Sustainability and Fair Cost of Care grant funding has been received in 2022/23, at least 75% of which is to be used to increase fee rates (if rates are below the fair cost of care) 	Very Unlikely	Moderate
FE7.	Legal challenge to savings proposals that could result in the proposal being either discontinued or revised.	Possible	Significant	<ul style="list-style-type: none"> • Robust budget consultation process in place for any service redesign proposals. 	Unlikely	Moderate
FE8.	Pressure on returns from investment properties in both the short and longer term.	Possible	Major	<ul style="list-style-type: none"> • There is a full and robust process around the financial and legal analysis of the individual investments. • Investments are diversified between sectors. • No current plans to expand the Property Investment Fund 	Possible	Significant
FE9.	Voluntary sector is either unwilling or unable to support the delivery of certain services or activities	Possible	Major	<ul style="list-style-type: none"> • Review the overall expectation and co-ordination of the services required of the voluntary sector. • Consideration is given to this risk in deciding whether to design services around the voluntary sector 	Possible	Significant
FE10.	The council's service delivery partners seek to exit an agreement or are no longer able to deliver the required service or the council seeks to reach an exit agreement.	Likely	Major	<ul style="list-style-type: none"> • Central Contracts Team monitors and work closely with the council's significant service delivery partners. • Contractual obligations on both parties that set out the respective roles and responsibilities. 	Possible	Significant
FE11.	The Council may received reduced funding if Government make changes to the Local Government funding mechanism. Such changes may include removing the ring-fence for Public Health Grant and rolling it in to general funding.	Possible	Major	<ul style="list-style-type: none"> • The Council will plan for any proposed changes through the Medium Term Financial Strategy process. 	Possible	Major

- Adequacy of proposed financial reserves

Key Financial Risk		INHERENT RISK		Comments/Mitigating Actions	RESIDUAL RISK	
		Likelihood	Impact		Likelihood	Impact
FR1.	Business Rate Retention & Council Tax Growth - the council fails to collect, retain and grow business rate income	Possible	Major	<ul style="list-style-type: none"> • For the business rates multiplier, the assumption built into the MTFS is based on an annualised CPI Rate reflecting the uplift set by government. The government has frozen the business rate multiplier for 2022/23, however councils will be compensated for this via grants. • The MTFS includes assumptions on growth which have been reviewed in conjunction with the Growth service team and Business rate collection team, including pipeline developments and their assumed operational dates. This will be monitored on a frequent basis as part of the standard monitoring arrangements. • Business rates are set to be revalued with an effective date of April 2023. Dependent on the outcome of the revaluation exercise, this may impact on the level of retained business rates and/or their collectability. 	Possible	Significant
FR2.	Delivery of all of the agreed savings is not achieved.	Possible	Extreme	<ul style="list-style-type: none"> • Progress and delivery of the overall programme and individual projects is monitored at Executive Director level, by EMB, with any non achievement forming part of the normal budget monitoring action plan process. • EMB review the validity and achievability of projects and provide approval (or not) to projects 	Possible	Major
FR3.	The Government could impose a lower Council Tax referendum threshold and/or reduce or remove the Adult Social Care Precept	Possible	Significant	<ul style="list-style-type: none"> • The 'core' Council Tax and Adult Social Care Precept were frozen in the 2022/23 budget. The MTFS assumes increases of 1.99% for 'core' Council Tax and no increase in the Adult Social Care Precept for future years. • The Adult Social Care Precept was introduced as part of the Autumn 2015 Spending Review and allowed local authorities with social care responsibilities to increase Council Tax provided it was ring-fenced to Adult Social Care budgets. • The option for a Social Care Precept has applied for a number of years and the Spending Review 2021 indicated a 1% flexibility is likely to apply for each year of the 3-year spending review (2022/23 - 2024/25). 	Unlikely	Significant
FR4.	Slippage in capital receipts (not accompanied by a slippage in spend).	Possible	Significant	<ul style="list-style-type: none"> • Non-receipt of any planned income will require a permanent draw from reserves, additional borrowing or for savings to be found in the capital programme. • Impact reflects the cost of borrowing in short term (the interest payments). 	Possible	Moderate
FR5.	If building inflation was to exceed general inflation over a prolonged period, this would have a significant adverse impact on HRA balances and, in turn, the business model in respect of the redevelopment and refurbishment of the SCC Housing stock.	Possible	Major	<ul style="list-style-type: none"> • Surpluses are liable to change annually, either favourably or not, and this will be reflected in the annual review of stock investment needs and estimated unit rates. • Monitoring and assessment of potential impact with business model sufficiently flexible to allow for reassessment of priority outcomes against available budget 	Possible	Significant
FR6.	The level of funds within the internal insurance provisions is inadequate to meet current or future demand	Possible	Significant	<ul style="list-style-type: none"> • The adequacy of the provision is informed by the output from periodical (at least triennial) external actuarial reviews of the funds. • The level of funding required is reviewed as part of annual budget setting process and the position, in respect of potential liabilities is reviewed on a monthly basis. 	Unlikely	Significant

- Adequacy of proposed financial reserves

Key Financial Risk		INHERENT RISK		Comments/Mitigating Actions	RESIDUAL RISK	
		Likelihood	Impact		Likelihood	Impact
FR7.	Ad hoc or unforeseen events / emergencies.	Possible	Extreme	<ul style="list-style-type: none"> • The Council's Reserves may be utilised in respect of the financial impact of such an event. • Subject to the nature of the event alternative sources of funding might be available e.g. Bellwin Scheme. • In previous years the Government allocated un-ringfenced support funding to local authorities to meet COVID-19 pressures and provided funding to meet some fees and charges income losses and some irrecoverable tax losses, as well as providing some ring-fenced grant funding for specific measures e.g. infection control. No un-ringfenced funding has been provided for 2022/23, so use of reserves may be required to meet any COVID-19 expenditure or income losses. 	Possible	Major
FR8.	The cost of implementing the Care Act 2014 is greater than anticipated.	Possible	Significant	<ul style="list-style-type: none"> • The Government announced a new basis for Social Care provision on 7 September 2021, with a "cap and floor" scheme being implemented from October 2023 to be funded via a new Health and Social Care Levy. • No costing analysis has been provided so it is unclear whether the quantum of funding allocated at a national level will be sufficient to cover the costs of the scheme. There is also a risk that the method for distributing the funding will be unfavourable to the Council. • The 2022/23 Services Grant announced in the Provisional Local Government Finance Settlement provides funding to meet the Council's cost of the new Health and Social Care Levy (payable from April 2022), however this funding is only guaranteed for 1 year. 	Possible	Significant
FR9.	CCG could seek to reduce its level of contribution to the 'pooled budgeting' arrangement with SCC	Possible	Major	<ul style="list-style-type: none"> • Ongoing relationship and dialogue with CCG re shared objectives and outcomes. 	Unlikely	Significant
FR10.	The council is unable to quantify the financial impact on both vulnerable individuals and key council services arising from implementation of welfare reforms	Possible	Significant	<p>The impact of Welfare Reform on all service areas will be difficult to monitor or to mitigate against.</p>	Possible	Significant
FR11.	Inflation increases at a higher rate than anticipated	Likey	Significant	<ul style="list-style-type: none"> • Assumptions have been made in the estimates about the likely level of general inflation that will apply in 2022/23. CPI is currently running at 9.4% (June 2022), well above the level that had been anticipated. • Market intelligence provided by Arlingclose - independent treasury advisors. • An amount is included in the MTFS to cover key elements of inflation, based on assumed inflation rates at the time the MTFS is agreed. • Beyond this provision, it would be managed as an 'in year' issue and services would normally be expected to absorb the difference. 	Likely	Significant
FR12.	Pay Inflation is at a higher rate than anticipated	Likely	Major	<ul style="list-style-type: none"> • The MTFS model approved in February 2022 is based on a pay award of 2.5% for 2022/23 and 2.0% thereafter. • It should be noted that the trade unions have called for a minimum increase of £2,000 or the current rate of RPI, whichever is the greater, for 2022/23. RPI is currently running at 11.8% (June 2022). • Pay awards for the majority of local government employees are agreed through the National Joint Council for Local Government Services, with representatives from both employers and trade unions. 	Likely	Significant
FR13.	Exiting the European Union - Uncertainty and economic forces, at least in the short term, within both the local business and wider business sector may have an adverse impact on investment decisions and local employment which, in turn, would impact on business rate income.	Likely	Significant	<ul style="list-style-type: none"> • National and local modelling in respect of the future approach to business rate retention will need to reflect changes in the financial environment. • There may be either pressure or incentives for non UK owned business to move operations back to within an EU country. • Treasury Management advisors are regularly updating the Council on the economic impact of exiting the European Union, the strength of the pound, inflation and interest rates. 	Likely	Significant

- Adequacy of proposed financial reserves

Key Financial Risk		INHERENT RISK		Comments/Mitigating Actions	RESIDUAL RISK	
		Likelihood	Impact		Likelihood	Impact
FR14.	There are unplanned and unforeseen consequences (and costs) arising from the implementation of new, or changed, systems and processes across service areas within the organisation	Possible	Significant	<ul style="list-style-type: none"> • A Projects and Change Team is in place. A full programme management approach is taken, including planning and risk assessment, with significant support to major projects. 	Unlikely	Significant
FR15.	New accounting rules for financial investments may result in adverse valuation movements being charged to the General Fund in the year that they occur.	Possible	Significant	<ul style="list-style-type: none"> • Accounting rules require gains/losses from valuation movements for certain types of financial investments to be recognised in the year they occur, rather than when the investments are sold. • The Government put in place legislation to mitigate the impact on the General Fund for the five years 2018/19 to 2022/23. Local authorities are lobbying for the mitigation to be extended. If it isn't, the Medium Term Financial Risk Reserve will be used to manage the volatility that the timing difference may cause. 	Unlikely	Significant
FR16.	COVID-19 will adversely impact on budgets	Almost certain	Major	<ul style="list-style-type: none"> • COVID-19 is having ongoing financial effects, as well as introducing significant uncertainty for future financial projects. Major income streams are likely to be impacted, such as council tax and business rates, as well as numerous service costs rising due to increased demand e.g. for social care. The Council included anticipated additional expenditure/income losses in the MTFS agreed in Feb 2021. The MTFS will continue to be used to model the potential effects and ensure the authority continues to plan ahead with robust estimates. 	Almost certain	Significant

FINANCIAL HEALTH INDICATORS – QTR 1 2022/23

Prudential Indicators Relating to Treasury

	<u>Maximum</u>	<u>Forecast</u>	<u>Status</u>
Maximum Level of External Debt £M	£975M	£436M	Green
As % of Authorised Limit	100%	44.72%	Green
	<u>Maximum</u>	<u>Highest YTD</u>	<u>Status</u>
Authorised Limit for external debt £M	£975M	£326M	Green
Operational Limit for external debt £M	£850M	£326M	Green
Maximum external borrowing year to date	£785M	£266M	Green
Limit of fixed interest debt %	100%	83.4%	Green
Limit of variable interest debt %	50%	16.6%	Green
Limit for Non-specified investments £M	£100M	£28M	Green
Other Treasury Performance Indicators	<u>Target</u>	<u>Actual Qtr1</u>	<u>Status</u>
Average % Rate Long Term New Borrowing	2.40%	2.94%	Red
Average % Rate Existing Long Term Borrowing	3.00%	2.95%	Green
Average Short Term Investment Rate - Cash	0.01%	0.40%	Green
Average Short Term Investment Rate – Fixed	0.01%	0.88%	Green
Average Long Term Investment Rate - Bonds	2.00%	5.27%	Green
Average Return on Property Fund	4.00%	4.04%	Green
Average Return on All Investments	2.40%	3.96%	Green

Minimum Level of General Fund Balances

		<u>Status</u>
Minimum General Fund Balance	£10.1M	
Forecast Year End General Fund balance	£10.1M	Green

Income Collection

	<u>2022/23 Target</u>	<u>Qtr1 YTD</u>	<u>Status</u>
Collection rate	>100%	97.69%	Amber
Average days sales outstanding	</= 62 days	89	Red
Outstanding debt more than 12 months old	</= 20.52%	28.32%	Red
Debt written off	</= 1%	0.21%	Green

Creditor Payments

	<u>2022/23 Target</u>	<u>Qtr1 YTD</u>	<u>Status</u>
Valid and undisputed invoices paid within 30 days	96%	88.35%	Red

Tax Collection rate

	<u>2021/22</u> <u>Actual</u> <u>Rate</u>	<u>Target</u> <u>Collection</u> <u>Rate</u>	<u>Qtr 1 Collection Rate</u>		<u>Status</u>
			<u>Last Year</u>	<u>This Year</u>	
Council Tax	92.67%	95.20%	27.17%	27.07%	Amber
National Non Domestic Rates	95.90%	97.56%	33.22%	32.16%	Amber

HOUSING REVENUE ACCOUNT FORECAST OUTTURN POSITION FOR 2022/23

The Housing Revenue Account is currently forecast to have a nil variance against the budgeted deficit for the year.

	Budget Quarter 1	Annual Forecast Quarter 1	Forecast Variance Quarter 1
	£M	£M	£M
Expenditure			
Responsive repairs	13.27	14.39	1.12 A
Cyclical maintenance	7.36	7.36	0.00
Rents payable	0.10	0.20	0.10 A
Debt management	0.08	0.08	0.00
Supervision & management	25.05	25.89	0.84 A
Interest & principal repayments	5.16	5.16	0.00
Depreciation	23.76	21.86	1.90 F
Direct revenue financing of capital	2.54	1.76	0.78 F
Total Expenditure	77.33	76.71	0.62 F
Income			
Dwelling rents	(71.84)	(71.22)	0.62 A
Other rents	(1.18)	(1.18)	0.00
Service charge income	(2.34)	(2.34)	0.00
Leaseholder service charges	(1.05)	(1.05)	0.00
Interest received	0.00	0.00	0.00
Total Income	(76.41)	(75.79)	0.62 A
(SURPLUS)/DEFICIT	0.92	0.92	0.00

NB Numbers are rounded

The SIGNIFICANT issues for the Portfolio are:

Service Area	Forecast Variance Qtr 1 £M	Explanation
Reactive and Cyclical repairs	1.12 A	<p>The adverse variance of £1.12M relates to inflation on building materials of £1.54M which is impacting on the cost of repairs and is partially offset by a favourable variance on vehicle recharging of £0.42M. The current level of inflation for building materials was reported at over 12% in Q4 of 2021/22. High inflation is expected to continue into 2022/23.</p> <p>A review of Fleet costs has been undertaken to ascertain the value of charges on vehicles which have been fully paid off, to ensure capital charges are not continuing.</p>
Supervision & Management	0.84 A	<p>The adverse variance on Supervision and Management relates to the forecast impact of increasing energy prices on the cost of providing communal lighting and running of lifts. The forecast also builds in an assumption of a higher than budgeted pay award due to the cost of living increases in 2022/23.</p>
Depreciation	1.90 F	<p>A review of the depreciation methodology in 2021/22 has resulted in a lower assumed depreciation charge for 2022/23.</p>
Rental Income	0.62 A	<p>Turnaround time of void properties have increased, as well as the number of properties being held for demolition. Remedial plans are being put in place to improve the turnaround times.</p>
Direct Revenue Financing	0.78 F	<p>Efforts are being made to ensure the working balance to the HRA is maintained at £2M. The level of saving to be achieved is £0.78M, to be apportioned across relevant budget headings once identified.</p>

COLLECTION FUND REVENUE ACCOUNT
FOR YEAR ENDED 31ST MARCH 2023

	Current Budget 2022/23 £M	Forecast 2022/23 £M	Variance Adverse / (Favourable) 2022/23 £M
Council Tax			
Total Council Tax Income	(128.46)	(128.56)	(0.11)
Total Council Tax Expenditure (incl. precepts)	131.37	131.26	(0.11)
Council Tax Deficit/(Surplus) for the Year	2.92	2.70	(0.22)
Council Tax Deficit/(Surplus) Brought Forward	(2.65)	(2.76)	(0.11)
Council Tax Deficit/(Surplus) Carried Forward	0.26	(0.06)	(0.32)
Business Rates			
Total Business Rates Income	(123.32)	(128.44)	(5.12)
Total Business Rates Expenditure	99.05	98.30	(0.74)
Business Rates Deficit/(Surplus) for the Year	(24.27)	(30.14)	(5.86)
Business Rates Deficit/(Surplus) Brought Forward	26.26	17.11	(9.15)
Business Rates Deficit/(Surplus) Carried Forward	1.99	(13.03)	(15.02)
Total Collection Fund (Surplus)/Deficit	2.26	(13.09)	(15.34)
Council Tax (Surplus)/Deficit			
Contribution (to)/ from SCC		(0.05)	
Contribution (to)/ from HPCC		(0.01)	
Contribution (to)/ from H and IOW F&R		(0.00)	
Council Tax Collection Fund Balance c/f		<u>(0.06)</u>	
NDR (Surplus)/Deficit			
Contribution (to)/ from SCC		(6.38)	
Contribution (to)/ from DLUHC		(6.51)	
Contribution (to)/ from H and IOW F&R		(0.13)	
NDR Collection Fund Balance c/f		<u>(13.03)</u>	
Total SCC (Surplus)/Deficit		<u>(6.43)</u>	
ADD: Variance in grant estimated as due from Government (General Fund)		2.31	
NET SCC (Surplus)/Deficit for future budget purposes at Qtr 1		<u>(4.13)</u>	

CAPITAL FINANCIAL MONITORING FOR THE PERIOD TO JUNE 2022

1.	Table 1 shows the changes to the individual portfolio programmes. The updated programme for the General Fund is £359.50M and £266.72M for the HRA.																																																				
2.	Details of changes made since the start of the year, totalling a net increase of £1.10M can be found in annex 2.1. £0.76M has been added to the programme under either delegated decisions or previous Cabinet/Council papers and £0.33M net addition requires approval, as detailed in paragraph 3 and 4.																																																				
	<p>Table 1 – Changes to Portfolio Programmes</p> <table border="1"> <thead> <tr> <th></th> <th>Latest Programme £M</th> <th>Previous Programme £M</th> <th>Total Change £M</th> </tr> </thead> <tbody> <tr> <td>Children & Learning</td> <td>71.07</td> <td>71.07</td> <td>0.00</td> </tr> <tr> <td>Communities & Customer Engagement</td> <td>0.97</td> <td>0.85</td> <td>0.12</td> </tr> <tr> <td>Economic Development</td> <td>3.05</td> <td>3.05</td> <td>0.00</td> </tr> <tr> <td>Finance & Change</td> <td>27.01</td> <td>27.01</td> <td>0.00</td> </tr> <tr> <td>Health, Adults & Leisure</td> <td>18.85</td> <td>18.85</td> <td>0.00</td> </tr> <tr> <td>Housing & the Green Environment</td> <td>33.82</td> <td>33.81</td> <td>0.01</td> </tr> <tr> <td>Leader</td> <td>9.72</td> <td>9.20</td> <td>0.52</td> </tr> <tr> <td>Safer City</td> <td>0.16</td> <td>0.16</td> <td>0.00</td> </tr> <tr> <td>Transport & District Regeneration</td> <td>194.85</td> <td>194.40</td> <td>0.45</td> </tr> <tr> <td>Total GF Capital Programme</td> <td>359.50</td> <td>358.40</td> <td>1.10</td> </tr> <tr> <td>Housing Revenue Account</td> <td>266.72</td> <td>266.72</td> <td>0.00</td> </tr> <tr> <td>Total Capital Programme</td> <td>626.22</td> <td>625.12</td> <td>1.10</td> </tr> </tbody> </table> <p>NB. there may be small arithmetic variations in the table as figures have been rounded</p>		Latest Programme £M	Previous Programme £M	Total Change £M	Children & Learning	71.07	71.07	0.00	Communities & Customer Engagement	0.97	0.85	0.12	Economic Development	3.05	3.05	0.00	Finance & Change	27.01	27.01	0.00	Health, Adults & Leisure	18.85	18.85	0.00	Housing & the Green Environment	33.82	33.81	0.01	Leader	9.72	9.20	0.52	Safer City	0.16	0.16	0.00	Transport & District Regeneration	194.85	194.40	0.45	Total GF Capital Programme	359.50	358.40	1.10	Housing Revenue Account	266.72	266.72	0.00	Total Capital Programme	626.22	625.12	1.10
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3.	Approval is sought for the addition and spend of £0.53M to the Transport & District Regeneration programme for Cycling. Grant funding has been awarded from the Department for Transport to provide cycle facilities in the Bitterne area. The grant comes from the Active Travel Fund and will be providing improvements to cycling and walking along Bitterne Road East. Improvements will include enhanced signalised pedestrian crossings, cycle lanes and enhanced landscaping along the corridor. Works will be complete in the 2022/23 financial year.																																																				
4.	Approval is sought for the reduction of £0.20M to the Transport & District Regeneration Future Transport Zone project in 2023/24. The delivery of the project will not be affected, as the funding was received directly by our partners.																																																				
	SLIPPAGE AND REPHASING																																																				
5.	Slippage occurs where works are not expected to take place according to the provisions agreed in the capital programme. Re-phasing of capital expenditure is due to works being carried out sooner than anticipated, budget and funding is brought forward from future years to match the expenditure.																																																				

	Following a review to ensure that all projects are accurately profiled, and budgets are suitably aligned to anticipated works and spend, there is £30.64M of General Fund and £6.94M of HRA anticipated work in 2022/23 where work has slipped into later years. Details of schemes with major slippage and where any rephasing has been applied are provided in annex 2.3.			
6.	Table 2 below summarises resulting net slippage and rephasing by individual capital programmes. There is zero net effect to the budgets over the 5-year capital programme.			
	<u>Table 2 – Net Slippage</u>	Movement in 2022/23 £M	Annex 2.3 Ref	
	Children & Learning	0.03	-	
	Communities & Customer Engagement	0.00	-	
	Economic Development	(0.15)	-	
	Finance & Change	(3.16)	1-2	
	Health, Adults & Leisure	(10.56)	3	
	Housing & the Green Environment	(3.76)	4-6	
	Leader	(4.09)	7	
	Safer City	0.00	-	
	Transport & District Regeneration	(8.95)	8-10	
	Total General Fund	(30.64)		
	Housing Revenue Account	(6.94)	11-15	
	Total Capital Programme	(37.58)		
	NB. there may be small arithmetic variations in the table as figures have been rounded			
	20202/23 MONITORING POSITION			
7.	The forecast performance of individual capital programmes in 2022/23 is summarised in table 2 below.			
	<u>Table 2 – Summary of the General Fund & HRA Capital Forecast 2022/23</u>			
		Revised Programme £M	Forecast £M	Forecast Variance £M
				Forecast Variance %
	Children & Learning	30.87	30.87	0.00
	Communities & Customer Engagement	0.97	0.97	0.00
	Economic Development	2.31	2.31	0.00
	Finance & Change	11.01	11.01	0.00
	Health, Adults & Leisure	3.94	3.94	0.00
	Housing & the Green Environment	15.17	15.17	0.00
	Leader	5.63	5.63	0.00
	Safer City	0.16	0.16	0.00
	Transport & District Regeneration	70.00	70.00	0.00
	Total General Fund	140.07	140.07	(0.00)
				0.00

	Housing Revenue Account	49.04	46.04	(3.00)	(6.12)
	Total Capital Programme	189.11	186.11	(3.00)	(1.56)
	<u>Financed by</u>				
	*CR - GF Borrowing	(58.04)	(58.04)	0.00	0.00
	*CR - HRA Borrowing	(19.33)	(18.88)	(0.46)	(2.35)
	Capital Receipts	(4.12)	(4.12)	0.00	0.00
	Contributions	(12.87)	(12.87)	0.00	0.00
	Capital Grants	(67.69)	(67.70)	(0.00)	0.00
	Direct Revenue Financing	(2.18)	(1.99)	(0.19)	(8.54)
	HRA – MRA	(24.87)	(22.51)	(2.36)	(9.49)
	Total Funding	189.11	186.11	(3.00)	(1.59)
	*CR – Council Resources NB there may be small arithmetic variations in the table as figures have been rounded				
8.	The forecast spend for 2022/23 is £189.11M, giving a total forecast favourable variance of £3.00M. The reasons for the major forecast surplus/deficit variances are detailed in Annex 2.2.				
	CAPITAL RESOURCES				
9.	The resources which can be used to fund the capital programme are as follows: <ul style="list-style-type: none"> • Central Government Grants and from other bodies • Contributions from third parties • Council Resources - Capital Receipts from the sale of HRA assets • Council Resources - Capital Receipts from the sale of General Fund assets • Revenue Financing • Council Resources – Borrowing 				
10.	Capital Receipts from the sale of Right to Buy (RTB) properties are passed to the General Fund capital programme to support the Private Sector Housing schemes.				
11.	It should be noted that the revised General Fund Capital programme is based on prudent assumptions of future government grants to be received. Most of these grants relate to funding for schools and transport and are unringfenced. However, in 2022/23 these grants have been passported to these areas.				
12.	Annex 2.4 details the current level of available resources. This shows that the largest resource currently un-earmarked is S106 developer contributions. This relates to receipts in the latter part of 2021/22 for which the works are still being scoped and will be added to the programme during 2022/23.				
	OVERALL CAPITAL PROGRAMME AND FINANCING				
13.	The revised overall programme by year, including amendments that are being requested as part of this report and use of resources, can be found in Annex 2.5.				
14.	The most significant amount of funding for the General Fund programme is provided by council resources, which at present, is mainly through borrowing. Borrowing costs				

	are in the main met within a central provision. The HRA programme is primarily funded by Major Repairs Reserve (direct revenue contribution).
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<u>SUPPORTING DOCUMENTATION</u>	
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Annexes	
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| 1. | GF & HRA Programme Changes Since Last Reported Position |
| 2. | GF & HRA Major Forecast Variances as at June 2022 |
| 3. | GF & HRA Slippage & Rephasing as at June 2022 |
| 4. | GF Capital Resources Available as at June 2022 |
| 5. | GF & HRA Revised 5 Year Programme and Use of Resources. |

GENERAL FUND & HRA: PROGRAMME AMENDMENTS SINCE LAST REPORTED POSITION

Portfolio	Scheme	£M	*Council/Cabinet **Delegated Approval	Funding Source
<u>Additions to the Programme</u>				
Communities & Customer Engagem	Community CIL Awards	0.12	**	CIL
Leader	Bragate Wall Restoration	0.52	*	CIL
Transport & District Regeneration	Cycling	0.53	^	Government Grant
	Moorlands Pedestrian Crossing	0.12	**	CIL
		<u>0.65</u>		
<u>Reductions to the Programme</u>				
Transport & District Regeneration	Future Transport Zone	(0.20)	^	Government Grant
Total Variations to the Overall Programme		<u><u>1.10</u></u>		

	£M
* - Approved By Council/Cabinet	0.52
** - Approved under Delegated Powers	0.24
^ - Require Approval	0.33
Total Variations to the Overall Programme	<u><u>1.10</u></u>

Forecast Major GF & HRA Variance Since Last Reported Position

	HRA
1.	<p><u>Decent Neighbourhoods Projects (Surplus of £0.40M)</u></p> <p>There has been a slight delay with the planning application that was submitted in May 2021 and still waiting for a decision on the flood risk objections. This is due to the procurement being under resourced. Therefore, this project Any future costs will be covered by the reviewed budget set in 2023/24.</p>
2.	<p><u>Electrical Heating Systems (Surplus £1.23M)</u></p> <p>This project anticipates a surplus due to shortage of electricians who meet the requirement for the works needed to be carried out. The project is to spend £1.3m in this financial year dependent on Gov grant which has been given an extension to July 2022. There is a possibility to directly award the works to the current external Contractor subject to Procurement.</p>
3.	<p><u>Insulation Upgrades (Surplus £1.00M)</u></p> <p>This project will be incurring a surplus due to shortage of resources. The Housing Operations have only delivered 14 units to date as opposed to delivering 12 units per week for the remainder of this financial year. There have been some issues with asbestos surveys, but at the current delivery rate this is not a real issue. The team is looking to find a delivery partner to support the project.</p>

Major GF & HRA Slippage & Rephasing Since Last Reported Position

	Finance & Change
1.	<p><u>Materials Recycling Facility (Slippage of £0.58M from 2022/23 into 2023/24)</u> This project is still awaiting planning approval before works can start. SCC is only making a contribution towards the project and the timescales and management are outside of SCC's control.</p>
2.	<p><u>Corporate Assets Decarbonisation Scheme (CADS) (Slippage of £2.58M from 2022/23 into 2023/24)</u> It was previously envisaged to be the bulk of streetlighting spend during the 22/23 financial year, but there is an ongoing protracted / delayed contractual process with our Street Lighting Services provider. Therefore, approval of the Final Business Case and implementation of the project will not be possible until at least late summer 2022. This means the bulk of the ordering of materials and delivery on the ground will not commence until the latter part of 22/23.</p>
	Health, Adults & Leisure
3.	<p><u>Outdoor Sports Centre Improvements (Slippage of £10.55M from 2022/23 into 2023/24 and 2024/25)</u> The Outdoor Sports Centre is included as part of the Council's Levelling Up Fund Grant bid. The development of the full business case has been pushed back to align with the deadlines associated with the bid. Previously the full business case was expected to be presented to Council for approval in July, this will now be moved back until the outcome of the LUF bid is known.</p>
	Housing & the Green Environment
4.	<p><u>RIFAS River Itchen Flood Alleviation Scheme (Slippage of £4.20M from 2022/23, 2023/24 and 2024/25 into 2025/26 and 2026/27)</u> The budget for this scheme has been realigned to match proposed delivery of works and expenditure set out in the full business case for funding to be submitted to the Environment Agency. This has resulted in the scheme costs being delayed by a year.</p>
5.	<p><u>Purchase of Vehicles (Slippage of £2.85M from 2022/23 into 2023/24)</u> There is currently a long lead time for vehicle purchases due to global supply issues on components in the motor industry. It is expected that only vehicles that are part of existing orders will be delivered this financial year.</p>
6.	<p><u>Depot Improvements (Slippage of £0.41M from 2022/23 into 2023/24)</u> The budget for improving depots may not be required depending on service developments. The budget has been slipped in quarter 1 as it will not be spent this year in any case and could be future surplus depending on the result of the review of service requirements and the capital programme.</p>
	Leader

	<p><u>Restoring and Promoting Heritage Assets (Slippage of £4.09M from 2022/23 into 2023/24)</u></p> <p>Based on an updated project plan, the budget has been aligned to reflect the phasing of the works, as it currently stands. As the plan and delivery model is still being developed there is a possibility that the project will be phased over a longer period, to enable the Council to procure the specialist contractors needed for these works.</p>
	<p>Transport & District Regeneration</p>
7.	<p><u>S106 - Highways (Slippage of £0.34M from 2022/23 to 2023/24)</u></p> <p>This budget represents S106 allocations which have not been linked to a specific project. A review of these contributions is being carried out which will lead to works in 2023/24.</p>
8.	<p><u>Transforming Cities Fund (Slippage of £5.48M from 2022/23 to 2023/24)</u></p> <p>The change in administration in May 2021 resulted in a review of the whole TCF programme from June to September 2021, during which some changes to schemes were requested that triggered DfT Change Control – the outcome of two of the three change control submissions are now known. The programme and spend profile was reviewed in June based on current position, and delays associated with the review and subsequent change control have been incorporated, resulting in a slippage across all the TCF schemes.</p>
	<p><u>Future Transport Zone (Slippage of £3.19M from 2022/23 and £0.02M from 2024/25 into 2023/24)</u></p> <p>The Solent Future Transport Zone programme had an indicative funding profile that was developed as part of the funding bid process and has been refined as the programme and projects within it have been specified, approved and progressed. Given the nature of such a large scale programme of activity this will be an ongoing, iterative process.</p> <p>The budget changes from those currently approved (previously forecast) to the reprofiled ones proposed for 2022/23 are as a result of a number of different factors:</p> <ul style="list-style-type: none"> - Programme timeframe impacts: <ul style="list-style-type: none"> o COVID has had a significant impact on project delivery and has created knock-on timescales impacts that have resulted in a need to reprofile a number of the project deliverables into the next financial qtr/year. o Resourcing – the FTZ has been under resourced for the past year which has slowed project delivery and therefore spend; this has now been largely rectified and the reprofiled spend reflects this. o Delivery processes – constraints across the sector (external factors) have on a number of occasions impacted our ability to meet internal timeframes which has subsequently impacted in year spend projections. - Programme scoping/definition: <ul style="list-style-type: none"> o The original budget allocations were indicative and based on high level assumptions. With additional resource the FTZ have been able to fully scope out the project requirements to provide more

	<p>certainty on required activity, deliverables, cost estimates and related spend profile projections.</p> <ul style="list-style-type: none"> ○ A number of the Programme areas have been broken down into more detailed work streams with distinct sub-divided budget allocations identified for those sub tasks.
	HRA
9.	<p><u>Renew Warden Alarm (Slippage of £0.52M from 2022/23 into 2023/24)</u> Anticipating an expenditure of £30,000 due to lack of resources and recruitment of staff. Which had a knock-on effect on the works needed to be carried out. Therefore, the delay has caused a slippage into 23/24.</p>
10.	<p><u>Townhill Park Regeneration (Slippage of £0.38M from 2022/23 into 2023/24)</u> The de-commissioning programme is currently being reviewed and may be paused for this financial year. However, a demolition contract is in the pipeline for this financial year dependant on the success of purchasing of 2 leaseholder's properties. Therefore, it is anticipated that the decommissioning and demolition cost will be £1.8m and the project will incur a slippage into 23/24.</p>
11.	<p><u>Albion Towers Heating (Slippage of £0.60M from 2022/23 into 2023/24)</u> Due to the global shortage of resources and labour this project will be incurring a surplus due. However, the Housing Operations are in the process of recruitment and obtaining resources.</p>
12.	<p><u>GN New Homes (Slippage of £5.43M from 2022/23 into 2023/24)</u> The workers will not be on site as planned in Oct 2022. Start on Site is now estimated for June 2023. This project is now anticipating a spend of £1.5m. Therefore, this project will be slipped into 23/24.</p>

Capital Resources Available as at June 2022 (Capital Receipts; Community Infrastructure Levy and Section 106 funds)

Resource	Balance Bfwd £M	Received to Date 2022/23 £M	Allocated to Current Programme £M	Ear- marked £M	Available Funding £M	Anticipated Receipts in Year £M
Capital Receipts	(1.84)	(0.07)	1.60	0.00	(0.31)	(2.15)
CIL	(15.56)	(0.30)	18.80	1.00	(0.00)	(2.03)
S106	(9.43)	(0.13)	8.23	0.00	(1.33)	(0.10)
	(26.83)	(0.50)	28.63*	1.00	(1.64)	(4.28)

*Over allocated by £1.3M (funds held £27.33M less £28.63M). Allocation based on future anticipated receipts over the 5-year capital programme.

NB. there may be small arithmetic variations in the table as figures have been rounded

General Fund Capital Receipts Forecast

	Bfwd £M	2022/ 2023 £M	2023/ 2024 £M	2024/ 2025 £M	2025/ 2026 £M	2026/ 2027 £M	Total £M
Current Forecast	(1.84)	(2.22)	(0.00)	0.00	0.00	0.00	(4.06)

NB. there may be small arithmetic variations in the table as figures have been rounded

General Fund & HRA - Revised 5 Year Programme Totals and Use of Resources

Programme Comparison

	2022/ 2023 £M	2023/ 2024 £M	2024/ 2025 £M	2025/ 2026 £M	2026/ 2027 £M	Total £M
Revised Programme	189.11	202.54	107.75	61.18	65.64	626.22
Previous Programme	225.38	176.08	101.04	57.48	65.14	625.12
Movement	(36.27)	26.46	6.72	3.70	0.50	1.10

Programme	2022/ 2023 £M	2023/ 2024 £M	2024/ 2025 £M	2025/ 2026 £M	2026/ 2027 £M	Total £M
Children & Learning	30.87	25.98	14.22	0.00	0.00	71.07
Communities & Customer Engagement	0.97	0.00	0.00	0.00	0.00	0.97
Economic Development	2.31	0.74	0.00	0.00	0.00	3.05
Finance & Change	11.01	9.10	4.99	1.91	0.00	27.01
Health, Adults & Leisure	3.94	8.61	6.30	0.00	0.00	18.85
Housing & the Green Environment	15.17	6.94	6.00	4.20	1.50	33.82
Leader	5.63	4.09	0.00	0.00	0.00	9.72
Safer City	0.16	0.00	0.00	0.00	0.00	0.16
Transport & District Regeneration	70.00	53.44	17.52	22.19	31.70	194.85
Total General Fund	140.07	108.90	49.03	28.30	33.20	359.50
Housing Revenue Account	49.04	93.63	58.73	32.87	32.44	266.72
TOTAL CAPITAL PROGRAMME	189.11	202.54	107.75	61.18	65.64	626.22

Use of Resources

*CR - GF Borrowing	(58.04)	(64.73)	(33.83)	(4.50)	(3.69)	(164.78)
*CR - HRA Borrowing	(19.33)	(54.30)	(27.98)	(4.40)	(4.40)	(110.42)
Capital Receipts	(4.12)	(13.03)	(4.82)	(1.99)	(1.99)	(25.95)
Direct Revenue Financing	(12.87)	(10.84)	(5.50)	(6.20)	(2.25)	(37.66)
Capital Grants	(67.69)	(33.33)	(9.70)	(17.61)	(27.26)	(155.60)
Contributions	(2.18)	(1.40)	(0.56)	(0.48)	(0.48)	(5.09)
HRA – MRA	(24.87)	(24.90)	(25.36)	(26.01)	(25.58)	(126.72)
Total Financing	(189.11)	(202.54)	(107.75)	(61.18)	(65.64)	(626.22)

*CR – Council Resources

NB. there may be small arithmetic variations in the tables as figures have been rounded

BRIEFING PAPER

SUBJECT: EVENING PARKING CHARGES
DATE: 8 SEPTEMBER 2022
RECIPIENT: OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE

THIS IS NOT A DECISION PAPER

SUMMARY:

1. The Council has formally proposed the implementation of evening charges for city centre on-street pay and display bays between the hours of 6pm and 8pm and off-street city centre car parks between the hours of 6pm and midnight. This paper outlines the policy objectives behind the proposals. A consultation was carried out on the proposal with a summary of responses and the Officer's response set out in the appendices. The proposal is recommended for approval.

BACKGROUND and BRIEFING DETAILS:

2. The Council has formally proposed reinstating evening parking charges within the city centre area. The proposals are as follows:
 - a) To introduce on-street evening parking charges Monday to Saturday 6pm to 8pm for on-street pay and display bays within the City Centre Pay and Display Zone. The charges would be:
 - For stays of up to 30 minutes - £0.50
 - For stays of up to 1 hour - £1.00
 - For stays of up to 90 minutes - £1.50
 - For stays of up to 2 hours - £2.00
 - b) To amend the restricted hours for the no waiting during restricted hours restrictions (Single Yellow Lines) within the City Centre Pay and Display Zone to align with the extended charging hours (Monday to Saturday: 8am to 8pm, Sundays and Bank/Public Holidays: 1pm to 6pm). Those No waiting restrictions not aligned to the current hours will remain unchanged.
 - c) To introduce off-street evening parking charges, Monday to Saturday, 6pm to Midnight, in the city centre off-street car parks. The charges would be:
 - For stays of up to 1 hour - £1.00
 - For the stays of over 1 hour - £2.00
 - d) No changes are proposed for the Bargate Street Shopmobility, Mayflower Park, The Quays North or The Quays South as separate charging structures apply in these locations.

BRIEFING PAPER

- e) To introduce an off-street overnight season ticket for use Monday to Saturday 6pm to Midnight at a cost of £150 (£15 for Electric Vehicles), valid for 12 months.
3. The Council introduced evening charges to city centre on street pay and display locations and off-street surface car parks locations in 2013. Evening charges already existed in the multi-storey car parks at that stage. The underlying purpose behind the introduction of evening charges at that stage was to encourage turnover within the parking bays during the evening in much the same way as parking bays are managed during the day. Evening charges have not been introduced to the district centre surface car parks at any stage. The Council subsequently determined to remove all evening parking charges within the city centre in 2022 to assist businesses with recovery following the Covid19 pandemic.
 4. Following the removal of evening parking charges, it has been observed that there is high demand for parking within the city centre. To assess current evening parking demand, the Council carried out two surveys on Friday 10th June 2022 and Tuesday 14th June 2022 which concentrated on key locations within the city centre. The results of the surveys are attached as Annex 1. Many parking locations within the city centre were observed to be at over 75% full.
 5. One of the key aims of parking charges is to manage demand for parking, ensuring that the bays are not dominated by any one user group for sustained periods, while allowing flexibility over the length of stay. Evening parking demand is likely to be comprised of three different groups:
 - City Centre residents
 - Night-time economy workers and
 - City Centre visitors.
 6. The resident population of the city centre (or Bargate Ward) increased by 58% between the 2001 and 2011 Census, progressing from being the least populated ward to the ward with the highest population. The current estimated population of the ward is 25,873 (2021 estimate) and is projected to reach 28,000 by 2024.
 7. This growth over the past two decades has been driven by high density residential developments. In line with national and local parking standards, city centre residential sites are typically developed with limited on-site parking on the basis that services are accessible by foot, or bicycle while public transport links are also readily available. The introduction of evening parking charges in 2013 previously helped to manage overspill parking by residents who may have otherwise decided to park on-street or in off-street Council car parks. Without evening parking charges in place, over a period of time, car ownership by City Centre residents may increase which would limit the availability of parking for other users.
 8. Night-time economy workers who drive into the city centre are likely to occupy a parking bay for the duration of their shift which means it would not be available for other users. Parking by commuters during the day-time period is managed by parking charges to encourage commuters to make a choice over which transport mode they use. High demand parking bays are also restricted to a maximum stay period during the day to ensure that a range of

BRIEFING PAPER

people have access to the bays during that period. Without charges in place, high demand bays are likely to be occupied from 18:00 for the duration of the evening period which again would limit the availability of parking for other users.

9. City Centre parking is generally maintained for visitors to the city centre to support local businesses both in the daytime and evening periods. Parking charges may encourage city centre visitors to consider alternative transport modes, particularly if they live within the boundary of Southampton where public transport is readily available alongside other emerging sustainable travel options such as e-scooters.
10. The other key purpose behind parking charges to encourage people to use alternative travel modes. The current Local Transport Plan, Connected Southampton 2040, adopted in 2019, sets the strategic policy framework. This includes the supporting Parking Plan (2019) which sought to:
 - Manage the supply of parking as part of a strategy to support future Parking and Ride
 - Promote the sustainable growth of the city centre and,
 - Manage the volume of traffic circulating around the city centre

Parking charges are one of the measures that can support people in making sustainable and active travel choices to facilitate free flowing traffic and reduce emissions. The absence of evening parking charges over a sustained period may influence people's behaviour over time which is subsequently more challenging to reverse once travel habits have been developed.

11. While parking charges can help support the economy by ensuring turnover in parking bays within high demand areas, they can also support business by managing the distribution of evening trade. In this regard, the Council has never introduced evening parking charges in the district centre car parks in order to encourage patrons to visit locations that may otherwise see less footfall than the city centre. If the evening charging policy for the city centre is the same as the district centres, then the district centres will not see any benefit of the previous policy in this regard.
12. The Parking Service team have also carried out a benchmarking exercise to compare the evening charging policy against Hampshire Local Authorities as well as other similar authorities elsewhere in the UK. This is attached as Annex 2. While most Hampshire authorities do not have evening parking charges in place, the exceptions to this were Basingstoke and Portsmouth, which is significant as they constitute the other major urban areas within Hampshire and would likely see similar levels of evening trade and visitors.
13. The benchmarking exercise shows that many other large urban areas in the south of England including Bath, Bristol, Brighton, Bournemouth/Poole and Reading have some form of evening charging policy in place for their on-street and off-street parking facilities in order to manage demand.
14. It is also highlighted that key Southampton private sector retail operators including West Quay, West Quay Retail Park and Ikea have maintained their evening parking charges in their parking facilities (see the following links).

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www.west-quay.co.uk/parking/podium-car-park
www.west-quay.co.uk/parking/multistorey-car-park
www.westquayretail.com/parking/
www.ikea.com/gb/en/stores/southampton/

15. Parking charges are never implemented for the purpose of raising revenue, but where a surplus is generated from Council parking facilities, this is used for the public good. The on-street surplus is specifically ring fenced for transport related expenditure and as such, supports measures such as the £1 night-time bus fare and the 5 for £5 Summer bus travel offer. Parking revenue surplus can also support highway maintenance and the Council is spending £15M in the 2022/23 financial year to resurface roads and footways.
16. The Council has carried out a formal consultation on the proposals which were advertised by means of a press notice in the Hampshire Independent newspaper, site notices on street and within the affected car parks and a consultation page on the Council's website. The Council also issued a press statement. The consultation commenced on 29th July 2022 and closed on 19th August 2022. There were 588 responses to the consultation. 431 responses were logged as objections to the proposals; 128 responses were logged as being in support of the proposals. The remaining 29 responses were logged as comments. The consultation responses are attached as Appendix 3 to the Cabinet report to be published on 5th September.
17. A range of issues were put forward during the consultation. A summary of the consultation responses and the Officer's response to the points raised is attached as Annex 3. Following a detailed review of the consultation responses, it is not considered that any overriding concerns have been raised. It is therefore recommended the proposals are approved for implementation. In response to the consultation feedback, officers will undertake a review of the impact of the revised parking charge regime, four months following implementation.

RESOURCE/POLICY/FINANCIAL/LEGAL IMPLICATIONS:

Resources

18. Sufficient resources are in place to implement the proposals

Policy

19. The proposals are in line with policies outlined in Southampton's Local Transport Plan: Connecting Southampton 2040. [Connected Southampton 2040 - Local Transport Plan](#)

Financial

20. The decision to reinstate evening charges will generate additional revenue across both on-street and off-street car parking services. The additional income to be generated is presented in the following table:

	2022/23	2023/24	2024/25
On Street	£110,000	£220,000	£220,000
Off Street	£320,000	£560,000	£560,000

Note - The figures for 2023/24 and 2024/25 account for the expected closure of Albion Place and Castle Way car parks in May 2023 as part of the Transforming Cities programme.

BRIEFING PAPER

21. Off-street revenue from car parking is treated as General Fund income, and on-street revenue is ring fenced to reinvest within highways activity. The original decision to suspend evening charges includes a decision to use the on-street reserve to offset the impact of reduced income from off-street car parks on the General Fund, and this offset will cease on the reintroduction of evening charges. The impact therefore will be predominantly to increase the income to the on-street ring fence, which provides more scope to invest back into highways.
22. Car parking income was significantly reduced throughout the pandemic period, and as of the Summer of 2022 had not fully recorded to pre-pandemic levels. There is therefore a risk that the estimated additional income may not be achieved if utilisation of car parks continues to remain low, or reduces as a consequence of the cost of living crisis.

Legal

23. Local Authorities have authority to propose and implement amendments to parking tariffs and other parking restrictions, subject to due consultation, under the Road Traffic Regulation Act 1984.
24. Equalities Act 2010 – the exercise of all functions, including those related to the high and regulation of parking are subject to compliance with the Public Sector Equality Duty (s.149 of the Act) which requires the exercise of functions in a manner that eliminates discrimination, harassment or victimisation on the basis of protected characteristics. The impact of the proposals are subject to an Equalities Impact Assessment process as set out in the supporting documents to this report.

OPTIONS and TIMESCALES:

25. If approved by Cabinet on 13 September, implementation of the proposals will commence in October 2022.

RISK MANAGEMENT IMPLICATIONS

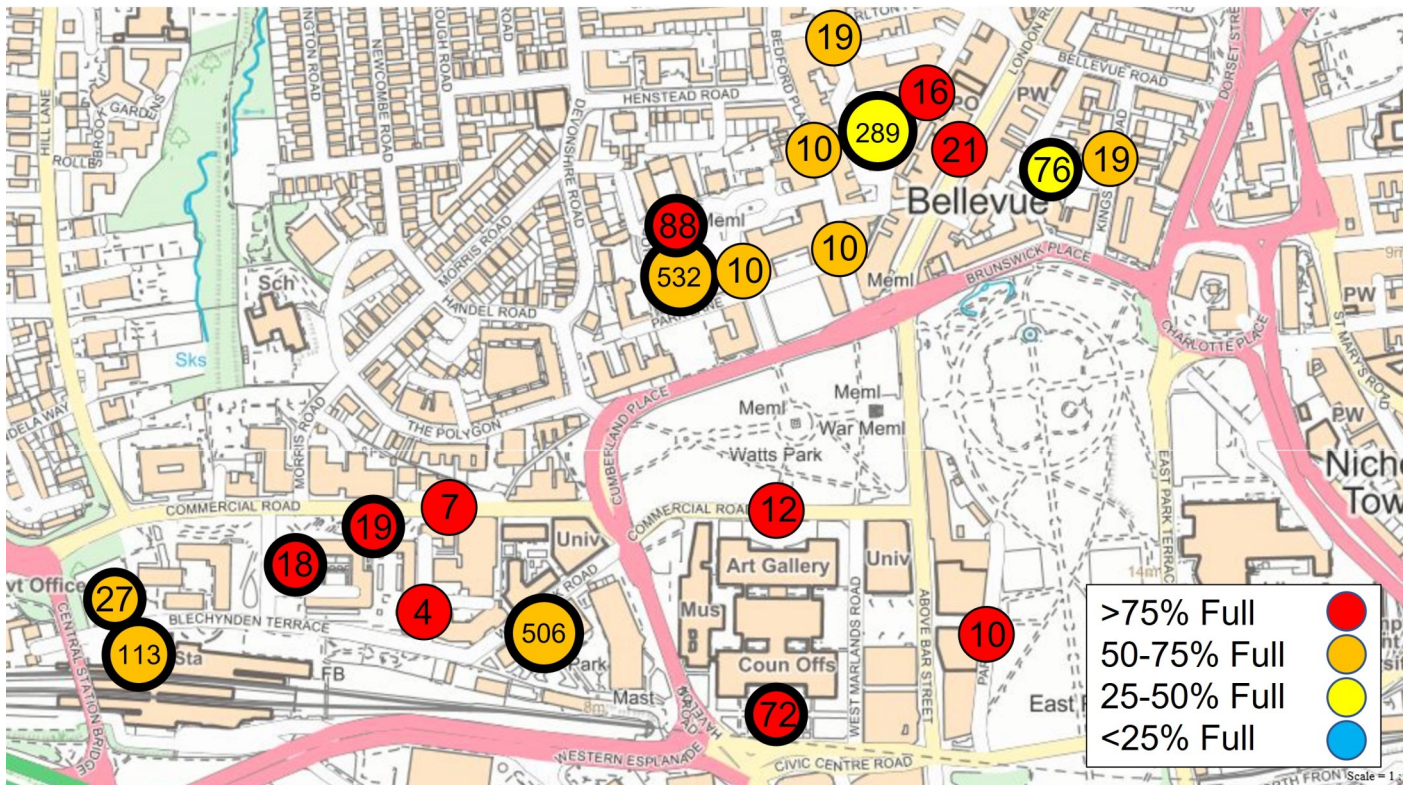
26. N/A

Annexes/Supporting Information:

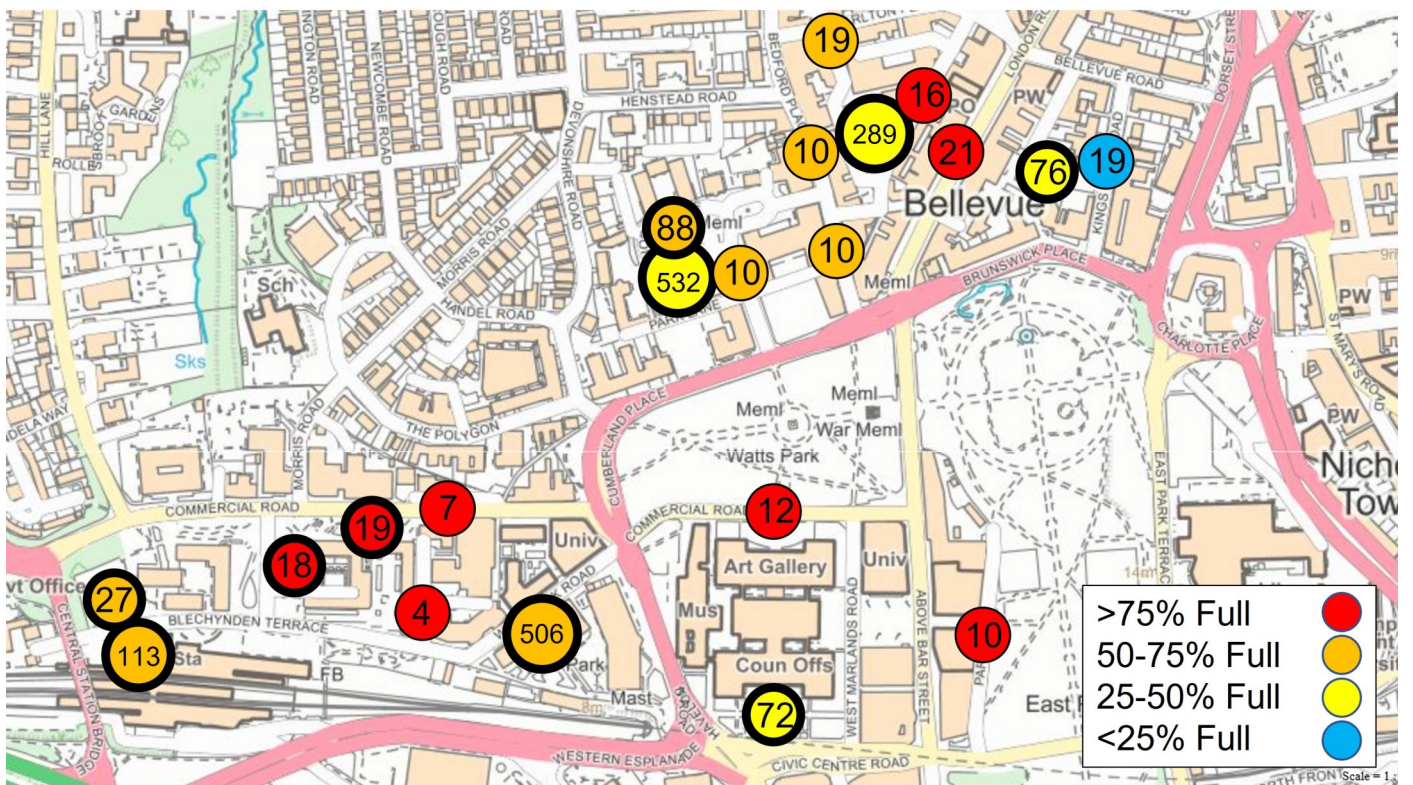
1. Evening Parking Demand Survey
2. Evening Charges Benchmarking
3. Consultation Summary and Officer Response
4. Site/Press Notices
5. Equality Impact Assessment

Further Information Available From:	Name:	Richard Alderson - Service Manager Parking & Itchen Bridge
	Tel:	023 8083 2725
	E-mail:	richard.alderson@southampton.gov.uk

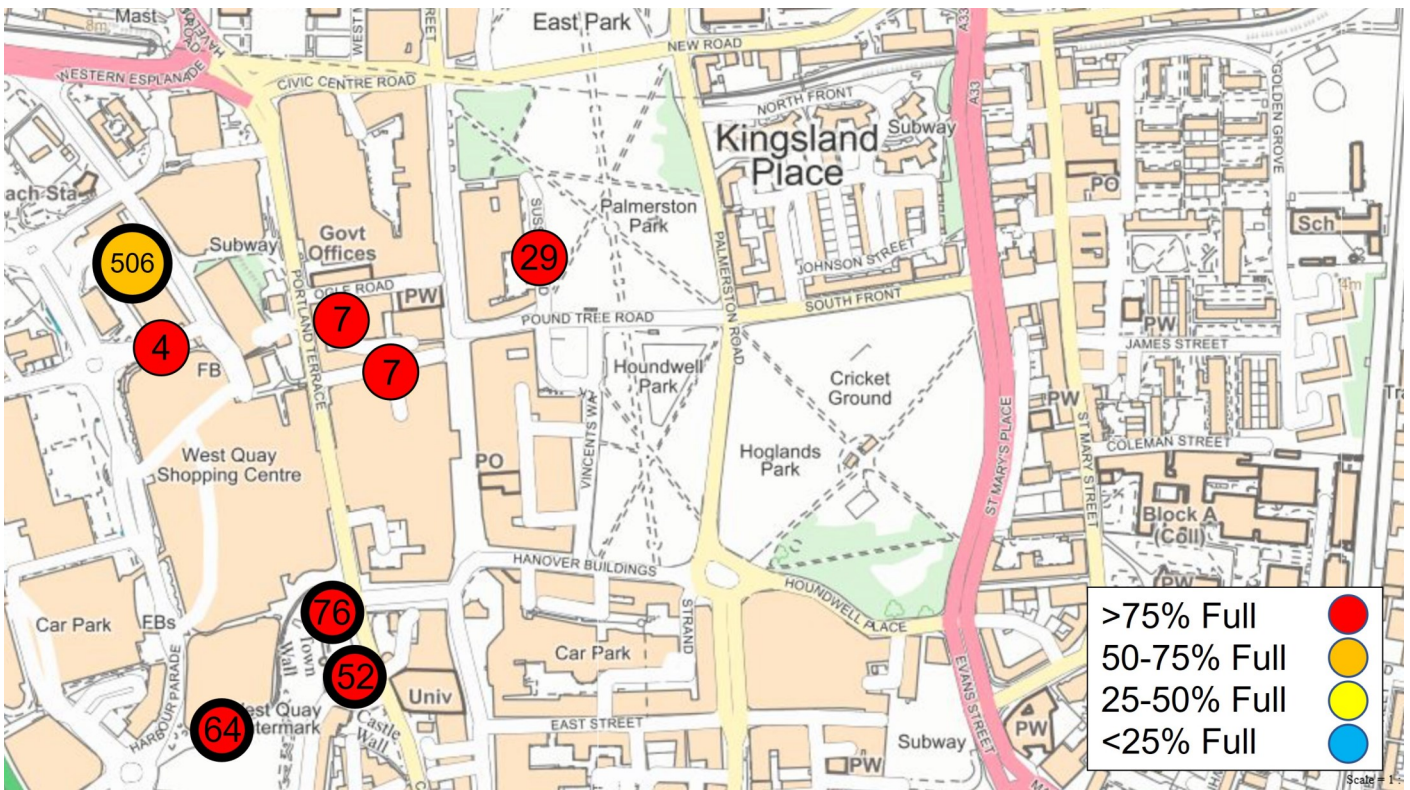
City Centre North—Friday 10th June 2022 19:00 to 20:00



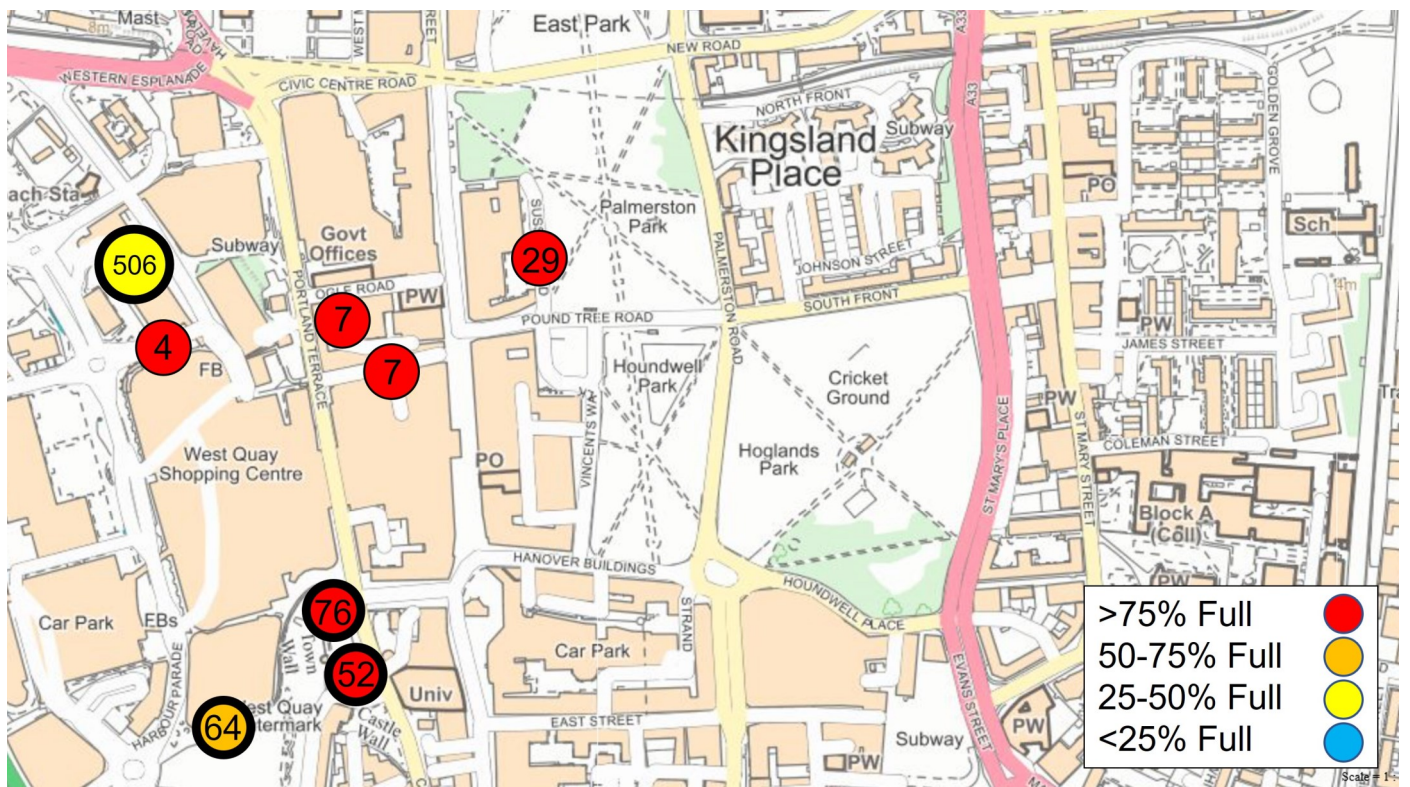
City Centre North—Tuesday 10th June 2022 19:00 to 20:00



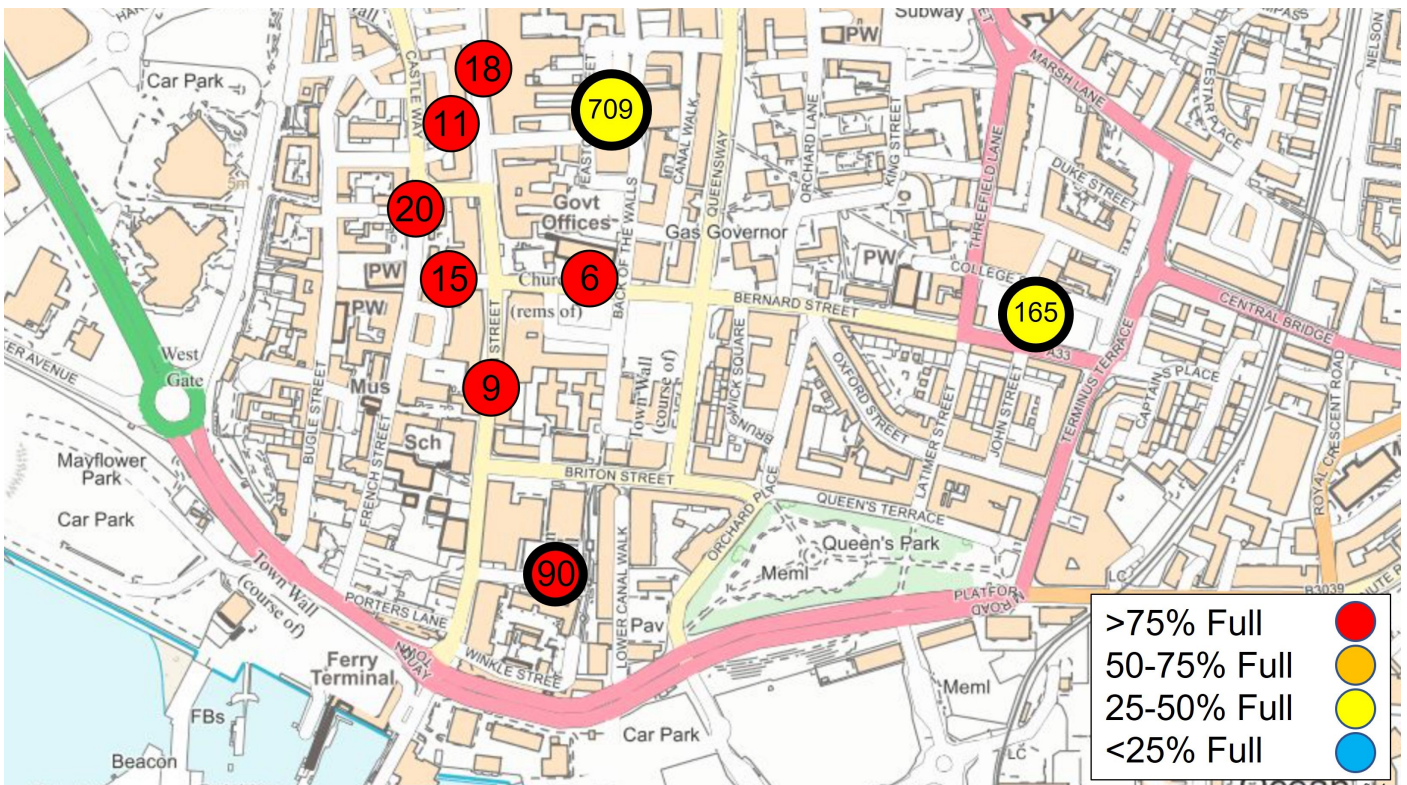
City Centre Core—Friday 10th June 2022 19:00 to 20:00



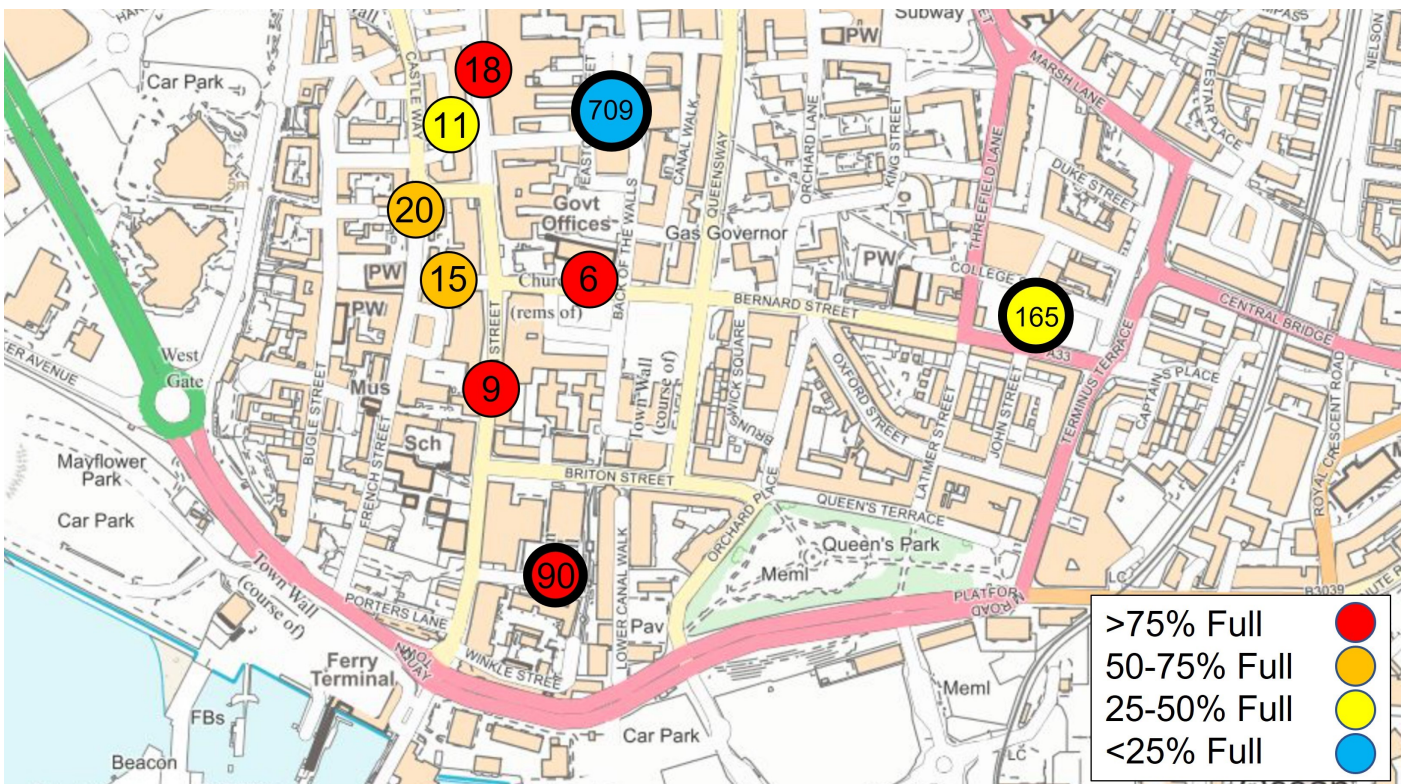
City Centre Core—Tuesday 10th June 2022 19:00 to 20:00



City Centre South—Friday 10th June 2022 19:00 to 20:00



City Centre South—Tuesday 10th June 2022 19:00 to 20:00



Evening Charges – Benchmarking

Unitary Authorities Shown in Yellow / Hampshire District Authorities shown in Blue

Note – Typical charging policies shown. There may be exceptions in specific locations

Local Authority	On Street	Off Street
Bath	Charges apply 8am to 7pm	Charges apply 8am to 8pm
Basingstoke	On Street parking not widely available	Charges apply 24 hours
Bournemouth, Christchurch and Poole	Some evening charges apply – timings vary according to location	Charges apply 24 hours in majority of car parks
Brighton	Charges apply 9am to 8pm	Charges apply 24 hours or 8am to 8pm
Bristol	Charges apply 24 hours	Charges apply 24 hours
Eastleigh	Charges apply 8am to 6pm	Charges apply 8am to 6pm
Fareham	Pay and Display not widely used. Limited waiting periods typically apply between 8am to 6pm	Charges apply 8am to 6pm
Gosport	On Street parking not widely available	Charges apply 8am to 6pm or 7pm in most car parks
New Forest	Charges apply 8am to 6pm	Charges apply 8am to 6pm

Plymouth	Charges apply 8am to 6pm	Charges apply 8am to 8pm / 10pm
Portsmouth	Charges apply 24 hours or 8am to 6pm depending on location	Charges apply 24 hours in most car parks with variations (e.g. 8am to 8pm, 8am to 6pm) depending on location
Reading	Charges apply 8am to 8pm	Charges apply 24 hours in majority of car parks with some variations (e.g. 8am to 5pm) depending on locations
Salisbury	Charges apply 8am to 6pm	Charges apply 8am to 6pm
Swindon	Charges apply 9am to 6pm	Charges apply 6am to 6pm in most car parks
Test Valley	Pay and Display not widely used. Limited waiting periods typically apply between 8:30am to 4pm	Andover and Romsey - Charges apply 8:30am to 4pm
Winchester	Charges apply 8am to 6pm	Charges apply 8am to 7pm in most car parks with variations (e.g. 8am to 6pm, 8am to 5pm) depending on location

Annex 4 – Consultation Summary and Officer Response

Ref	Objection/Concern	Officer Response
1	<p>Economic Impact</p> <p>The proposals will have a negative impact on the city centre economy and local businesses.</p> <p>Example comments:</p> <p><i>“This will have negative impact on the economy of the local businesses that are just starting to recover after the effect of the pandemic. The general public will start to use neighbouring towns in the evening taking much needed business away from Southampton”</i></p> <p><i>“Free parking encourages more people to visit high Street shops, retail services and food places. I avoid places that have parking charges.”</i></p> <p><i>“Free parking is a great incentive to actually encourage people to visit the city centre restaurants and facilities. I have parked in car parks to attend the Mayflower Theatre and the West Quay restaurants and have never struggled to find a space to park. If I had to pay to park, I would not visit these facilities so often.”</i></p>	<p>There is no conclusive link between the health the city centre economy and car parking charges.</p> <p>The cost of parking is just one of numerous variables which influence the economic success of the city centre. As well as many factors unrelated to parking, the availability and quality of parking provision play a role in making the city centre an attractive destination. The implementation of evening and overnight charges would be expected to facilitate these two elements.</p> <p>If the implementation of parking charges was detrimental to businesses, the major shopping centres within City Centres would not charge for parking within their car parks. However, this is not the case. West Quay charge £2 after 5pm in both their multi-storey and podium car parks while the Retail Park maintains their parking tariffs until 8pm.</p>
2	<p>Cost of Living</p> <p>Significant increases in the cost of living have reduced the ability of many to pay additional parking charges.</p> <p>Example comments:</p> <p><i>“With the cost of living crisis, many rely on free parking in evenings. This will be a further strain for the locals in Southampton”</i></p>	<p>A maximum £2 charge for parking represents a small proportion of the costs associated with an evening out (cinema, restaurant, drinks, petrol, theatre).</p>

	<p><i>"It's expensive enough as it is to go out. Pay for bridge pay for parking pay for fuel your all taking the mick wanting more. If a family or a couple want to go out in the evening for a treat they shouldn't have to find an extra few quid on top to pay for parking when the town centre is empty at night"</i></p> <p><i>"At a time where energy bills have become extortionate & high petrol prices. Do you really think its a good time to add more misery. It'll become a ghost town."</i></p>	
3	<p>Lack and unsuitability of public transport</p> <p>Public transport options to the city centre are not suitable or available for many people as such there is a requirement to drive and use parking.</p> <p>Example comments:</p> <p><i>"The lack of decent public transport forces people to use their own vehicles to go into the city centre"</i></p> <p><i>"Buses are not the answer. Tried it once. Did not appreciate having to wait over 20 minutes in the cold and dark after visiting the Mayflower."</i></p> <p><i>"Buses are so reduced in evening, parking is essential"</i></p> <p><i>"I live outside of the city where public transport costs can be quite high, particularly if a family are travelling in for an event. Having free parking is a huge incentive for those outside of the city. These proposals and the added cost will be yet another barrier in stopping people from being able to access the amenities and events if they live outside of the city"</i></p>	<p>There are a range of Bus Services that operate during the evening including late night services.</p> <p>The Council will continue to support the Night Time Bus Fare of £1 and has recently introduced another initiative, 5 travel for £5 to assist family groups using Public Transport.</p>
4	<p>Safety</p> <p>Using public transport or walking from alternative parking locations will create a safety issue for vulnerable individuals.</p> <p>Examples comments:</p>	<p>The Council recognises that night time safety is a concern amongst the public particularly if travelling home alone.</p> <p>However, it is not within the function of parking charging policies to manage these issues.</p>

	<p><i>“As a single woman I want the safety of a car in the evening - not waiting for a sparely timed bus and having to walk home from a bus stop”</i></p> <p><i>“Not everyone can use public transport especially in the evenings. The air quality is not affected by a PARKED car. The cost of policing on-street car parking cannot be met realistically (off-street maybe can). My personal safety as an elderly person is at risk on the streets walking to and from bus stops. I do not live by a bus stop.”</i></p>	<p>The Council works closely with the Police on supporting Safer Neighbourhoods to improve public safety at night.</p>
5	<p>Revenue raising</p> <p>The evening and overnight parking charges are only being introduced to raise money for the Council.</p> <p>Example Comments:</p> <p><i>“Why don't you just admit its all about extra revenue !!!!”</i></p> <p><i>“Absolutely diabolic. The prices to park during the day are ridiculous as they are and now you want to continue that. Another money making scheme for a greedy council, who don't prioritise important issues within city, but only look at ways to make money.”</i></p>	<p>Parking Charges not implemented to raise revenue, but to address policy goals as outlined in the proposal. Any surplus revenue is used for the public good, with on-street surplus specifically ring fenced for transport related expenditure.</p>
	<p>Confusing tariff structure</p> <p>Having a separate evening charges tariff causes confusion.</p> <p>Example comments:</p> <p><i>“The separate evening tariff is too complicated. If you have to introduce evening charges, just extend the time the daytime tariff ends.”</i></p>	<p>A separate evening tariff structure enables the Council to offer a charging level that is more reflective of the demand at that period. The Council operated a similar tariff structure to that proposed between 2013 and 2021.</p>

<p>Impact on City Centre residents</p> <p>Residents within the city would be unfairly impacted by the introduction of evening parking charges. The cost of parking would be unsustainable for them and their visitors.</p> <p>Example responses:</p> <p><i>“I wish to object to the proposals as a city centre resident, because I have a disability and the reduced parking charges have meant my family have been able to visit in the evening, which has been a lifeline of support.”</i></p>	<p>The Council maintains a series of City Centre Season Tickets by means of a mitigation for residents who need to own a car. The cost of these season tickets had been lowered following the removal of evening parking charges last year and it has not been proposed to increase the cost of the season tickets as part of this proposal.</p> <p>The Council has also proposed reinstating the £150 Overnight Season Ticket as part of this proposal.</p> <p>However, part of the reason for implementing Evening Parking Charges is to manage demand for parking by City Centre residents. There is only a limited amount of parking available relative to other residential areas and the Bargate Ward (which covers the City Centre area) is projected to have a population of circa 28,000 by 2024.</p> <p>Were evening charges not implemented and maintained, the Council would expect to see levels of car ownership within the City Centre increase over time to the detriment of parking availability, congestion and air quality.</p>
<p>Impact on community groups</p> <p>The proposals will have a negative impact on many charities, societies and other community groups which operate in and around the city centre in the evening. The cost of parking would make it impossible for some participate in these groups.</p> <p>Example responses:</p> <p>“Need to park regularly -2x weekly - near Above bar Church for eg.youth activities - so appreciate free parking after 1800hrs”</p> <p><i>“I am one of a small handful of dedicated Volunteer Front of House personnel at the Mast Mayflower Studios, within the Cultural Quarter of Southampton City Centre. As such, we are called to staff the Theatre as required, on a regular basis but at irregular times.</i></p>	<p>The Council will investigate reinstating the Evening Parking Pass for charity workers.</p>

As Volunteers, it will not come as any surprise, the majority of us are Senior Citizens and do not live close to the City Centre. Consequently, as Public Transport to the Venue is either infrequent or not in operation particularly late at night, it is necessitated we use our own Vehicles for transportation. Hence, the use of nearby Parking facilities is unavoidable.

The primary reason we have all enrolled to Volunteer our unpaid services at the Mast Mayflower Studios is to support, foster and promote the struggling Arts in the Community.”

I fear the proposals, to introduce additional Off Street overnight Parking Charges, will of course impact on our preparedness to expend and sustain the further Tariffs.”

PUBLIC NOTICE

THE CITY OF SOUTHAMPTON (CITY CENTRE) ORDER 2022

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

- 1 To introduce on-street evening parking charges, Monday to Saturday, 6pm – 8pm, for all on-street pay & display parking bays within the city centre pay & display zone. The charges would be:
For stays of up to 30 minutes - £0.50
For stays of up to 1 hour - £1.00
For stays of up to 1 hour 30 minutes - £1.50
For stays of up to 2 hours - £2.00
- 2 To amend the restricted hours for the no waiting during restricted hours restrictions (single yellow lines) within the city centre pay & display zone to align with the extended charging hours (Monday to Saturday: 8am – 8pm, Sunday, Bank & Public Holidays: 1pm – 6pm). Those no waiting restrictions not aligned to the current charging hours will remain unchanged.

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 8065.

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 19th August 2022).

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

Dated: 29th July 2022

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



PUBLIC NOTICE

THE CITY OF SOUTHAMPTON (OFF-STREET PARKING PLACES) ORDER 2022

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

- 1 To introduce off-street overnight parking charges, Monday to Saturday, 6pm – Midnight, in city centre off-street car parks. The charges would be:

For stays of up to 1 hour - £1.00

For stays over 1 hour - £2.00

Note: no changes are proposed for the Bargate Street Shopmobility, Mayflower Park, The Quays North or The Quays South car parks as separate charging structures apply in these locations.

- 2 To introduce an off-street overnight season ticket for use Monday to Saturday: 6pm – Midnight. At a cost of £150 (£15 for Electric Vehicles), valid for 12 months.

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 8065.

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

Dated: 29th July 2022


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



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 the budget proposals and consider mitigating action.

Name or Brief Description of Proposal	Implementation of evening parking charges between 18:00 and 20:00 for on-street parking locations and between 18:00 and Midnight in off-street parking locations
Brief Service Profile (including number of customers)	25,000 Bargate Ward residents Approximately 2,000 to 5,000 evening visitors to the City Centre per day depending on events. 30,000 if an evening football match is being played
Summary of Impact and Issues	Additional cost for drivers using the parking facilities during the evening period
Potential Positive Impacts	Enables Council to manage demand for evening parking to ensure parking bays are not used by any one driver or group for extended periods to the detriment of availability for other users
Responsible Service Manager	Richard Alderson
Date	21/07/2022

Approved by Senior Manager	Pete Boustred
Signature	
Date	21/07/2022

Potential Impact

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
Age	None	N/A
Disability	Blue Badge Holders would need to pay an evening charge in Bedford Place, Eastgate Street, Marlands and Grosvenor Square MSCPs as these are barrier controlled facilities and the charge is applied to all drivers	Blue Badge Holders would still be able to park for any length of time free of charge in all on-street pay and display locations, all surface car parks and West Park Road MSCP during the evening period. As such, there is a good level of alternative parking facilities that are in the immediate vicinity of the barrier controlled MSCPs.
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	Additional cost to drivers visiting the City Centre and City Centre residents who are car owners	Evening charges were maintained between 2013 and 2021 to manage demand for parking during the

		<p>evening period. Season Tickets at a reduced cost for City Centre residents are available, while residents in City Centre Housing zones have access to permits at a further reduced cost. The cost of evening parking for visitors is a relatively low amount compared to the cost of an evening activity</p>
<p>Other Significant Impacts</p>	<p>None</p>	<p>N/A</p>

BRIEFING PAPER

SUBJECT: TRANSFORMING CITIES FUND (TCF) UPDATE
DATE: 8 SEPTEMBER 2022
RECIPIENT: OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE

THIS IS NOT A DECISION PAPER

SUMMARY:

1. This paper provides an update on the Transforming Cities Fund (TCF) programme. It informs about the change control process undertaken with Department for Transport (DfT) and its outcomes.
2. This paper provides financial details on all schemes as per the amended TCF programme based on DfT change control approvals, including any changed funding requirements.
3. A TCF update report will be going to Cabinet on 13 September 2022 and Council on 14 September 2022.

BACKGROUND and BRIEFING DETAILS:

4. In September 2018, the DfT announced that the Southampton City Region was successful in being shortlisted as one of 12 City Regions eligible to bid for funding from the £1.28bn Transforming Cities Fund (TCF). A joint bid between Hampshire County Council (HCC) and Southampton City Council (SCC) was submitted in November 2019.
5. The key aims of the bid were to deliver an ambitious proposal of transport investment to sustainably connect people from where they live to the City Centre, places or work, education and leisure, aiming to increase the number of people cycling, walking and using public transport, reduce congestion, improve air quality, and place Southampton at the forefront of economic competitiveness and productivity.
6. DfT announced the bid outcome on 20 March 2020, awarding £56.9m of TCF funding to the Southampton City Region to be paid over four years from 2019/20 to 2022/23 as follows (subject to review meetings based on which funding may be adjusted to match the profile of delivery):

2019/20	2020/21	2021/22	2022/23	Total
£2,838,418	£7,189,041	£22,153,689	£24,718,852	£56,900,000

7. Confirmation has been received from DfT on 10 August 2022 that the payment for year 2022/23 as set out above will be split across 2022/23 and 2023/24 in line with the budget allocations in Annex 1.

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8. The award letter also requires the authorities to provide match funding and private contributions as set out in the bid of £11.6m.
9. The TCF Grant is being paid to SCC as the Accountable Body, with the split of the TCF grant between HCC and SCC is as per below as set out in the Grant Agreement between the two parties:

Funding element	Amount
Funding to be paid to HCC for delivery	£16.16m
Funding to be retained by SCC for delivery	£37.21m
Funding to be shared between the parties for TCF team costs	£3.53m
Total	£56.90m

10. The TCF Package approved by DfT contains 49 schemes within the areas / corridors:

<i>Transforming Mobility</i>	<i>Transforming Lifestyles</i>	<i>Transforming Gateways</i>
<ul style="list-style-type: none"> • Rapid Bus Corridors • Park & Ride • Local Mobility Hubs • Smart Technology 	<ul style="list-style-type: none"> • SCN Cycle Freeways • Active Travel Zones 	<ul style="list-style-type: none"> • Rail Access & Interchanges at Southampton Central, Airport Parkway and other stations • Transforming the City Centre by reducing traffic with new public spaces, and bus and cycle priority

TCF first year progress (2020/21)

11. During the first year, the focus within the TCF programme was to establish the governance including setting up working arrangements between SCC and HCC, getting the TCF team into place, developing the schemes from concept stage they were at the bid stage to preliminary design and some into detailed design.
12. The first year was also marked by the Covid pandemic placing challenges on programme development in terms of embedding the new TCF team within the SCC structure, making recruitment more difficult, requiring existing resources to focus on Covid activities and being less able to support TCF, as well as making face to face engagement and consultation challenging. Covid provided some opportunities to trial certain schemes such as the St Denys modal filters as experimental traffic regulations (ETROs).
13. A monitoring and evaluation programme was developed with the Transforming Cities Fund National Evaluation Team consisting of Sustrans, Transport for Quality of Life and the University of the West of England. Workshops took place to agree monitoring sites including control locations, and data requirements. The National Evaluation Team will undertake the monitoring with the TCF regions providing the data on an annual basis.

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14. Despite the challenges, the following schemes were completed and started during the first TCF year:

- Northam Road Cycle scheme (completed);
- West Quay Road Cycle scheme (completed);
- Bevois Valley Cycle scheme (completed);
- Inner Avenue Quietways (completed);
- Mountbatten Way (started);
- Millbrook Road West approaching Regents Park Road junction (started); and
- St Denys Active Travel Zone (ETRO modal filters at Kent Road and North Road).

15. DfT introduced a change control protocol in March 2021 due to the risks and challenges in completing delivery of all TCF programmes by March 2023. This set out that TCF cities should strive to achieve the same or similar benefits and outcomes across programmes as identified at the time of award. It advised that change control is to be triggered if schemes are no longer affordable, not deliverable by March 2023, no longer meet objectives or do not comply with a city's own assurance framework. Cities were invited to propose alternative schemes that achieve the intended benefits and outcomes, meet additional costs themselves or complete delivery beyond March 2023 using other funding sources than TCF.

TCF second year progress (2021/22)

16. The second year saw a change in administration control of the Council. The 21/22 administration requested a review of the whole programme which took place from June to September 2021 and resulted in some scheme changes that had to be notified to DfT under their change control protocol.

17. Discussions with DfT on change control started in September 2021. Change control was submitted to DfT on 6 December 2021 for the following areas and due to the following reasons:

- The Avenue – cycle provision along The Avenue / Bassett Avenue would have required road space reallocation and was not supported by the 21/22 administration. Alternative routes via quietways parallel to The Avenue were reviewed and it transpired that such a route via Lovers Walk and Glen Eyre Road were identified and would achieve the same benefits as the route along the Avenue. DfT Change Control submission is included in Annex 4;
- Woolston – detailed modelling of the signalisation of the Itchen Bridge roundabout demonstrated that it would not provide the anticipated benefits for buses. Furthermore, the proposed scheme was not supported by the bus operators. At the same time, the 21/22 administration requested an extension of the Woolston Active Travel Zone (ATZ) into Itchen which equates to almost a doubling of its size. A review was undertaken as to how the funding for the Itchen Bridge roundabout could be reallocated to schemes within its vicinity to achieve similar or same benefits as intended with the original scheme. The change control submitted included adding bus priority to the existing signalised junctions along Portsmouth Road to achieve benefits for buses and to reallocate the remaining budget to cycle improvements along Manor

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Road South which is immediately adjacent to the original scheme with the remainder of the budget to be reallocated to the ATZ with any further spare budget being reallocated to the Woolston Mobility Hub. DfT Change Control submission is included in Annex 5; and

- City Centre: the 21/22 administration was not supportive of the traffic restrictions within the schemes included in the original bid. The schemes were adjusted to not remove the through traffic restrictions yet still provide as many benefits of the original city centre package as possible.

18. The discussions with DfT continued throughout the remainder of the financial year.

19. By letter dated 16 March 2021, Baroness Vere (Transport Minister for Roads, Buses and Places) indicated that The Avenue and Woolston change control was close to an agreement. For the City Centre change control however, she confirmed that this was not satisfactory due to the following reasons (*quotes from the letter*):

- TCF funding is *not a general transport fund*;
- TCF schemes need to result in a *step change in modal shift*;
- Original City Centre schemes focus *centred on people with more space for cycling and walking and a high-quality public realm and for reduced car dependency, with modal shift*;
- The revised proposal *fails to deliver bus lanes and removes the proposed traffic restrictions*;
- Any proposed alternative schemes still need to *fit with the aims and objectives of the original bid* and need to demonstrate *transformational change to the City Centre, not the incremental change* offered within the change control proposal.

20. Baroness Vere offered one more chance to submit a revised proposal for the City Centre that would deliver equivalent outcomes to the original schemes. Alternatively, £12.3m of grant funding would not be awarded.

21. Discussions started immediately with the 21/22 administration as to how the City Centre change control could be revised to satisfy the criteria set out in paragraph 19 above.

22. Whilst the second year saw a significant focus on the programme review and subsequent change control, completion, start or continuation of the following schemes was still achieved:

- The Avenue Cycle scheme (completed);
- Northern Inner Ring Road Phase 1 (completed);
- Frogmore Lane / Brownhill Way junction improvements as part of Park & Ride (completed);
- Coxford Road / Lords Hill Way junction improvement as part of Park & Ride (started);
- VMS sign on Brownhill Way (started);
- St Denys Active Travel Zone (continuous footways along St Denys Road, 'no idling' signs at level crossing);
- A335 Smart Technology Phase 1 (complete); and

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- St Mary's Road (Active Travel Fund scheme part funded by TCF as part of Inner Avenue scheme, completed).

TCF third year progress so far (2022/23)

23. The third year of TCF saw a change in administration. A programme review followed in the early weeks to update the new 22/23 administration on progress over the past year.
24. Confirmation by DfT of acceptance of The Avenue and Woolston change control was received by email on 6 April 2022 with the official letter received on 1 June 2022. This also confirmed a time extension into 2023/24 for delivering the schemes contained in The Avenue and Woolston change control.
25. A revised change control for the City Centre was consulted on with the Cabinet Member for Transport & District Regeneration and was submitted to DfT on 30 June 2022. DfT Change Control submission is included in Annex 6. The revisions included reintroducing traffic restrictions at Portland Terrace and Devonshire Road in line with the original bid schemes. The original public realm improvements at Civic Centre Place and associated through traffic restrictions on New Road were not affordable anymore due to the unprecedented inflation over the preceding year. This scheme was therefore replaced with Civic Centre junction improvements, East Park Terrace Bus only and New Road Bus Connectivity.
26. The revised change control also contained an extension request for the whole TCF programme for a fourth year to March 2024 following discussions with DfT.
27. By email dated 26 July 2022, DfT confirmed that Baroness Vere and the Secretary of State had agreed to the revised change control request for our TCF programme subject to the following conditions:
28. A meeting was held with the DfT modeller on 3 August 2022 who confirmed that no BCR calculations were required. They requested a note containing information about the model used to evaluate any changes in journey times, journey time information and based on that confirmation that bus patronage and BCR for the whole programme will not change compared to original schemes. The note was submitted on 9 August 2022 and acceptance received on 23 August 2022.
29. Further information was provided to Active Travel England responding to their queries on 22 July 2022 setting out how the schemes in the revised change control conform with Local Transport Note 1/20.
30. The third year of the programme has so far seen the following schemes progress:
 - Coxford Road / Lords Hill Way junction improvement as part of Park & Ride (completion);
 - VMS sign on Brownhill Way (completion); and
 - St Denys Active Travel Zone (Priory Road / Aberdeen Road scheme completion).

Consultation

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31. The schemes within the TCF programme have seen a significant level of engagement and consultation. This included stakeholder engagement, consultation, pre-scheme commencement comms, scheme start public relations and social media, ongoing scheme communication and engagement, and media campaigns following scheme completion. A Communications strategy has been developed specifically for TCF and is being followed for all schemes. Tactical engagement plans are also applied to each scheme.

RESOURCE/POLICY/FINANCIAL/LEGAL IMPLICATIONS:

32. The TCF programme is a capital programme funded by DfT grant, Section 106 scheme contributions, LTP funding allocation and Highway Maintenance contributions.

33. The total TCF capital programme, the spend to date and the funding is detailed in the table below with all TCF funding being based on grant or external funding.

	£M
Total approved TCF programme	66.53
Spend to date*	18.95
Balance remaining	47.58
Addition	0.12
Updated remaining budget	47.70

*£6.41M in 20/21 and £12.54M in 21/22

Funded By:	£M
TCF Grant^	37.84
S106 Contributions	3.11
External Contributions	1.42
Other Transport & Highways Grant	5.33
Total Funding	47.70

^used to finance 20/21 and 21/22 expenditure

34. Approval is sought for the addition of £0.12M to the Wessex Lane scheme in 2022/23, to be funded by external contributions.

35. Approval is sought for budget virements which total £5.02M, and net to nil within the overall programme. These are summarised by scheme in Annex 2 and detailed in Annex 3.

36. Details of the planned expenditure per scheme, by financial year are shown in Annex 1.

37. The DfT grant includes funding for 1xFTE Programme Manager and 4xFTE Project Leads as well as part funding for Transport Policy, Delivery and Legal teams for undertaking TCF scheme work as well as external communications tasks. The grant also includes funding for the equivalent roles within HCC.

38. The total staff costs are £3.53m as set out within the TCF bid and will be funded by the capital grant.

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39. SCC TCF schemes will be delivered via existing contractual arrangements of the Highways Service Partnership and through SCAPE framework for the City Centre schemes.
40. SCC is continually liaising with HCC through Project and Programme Boards over the TCF programme. Stakeholder engagement with bus operators, South Western Railway (SWR), Network Rail (NR), the hospital and universities as well as other stakeholders on a scheme level is ongoing.
41. Each Capital scheme will be delivered in accordance with a variety of Highways and Environmental legislation, including but not limited to the Highways Act 1980, Road Traffic Regulation Act 1994, Traffic Management Act 2004, and s.1 Localism Act 2011 – general power of competence (having first had regard to the provisions of the Community Strategy).
42. The TCF Programme is consistent with the Council's Policy Framework with the Local Transport Plan (LTP4) Connected Southampton 2040 as the current adopted statutory transport policy for Southampton.
43. Any scheme or change to a scheme must be made having regard to the Human Rights Act 1998 (with any national minimum scheme will be deemed to comply) and the Equalities Act 2010, in particular the Public Sector Equalities duty. Procurement of schemes will be carried out in accordance with the Council's procurement strategy, existing and newly procured partnership contracts and in accordance with National procurement legislation and directives. Design and implementation of schemes will take into account the provisions of s.17 Crime & Disorder Act 1998 and the impact of schemes on individuals and communities will be assessed against Human Rights Act 1998 and Equalities legislation provisions.
44. Equalities Impact assessments (EISA) are being completed on a scheme level to understand how each scheme affects different groups of people, assess potential impacts in terms of providing access to essential services and ensure safety for all, and considering mitigation as well as economic and environmental impacts of each scheme. An overarching EISA has been carried out and is included in Annex 8.

OPTIONS and TIMESCALES:

45. Initial change control submitted 6 December 2021 – not accepted by DfT with a risk of DfT withholding £12.3m of TCF grant.
46. Reverting back to schemes included in original bid – insufficient funding to implement these schemes due to unprecedented inflationary pressures over the last year.
47. The latest TCF programme is set out in Annex 7. As per the approved change control, this shows a 4-year programme to March 2024.

RISK MANAGEMENT IMPLICATIONS

48. The key risks are as follows:

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- SCC is the financial accountable body for the TCF programme. The grant agreement sets out the purpose of the grant and payment of the grant to HCC;
- Overall funding is insufficient to complete all schemes;
- The programme is not deliverable within the agreed timescales;
- Resources are insufficient to deliver schemes in a timely manner;
- Schemes are not widely supported posing a risk for change; and
- Change in local or national government.

49. The risks are mitigated through constant review of scheme progress, budget requirements and resource availability within Project and Programme Board meetings, corridor reviews, scheme meetings, close partnership with our Highways Service Partner Balfour Beatty Living Places (BBLP) and SCAPE partners, and engagement and consultation on scheme level. Healthy contingency as well as optimism bias to allow for scheme risks have been included within the scheme budgets. Schemes have been value engineered where scheme costs exceeded available budgets whilst ensuring that scheme aims and objectives as well as overall value for money are maintained. Further value engineering and mitigation plans will be put in place should inflationary pressures exceed contingency allowances made.

Appendices/Supporting Information:

- Annex 1 – Transforming Cities Programme – Scheme Detail
- Annex 2 – Budget Variations Since Last Reported Position
- Annex 3 – Description of Budget Variations Since Last Reported Position
- Annex 4 – The Avenue DfT Change Control Submission
- Annex 5 – Woolston DfT Change Control Submission
- Annex 6 – City Centre DfT Change Control Submission
- Annex 7 – TCF Programme
- Annex 8 – Equality and Safety Impact Assessment (ESIA)

Further Information Available From:	Name:	Martina Olley TCF Programme Manager
	Tel:	023 8083 3365
	E-mail:	Martina.olley@southampton.gov.uk

Annex 1 - Transforming Cities Programme – Scheme Detail

Scheme Description	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000	2025/26 Budget £000	Total £000
TCF2 - SCC Staff	1,295	667			1,962
TCF2 - Marketing and Comms	179	92			271
TCF2 - HCC Staff	282				282
TCF2 - HCC Payments	10,539				10,539
TCF2 - Soton to Totton Super Stops	167				167
TCF2 - Soton to Totton Enhanced Stops	52				52
TCF2 - Soton to Fair Oak Super Stops	281				281
TCF2 - Soton to Fair Oak Enhanced Stops	34				34
TCF2 - On-Board Ticketing Technology	197				197
TCF2 - Mountbatten Way Bus Lane	77				77
TCF2 - Millbrook Rd/Regents Bus Lane	50				50
TCF2 - Millbrook Rbt Bus lane	269				269
TCF2 - A35-A33 Smart Technology	304				304
TCF2 - Southampton West P&R	3,211				3,211
TCF2 - Portswood Road Bus Priority	503	2,764			3,267
TCF2 - High Street Swaythling Bus	113	606			719
TCF2 - St Denys Rd Transport Corridor	205	440			645
TCF2 - A335/St Denys Road Junction	929				929
TCF2 - A335 Smart Technology	463				463
TCF2 - Portsmouth Rd Bus & Manor Road South	536				536
TCF2 - Wessex Lane	305				305
TCF2 - Portswood Local Mobility Hub	54	244			298
TCF2 - Woolston Local Mobility Hub	361	362			723
TCF2 - Woolston / Itchen Active Travel Zone	287	1,498			1,785
TCF2 - St Denys Active Travel Zone	415				415
TCF2 - Six Dials Junction	26				26
TCF2 - Civic Centre Junction & East Park Terrace	529	3,329			3,858
TCF2 - Northern Inner Ring Road	2,201	903			3,104
TCF2 - Albion Place & Portland Terrace	520	3,177			3,697
TCF2 - Central Station Interchange	1,770	3,234			5,004
TCF2 - City Centre Bus Lane	34	160			194
TCF2 - Glen Eyre Road	418	382			800

TCF2 - Avenue/Burgess Rd Junction	85				85
TCF2 - SCN6 Portswood Road Cycle	687	1,077			1,764
TCF2 - Stoneham Lane Upgrade	205				205
TCF2 - Portsmouth Road Cycle	306	874			1,180
Programme Total	27889	19809	0	0	47698

Finance By:

Government Grant	(30,066)	(13,103)	0	0	(43,169)
Contributions	(2,556)	(1,973)	0	0	(4,529)
Total Funding	(32,622)	(15,076)	0	0	(47,698)

Annex 2 - Budget Variations Since Last Reported Position

Scheme Description	Approved Remaining Budget as at Qtr1 2022/23 £000	Revised Total Remaining Budget £000	Budget Variations £000	Ref in Annex 3
TCF2 - SCC Staff	3,815	1962	(1,853)	3
TCF2 - Marketing and Comms	271	271	0	
TCF2 - HCC Staff	282	282	0	
TCF2 - HCC Payments	8,679	10539	1,860	4
TCF2 - Soton to Totton Super Stops	167	167	0	
TCF2 - Soton to Totton Enhanced Stops	52	52	0	
TCF2 - Soton to Fair Oak Super Stops	281	281	0	
TCF2 - Soton to Fair Oak Enhanced Stops	34	34	0	
TCF2 - On-Board Ticketing Technology	557	197	(360)	5
TCF2 - Mountbatten Way Bus Lane	77	77	0	
TCF2 - Millbrook Rd/Regents Park Rd Bus Lane	50	50	0	
TCF2 - Millbrook Rbt Bus lane	269	269	0	
TCF2 - A35-A33 Smart Technology	301	304	3	
TCF2 - Southampton West P&R	3,066	3211	145	6
TCF2 - Portswood Road Bus Priority	3,267	3267	0	
TCF2 - High Street Swaythling Bus	692	719	27	
TCF2 - St Denys Rd Transport Corridor	1,234	645	(589)	7
TCF2 - A335/St Denys Road Junction	480	929	449	8
TCF2 - A335 Smart Technology	324	463	139	9
TCF2 - Portsmouth Rd Bus & Manor Road South	1,109	536	(573)	10
TCF2 - Wessex Lane	189	305	116	11
TCF2 - Portswood Local Mobility Hub	298	298	0	
TCF2 - Woolston Local Mobility Hub	723	723	0	
TCF2 - Woolston / Itchen Active Travel Zone	1,208	1785	577	12
TCF2 - St Denys Active Travel Zone	415	415	0	
TCF2 - Six Dials Junction	1,035	26	(1,009)	13
TCF2 - Civic Centre Junction & East Park Terrace	3,755	3858	103	14
TCF2 - Northern Inner Ring Road	3,005	3104	99	
TCF2 - Albion Place & Portland Terrace	2,545	3697	1,152	15
TCF2 - Central Station Interchange	4,967	5004	37	
TCF2 - City Centre Bus Lane	561	194	(367)	16

TCF2 - Glen Eyre Road	733	800	67	
TCF2 - Avenue/Burgess Rd Junction	335	85	(250)	17
TCF2 - SCN6 Portswood Road Cycle	1,404	1764	360	18
TCF2 - Stoneham Lane Upgrade	222	205	(17)	
TCF2 - Portsmouth Road Cycle	1,180	1180	0	
Programme Total	47,582	47,698	116	

Finance By:

Government Grant	(43,169)	(43,169)	0	
Contributions	(4,413)	(4,529)	(116)	
Total Funding	(47,582)	(47,698)	(116)	

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DESCRIPTION OF BUDGET VARIATIONS SINCE LAST REPORTED POSITION	
INTRODUCTION	
1.	The purpose of this appendix is to describe all major budget variations within the TCF programme of over £100k since the last reported position in November 2021.
2.	The total budget variations net to nil within the overall programme. The individual variations are described below and referenced by paragraph in Appendix 2.
BUDGET VARIATIONS DESCRIPTION	
3.	TCF2 – SCC Staff: at last reported position, this work order included budget for HCC Payment, which has since been moved to HCC Payments work order as per paragraph 4.
4.	TCF2 – HCC Payments: at last reported position, some of the budget for HCC payments was included within SCC Staff as per paragraph 3. This budget has now been moved to this work order.
5.	TCF2 – On-Board Ticketing Technology: the outturn cost of this scheme (providing funding to operators to install tap on / tap off readers in all buses operating within the TCF Southampton City Region) was significantly lower than budgeted for within the TCF bid. The remaining budget is being moved TCF2 – Portswood Road Cycle to improve traffic signals along this corridor to provide better pedestrian and cycle connectivity whilst also benefitting buses.
6.	TCF2 – Southampton West P&R: the budget for this scheme was incorrectly reduced at the last reported position and has been reinstated to its original value.
7.	TCF2 – St Denys Road Transport Corridor (former TCF2 – St Denys Bus Priority): following feasibility, the outturn cost for schemes along this corridor is lower than originally budgeted for within the TCF bid. The budget from this corridor has been reallocated to schemes within the corridor or immediately adjacent which following feasibility have a higher cost than originally budgeted for within the TCF bid. The total budget for the three schemes as described in paragraphs 7, 8 and 9 of this document is unchanged. The name of the scheme has been changed to Transport Corridor to reflect the multi-modal improvements for bus, pedestrians and cyclists along this corridor.
8.	TCF2 – A335/St Denys Road Junction: due to the size and complexity of this junction, this scheme was included within the TCF bid as a separate scheme despite being located within the St Denys Transport Corridor. Following feasibility, the outturn cost for the scheme has increased compared to original budget included within the TCF bid. The lower outturn cost of the St Denys Road Transport Corridor schemes allowed reallocation of budget to this junction scheme.
9.	TCF2 – A335 Smart Technology: the A335 corridor crosses the St Denys Road corridor at the junction of A335/St Denys Road junction. Due to the specific nature of this scheme – signal technology upgrades at the junctions

	along A335, this scheme was included in the TCF bid as a separate scheme to St Denys Road Transport Corridor. The lower outturn cost of the St Denys Road Transport Corridor schemes allows the reallocation of budget to cover the higher outturn cost following feasibility of this scheme.
10.	TCF2 – Portsmouth Road Bus & Manor Road South (former TCF2 – Itchen Bridge Roundabout): following a successful DfT change control outcome (change control submission is included in Appendix 5), the original budget for the Itchen Bridge Roundabout scheme was redistributed in accordance with change control. The scheme name was changed to reflect the change in scheme in accordance with change control.
11.	TCF2 – Wessex Lane (former TCF2 – Wessex Lane Super Stop): the original scheme was merged with TCF2 – Swaythling Travel Hub due to the University of Southampton’s (UoS) Stoneham House development not progressing. There was therefore no opportunity to implement a super stop and travel hub. Improvements for buses, pedestrians and cyclists including better access to Swaything station, improved pedestrian safety and improved bus facilities at UoS’ halls of residents will progress. A contribution of £116,000 has been negotiated with UoS to support this revised scheme, referenced in paragraph 34 of the main report.
12.	TCF2 – Woolston / Itchen Active Travel Zone: following a successful DfT change control outcome (change control submission is included in Appendix 5), the original budget for the Itchen Bridge Roundabout scheme was redistributed to Woolston / Itchen Active Travel Zone in accordance with change control. The scheme name was changed to reflect the change in scheme in accordance with change control.
13.	TCF2 – Six Dials Junction: following a successful DfT change control outcome (change control submission is included in Appendix 6), the original budget for the Six Dials Junction scheme was redistributed in accordance with change control.
14.	TCF2 – Civic Centre Junction & East Park Terrace (former TCF2 – East/West Spine): following a successful DfT change control outcome (change control submission is included in Appendix 6), the original budgets for the city centre schemes were redistributed in accordance with change control. The scheme name was changed to reflect the change in scheme in accordance with change control.
15.	TCF2 – Albion Place & Portland Terrace (former TCF2 – Portland Terrace): following a successful DfT change control outcome (change control submission is included in Appendix 6), the original budgets for the city centre schemes were redistributed in accordance with change control. The scheme name was changed to reflect the change in scheme in accordance with change control.
16.	TCF2 – City Centre Bus Lane: following a successful DfT change control outcome (change control submission is included in Appendix 6), the original budgets for the city centre schemes were redistributed in accordance with change control. The scheme name was changed to reflect the change in scheme in accordance with change control.
17.	TCF2 – Avenue/Burgess Road Junction: following a successful DfT change control outcome (change control submission is included in Appendix 4), the

	original scheme budgets were redistributed in accordance with change control.
18.	TCF2 – SCN6 Portswood Road Cycle: as set out in paragraph 5 of this document, budget from the TCF2 – On-board Ticketing Technology has been reallocated to this scheme to improve traffic signals along this corridor to provide better pedestrian and cycle connectivity whilst also benefitting buses.

Original scheme	New scheme
<p>SCN5 Southampton-Chandler's Ford Cycle Freeway</p> <ul style="list-style-type: none"> - The Avenue-Bassett Avenue Segregated Cycleway - Winchester Road Roundabout - Burgess Road/Bassett Avenue Junction 	<p>SCN5 Southampton-Chandler's Ford Cycle Freeway</p> <ul style="list-style-type: none"> - The Avenue Segregated Cycleway (part) - Burgess Road/Bassett Avenue Junction - Glen Eyre Road Quietway
<p>Mode / type Active Travel (Cycling)</p>	<p>Mode / type Active Travel (Cycling)</p>
<p>Alignment with Strategic TCF objectives</p> <p>The Avenue-Bassett Avenue corridor connects from Southampton City Centre through Basset area to M3 and onwards to Chandlers Ford and Winchester. It is a busy multi-modal corridor with 43,000 AADT. It provides direct access to the M3 and is used as one of the routes to the Port of Southampton – particularly cruise traffic to the Eastern Docks. It is a bus corridor with up to 12 buses/hour on The Avenue. Buses serve Chandlers Ford, the University and Winchester.</p> <p>The high traffic flows mean that there are major delay points for vehicles and buses at Winchester Road Roundabout and Burgess Road/Bassett Avenue junction. Vehicle speeds on the sections of Bassett Avenue north of Winchester Road are 20-40% of their night time equivalent.</p> <p>This corridor connects to major employment sites such as the University (22,000 students and 5,000 staff), Southampton Science Park (over 80 high tech businesses) and Hampshire Corporate Park (Head Office for Ageas Insurance and a large Aviva office).</p> <p>The corridor has been designated SCN5 in the Southampton Cycle Network (SCN), and as a cycle freeway between Southampton City Centre and Chandlers Ford. It serves Southampton Common, the University of Southampton and provides connections to Southampton Science Park and Hampshire Corporate Park in Chandlers Ford. Plan of the SCN and these destinations is in Map 1.</p> <p>The current level of cycle provision is improving, there are routes and sections on</p>	<p>Alignment with Strategic TCF objectives</p> <p>The proposal is to realign part of the SCN5 corridor to Glen Eyre Road (Map 2). Glen Eyre Road is parallel to Bassett Avenue and will reconnect with the main corridor.</p> <p>This will still align with the strategic TCF objectives of connecting City Centres with suburbs, employment areas and providing high quality active travel alternatives to foster modal shift and boost productivity. This alignment also provides direct access to the University's campus and largest halls complex at Glen Eyre where approximately 1,900 students live. Glen Eyre Road is a direct link between the halls complex and the main campus and then via Lovers Walk to The Avenue campus and City Centre.</p> <p>The alternative proposal is for a Quietway route along Glen Eyre Road (Map 3). A Quietway is defined within the Southampton Cycle Network (SCN) as a route with lower levels of traffic that is suitable for mixed traffic cycling if it has appropriate treatments to reduce speeds and traffic volumes.</p> <p>The SCN5 corridor will diverge at a subway 720m north of Northlands Road onto Lovers Walk which is a shared use path within the Common. This goes to a signalised junction with Burgess Road and Glen Eyre Road. This provides direct accesses into University's Highfield and Avenue campuses.</p> <p>SCN5 route continues up Glen Eyre Road to the University's large Glen Eyre halls campus and Cantell High School. Glen Eyre Road north of this is residential and joins the SCN5 corridor at Bassett Avenue 600m south of Chilworth Roundabout</p>

<p>Inner Avenue, The Avenue and Hut Hill have been improved through TCF. The remaining section on The Avenue is the last.</p> <p>For cycles The Avenue-Bassett Avenue forms the most direct route to Chandlers Ford, however it bypasses the main University of Southampton campus – although there are link routes via Southampton Common.</p> <p>Providing a high-quality cycle facility is key to encouraging modal shift away from car for the trips to work, particularly as working patterns change post-Covid. This will then support the bus, along with the proposed bus priority measures on the corridor particularly at the Burgess Road/Bassett Avenue junction</p>	<p>where there are shared use paths on both sides of Bassett Avenue.</p> <p>The high traffic flows on Bassett Avenue make it unsuitable as a high cycle flow route without significant segregation. The alternative route allows for a segregated route to be implemented on a lower traffic flow route that provides an attractive, coherent and safe route for all-age cycling.</p> <p>The Glen Eyre Road route can also be used by scooters with additional dock facilities at the University.</p> <p>This provides a suitable alternative for SCN5 and still provides connections to the same destinations as Bassett Avenue with the addition of directly serving the University of Southampton.</p> <p>It then links to Bassett Avenue further north closer to Chilworth Roundabout at a toucan crossing. This will still create a complete cycle corridor from the City Centre to Chandlers Ford and Chilworth.</p> <p>It should be noted that The Avenue and Bassett Avenue will still be available for cycles with the existing shared use paths on Bassett Avenue from Burgess Road to Glen Eyre Road providing links to the Common and local residential areas.</p> <p>The scheme will be designed to LTN1/20 standards and avoids the need for shared use paths along Bassett Avenue creating a higher standard of route.</p> <p>This would provide a cycle route to avoid the AQMA on Burgess Road and link to micromobility provision in the University's campus and halls sites.</p>
<p>Total Cost £1,100,000 (Total Cost for SCN5 corridor is £2,300,000, spend for The Avenue / completed scheme is £1,200,000)</p>	<p>Total Cost £ tbc following feasibility</p>
<p>Sunk Costs £260,000 <i>[cost already incurred in development stage]</i></p>	<p>Available budget £840,000</p>
<p>Reason for change <i>[brief explanation of why project is no longer deliverable]</i></p> <p>SCN5 on The Avenue forms part of a Cycle Freeway route from the City Centre to The Common, Chilworth and Chandlers Ford. The original project for SCN5 on The Avenue in the SOBC was to implement a two-way segregated cycle facility from the existing scheme at Northlands Road to the</p>	<p>Rationale for new scheme <i>[brief summary for inclusion of new scheme in to programme]</i></p> <p>The real-world monitoring of the Covid temporary scheme has demonstrated some disbenefits to the original scheme that were not in the original assumptions / modelling, particularly in relation to impacts to bus journey times. This would be against the</p>

A35 Winchester Road roundabout (see Map 1).

A temporary scheme was implemented on The Avenue & Bassett Avenue in June 2020 as part of Covid response which trialled the proposed TCF scheme. This was based on the proposed TCF scheme and provided a lined cycle lane in both directions on the corridor. On The Avenue this used the existing space (wide single lane) and on Bassett Avenue it removed 1 lane in each direction reducing the carriageway from 4 to 2 lanes. This relocated the cycle route from the existing narrow shared use paths on Bassett Avenue that are 2m wide with overgrown vegetation and close to a high speed (40mph) high trafficked road (42,663 AADT 2019) that reduces the comfort and safety levels.

Cycle flows on the corridor are high and as a result of investment on Inner Avenue, has seen a 15% increase. Cyclists however divert off the SCN5 approaching the Common.

Cycle Flows	Sep 2019	Sep 2020
Inner Avenue	747	859
The Avenue	138	217
Bassett Ave	-	193
Bassett Ave	342	381

The temporary scheme was monitored extensively and showed some disbenefits to the scheme that were not in the original assumptions / modelling, particularly in relation to impacts to bus journey times. This negative impact saw bus journey times citybound increase by 8% over scheduled run time. This affected the Bluestar 1 and U2 services and would not meet the aspirations of the draft Southampton Bus Service Improvement Plan.

TCF and BSIP objectives for supporting and improving bus journey times.

Implementing a segregated scheme on Bassett Avenue would have a negative impact of 1:15min increase in journey times for southbound buses.

While there are shared use cycle paths on Bassett Avenue these are sub-LTN1/20 standard width of 2m for cycle routes with approximately 400 cycles a day. The sub-standard width is compounded with overhanging vegetation and the high-volume high-speed traffic on Bassett Avenue.

The footways on The Avenue are approximately 1.5-1.8m in width and unsuitable for conversion to shared paths. Due to the proximity of Common Land the paths could not be widened to accommodate either a shared or 3m segregated/step-segregated cycle route within the TCF timescales as this would require a Section 38 Application.

At the Highfield Lane/The Avenue junction sufficient capacity would be required to not have a negative impact on buses. This means that the cycle route would be forced onto sub-standard shared use paths as on-road facilities could not be provided. Any widening of these paths would require S38 approval.

This means without intervention a cycle freeway standard route on The Avenue-Bassett Ave is not achievable. With evidence that the reallocation of roadspace would have a negative impact on buses, alternative routes were investigated.

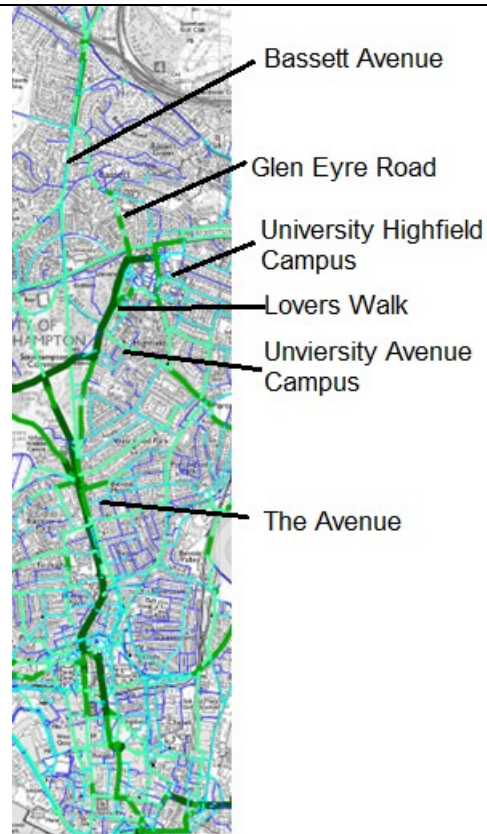
A number of alternatives were considered, included:

1. Segregated cycle lanes to Burgess Road on The Avenue,
2. Using one lane on Bassett Avenue between Burgess Road and Winchester Road,
3. upgrades to the footway on The Avenue to shared use and to the existing shared use path on Bassett Avenue, or
4. Alternative parallel route

Option 1 is not currently being pursued as it would not provide a solution at the Highfield

	<p>Lane junction. Option 2 was dismissed on impact on buses on Bassett Avenue. Option 3 was dismissed as they would not provide the step change for cycle provision and require a lengthy planning process. It should be noted that the existing shared use paths would remain unchanged but are not considered suitable for the reasons above. Retaining the route along this alignment would not meet the aspirations of LTN1/20 for high cycle flow corridors.</p> <p>In consultation with Cabinet Member Option 4 for a parallel route to SCN5 on The Avenue-Bassett Avenue has been developed. This will retain the original scheme from Northlands Road to a subway on The Avenue, but change the route alignment of SCN5 between from this point to just south of Chilworth Roundabout (Map 2). This would take the route away from the Winchester Road Roundabout reducing the need for this to be included. The shared use paths on Bassett Avenue would remain as they provide local connections to the Common and Bolderwood Campus and links with a route from Winchester Road that is being proposed as part of Southampton's Active Travel Fund 3 bid.</p> <p>This alternative route means that the Winchester Road Roundabout scheme is not required.</p> <p>There is already a scheme funded by SCC & S106 on Lovers Walk that is subject to a separate S38 Planning Application, due for implementation in 2022/23.</p> <p>The proposed route will provide a direct connection into the University of Southampton's Highfield and Avenue campuses as well to the Glen Eyre Halls of Residence complex. It will also link to SCN6 to Eastleigh via the Flowers Estate, which is a significant desireline. With the completed sections of SCN5 the proposed route will provide a complete safe coherent cycle corridor from Southampton to Chandlers Ford for all to use.</p> <p>The change control is being proposed for a section of the cycle route as follows:</p> <ul style="list-style-type: none"> - The Avenue between The Common subway and Burgess Avenue / Bassett Avenue (660m) – not proceeding
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	<ul style="list-style-type: none"> - Winchester Road Roundabout – not proceeding - Bassett Avenue between Burgess Avenue to Glen Eyre Road not proceeding – Change required. New route proposed to be Glen Eyre Road quietway <p>The proposal for Glen Eyre Road is:</p> <ul style="list-style-type: none"> - Upgrade to the junction of Burgess Road/Glen Eyre Road to improve cycle and pedestrian crossing facilities, cycle only stage, with direct access to cycle facility on Glen Eyre Road, and install bus priority; - A cycle facility along Glen Eyre Road – segregated cycle lanes - School Street for Cantell School with bus gate; - Junction priority changes at Glen Eyre Road/Violet Road - Improved access to Glen Eyre Halls Complex with cycle and micromobility hubs; - Cycle Street on Glen Eyre Road from Chetwynd Road to Bassett Avenue; - 20mph speed limit and gateway - If sufficient budget, provide segregation for existing cycle lanes on Burgess Road to Bolderwood Campus <p>The proposed new route for SCN5 along Glen Eyre Road has been assessed using existing cycle data, the Route Selection Tool combined with reviewing the Propensity to Cycle Tool dataset.</p>
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SCC cycle survey route usage intensity – SCN5

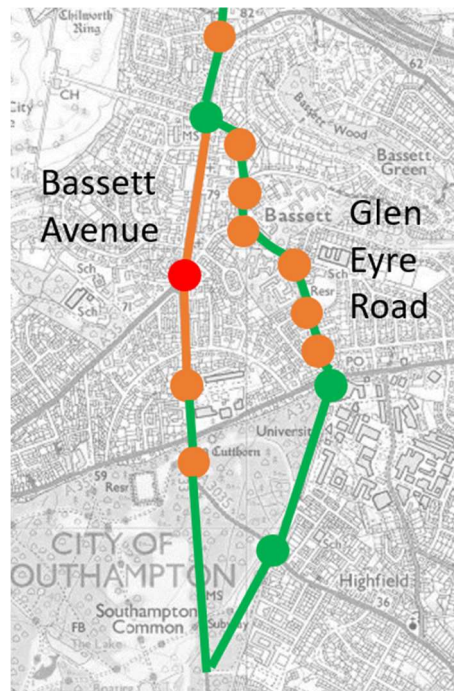
Compared to the original TCF proposal, the alternative route scores comparable / better on the Route Selection Tool:

Criterion	Original TCF proposal	Revised proposal
Directness	5.00	5.00
Gradient	4.39	4.57
Safety	5.00	3.98
Connectivity	4.63	5.00
Comfort	1.41	2.74

The Glen Eyre Road route will deliver significant improvements to cycling along the wider corridor, this has been assessed using the Cycle Level of Service Tool and scores as follows:

Criteria	Original TCF proposal	Revised proposal
Cohesion	4	5
Directness	8	10
Safety	13	10
Comfort	4	6
Attractiveness	7	8
Overall	36 (72%)	39 (78%)

The Glen Eyre Road route avoids the critical fail at Winchester Road Roundabout; this has been assessed using the Junction Assessment Tool with the results presented below:



Retained Elements

The retained elements of the original scheme have been delivered (early October 2021) and consist of:

- 740m (x2) of new with traffic segregated cycle lanes
- a new toucan crossing across The Avenue,

	<ul style="list-style-type: none"> - 2 new continuous footways across side roads <p>Photos are included in Appendix 2.</p> <p>Investigations are continuing into the traffic signal upgrade of the A33 / A35 Bassett Avenue junction to facilitate improved toucan crossings to link the Common with the existing shared use path on Bassett Avenue and on road cycle lanes on Burgess Road, and signal bus priority as per the original bid. Without the ability to provide a safe cycle route an alternative route is required.</p> <p><i>Summary</i></p> <ul style="list-style-type: none"> - Retains a complete cycle corridor and links to Chandlers Ford and Chilworth - Provides a route more suitable for all – Cycle Level of Service score 72% v 78% - Avoids a critical fail Junction Assessment Score at Winchester Road Roundabout - Provides direct access to University’s main campus - A lower speed lower traffic volume route - Avoids narrower sub-standard shared use paths on Bassett Avenue - Temporary scheme trialled original proposal and found disbenefit for buses - Buses will benefit from bus priority at junctions on Burgess Road
<p>Qualitative impact of removal on programme level VfM for schemes <£5m <i>[brief summary of impact on programme level VfM]</i></p>	<p>Qualitative impact of inclusion of new scheme on programme level VfM <i>[does new scheme change programme level VfM category – high / medium / poor?]</i></p> <p>The proposed scheme would not have an impact on the overall TCF programme level VfM category. The proposal is to realign a cycle route along a parallel corridor while providing high quality cycle infrastructure. Additional bus priority facilities will provide a positive impact on vfm.</p>
<p>Quantitative impact of removal on programme level VfM for schemes >£5m <i>[measurable impact on programme level VfM]</i></p>	<p>Quantitative impact of inclusion of new scheme on programme level VfM <i>[measurable impact on programme level VfM]</i></p> <p>An AMAT has been carried out on the scheme and this provides a BCR of 2.45. This would provide high value for money for the scheme. This is similar to the BCR for the original scheme.</p>

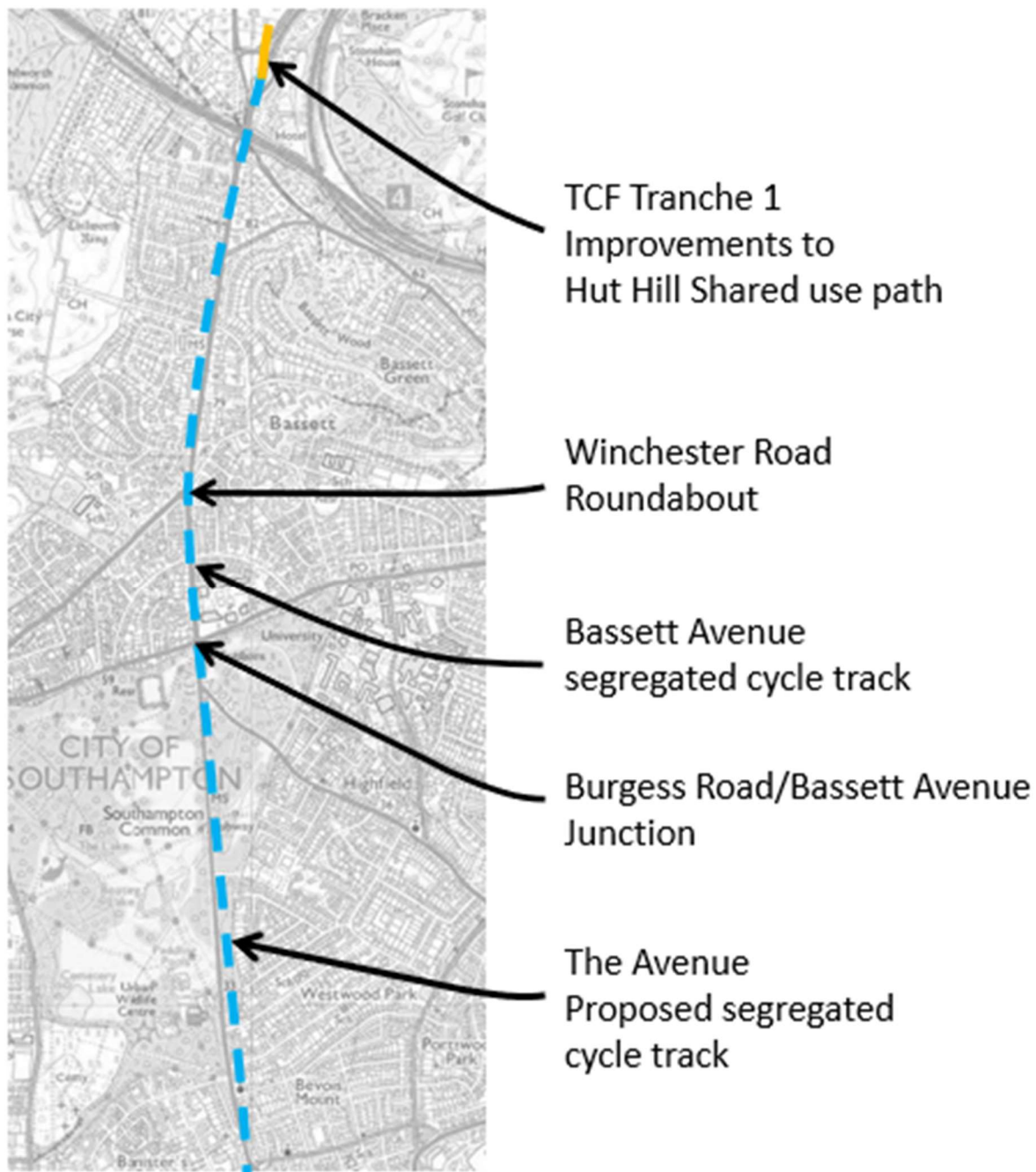
	<p>Critical milestones / decision dates / delivery confidence</p> <p>Summer / autumn 2021 – The Avenue (Northlands Road to Common Subway) delivered Sept-Dec 21 – Feasibility Design on alternative route Jan 22 – perception survey and consultation Jan-March 22 – Detailed Design and TRO consultation Summer 2022 – Construction (outside of University term time)</p> <p>Key milestones will follow the approved TCF Gateway process. Including between feasibility and detailed design would be a decision point based on the perception survey and consultation. A final decision point will be after TRO consultation.</p>
	<p>Impact on forecast benefits</p> <p><i>[summary +/-ve impact on programme benefits compared to original scheme]</i></p> <p><u>Positive programme benefits</u></p> <p>The Glen Eyre Road scheme provides direct connections to the University of Southampton for commuters which the original proposal did not.</p> <p>Connects to the TCF delivered sections on The Avenue and Hut Hill delivered by HCC.</p> <p>Provides a safer and attractive route compared to existing on Bassett Avenue particularly for less confident people</p> <p>Improvements at the Glen Eyre Road/Burgess Road junction are supported by the University of Southampton as a main route between their halls and campus.</p> <p>Bus journey times are maintained and improved with bus priority</p> <p>Avoids the AQMA at Burgess Road/Bassett Avenue</p> <p>The development of Glen Eyre Road provides greater opportunities for linking with cycle schemes to the east and west of The Avenue, such as the Cantell School Street (ATF funded), the Flowers Estate and Bassett West ATZs, as well as the SCNs 4 & 8 that connect via the Common to the University Hospital Southampton and</p>

	<p>on to Lordshill and the Southampton West P&R. This is a particularly strong route for cycles between the University and the Hospital and is being upgraded via Active Travel Fund.</p> <p><u>Negative Programme Impacts</u></p> <p>For direct commuters, the alternative scheme is slightly longer (approx. 300m) and therefore is not as beneficial as the original scheme. The facilities on Bassett Avenue will remain but The Avenue between Burgess Road and the subway will continue to have no dedicated cycle facilities. SCC is exploring with the Police the potential to reduce the speed limit on The Avenue-Bassett Avenue from 40mph to 30mph (which formed part of the temporary scheme) which would support those still choosing to cycle on The Avenue.</p> <p>Procurement</p> <p>The proposed scheme would continue to be delivered through SCC's Highways Services Contract with BBLP as per the original scheme</p> <p>Key risks <i>[incl narrative on risk / opportunity of changing scheme]</i> The main risks are</p> <ul style="list-style-type: none"> • Consultation both via the preliminary perception surveys and also the formal Traffic Regulation Order (TRO) consultation. • Interaction with Common Land at the Burgess Road/Glen Eyre Road junction • Trees and drainage • Statutory undertaker equipment • Design and decision delay – concept has been briefed with Cabinet Member and Ward Cllrs with their agreement • Timing with the University academic terms <p>Alignment with delivery of nearby projects</p> <p>The Glen Eyre Road scheme directly links with TCF investment on Bassett Avenue and Chilworth Roundabout and will be the continuation of the recently completed section on The Avenue from Northlands Road to the subway. SCC has put forward a route via Butterfield Road and Winchester Road to the west of</p>
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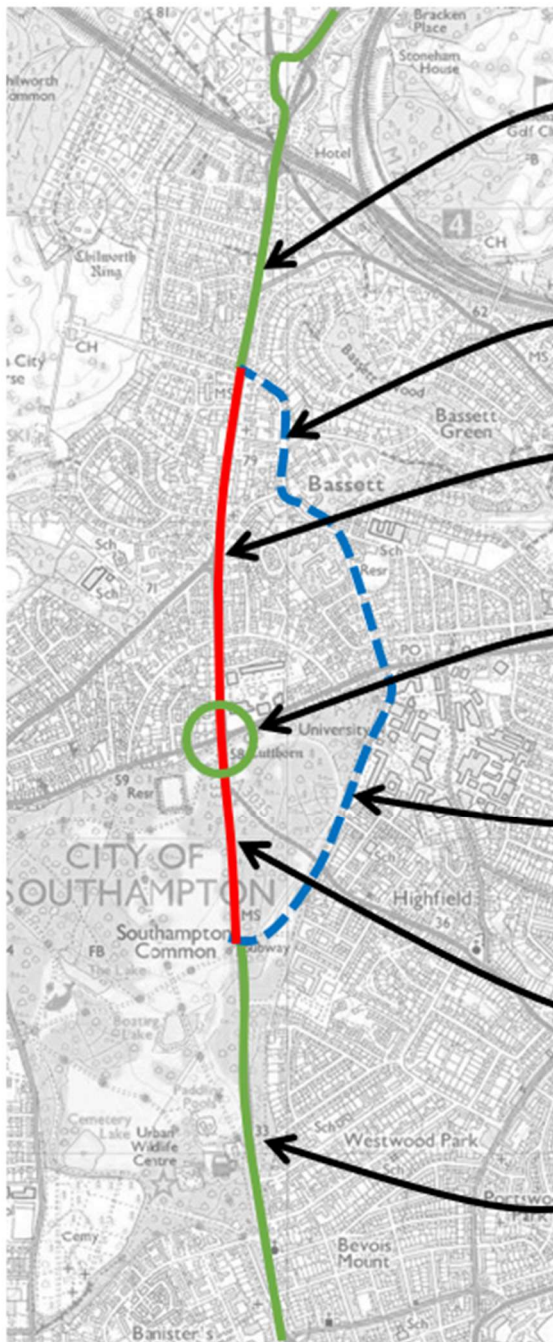
	<p>Bassett Avenue through ATF3 submission as a mirror quietway to this scheme Lovers Walk is a SCC-led scheme that will complete the route.</p> <p>Impacts on any specific user groups</p> <ul style="list-style-type: none">• Users of the Common maybe impacted negatively by additional cycles on Lovers Walk, this is to be mitigated by widening, signage and other design features.• Disabled people will benefit from improved crossing facilities at Glen Eyre Road/Burgess Road junction• Bus users will benefit from improved priority and bus stops• Cycles on The Avenue may be disadvantaged by no specific cycle provision but those less confident
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Appendix 1: Maps

Map 1 – Original Proposed SCN5 Scheme



Map 2- Proposed Changes to SCN5



Complete:
Bassett Avenue & Chilworth
Shared Use

Proposed Change:
Glen Eyre Road Quietway

Not Proceeding:
Winchester Road Roundabout

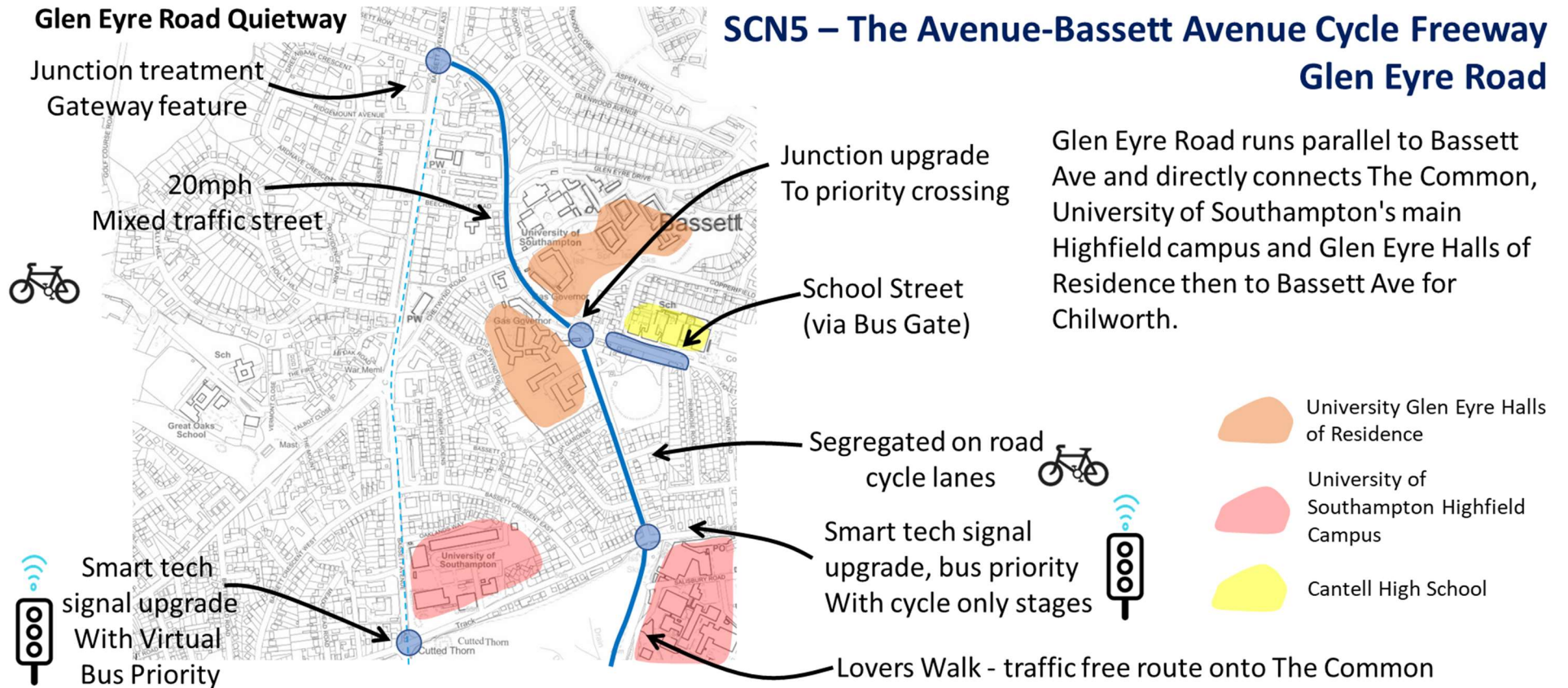
Proceed as per bid:
Burgess Road / Bassett Avenue
Junction

Proposed Change:
Lovers Walk (non TCF project)

Not Proceeding:
The Avenue-Basset Avenue
Segregated Cycle Lanes

Complete (as per bid):
The Avenue
Segregated Cycle Lanes

Map 3 – Proposed Amended Scheme – Glen Eyre Road Quietway



Appendix 2: Photos of Completed Scheme (The Avenue)



Original scheme	New scheme																			
<p>Name and Location Southampton-Woolston Rapid Bus: Itchen Bridge Roundabout</p>	<p>Name and Location Southampton-Woolston Rapid Bus: 1. Manor Road South 2. Woolston and Peartree ATZ extension 3. Woolston Mobility Hub extension</p>																			
<p>Mode / type Bus, active travel</p>	<p>Mode / type Active travel, rail, bus</p>																			
<p>Alignment with Strategic TCF objectives</p> <p>Replacement of roundabout at eastern end of Itchen Bridge with signalised junction with bus priority and cycle priority routes/crossings.</p> <p>Four strategic objectives were developed for the Southampton TCF Programme. These were based on the broader strategic objectives of the two authorities (SCC and HCC) and the DfT's objectives for the TCF Programme.</p> <p>Alignment of the group of schemes with each of the four Southampton TCF objectives is summarised below:</p> <table border="1" data-bbox="209 853 778 1272"> <thead> <tr> <th>Strategic Objective</th> <th>Alignment</th> </tr> </thead> <tbody> <tr> <td>Making Southampton City Region a productive, vibrant and successful place at the forefront of innovation</td> <td></td> </tr> <tr> <td>Supporting sustainable economic growth by connecting our city region together</td> <td></td> </tr> <tr> <td>Providing people with a more effective commute through a new rapid transit system</td> <td>Improving bus journey times</td> </tr> <tr> <td>Providing additional sustainable, healthy and active mobility options to meet the needs of and empower all residents</td> <td>Making active travel more appealing by improving cycle links across Itchen Bridge Roundabout</td> </tr> </tbody> </table>	Strategic Objective	Alignment	Making Southampton City Region a productive, vibrant and successful place at the forefront of innovation		Supporting sustainable economic growth by connecting our city region together		Providing people with a more effective commute through a new rapid transit system	Improving bus journey times	Providing additional sustainable, healthy and active mobility options to meet the needs of and empower all residents	Making active travel more appealing by improving cycle links across Itchen Bridge Roundabout	<p>Alignment with Strategic TCF objectives</p> <p>The three new proposed schemes are:</p> <ol style="list-style-type: none"> 1. Improve pedestrian and cycle facilities and add traffic calming measures to Manor Road South (Figure 1). Improved crossing facilities on Portsmouth Road. 2. Increase the size of Woolston ATZ to cover Itchen and Peartree, approximately double the size (see Figure 2). 3. Expand Woolston mobility hub to include station access improvements at Woolston station (Figure 3) <p>Alignment with Southampton TCF strategic objectives is summarised below:</p> <table border="1" data-bbox="817 943 1386 1361"> <thead> <tr> <th>Strategic Objective</th> <th>Alignment</th> </tr> </thead> <tbody> <tr> <td>Making Southampton City Region a productive, vibrant and successful place at the forefront of innovation</td> <td rowspan="2">Creating a high-quality interchange between public transport, active travel and micro mobility</td> </tr> <tr> <td>Supporting sustainable economic growth by connecting our city region together</td> </tr> <tr> <td>Providing people with a more effective commute through a new rapid transit system</td> <td>Better, more coherent connections between rail and local bus services</td> </tr> <tr> <td>Providing additional sustainable, healthy and active mobility options to meet the needs of and empower all residents</td> <td>Improved pedestrian and cycle safety in the Woolston area, making active modes more attractive</td> </tr> </tbody> </table>	Strategic Objective	Alignment	Making Southampton City Region a productive, vibrant and successful place at the forefront of innovation	Creating a high-quality interchange between public transport, active travel and micro mobility	Supporting sustainable economic growth by connecting our city region together	Providing people with a more effective commute through a new rapid transit system	Better, more coherent connections between rail and local bus services	Providing additional sustainable, healthy and active mobility options to meet the needs of and empower all residents	Improved pedestrian and cycle safety in the Woolston area, making active modes more attractive
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<p>Total Cost £1,142,400</p>	<p>Total Cost TBC following feasibility design</p>																			
<p>Sunk Costs £126,724</p>	<p>Available budget £1,015,676</p>																			
<p>Reason for change</p> <p>Two iterations of feasibility design were carried out with input from local bus operators. However, neither of the options satisfied the scheme objectives (reduced bus journey times; improve the environment for pedestrian and cyclists; and improve safety at the roundabout).</p> <p>16 alternative options for schemes on the Itchen Bridge Roundabout were then assessed, however none were found to sufficiently meet the scheme objectives and provide Value for Money.</p>	<p>Rationale for new scheme</p> <p><u>Manor Road South (including Portsmouth Road crossing)</u> Pedestrian and cycle safety - there is a significant clustering of accidents on the approach from Manor Road South onto Itchen Bridge Roundabout. There were 13 accidents in this location between 2015 and 2020, 23% of road users involved in these accidents were active mode users (STATS19). Improvements to pedestrian and cycle facilities on Manor Road South and crossing facilities on the roundabout are needed to improve safety. Improving cycle network - Woolston is an axis where four of the planned Southampton Cycle Network (SCN) routes meet. Route 9 links to Woolston Station via Manor Road South. The scheme will support the development of a safe, and attractive cycle network which will help to encourage more journeys to be taken via active modes.</p>																			

	<p><u>Woolston and Peartree ATZ extension</u> Making walking and cycling more attractive - the ATZs in Southampton aim to make walking and cycling more attractive for local trips by working with local residents to develop measures that reduce vehicle speeds, restrict through traffic and improve connections. Engagement in Woolston has demonstrated interest in extending ATZ measures to the area north of the station into Peartree. The proposed extension would double the size of the ATZ impacting a greater number of residents and journeys. In addition, a larger ATZ is expected to have greater impact than the sum of its parts because it will generate greater local support and create a more significant deterrent to private car journeys to the area.</p> <p><u>Woolston Mobility Hub extension</u> Improved interchange between public transport, active travel and micro mobility. The existing Mobility Hub proposals will provide solutions for last-mile travel (e-bikes, cycle parking, e-cargo etc) near to bus and rail stations in Woolston. In keeping with the Transforming Gateways theme, the proposal is to extend the scheme to include public realm and station access improvements at Woolston Station to create a seamless connection between the station, bus stops and mobility hub, complementing the surrounding Woolston and Peartree ATZ.</p>																
<p>Qualitative impact of removal on programme level VfM for schemes <£5m</p> <p>Junction modelling during feasibility design demonstrated that the scheme would have Introduced journey time delays along the corridor for bus and other highway users.</p> <p>The removal of the scheme is not expected to change the high VfM categorisation of the overall programme.</p>	<p>Qualitative impact of inclusion of new scheme on programme level VfM</p> <p>The three proposed schemes will generate additional benefits, particularly in terms of safety for active mode users and supporting modal shift (see Table 1 for more detail).</p> <p>These benefits are not expected to change the high VfM categorisation of the overall programme.</p>																
<p>Quantitative impact of removal on programme level VfM for schemes >£5m <i>[measurable impact on programme level VfM]</i> N/a</p>	<p>Quantitative impact of inclusion of new scheme on programme level VfM <i>[measurable impact on programme level VfM]</i> N/a</p>																
	<p>Critical milestones / decision dates / delivery confidence <i>[incl approvals (FBC), contract award, start / finish delivery]</i></p> <p><u>Manor Road South</u></p> <table border="1" data-bbox="810 1429 1386 1509"> <thead> <tr> <th>Milestone</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>Detailed design</td> <td>May to September 2022</td> </tr> <tr> <td>Start construction</td> <td>January to March 2023</td> </tr> </tbody> </table> <p><u>Woolston and Peartree ATZ extension & Mobility Hub</u></p> <table border="1" data-bbox="810 1565 1386 1697"> <thead> <tr> <th>Milestone</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>Co-design workshops end</td> <td>January 2022</td> </tr> <tr> <td>Feasibility design</td> <td>January to March 2022</td> </tr> <tr> <td>Detailed design</td> <td>May to August 2022</td> </tr> <tr> <td>Construction</td> <td>January to March 2023</td> </tr> </tbody> </table>	Milestone	Date	Detailed design	May to September 2022	Start construction	January to March 2023	Milestone	Date	Co-design workshops end	January 2022	Feasibility design	January to March 2022	Detailed design	May to August 2022	Construction	January to March 2023
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	<p>Impact on forecast benefits</p> <p>*See table 1 below</p>																
	<p>Procurement</p> <p>All schemes will be delivered via the Strategic Highways Partnership contract already in place with BBLP which runs until 2025. BBLP have supported with the development of schemes and are involved in delivering other schemes along the corridor and in the local area.</p>																

	<p>Key risks</p> <p><u>Manor Road South</u></p> <table border="1"> <tr> <td data-bbox="798 280 909 392">Budget</td> <td data-bbox="909 280 1391 392">Scheme has not been costed as a standalone item. Proposed scheme will include elements of two separate feasibility studies. Updated general arrangement drawing and construction cost estimate required.</td> </tr> <tr> <td data-bbox="798 392 909 548">TRO</td> <td data-bbox="909 392 1391 548">Scheme will require the removal of on street parking and conversion of footway to permit shared use. Early engagement with general public making clear the objectives and benefits of the scheme. Include St Patricks school in conversations</td> </tr> </table> <p><u>Woolston and Peartree ATZ extension</u></p> <table border="1"> <tr> <td data-bbox="798 604 909 772">Scope</td> <td data-bbox="909 604 1391 772">Extension will necessitate co-design with 2300 residential properties, 60 businesses and 3 ward councillors. The wider area has already been included in initial community engagement (via Commonplace), however additional co-design workshops are needed for the Itchen/Peartree area.</td> </tr> </table> <p><u>Woolston Mobility Hub extension</u></p> <table border="1"> <tr> <td data-bbox="798 840 909 952">TRO</td> <td data-bbox="909 840 1391 952">TROs are required for double yellow lines to facilitate reconfiguration of parking and installation of uncontrolled crossing. May also be needed for any changes to the subway.</td> </tr> <tr> <td data-bbox="798 952 909 1064">Stakeholder engagement</td> <td data-bbox="909 952 1391 1064">Engagement is required with SWR/Network Rail as forecourt area is within their land. They have been supportive in initial discussions.</td> </tr> </table>	Budget	Scheme has not been costed as a standalone item. Proposed scheme will include elements of two separate feasibility studies. Updated general arrangement drawing and construction cost estimate required.	TRO	Scheme will require the removal of on street parking and conversion of footway to permit shared use. Early engagement with general public making clear the objectives and benefits of the scheme. Include St Patricks school in conversations	Scope	Extension will necessitate co-design with 2300 residential properties, 60 businesses and 3 ward councillors. The wider area has already been included in initial community engagement (via Commonplace), however additional co-design workshops are needed for the Itchen/Peartree area.	TRO	TROs are required for double yellow lines to facilitate reconfiguration of parking and installation of uncontrolled crossing. May also be needed for any changes to the subway.	Stakeholder engagement	Engagement is required with SWR/Network Rail as forecourt area is within their land. They have been supportive in initial discussions.
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	<p>Alignment with delivery of nearby projects</p> <p>The scheme complements the existing plans for Woolston ATZ and Mobility Hub. The scheme will also be complemented by the Portsmouth corridor cycle scheme including proposals for access and cycle improvements around Sholing Station (currently at feasibility stage).</p>										
	<p>Impacts on any specific user groups</p> <p>The scheme will benefit the following vulnerable user groups (listed in TAG A4.2): lower income groups, children, young people, older people, people with a disability and people without access to a car.</p>										

***Table 1: Impact on forecast benefits**

Type of economic impact		Impact of removal of scheme on forecast programme benefits 🔴 = positive, 🟢 = negative	Impact of inclusion of new scheme on forecast programme benefits
Level 1	User impacts	<ul style="list-style-type: none"> 🔴 Journey time benefits for bus users (resulting from bus priority at signalised junction) not realised 🟢 No journey time disbenefits to other highway users 🟢 No disruption impacts during construction 	<ul style="list-style-type: none"> 🟢 Improved cycle journey times and ambience on Manor Road South and in ATZs 🟢 Improved pedestrian urban realm benefits in ATZs, at Mobility Hub and Woolston Station 🟢 Slight journey time benefit to highway and bus users expected, resulting from reduced congestion due to mode shift 🟢 Improved waiting and interchange experience for public transport users (Mobility Hub) 🟢 Physical activity benefits including health benefits, reduction in absenteeism and avoidance of premature deaths
	Non-user impacts	<ul style="list-style-type: none"> 🔴 Accident benefits for cyclists of signalisation not realised 🔴 Slight impact of mode shift to bus on greenhouse gas emissions, air quality and noise not realised 	<ul style="list-style-type: none"> 🟢 Accident benefits resulting from safety improvements on Manor Road South and reduced speed limit in ATZs 🟢 Noise, air quality and greenhouse gas benefits resulting from mode shift and vehicle restrictions in ATZs
	Private provider impacts	<ul style="list-style-type: none"> 🔴 No benefit to bus operators from decreased journey times and increased fare revenue 	No change
Level 2	Additional impacts on transport network	<ul style="list-style-type: none"> 🔴 No benefit to bus user journey time reliability resulting from congestion improvements at roundabout 	<ul style="list-style-type: none"> 🟢 Improved bus journey reliability and resilience of network due to mode shift and restriction of vehicles in ATZs
	Wider economic impacts (no land use changes)	No change	No change
Level 3	Wider economic impacts (with land use changes)	No change	No change
Non-monetised impacts	Economic impacts	No change	No change
	Environmental	No change	No change
	Social	<ul style="list-style-type: none"> 🔴 No improvements to severance as crossing points and speed at junction not changed 	<ul style="list-style-type: none"> 🟢 Benefits to physical activity, journey quality, severance and security

Figure 1: Manor Road South proposal

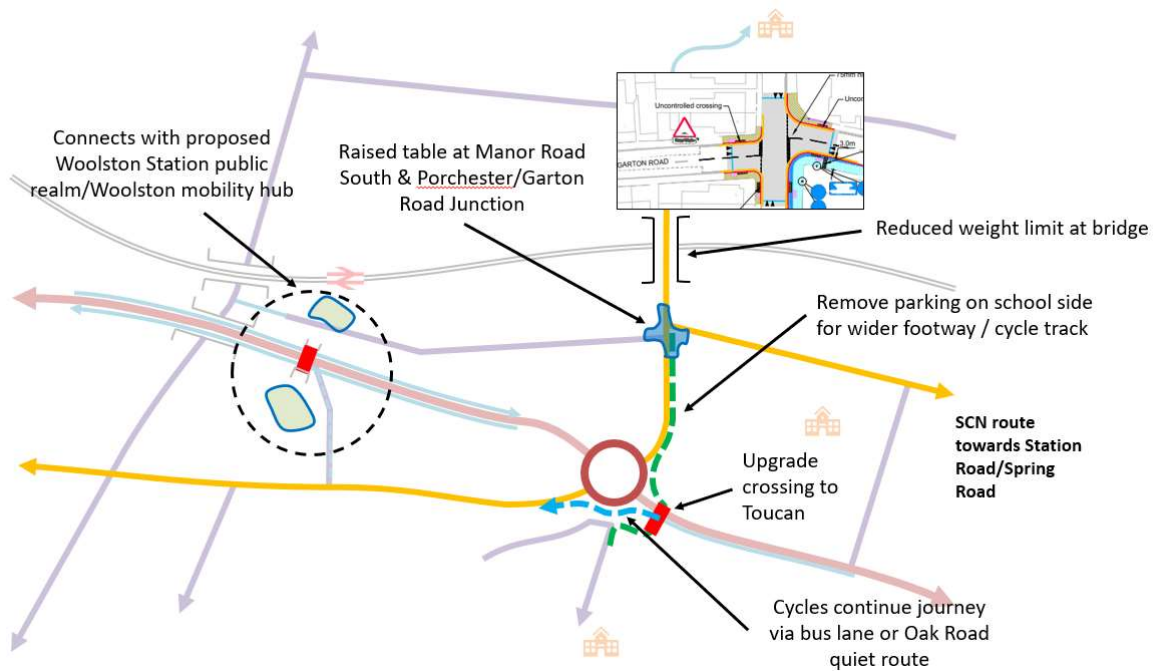


Figure 2: Extension of Woolston ATZ

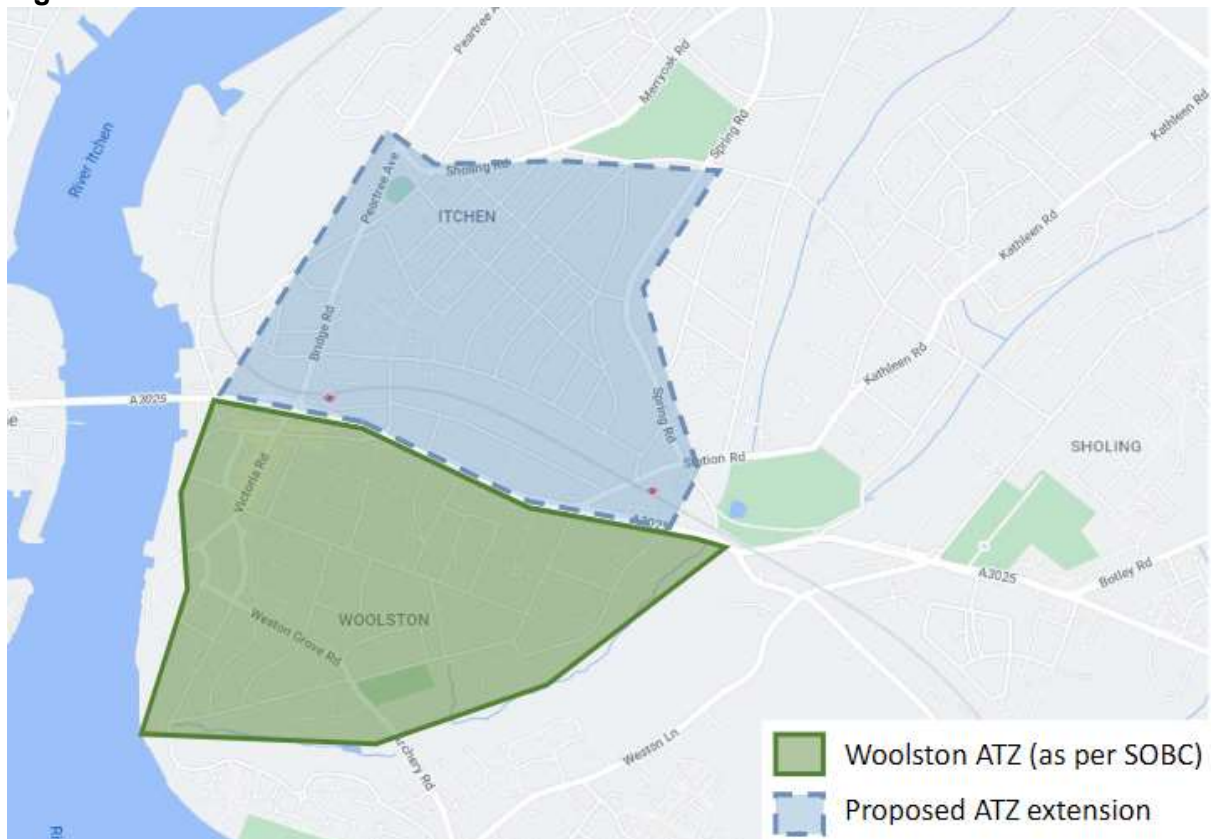
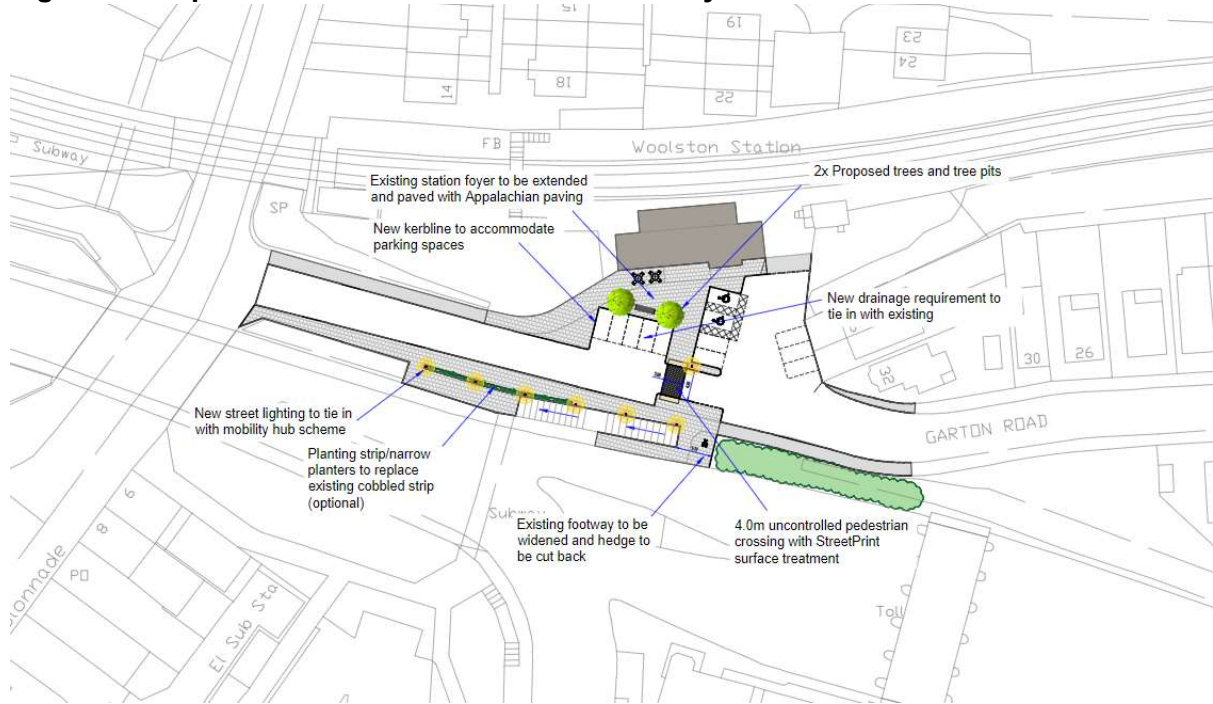


Figure 3: Proposed extension of Woolston Mobility Hub



CONNECTING SOUTHAMPTON CITY REGION

Transforming Cities Fund
Change Control (City Centre Projects)
Southampton City Council.

June 2022



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DfT Change Control (June 2022) – City Centre, Southampton

1. Background

TCF (Transforming Cities Fund) programme started in April 2020, after the bid was submitted in November 2019 and awarded on 20 March 2020.

Year 1 of the programme was affected by Covid, although SCC managed to keep the impacts limited. Nevertheless, recruiting the team was difficult and some activities – such as consultation events – posed a particular challenge as they could not continue in the face to face way as they would have been undertaken prior to the pandemic.

A change to a conservative administration in May 2021 resulted in a review of the whole TCF programme which started in June and was completed in August 2021. This resulted in a number of changes to some of the schemes by the new administration, as well as changes associated with greater scheme detail following project development. Some of these changes were minor, however for three schemes, the changes were substantial enough to require DfT Change Control. Following initial discussions with DfT starting in September 2021, change control for The Avenue, Woolston and City Centre Schemes was submitted to DfT on 6 December 2021. Change control for The Avenue and Woolston was approved by DfT on 6 April 2022. This included an extension for the delivery of these schemes into the financial year 2023/24. City Centre change control was rejected on 16 March 2022 by letter from Baroness Vere – see **Appendix A**. The submission of an alternative set of schemes was encouraged by 19 May 2022, to incorporate feedback as given in the letter. The elections on 5 May 2022 resulted in a change of administration back to a labour administration. To ensure consultation with the new administration and their full support incorporated into the resubmission, an extension of the submission date to end of June 2022 was agreed with DfT.

DfT also requested that this June 2022 City Centre change control includes the request for a programme-wide extension for an additional year to March 2024, an extension necessary for the city centre schemes and one that has already been granted for the approved change control schemes for The Avenue and Woolston. Programme-wide information is included in Section 5 of this document to further support the extension of our TCF programme into a fourth year, the financial year 2023/24 to March 2024.

2. TCF Original Bid (November 2019)

Four strategic objectives were developed for the Southampton TCF Programme. These were based on the broader strategic objectives of the two authorities (SCC and HCC) and the DfT's objectives for the TCF Programme.

- Making Southampton City Region a productive, vibrant and successful place at the forefront of innovation.
- Supporting sustainable economic growth by connecting our city region together.
- Providing people with a more effective commute through a new rapid transit system.
- Providing additional sustainable, healthy and active mobility options to meet the needs of and empower all residents.

To encompass these objectives, the original DfT bid submission incorporated six city centre schemes:

- Northern Inner Ring Road Junctions
- Portland Terrace - Albion Place Bus Hub and Castle Way Park
- East-West Spine Sustainable Transport Corridor
- City Centre Bus Priority
- A33/A3024 Six Dials Junction
- Portland Terrace - Albion Place Bus Hub and Castle Way Park
- Southampton Central Station Interchange

Figure 1 shows the location and original budget estimates for the six city centre schemes proposed under the original TCF bid.

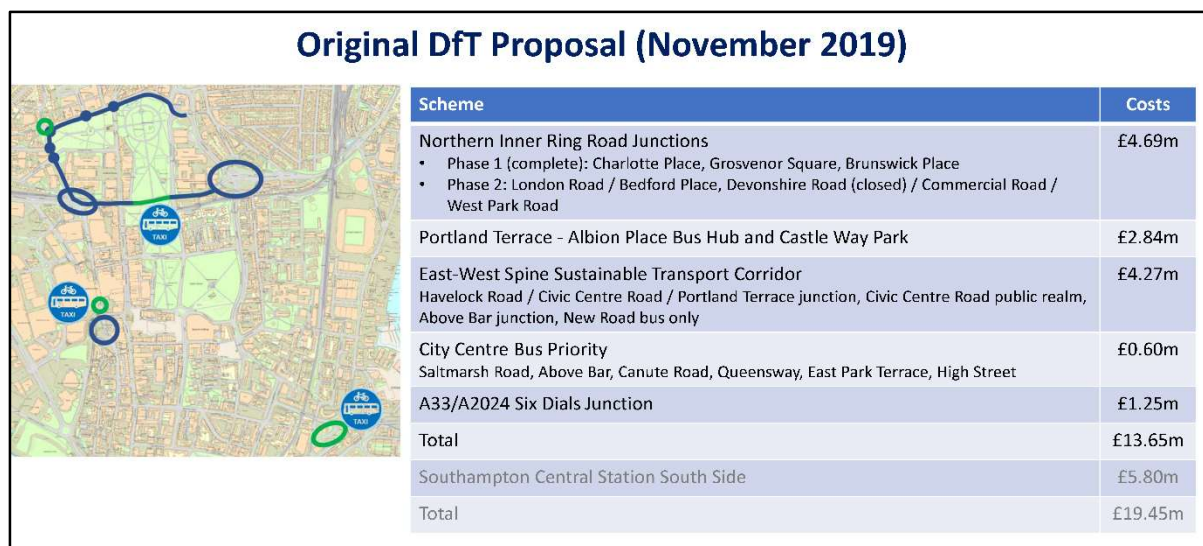


Figure 1 – Location, description and costs of original TCF City Centre proposals (Nov 2019)

3. June 2022 City Centre Change Control

3.1 Rationale for Revised Change Control

The rationale for this change control is as follows

- a) DfT rejection of previous change control because it was not transformative enough and did not incorporate any restrictions in the city centre for general traffic.
- b) Schemes to be more ambitious and as close as possible to original bid schemes achieving same aims and policy objectives. Schemes should not be compared to previous (December 2021) change control.
- c) DfT recognises there has been a period of unprecedented cost increases resulting in the need to amend schemes to achieve best value for money.
- d) A one year extension for the whole programme is proposed. Programme pressures however mean that some changes to schemes are required to achieve scheme delivery by March 2024.
- e) The schemes have been developed to have the full political support of the current (May 2022) Labour administration.
- f) The revised schemes support the long term transport plan and bus strategy (such as the southern bus ring).

3.2 June 2022 Change Control Schemes Summary

- Northern Inner Ring Road Junctions – **No change**, to remain as original bid scheme.
- Portland Terrace - Albion Place Bus Hub and Castle Way Park - **No change**, to remain as original bid scheme.
- East-West Spine Sustainable Transport Corridor – **Replace with alternative**, East Park Terrace Bus Only and Civic Centre Place (Havelock Road/Civic Centre Road/Portland Terrace Junction)
- City Centre Bus Priority - **Replace with alternative**, New Road Bus Connectivity scheme.
- A333/A3024 Six Dials Junction – **To not proceed**, due to lack of funding.

City Centre Revised Change Control - Schemes		
Scheme	Key Points	Estm Cost
Northern Ring Road Junctions	Devonshire Road closed / pocket park, scheme as original bid	£4.75m
Portland Terrace - Albion Place Bus Hub and Castle Way Park	Portland Terrace bus only between Spa Road and Shop Mobility, scheme as per original bid	£3.97m
(i) East Park Terrace Bus Only	(i) To replace New Road bus only, provide benefits for buses, extend park and connect with Solent Uni to create a transformation of the area.	£2.20m
(ii) Civic Centre Place (Havelock Road/Civic Centre Road/Portland Terrace Junction)	(ii) Civic Centre Rd public realm scheme not affordable / not feasible to implement by March 2024, key objectives and benefits of bid scheme can be realised with proposed scheme.	£2.14m
City Centre Bus Priority (New Road Bus Connectivity)	Bus lanes extensions along the East-West Spine to compliment East Park Terrace Bus Only.	£0.42m
A33/A3024 Six Dials Junction	To not be developed further.	£0.17m
Total		£13.65m
Southampton Central Station Interchange		£5.8m
Total		£19.45m




Figure 2 – Location, description and estimated costs for June 2022 TCF change control

3.3 Scheme Descriptions

- A. **Northern Inner Ring Road Junctions: No change**, this revised change control scheme incorporates the closure of Devonshire Road with pocket park as per original bid scheme.
- B. **Portland Terrace – Albion Place Bus Hub and Castle Way Park: No change**, this revised change control scheme includes the Portland Terrace Bus Gate as per the original bid scheme.
- C. **East-West Spine Sustainable Transport Corridor: Replace with alternative**, East Park Terrace Bus Only and Civic Centre Place (Havelock Road/Civic Centre Road/Portland Terrace Junction)

Original Bid Scheme (November 2019)

C. East-West Spine Sustainable Transport Corridor

Sustainable transport corridor to the City Centre via New Road: Scheme description as per original bid.

- i. Non-segregated cycle route from Six Dials to Civic Centre Road;
- ii. New Road: general traffic restrictions (no through route) through central parks;
- iii. Civic Centre Place: restricted traffic.

Replace East-West Spine Sustainable Transport Corridor with alternative: *East Park Terrace Bus Only and Civic Centre Place (Havelock Road / Civic Centre Road / Portland Terrace Junction)*

C(i) East Park Terrace Bus Only

East Park Terrace runs north-south parallel to the eastern side of East Park connecting from Charlotte Place to the north with New Road and the Kingsland Estate to the south. It provides frontage access to Solent University with bus stops.

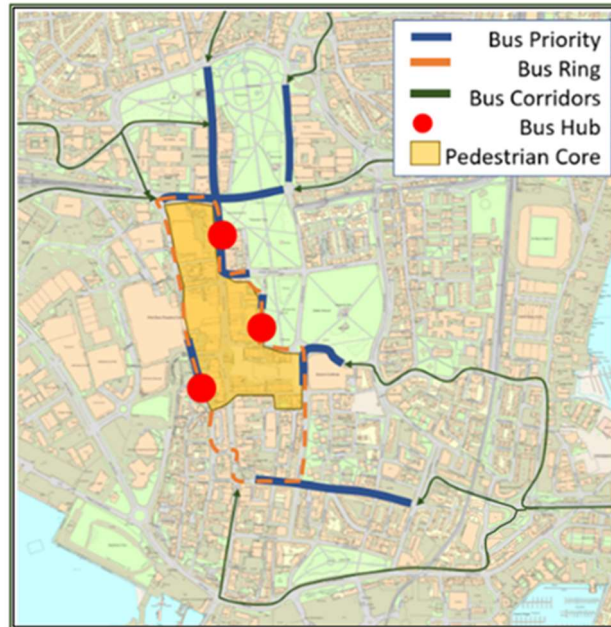
East Park Terrace is a bus route with services from Portswood TCF Corridor continuing into the City Centre.

It is important for Solent University students walking and cycling to the site through the Parks from accommodation, other University sites and into the heart of the City Centre.

East Park Terrace is used as a through route for traffic passing through the City Centre as it allows car access that has been restricted at Above Bar Street. This has led to a more car dominated environment with a wider carriageway that separates the Solent University campus from the Parks and the rest of the City Centre. Walking routes into the Park don't align with demand resulting in pedestrians crossing East Park Terrace away from designated points.

East Park Terrace also forms part of SCN6 from Portswood to the City Centre – continuing investment has been made on this corridor via TCF and Active Travel Fund at Bevois Valley and more recently St Mary's Road on the northern side of Charlotte Place. Improvements at East Park Terrace continue the investment into this key corridor and link to a proposed Levelling Up Fund cycle scheme at Queensway further south.

The agreed TCF plan for the City Centre is to provide bus priority measures in Southampton City Centre. This links to the ambition to build a 'Bus Ring' – a series of bus priority measures that provide a route for buses to get around an expanded pedestrian core and on routes to that 'Ring'. The image below shows the full network of priority measures including the existing ones on Above Bar Street and Civic Centre Road-New Road.



This provides buses with the necessary priority and gets them to the bus hubs and other bus stops that are close to the main points in the City Centre where passengers want to get to.

It supports the approach of the City Centre being divided into sections around the pedestrian core, with traffic that needs to be in the City Centre easily reaching its destination. Disabled parking is to be provided within the Ring.

Emergency services, public transport, servicing & refuse collection vehicles, taxis, cycles, e-scooters, cargo bikes will be allowed in certain streets that are closed for general motorised traffic.

Proposed Alternative

The proposed alternative scheme is to restrict vehicle access converting East Park Terrace to bus, taxi & cycle only. This is a replacement for the New Road vehicle restriction proposed in the TCF bid.

It will include the following:

- A bus, taxi & cycle only section from Charlotte Place to New Road,
- Upgraded bus stops,
- Cycle facilities,
- Upgrades to the traffic signals at East Park Terrace/New Road including bus priority, and
- Upgraded public realm immediately outside Solent University to aid connectivity into East Park and beyond.

Doing this will:

- Deliver a 320m section of bus priority in the City Centre so buses from Portswood can more easily access the 'Bus Ring' at Above Bar Street. Benefits for buses over cars would be from a less direct route for cars and increased vehicle journey times, as vehicles would need to route via St Andrew's Road to the east. This gives the bus an advantage while expanding the level of bus priority. Additional benefits can be accrued through bus priority at the New Road/East Park Terrace signals through reduced wait times and less peak time queuing;
- Removing traffic promotes better connectivity between Solent University, the Parks and the rest of the city – it creates a public realm that allows informal crossing of East Park Terrace due to reduced traffic to create a walkable City Centre; and
- Continuation of the cycle route that provides a safe route from Portswood and Southampton Common as well as The Avenue into the City Centre.

The scheme also allows for the complementary extensions to the existing bus priority on New Road (D).

Comparison to original New Road scheme

This takes the same principle as New Road – restricting access to vehicles except buses, taxis and cycles – and applies this to East Park Terrace. The benefits to the buses are generated from increase in comparable vehicle journey times, reduced congestion from general traffic queuing at signals by reducing traffic demand compared to existing where there is currently no priority measures.

Based on the modelling, reduced delays along East Park Terrace and therefore bus journey time benefits are up to 4 minutes in the northbound direction and up to 2 minutes in the southbound direction. Delay increases along St Andrews Road are up to 2 minutes in the northbound direction and up to 0.5 minutes in the southbound direction.

Overall, this scheme will provide benefits for buses and provide further expansion of bus priority in the City Centre to connect with the proposed bus ring at New Road as well as creating a better pedestrian environment along East Park Terrace connecting Solent University with the city centre.

C(ii) Civic Centre Place (Havelock Road/Civic Centre Road/Portland Terrace Junction)

Civic Centre Place is formed of the adjacent traffic signal junctions of Havelock Road and Civic Centre Road and Civic Centre Road and Portland Terrace. This is currently a confusing signal controlled junction with multiple arms that are linked and operates as one 'large' junction.

This arrangement causes delays for vehicles using the Ring Road, buses travelling in all directions, does not provide safe or direct crossing routes for people walking, and has no cycle facilities.

The original proposal for this scheme was a large-scale pedestrianisation that would have created a gateway public space outside Southampton Civic Centre. The majority of traffic would have been removed from this space via restrictions on New Road and Portland Terrace. This would have enabled the junction to be simplified with better pedestrian and cycle crossing points and reduced traffic signals at Havelock Road/Civic Centre Road only.

Proposed Alternative

The proposed alternative scheme for Civic Centre Place incorporates scaled down elements of the original TCF scheme. The focus will be on improving walking and cycling connectivity through the junction, provide buses with benefits, and encouraging through traffic to use the Ring Road over New Road and Portland Terrace. It will complement the recent SCC public realm/pedestrian route on Kingsbridge Lane as part of the wider 'Saints Mile' connectivity axis from Southampton Central Station to St Mary's Stadium.

Portland Terrace is still proposed to be restricted to buses, taxis & cycles only so there is an expected reduction in traffic volume through this junction.

Civic Centre Road/Havelock Road Junction

- Upgraded pedestrian/cycle crossings on Havelock Road and Civic Centre Road arms from Kingsbridge Lane towards Civic Centre Road and The Marlands Shopping Centre – removing the current three-staged approach,
- Technology upgrade to the signals to improve efficiency as final junction on Ring Road (complements existing and ongoing TCF investment on Ring Road) including traffic signal bus priority,
- On road cycle lane on Havelock Road (light segregation),
- Changes to lane arrangements to direct traffic between Havelock Road and Civic Centre Road rather than New Road - Portland Terrace to aid with restrictions on Portland Terrace and discouraging New Road as a through route.

Civic Centre Road/Portland Terrace Junction

- Reduction of traffic lanes on Portland Terrace to create segregated cycle lanes on Portland Terrace & Civic Centre Road from Windsor Terrace to crossing between The Marland's Shopping Centre & Asda,
- Upgrade to crossing between The Marlands Shopping Centre & Asda to parallel signalised crossing,
- Improvements to crossings across Civic Centre Road at traffic signals,
- Technology upgrade to the signals to improve efficiency including traffic signal bus priority,
- Segregated cycle route on Portland Terrace to narrow carriageway – linked to Portland Terrace bus gate.

This alternate has been designed to tie into with a future developer-led public realm scheme for the potential redevelopment of the The Marlands Shopping Centre.

Reasons for change

- 1) Revised East-West Spine (Saints Mile) public realm likely to exceed available budget due to inflation since it was originally costed and not deliverable even within a programme extension of an additional year.
- 2) New Road Bus Only section as per original TCF bid cannot be delivered by March 2023 due to consultation requirements, potential opposition and timings with local elections in May 2023, and would be challenging to deliver by March 2024.
- 3) DfT did not support incremental improvements without New Road Bus Only with a restriction being implemented post-TCF (through TCF funding) – see section **D** (below) for New Road alternative.

- D. City Centre Bus Priority: Alternative** to the four minor local adjustment schemes (Saltmarsh Road, Canute Road, Queensway / East Park Terrace and High Street) to be replaced with a single project New Road Bus Lane Connectivity and improvements to complement the proposed East Park Terrace Bus Only scheme and to mitigate the effects of the New Road Bus Only scheme not proceeding.

Original Bid Scheme (November 2019)
<p>D. City Centre Bus Priority</p> <p><u>Scheme Description as per original bid</u></p> <p>Bus Priority at junctions and Bus/Cycle only sections of road providing access to the pedestrian core of city:</p> <ol style="list-style-type: none"> i. Saltmarsh Road westbound. ii. Canute Road. iii. Queensway, Palmerston Road, East Park Terrace. iv. High Street.
June 2022 Change Control
<p>City Centre Bus Priority (New Road Bus Connectivity)</p> <p>The original TCF bid proposed short sections of either Bus/Cycle only sections of road or bus lanes are away from the main ‘bus ring’ (except for Queensway) and further consideration showed a lower level of priority would be obtained through their implementation. Stakeholder consultation has shown that the acceptability of these restrictions is low – Saltmarsh Road only had a 48% support rate in our 2021 public engagement questionnaire. These sections are therefore planned to be delivered with alternative funding over a longer time frame that allows for ongoing and intensified stakeholder engagement prior to their implementation and to further complement the current TCF proposals.</p> <p>The first element, subject to funding, would be brought forward via the proposed SCC LUF bid for Transport improvements in the City Centre to implement bus gates at Queensway (to connect Bargate and Debenhams developments) and Bernard Street.</p> <p><u>Proposed Alternative: New Road Bus Connectivity</u></p> <p>The proposed alternative is to focus bus priority on New Road by extending the existing bus lanes. This is also in response to the proposed full traffic restrictions on New Road not proceeding (as per C(i)).</p> <p>New Road is an east-west route through Southampton City Centre from Six Dials in the east to Civic Centre Place in the west. It carries over 11,000 vehicles/day and is seen as a convenient route through the City Centre. This has led to a poor public realm through the Central Parks and past the Grade I listed Civic Centre. Incremental expansions to accommodate traffic have resulted in a 4-lane road. Bus lanes are provided but are cut short at junctions to maintain capacity for traffic and turning movements for vehicles. This has reduced continuity of priority and queues at the signals provide additional delay to buses.</p>

The originally proposed scheme in the TCF bid for New Road would have removed all through traffic by creation of a bus, taxi & cycle only section between East Park Terrace and Park Walk. This would have reduced through traffic through the Central Parks entirely and enabled the creation of an expanded public realm at Civic Centre Place (Cii).

The alternative proposals are as follows:

- i. Total of 250m extra bus, taxi & cycle lanes on New Road between Above Bar Street and Six Dials in both directions (190m eastbound & 60m westbound),
- ii. Minor amendments to bus lanes on Civic Centre Road to cover queuing and protect bus stops,
- iii. Improvements to East Park Terrace / New Road junction as part of the East Park Terrace proposals (C(i)).

These changes will result in buses have continuous priority along New Road rather than being hindered by queuing/turning traffic at the junctions.

Reasons for change

- 1) Public support for Saltmarsh Road, Queensway, Canute Road & High Street bus priority schemes was low. Queensway is being considered for LUF bid,
- 2) Extends the existing bus lanes by removing conflict with turning traffic and queues at signals,
- 3) Minimises delays for buses at East Park Terrace junction through restrictions on East Park Terrace and extended bus lane,
- 4) The other bus priority facilities form part of wider bus priority plans as set out in the Southampton BSIP and could be funded by other sources, such as LTP, in the future.

E. A33/A3024 Six Dials Junction: TO NOT PROCEED: Not be carried forward, but request residual funding transferred to East Park Terrace as this will provide greater benefits.

Original Bid Scheme (November 2019)	June 2022 Change Control
<p>E. A33/A3024 Six Dials Junction <u>Scheme description as per original bid</u></p> <ul style="list-style-type: none"> i. Bus priority at signals. ii. Public realm improvements and supporting development land. iii. Kingsway, New Road and Northam Road: consolidation of junction by removing lanes 	<p>E. A33/A3024 Six Dials Junction</p> <p>Not progress any further with this scheme with request for funding to be transferred to (i) East Park Terrace Bus only and (ii) Civic Centre Place (Havelock Road/Civic Centre Road/Portland Terrace Junction)</p> <p>Reasons for change:</p> <ul style="list-style-type: none"> 1) As Six Dials is an extension to the New Road Bus only scheme it would not provide the same benefits and is no longer relevant. 2) Based on the above, this scheme is deemed lowest value for money, whereas Havelock Rd junction improvement provides higher benefits, hence that was maintained from this original East-West Spine corridor. Based on the above, this scheme is deemed lowest

	value for money, whereas Havelock Rd junction improvement provides higher benefits, hence that was maintained from this original East-West Spine corridor.
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3.4 City Centre Scheme Budgets

The current spend on these schemes to end of May 2022 for the city centre change control schemes is collectively £2.43. This includes the full design and completed construction of Northern Ring Road Phase 1, detailed design of Six Dials, preliminary design of Saints Mile (East-West Spine) and feasibility design of Portland Terrace / Albion Place Bus Interchange. In submitting this change control, the rationale was to provide similar benefits to the original bid submission, requiring no additional DfT TCF funding and covering the sunk costs to date. Table 1 below shows the original DfT TCF bid schemes estimated costs from November 2019 compared to estimated costs for the proposed schemes as of June 2022.

Original TCF Bid Schemes (November 2019)	Scheme estimates (Dec 2020 prices)	TCF Revised Change Control (June 2022)	Revised estimates (June 2022 prices)
Northern Inner Ring Road Junctions	£4.691m	Northern Inner Ring Road Junctions	£4.755m
Portland Terrace-Albion Place Bus Hub and Castle Way Park	£2.843m	Portland Terrace-Albion Place Bus Hub and Castle Way Park	£3.973m
East-West Spine (Sustainable Transport Corridor)	£4.272m	(i) East Park Terrace Bus Only (ii) Civic Centre Place (Havelock Road/Civic Centre Road/Portland Terrace Junction)	£4.337m
City Centre Bus Priority	£0.599m	City Centre Bus Priority (New Road Bus Connectivity)	£0.423m
A33/A3024 Six Dials Junction	£1.245m	-----	£0.163m (sunk costs)
	£13.651m		£13.651m

Table 1 –Estimated cost comparison between original bid and revised June 2022 change control.

Table 2 below shows TCF and match funding for each scheme for the original TCF bid and the revised June 2022 change control.

Initial scheme element (TCF Bid Nov 2019)	Original TCF funding (Nov 2019)	Original Match Funding (Nov 2019)	Original Cost Estimate (Nov 2019)	DfT Change Control (Jun 2022)	Revised TCF funding (Jun 2022)	Revised Match Funding (Jun 2022)	Revised Total Cost Estimate (Jun 2022)
Northern Inner Ring Road Junctions	£2,880,704	£1,810,905	£4,691,609	Northern Inner Ring Road Junctions	£2,943,754	£1,810,905	£4,754,659
Portland Terrace - Albion Place Bus Hub and Castle Way Park	£2,093,061	£750,000	£2,843,061	Portland Terrace - Albion Place Bus Hub and Castle Way Park	£3,223,066	£750,000	£3,973,066
East-West Spine Sustainable Transport Corridor	£3,848,383	£423,223	£4,271,606	East Park Terrace Bus Only & Civic Centre Place (Havelock Road/Civic Centre Road/Portland Terrace Junction)	£3,914,127	£423,223	£4,337,350
City Centre Bus Priority	£599,509	£0	£599,509	City Centre Bus Priority (New Road Bus Connectivity)	£423,481	£0	£423,481
A33/A3024 Six Dials Junction	£1,245,771	£0	£1,245,771	A33/A3024 Six Dials Junction	£163,000	£0	£163,000
Total	£10,667,428	£2,984,128	£13,651,556	Total	£10,667,428	£2,984,128	£13,651,556

Table 2 – TCF and Match funding split for original bid and revised June 2022 change control schemes

Table 3 below shows spend to date 'sunk costs' to (May 2022), remaining total budget and remaining TCF budget for each scheme within the revised change control.

Revised Change Control (June 2022)	Revised TCF funding (June 2022)	Revised Match Funding (June 2022)	Revised Total Cost Estimate (June 2022)	Spend to date (May 2022)	Remaining Total Budget	Remaining TCF Budget
Northern Ring Road Junctions	£2,943,754	£1,810,905	£4,754,659	£1,566,850	£3,187,809	£1,376,904
Portland Terrace-Albion Place Bus Hub and Castle Way Park	£3,223,066	£750,000	£3,973,066	£223,228	£3,749,838	£2,999,838
East Park Terrace Bus Only & Civic Centre Place (Havelock Road/Civic Centre Road/Portland Terrace Junction)	£3,914,127	£423,223	£4,337,350	£419,449	£3,917,901	£3,494,678
City Centre Bus Priority (New Road Bus Connectivity)	£423,481	£0	£423,481	£56,010	£367,471	£367,471
A33/A3024 Six Dials Junction (Sunk Costs)	£163,000	£0	£163,000	£163,000	£0	£0
	£10,667,428	£2,984,128	£13,651,556	£2,428,537	£11,223,019	£8,238,891

Table 3 – Sunk costs and remaining budgets

3.5 Revised City Centre Spend profile

Table 4 and Figure 3 below show the estimated spend profile (excluding Southampton Central Station Interchange) showing an estimated total spend of £5.67m (£5.67m TCF and £0 match funding) to end of FY22/23 and a spend of £7.98m (£5.0m TCF and all £2.98m match funding) in FY23/24.

	FY22/23 Q1	FY22/23 Q2	FY22/23 Q3	FY22/23 Q4	FY22/23 END YEAR	FY23/24 Q1	FY23/24 Q2	FY23/24 Q3	FY23/24 Q4	FY23/24 ONLY	
TCF Quarter	£128,016	£755,293	£1,648,188	£612,314		£771,194	£2,371,228	£1,853,835	£0		
TCF Cumulative	£2,655,377	£3,410,670	£5,058,857	£5,671,171	£5,671,171	£6,442,365	£8,813,593	£10,667,428	£10,667,428	£4,996,257	£10,667,428
Match Funding Quarter	£0	£0	£0	£0		£1,181,961	£209,748	£809,532	£782,889		
Match Funding Cumulative	£0	£0	£0	£0	£0	£1,181,961	£1,391,708	£2,201,240	£2,984,128	£2,984,128	£2,984,128
					£5,671,171					£7,980,386	
TCF+Match Quarter	£128,016	£755,293	£1,648,188	£612,314		£1,953,154	£2,580,975	£2,663,367	£782,889		
TCF+Match Cumulative	£2,655,377	£3,410,669	£5,058,857	£5,671,171	£5,671,171	£7,624,325	£10,205,301	£12,868,668	£13,651,556	£13,651,556	

Table 4 – TCF / Match funding spending profile (excluding Southampton Central Station Interchange)

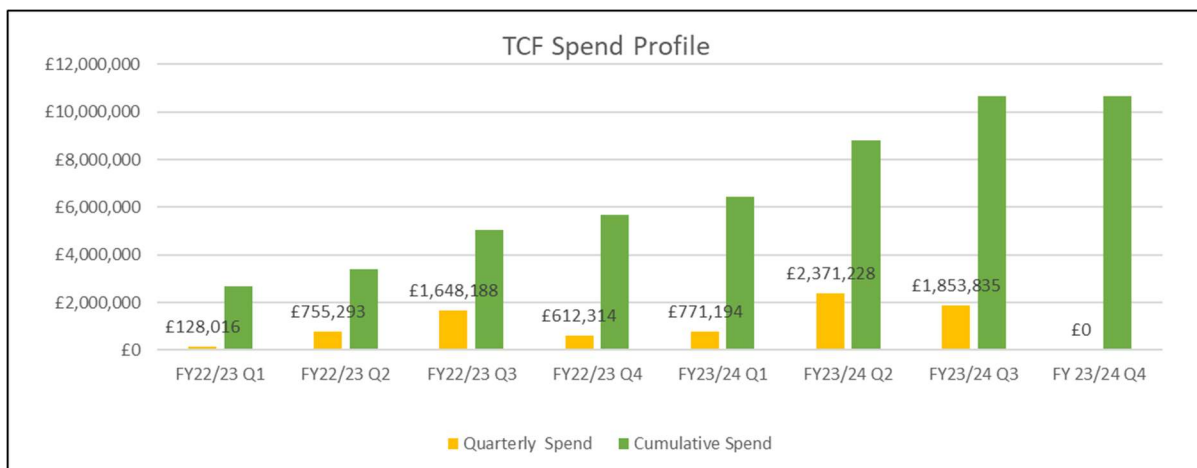


Figure 3 – Quarterly and Cumulative TCF Spend Profile over FY22/23 and FY23/24 for City Centre change control schemes (excluding Southampton Central Station Interchange)

3.6 City Centre Delivery Plan

The delivery plan for the revised June 2022 TCF City Centre programme is outlined below. It includes the Central Station Interchange scheme although this is not part of this change control because it is intrinsically linked to the other city centre schemes which are covered within this change control. The Northern Ring Road has a planned construction start before the end of this financial year (as does Southampton Central Interchange Station). East Park Terrace Bus Only, Civic Centre Place, Portland Terrace (Albion Place Bus Hub) and City Centre Bus Priority (New Road Bus Lane Extension), are to be progressed to detailed design with a staggered construction start after the all out elections in May 2023. Construction is planned to finish before March 2024 for all schemes which will require the extension of the programme for one additional year to March 2024.

Scheme Name	Tasks	FY22/23 Q2			FY22/23 Q3			FY22/23 Q4			FY23/24 Q1			FY23/24 Q2			FY23/24 Q3			FY23/24 Q4			
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
Northern Inner Ring Road Junctions	Re-tender																						
	Mobilisation																						
	Phase 2 Construction																						
	Demobilisation																						
Portland Terrace-Albion Place Bus Hub and Castle Way Park	Preliminary Design																						
	Planning																						
	Detailed Design																						
	Commercial Pricing																						
	Mobilisation																						
	Construction																						
	Demobilisation																						
(i) East Park Terrace Bus Only and (ii) Civic Centre Place (Havelock Road/Civic Centre Road/Portland Terrace Junction)	Surveys																						
	Preliminary Design																						
	TRO																						
	Detailed Design																						
	Commercial Pricing																						
	Mobilisation																						
	Construction																						
	Demobilisation																						
City Centre Bus Priority (New Road Bus Connectivity)	Preliminary Design																						
	TRO																						
	Detailed Design																						
	Commercial Pricing																						
	Mobilisation																						
	Construction																						
	Demobilisation																						
Southampton Central Station Interchange	Preliminary Design																						
	Detailed Design																						
	TRO																						
	Commercial Pricing																						
	Mobilisation																						
	Construction																						
	Demobilisation																						

Figure 5 – Delivery Plan for TCF City Centre Schemes (June 2022) Revised Change Control

3.7 City Centre Modelling

Modelling for the city centre was undertaken with the Aimsun model for 2019 and 2026 for the following scenarios: 'As Is' (existing road layouts), TCF (original bid), and TCF2 (June 2022 Change Control). The modelling doesn't include any mode shift and therefore represents a worst case scenario.

The modelling for TCF2 focused on understanding the impacts of changes to New Road, East Park Terrace bus only, Portland Terrace bus only and Devonshire Road closure.

The high level results for the change control scenario (TCF2) model compared to 'As Is' are shown in Figure 7 below. This figure also shows the key routes for which journey time analysis has been carried out.

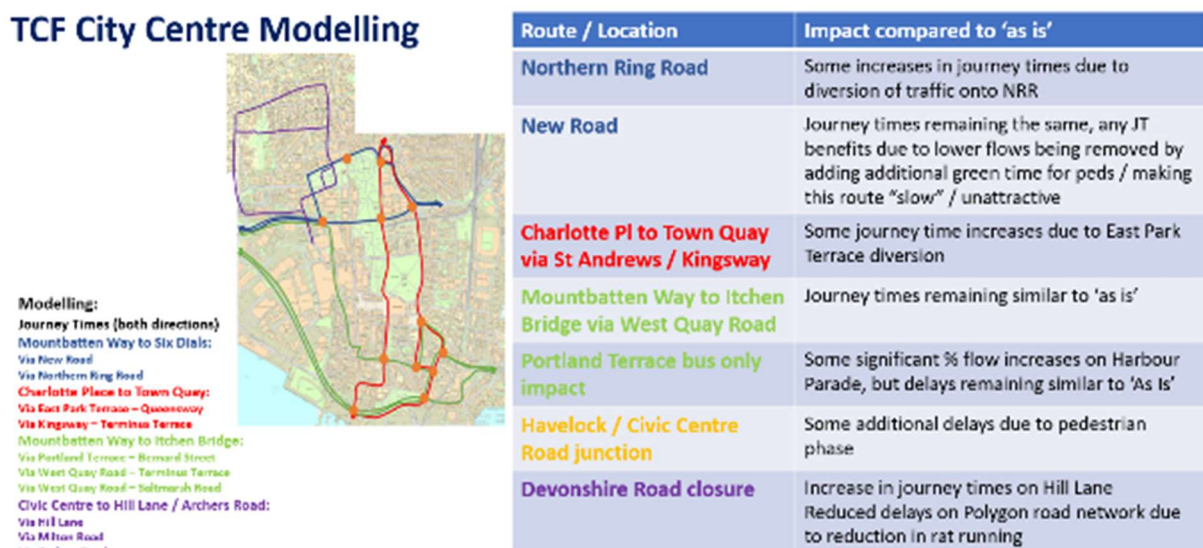


Figure 6 – High level summary of modelling analysis comparing TCF 2 with 'As Is'

The key differences of the June 2022 change control schemes compared to the original bid schemes are as follows:

- Northern Inner Ring Road doesn't experience the journey time increases as it does in the original TCF scenario because New Road remains open and some of the traffic is routing via New Road.
- Equally, New Road doesn't experience the journey time decreases as it does in the TCF scenario because it carries more traffic than in the original TCF scenario.

Table 5 (below), summarises the impacts of the revised change control schemes. As stated above, the modelling was undertaken without assuming a mode shift and therefore represents a worst-case scenario. It should also be recognised that the TCF primary objective is to promote sustainable transport by providing benefits to active modes and public transport. Inevitably this will lead to some disbenefits for car users. The schemes aim to minimise those impacts where possible.

Route/Location	Detailed analysis of Impact compared to 'As Is'
Northern Inner Ring Road	Some increases in delays and journey times along the Northern Ring Road will occur due to the diversion of traffic from New Road. Most of these will be mitigated through the improvements already implemented within Phase 1 of the TCF Northern Inner Ring Road scheme and proposed to be continued with its Phase 2. Furthermore, as recognised in the original DfT bid, the Northern Ring Road is better suited to accommodate additional traffic than New Road being a higher capacity 'A' Class road.
New Road	Delays and resulting journey times along this corridor will remain very similar to current for vehicular traffic. This is due to the clear intention not to make this route more attractive but diverting through traffic onto the Northern Inner Ring Road which is reflected in the modelling. Additional green time will be given to pedestrians, cyclists and public transport crossing New Road. Extending the bus lanes along this corridor will ensure that buses will not be affected by any delays to through traffic.
Charlotte Place to Town Quay via St Andrews / Kingsway	Some delays and resulting journey time increases will occur along this route, particularly on St Andrews Road due to traffic being diverted from East Park Terrace. Both St Andrews Road and Kingsway are both dual carriageway 'A' class roads which are better suited to accommodate increased traffic volumes than the parallel route of East Park Terrace and Palmerston Road. Buses on East Park Terrace will benefit from much reduced delays due to the removal of through traffic.
Mountbatten Way to Itchen Bridge via West Quay Road	Journey times along this corridor remain similar to 'As Is' with the corridor being able to absorb any increases in traffic due to the bus only section of Portland Terrace.
Portland Terrace bus Only impact	The bus only introduction on Portland Terrace is likely to lead to some significant % flow increases on Harbour Parade with absolute flow increases of up to 200 vehicles in PM peak given this is the immediate parallel route to Portland Terrace. The delays however along this route (Western Esplanade leading to Harbour Parade and Harbour Parade) remain very similar to 'As Is' given there is sufficient capacity to accommodate the extra traffic.
Havelock Road / Civic Centre Road junction	Some additional delays will occur at this junction due to an additional pedestrian phase which is required to facilitate improved pedestrian and cycle movements across this junction. The signal upgrade will not mitigate all these delays.
Devonshire Road closure	<p>The modelling shows that the closure of Devonshire Road will lead to increases in delays and therefore increases in journey times on Hill Lane, particularly in a southbound direction. These delays continue along Commercial Road in the eastbound direction, although some of these are likely to be due to the priority given to Northern Ring Road traffic and minimising delays along that key route. Hill Lane northbound does not experience any significant changes in delays.</p> <p>The impacts of the closure of Devonshire Road on Archers Road / Carlton Road / Bedford Place alternative route are less pronounced with some increases in delays on Archers Road eastbound and Carlton Road / Bedford Place southbound but decreases in delays on Archers Road westbound.</p> <p>The roads within the Polygon area are positively affected by the closure of Devonshire Road with delays along Wilton Avenue and Newcombe Road reducing in most scenarios due to the reduction in rat running. This will not only benefit residents within the Polygon but also Springhill School which has its access points from Milton Road.</p> <p>The impacts on Hill Lane due to increased traffic flows will be monitored and mitigated through continuous signal timing adjustments at all the signalised junctions along Hill Lane. We will work with the two affected schools, Springhill on Milton Road and Banister on Archers Road, to maximise any benefits arising from the flow changes and mitigate any disbenefits.</p>

Table 5 – Modelling analysis

3.8 City Centre Business Case

This revised change control does not seek to justify or submit a new business case but has been tailored below in recognition of the proposed changes.

Strategic

The original SOBC recognised seven strategic objectives

- 1) A Growing City Region is being constrained by congestion and delays.
- 2) Weak connections between residential areas and workplaces add to congestion levels and lower productivity.
- 3) To address inhibited connectivity, bus journey times and reliability must be improved
- 4) Better access to employment by bus and safe cycle routes would improve quality of life.
- 5) To address inhibited connectivity, bus journey times and reliability must be improved
- 6) Better access to employment by bus and safe cycle routes would improve quality of life.
- 7) Creating transformational change to secure sustainable economic growth for all.

With the fundamental change being the East-West Spine Sustainable Transport Corridor being replaced with the alternative combined East Park Terrace Bus Only and Civic Centre Place (Havelock Road/Civic Centre Road/Portland Terrace Junction) schemes, believe this alternative scheme meets all the seven strategic objectives.

Economic

To demonstrate value for money (VfM) of the Southampton TCF Programme, modelling and appraisal was carried out to assess the transport user benefits and some wider economic impacts where this was deemed appropriate and proportionate to do so under the original TCF DfT bid (Nov 2019). Recognising the TCF low bid submission BCR average of 2.34, to be noted that under this revised TCF City Centre June 2022 submission, three out of the six initial schemes being (75% of the £19.4m cost) are remaining at minimum at the original bid BCR of 2.34.

Financial

The total out-turn costs for the Southampton TCF City Centre Programme has been calculated from cost estimates prepared by commercial teams working in partnership through the Balfour Beatty SCAPE contract.

Costs have been benchmarked against equivalent schemes completed recently in either Southampton or Hampshire. These have then added contingency, fees, and inflation added to arrive at the final outturn costs.

The costs shown in table 2 (Section 3.2) are estimated at June 2022 prices with an allowance made for inflation as they will be subject to further inflationary pressures, especially those schemes due to start construction after May 2023. SCC will not be requesting additional DfT funding above the original (Nov 2019) allocation. A request to extend the TCF programme together with DfT funding for a further year into FY23/24 is included within this change control. To maximise benefits, embrace potential opportunities through value engineering and potentially improve BCRs as the change control schemes develop further, we may make adjustments to balance individual TCF city centre change control scheme budgets, but remain within the overall original bid (Nov 2019) global budget of £13.65m.

Commercial

Whilst SCC have several potential procurement routes available for delivering elements of the Southampton TCF City Centre Programme, the preferred strategy for the TCF City Centre schemes has been routed through the Balfour Beatty national framework SCAPE contract to ensure value for money is achieved and all procurement complies with relevant National, International, and local processes and standards.

The local SCAPE partnership has successfully delivered the packages below and SCC intends to continue to procure through this route ensuring consistent delivery.

- Full detailed design of Northern Inner Ring Road, and construction of the Northern Inner Ring Road Phase 1.
- Detailed design of Central Station Interchange.
- Preliminary design of East/West Spine (Saint's Mile) and Six Dials (Signal Upgrade).
- Feasibility design / concept validation of Portland Terrace - Albion Place Bus Hub and Castle Way Park.

Management

Over the past five years SCC have successfully implemented a number of large transport and highway projects on time and in budget. These range from large junction improvements in complex City Centre environments to multi-modal interchanges. SCC already work together on the delivery of the Southampton Access Fund project, which has been running since 2017 as part of Solent Transport within Hampshire LSTF projects.

A governance structure has been developed to ensure political and close joint working between SCC and HCC and is overseen by the Southampton TCF Steering Board to provide political oversight and direction on the development and implementation of the TCF Programme. This governance structure will continue if DfT accept the request for one-year extension into FY23/24TCF for the City Centre schemes.

4. Alignment with delivery of nearby/proposed projects

4.1 Other HCC/SCC TCF Corridors

The TCF City Centre schemes complement the other corridor schemes, providing mutual benefits, and present no additional risks to the delivery of schemes on the four TCF corridors or their benefit realisation:

- Waterside / Totton to Southampton Corridor
- Chandlers Ford to Southampton Corridor
- Eastleigh/Portswood to Southampton Corridor
- Bursledon/Woolston to Southampton Corridor

4.2 Other TCF City Centre Schemes

The construction for Southampton Central Station Interchange – the only city centre scheme not subject to this change control – will start directly after completion of the TCF City Centre Northern Ring Road scheme. This is to minimise network disruption and maximise synergy and cost savings with the other city centre schemes which are subject to change control. Negotiations are ongoing with regards to a potential developer funded Western Esplanade Bus Lane scheme which could be combined with the TCF Central Station Interchange scheme to link into the bus priority provisions made along Civic Centre Road and New Road as well as further enhance east-west pedestrian and cycle connectivity.

4.3 Non TCF Schemes

Polygon ATZ_(Active Travel Zone) – The Northern Inner Ring Road scheme complements the Polygon ATZ scheme by delivering pedestrian improvements and reducing severance between the Polygon area, the cultural quarter and the city centre retail core. The scheme put forward within this June 2022 change control with Devonshire Road closed as per the original bid will complement the benefits of a future Polygon ATZ.

5. Programme Extension Request

The TCF City Centre delivery plan as set in Section 3.6 of this document will require an extension of the programme into a fourth year to March 2024. An extension of the programme into the financial year 2023/24 was provided with the two approved change control for The Avenue and Woolston.

Following discussions with DfT it was agreed that this revised city centre change control should include a request for an extension of the entire Southampton City Region TCF programme given the three change control areas – The Avenue, Woolston and City Centre – cover a significant part of the entire programme.

The high level programme for all TCF schemes, for both Southampton City Council (SCC) and Hampshire County Council (HCC), is shown in Figure 7 below. This shows that in addition to the schemes that are subject to current and past change control, there are some SCC schemes that have a construction end date extending beyond March 2023.

While HCC does not require a time extension in relation to formally committing the DfT element of the funding, there are current challenges in the construction market, including market oversaturation and material supply, which may impact on the TCF portfolio in respect of cost and programme. With this in mind, it is considered prudent to create float in the HCC delivery programme in order to mitigate any potential risk relating to market factors.

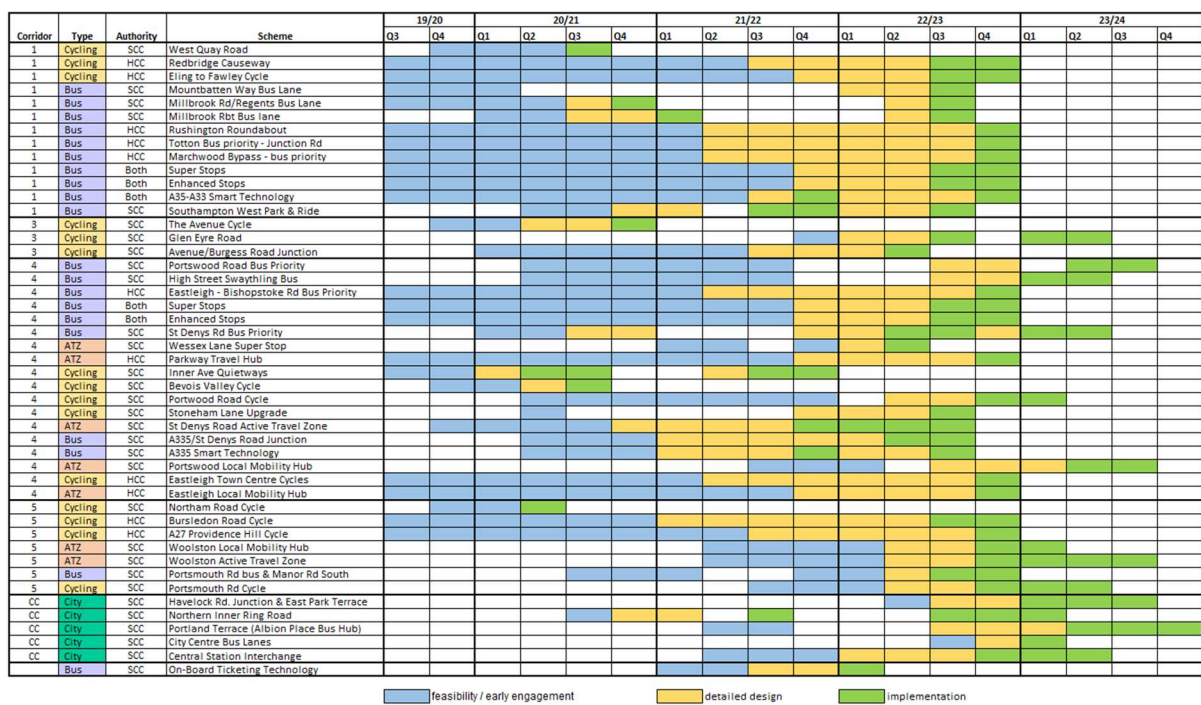


Figure 7 – High level programme for all TCF schemes, re-profiled June 2022

The overall TCF spend and forecast profile is shown in Figure 8 below. This includes all schemes across SCC and HCC, with financial reprofiling carried out for the SCC schemes. It shows a significant peak in 2022 Q4 due to construction activities on a significant number of schemes. It also reflects the usually lower spend in Q1 due to election cycles which is likely to be repeated in 2023 due to an all out election in Southampton.

The overall TCF spend profile is shown in Figure 8 below. This includes all schemes across SCC and HCC, with financial reprofiling carried out for the SCC schemes.

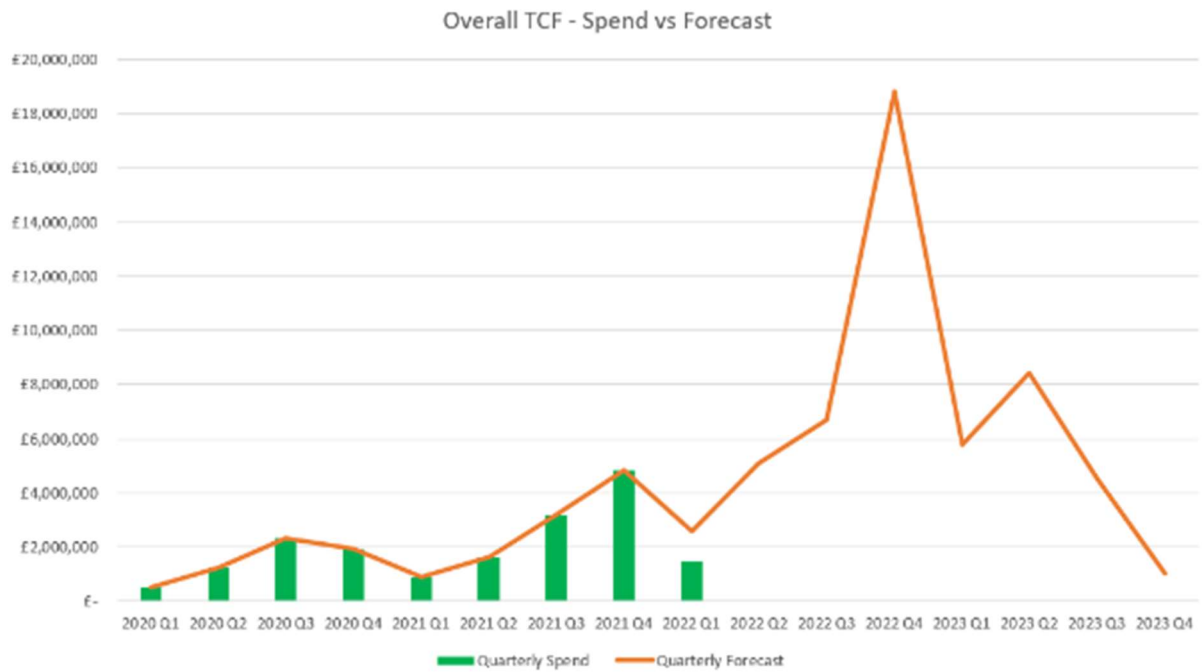


Figure 8 – TCF spend and forecast profile for all TCF schemes, re-profiled June 2022

6. Summary and Way Forward

This document sets out revised change control for the TCF City Centre schemes (except Southampton Central Station Interchange). It also includes a request for an extension of the programme into a fourth year to March 2024 as agreed with DfT.

Table 6 below shows the differences between the schemes in the original TCF bid (November 2019) and the schemes within this revised Change Control (June 2022). Southampton Centre Station Interchange is the only city centre scheme not included in this change control because it has been developed in line with its description in the bid document throughout. Two of the schemes, Northern Inner Ring Road and Portland Terrace – Albion Place Bus Hub and Castle Way Park, incorporated changes in the previous change control submission but have reverted back to how they were set out in the bid document. This is the reason they have been included in this revised change control despite there being “no change”.

This revised change control includes a request to amend two of the schemes, East-West Spine Sustainable Transport Corridor and City Centre Bus Priority, as well as the request not to progress with one scheme, A33/A3024 Six Dials Junction, and to reallocate the funding from this scheme to the other schemes within this change control as set out in Section 3.4.

Original Bid Schemes (November 2019)	Revised Change Control Schemes (June 2022)
Northern Inner Ring Road Junctions	No Change
Portland Terrace - Albion Place Bus Hub and Castle Way Park	No Change
East-West Spine Sustainable Transport Corridor	Replaced with alternative 'East Park Terrace Bus Only' and Civic Centre Place (Havelock Road/Civic Centre Road/Portland Terrace Junction)
City Centre Bus Priority	Replace 4 local schemes with single New Road Bus Connectivity.
A33/A3024 Six Dials Junction	Not to proceed, requesting TCF funding is reallocated to the alternative East Park Terrace Bus Only and Civic Centre Place (Havelock Road/Civic Centre Road/Portland Terrace Junction) schemes

Table 6 – Summary of changes, Original Bid Schemes / Revised Change Control Schemes

In order to achieve the ambitious programme as set out in this revised change control, it is essential for this change control to be resolved as quickly as possible. The timetable for resolution was discussed with DfT and is shown below in Figure 9. The timeline also shows the necessary steps needing to be undertaken by SCC to obtain the required approvals to progress with the TCF Programme.

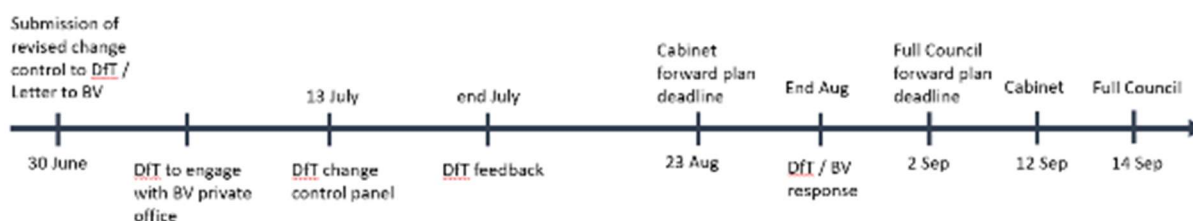


Figure 9 – Timetable for resolution of this Revised Change Control

Whilst this document includes all the relevant information about the revised change control, further clarification can be provided in order to meet this tight timetable.

Appendix A – DfT Response Letter 16 March 2022



Department
for Transport

Cllr. Jeremy Moulton
Southampton City Council
Southampton Civic Centre
Southampton
SO14 7LY

Baroness Vere of Norbiton
Transport Minister for Roads, Buses and
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Great Minster House
33 Horseferry Road
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Web site: www.gov.uk/df

16 March 2021

Dear Jeremy,

TRANSFORMING CITIES FUND SOUTHAMPTON CHANGE CONTROL NEXT STEPS

Thank you for meeting with me on 3 March 2022 to discuss the changes that Southampton City Council are proposing to their Transforming Cities Fund (TCF) programme. I thought it would be useful to write to clarify the next steps.

I believe I was clear in the meeting that the TCF funding is not a general transport fund. The funding was awarded to deliver the proposals that were put forward at the time. I wanted then, as now, to see a step change in modal shift and the change in local circumstances does not change the view that the Department awarded funding for a specific set of schemes that sought to bring this about.

On the Woolston Road and Avenue schemes I understand that our officials are actively and positively engaged in trying to find solutions which accommodate changes whilst still meeting the original objectives of TCF programme. I understand that we are close to agreement on the Avenue scheme. On the Woolston junction scheme I am keen to see proposals that deliver on the spirit of the original proposal, that is demonstrable physical bus priority measures.

I am more concerned about the City Centre scheme. The original stated aims of the scheme that I agreed at Strategic Outline Business Case (SOBC) were for 'a re-focus of the City Centre from one based on accommodating vehicles to one that is centred on people with more space for cycling and walking and a high-quality public realm', and for 'reduced car dependency, with modal shift from the private car to low-carbon sustainable modes of cycling and walking'. The revised proposal not only fails to deliver the bus lanes but removes the proposed traffic restrictions on many routes, and as such, deviates

significantly away from the strategic intent agreed and signed off at SOBC stage.

As I made clear in the meeting, I do expect any proposed alternative schemes to still fit with the aims and objectives of the original bid and deliver these in the same corridors. Furthermore, I still expect to see transformational change to the City Centre as promised at SOBC, not the incremental change, which is currently being offered. We agreed in the meeting that Southampton could have one more chance to submit a revised proposal for the City Centre that meets the original intent.

The revised proposal will need to demonstrably deliver the aims of the TCF with outcomes at least equivalent to the original City Centre Scheme which my Department signed off – namely a proposal that still delivers new bus routes and encourages modal shift. Without this, I will have no option but to instruct my officials to withhold the £12.3 million of funding that was in Southampton's latest revised proposal for the City Centre: an improved bus hub without traffic restrictions, meaning no difference in the service offered to users, falls a long way short of the minimum requirement for an acceptable change.

I am sure you will appreciate that we will need the Council to provide something to give us enough confidence in the credibility and deliverability of revised proposals to support the scheme proceeding any further. At the very least, we will need outline design drawings clearly showing the proposals and a reasonable credible commercial/delivery plan.

I understand, by the way, that works are scheduled to be awarded to the Council's contractor in the next few weeks on the Northern Inner Ring Road corridor. This package of works includes the Council's proposed changes to the London Road junction, which I am sure you will recognise are not part of the approved TCF scheme. I am therefore flagging that any financial risk associated with these works will need to be underwritten locally and you will need to satisfy yourself that your authority is complying with its own assurance framework in terms of value for money.

I am sure that you will also appreciate that time is not on our side, and I am therefore requesting that the revised proposals are sent by 19 May 2022. I know my officials are talking to officers regularly, as they have been throughout the process, and I hope a satisfactory resolution can be found.

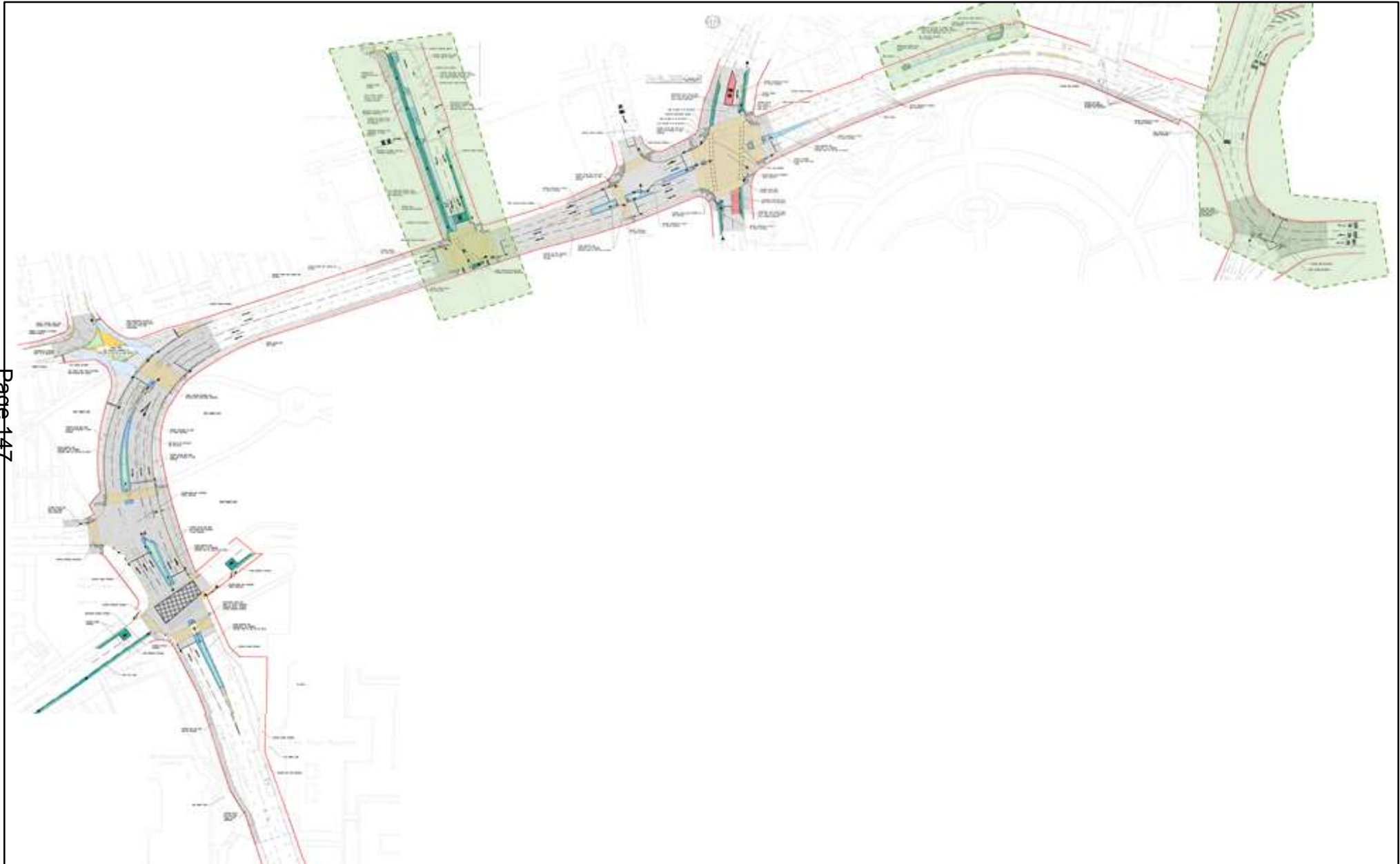
*Yours,
Charlotte*

BARONESS VERE OF NORBITON

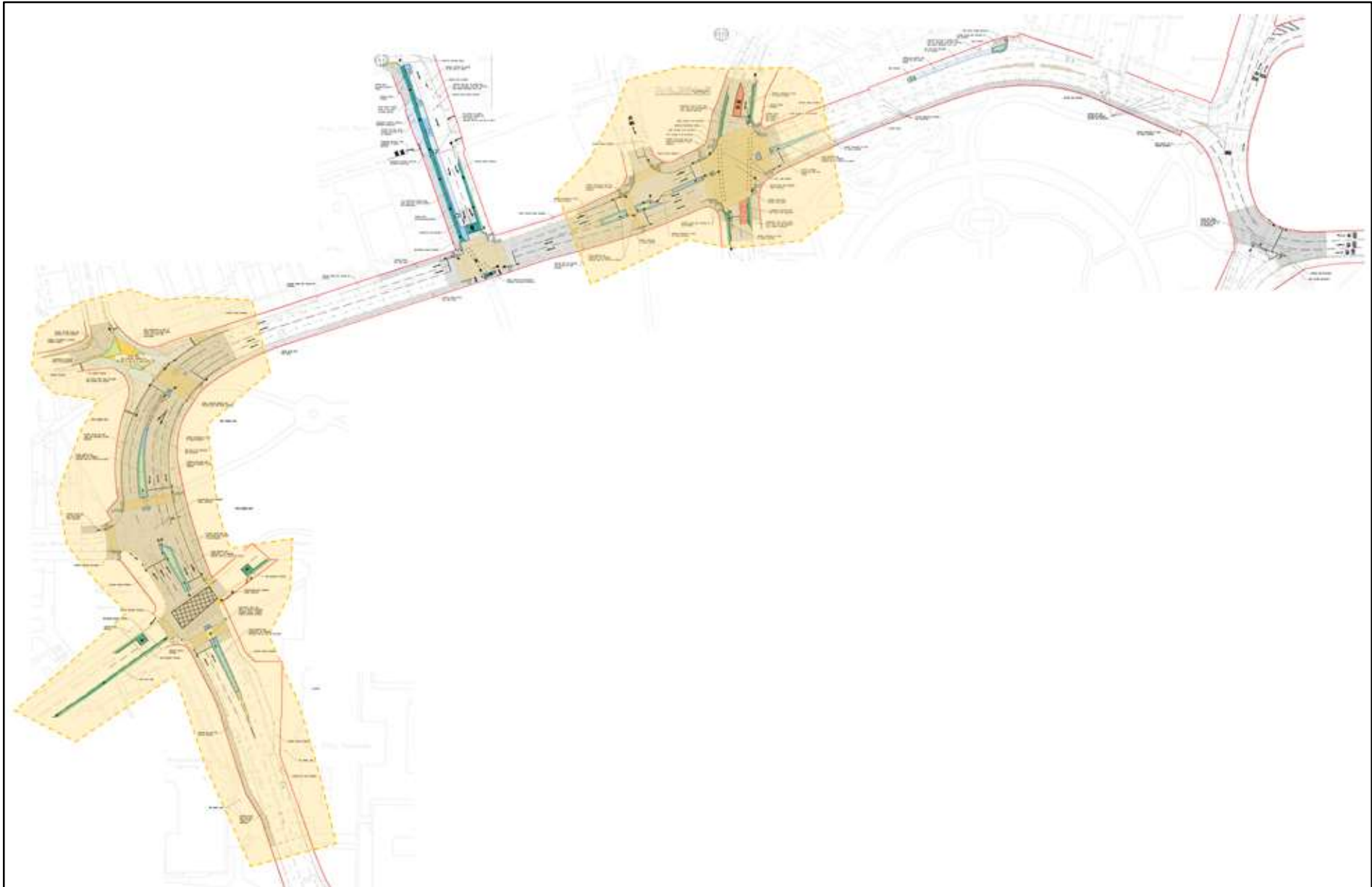
Appendix B – Scheme Plans & Proposals

- Northern Inner Ring Road Junctions – Phase 1
(Grosvenor Square Junction / Brunswick Place EV Chargers / Charlottes Place Gyratory)
- Northern Inner Ring Road Junctions – Phase 2
(London Road, Devonshire Road & Commercial / West Park Road)
- Civic Centre Place (Havelock Road/Civic Centre Road/Portland Terrace Junction)
- Portland Terrace - Albion Place Bus Hub and Castle Way Park
- Portland Terrace Bus Gate
- East Park Terrace Bus Only
- New Road Bus Connectivity

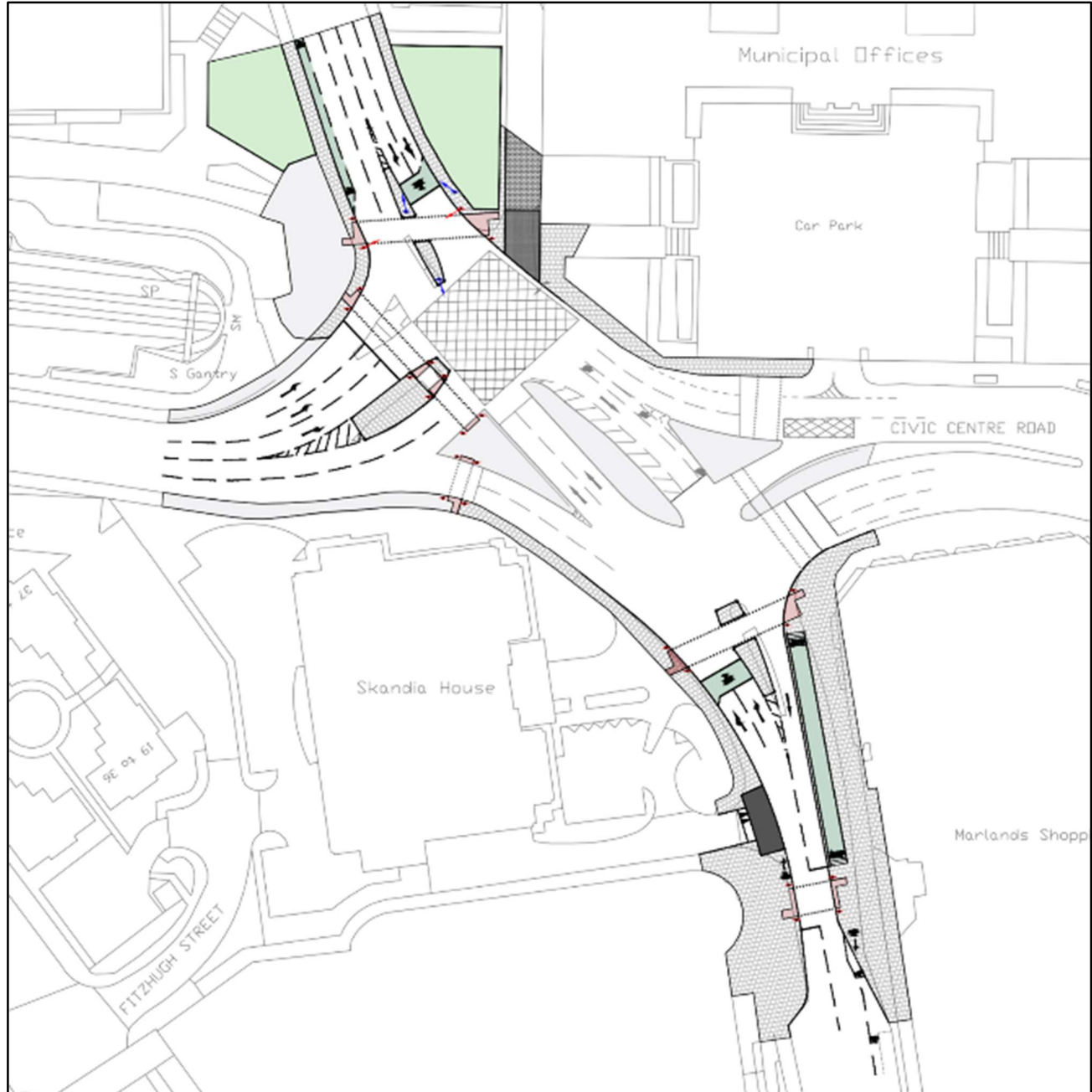
Northern Inner Ring Road Junctions – Phase 1
(Grosvenor Square Junction / Brunswick Place EV Chargers / Charlottes Place Gyratory)



Northern Inner Ring Road Junctions – Phase 2
(London Road, Devonshire Road & Commercial / West Park Road)



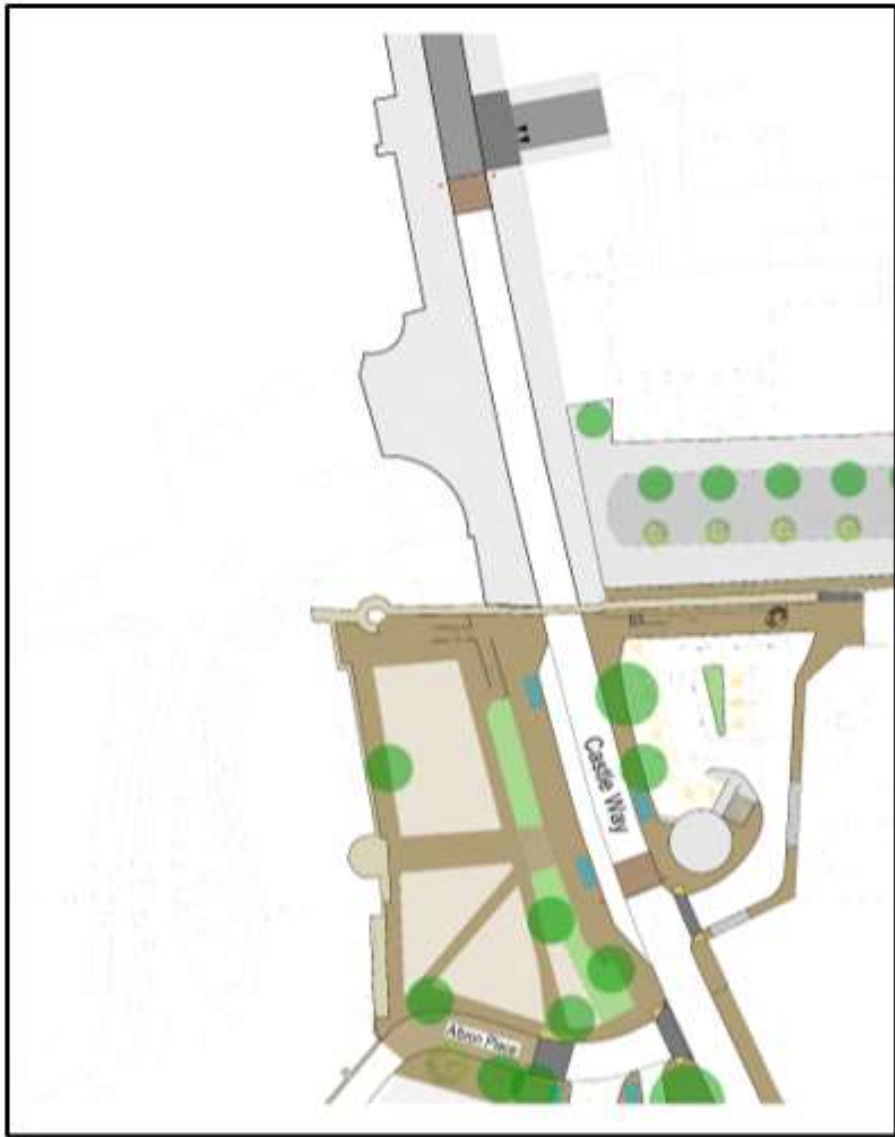
Civic Centre Place (Havelock Road/Civic Centre Road/Portland Terrace)



Portland Terrace - Albion Place Bus Hub and Castle Way Park



Portland Terrace Bus Gate

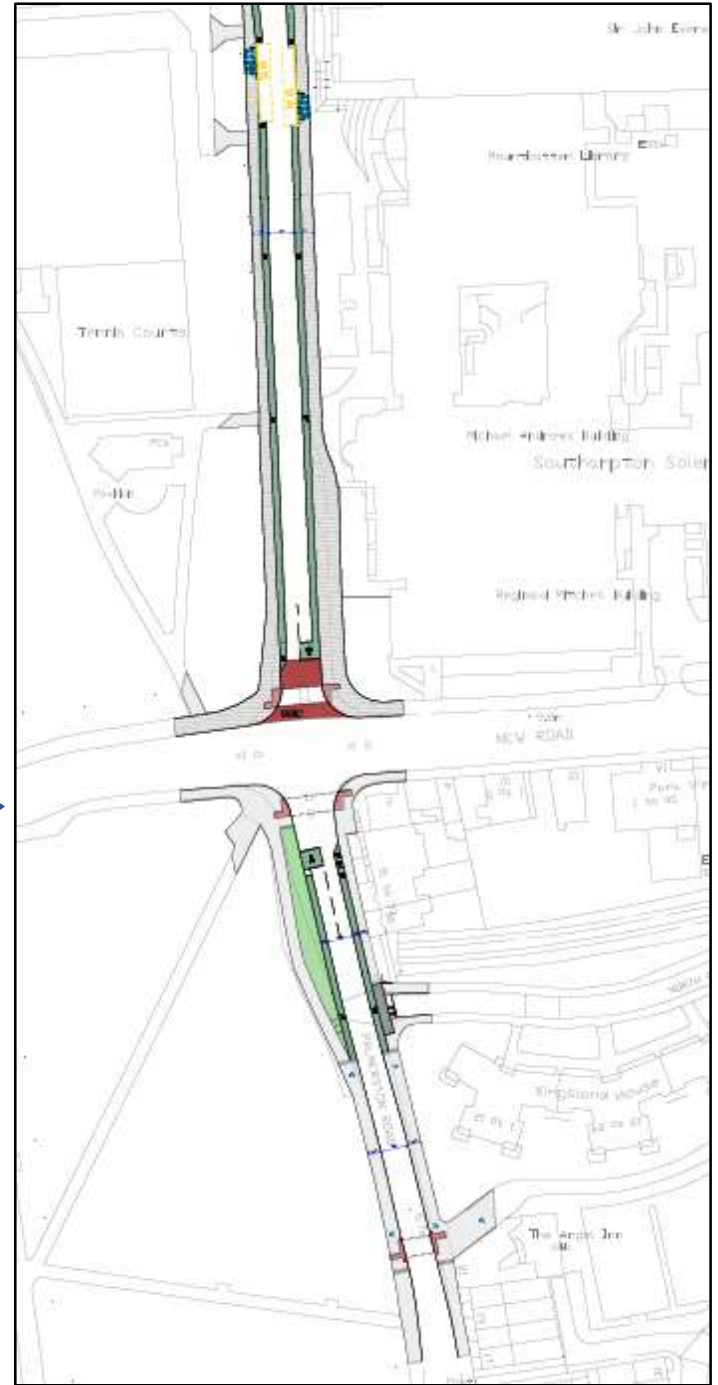
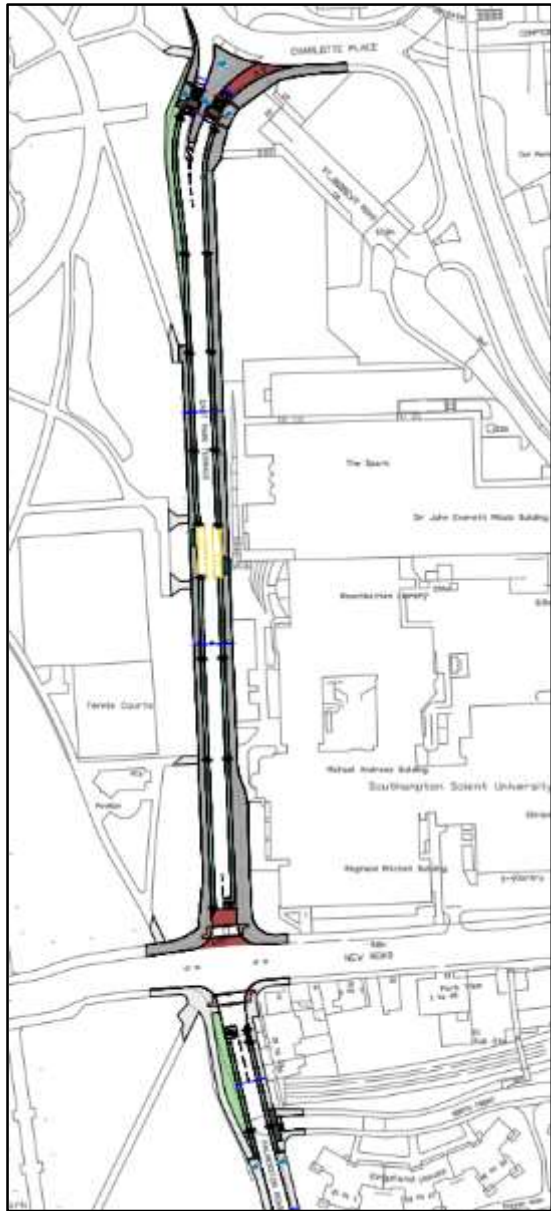
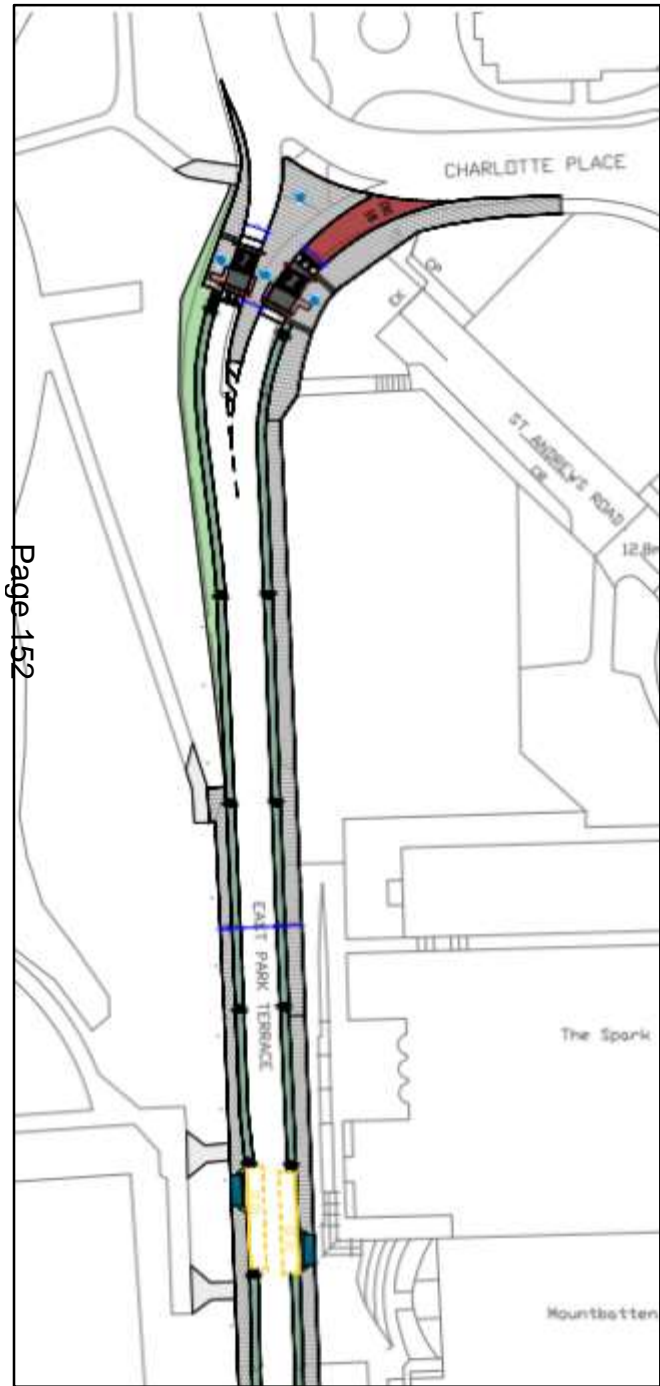


Outline Design

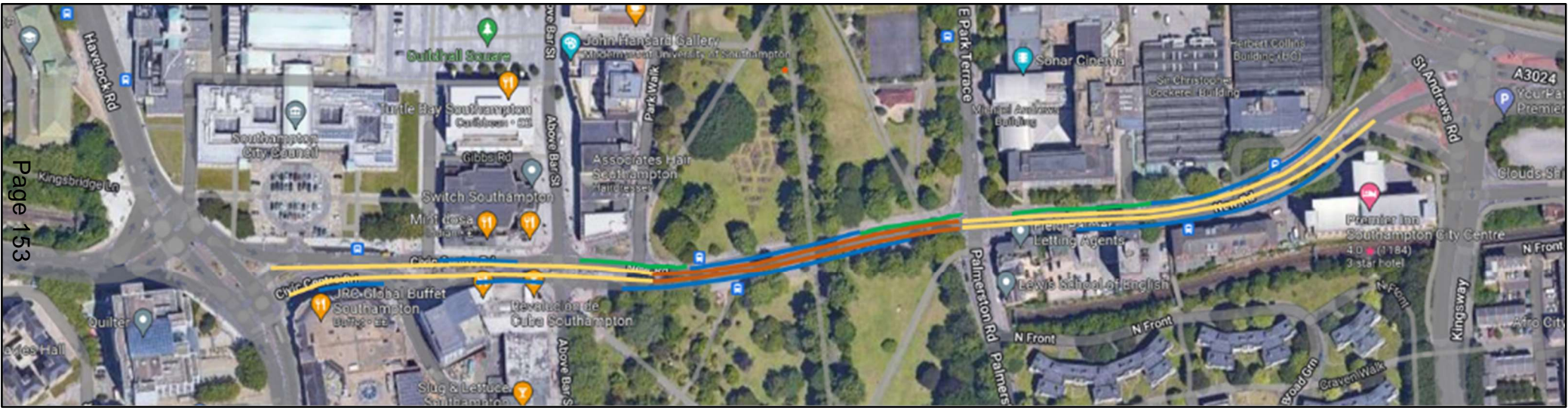


Proposed CGI

East Park Terrace Bus Only



New Road Bus Connectivity



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Legend: — general traffic — original bus only section — existing bus lanes — additional bus lanes

Appendix C – CGI and Artist Impressions

- Northern Ring Road Junctions –
(Devonshire Road Closure creating a Pocket Park)
- Portland Terrace– Albion Place Bus Hub and Castle Way Park
- East Park Terrace Bus Only

Northern Inner Ring Road Junctions – (*Devonshire Road closure creating a Pocket Park*)

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Portland Terrace – Albion Place Bus Hub and Castle Way Park



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East Park Terrace Bus Only



East Park Terrace Northern end

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East Park Terrace Southern end

Annex 7 - Southampton City Region TCF Delivery Programme - Re-profiled June 2022 (HCC schemes TBC)

Corridor	Type	Authority	Scheme	2019/2020		2020/2021				2021/2022				2022/2023				2023/2024			
				Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1	Cycling	SCC	West Quay Road																		
1	Cycling	HCC	Redbridge Causeway																		
1	Cycling	HCC	Eling to Fawley Cycle																		
1	Bus	SCC	Mountbatten Way Bus Lane																		
1	Bus	SCC	Millbrook Rd/Regents Park Rd Bus Lane																		
1	Bus	SCC	Millbrook Rbt Bus lane																		
1	Bus	HCC	Rushington Roundabout																		
1	Bus	HCC	Totton Bus priority - Junction Rd																		
1	Bus	HCC	Marchwood Bypass - bus priority																		
1	Bus	Both	Super Stops																		
1	Bus	Both	Enhanced Stops																		
1	Bus	Both	A35-A33 Smart Technology																		
1	Bus	SCC	Southampton West Park & Ride																		
3	Cycling	SCC	The Avenue Cycle																		
3	Cycling	SCC	Glen Eyre Road																		
3	Cycling	SCC	Avenue/Burgess Road Junction																		
4	Bus	SCC	Portswood Road Bus Priority																		
4	Bus	SCC	High Street Swaythling Bus																		
4	Bus	HCC	Eastleigh - Bishopstoke Rd Bus Priority																		
4	Bus	Both	Super Stops																		
4	Bus	Both	Enhanced Stops																		
4	Bus	SCC	St Denys Rd Transport Corridor																		
4	ATZ	SCC	Wessex Lane																		
4	ATZ	HCC	Parkway Travel Hub																		
4	Cycling	SCC	Inner Ave Quietways																		
4	Cycling	SCC	Bevois Valley Cycle																		
4	Cycling	SCC	Portwood Road Cycle																		
4	Cycling	SCC	Stoneham Lane Upgrade																		
4	ATZ	SCC	St Denys Road Active Travel Zone																		
4	Bus	SCC	A335/St Denys Road Junction																		
4	Bus	SCC	A335 Smart Technology																		
4	ATZ	SCC	Portswood Local Mobility Hub																		
4	Cycling	HCC	Eastleigh Town Centre Cycles																		
4	ATZ	HCC	Eastleigh Local Mobility Hub																		
5	Cycling	SCC	Northam Road Cycle																		
5	Cycling	HCC	Bursledon Road Cycle																		
5	Cycling	HCC	A27 Providence Hill Cycle																		
5	ATZ	SCC	Woolston Local Mobility Hub																		
5	ATZ	SCC	Woolston / Itchen Active Travel Zone																		
5	Bus	SCC	Portsmouth Road Bus & Manor Road South																		
5	Cycling	SCC	Portsmouth Road Cycle																		
CC	City	SCC	Civic Centre Junction & East Park Terrace																		
CC	City	SCC	Northern Inner Ring Road																		
CC	City	SCC	Albion Place & Portland Terrace																		
CC	City	SCC	City Centre Bus Lanes																		
CC	City	SCC	Central Station Interchange																		
	Bus	SCC	On-Board Ticketing Technology																		

feasibility / early engagement

detailed design


implementation

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.

<p>Name or Brief Description of Proposal</p>	<p>TCF Update</p> <p>The TCF Programme including the approved change control for The Avenue, Woolston and City Centre, include cycling, walking, public transport, interchange and public realm schemes.</p> <p>The aim of this assessment is to assess the impact the projects above will have on protected characteristic groups and the safety of the general public. If any negative impacts are identified, mitigations will be proposed to minimise them as far as reasonably practicable.</p>
<p>Brief Service Profile (including number of customers)</p>	
<p>Green City & Infrastructure is responsible through the TCF programme for the policy and strategy and delivery of the TCF schemes, relating to all transport activities in the City, with a view to promoting sustainable transport.</p> <p>It is also responsible for strategic direction of the maintenance and management of the highway network including maintenance and enforcement of all parking related functions.</p> <p>Customers include all transport users in the city including residents, visitors and businesses.</p>	
<p>Summary of Impact and Issues</p>	
<ul style="list-style-type: none"> • Interaction between traffic, pedestrians, and cyclists, and resulting potential for conflict between these users. 	
<p>Potential Positive Impacts</p>	
<ul style="list-style-type: none"> • Promoting sustainable travel. • Improving accessibility and crossing facilities for NMUs. 	

<ul style="list-style-type: none"> • Improving cycle and pedestrian access. • Improving aesthetics. 	
Responsible Service Manager	Martina Olley
Date	11 August 2022
Approved by Senior Manager	 Adam Wilkinson
Date	11 th August 2022

Potential Impact

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
Age	The TCF schemes will have a positive impact on this group as will also improve mobility access, improve crossing facilities, and generally improve clarity regarding users of the space.	BBLP to provide appropriate communication with affected businesses and residents so that they are aware of routes that may be more difficult to cross during the construction phase.
Disability	These schemes will have a positive impact on this group as they aim to improve access, improve crossing facilities, and generally improve clarity. However, there is potential for a differential impact on people depending on their disability; for example, physically disabled people who may have mobility or sight issues could be affected by poorly designed/maintained traffic management and/or junctions or crossings.	These projects will incorporate improved accessibility through improving crossing facilities, additional disabled parking and safety. BBLP to provide appropriate communication with affected businesses and residents so that they are aware of routes that may be more difficult to cross during the construction phase. All traffic management and phasing to be designed to the appropriate standards and properly set out and maintained on site so as not to cause unnecessary obstructions. All proposed junctions have been designed with NMUs in

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
		mind and should provide an improved situation.
Gender Reassignment	No differential or negative impact identified.	Monitor and review if any issues are raised or further information provided.
Marriage and Civil Partnership	No differential or negative impact identified.	Monitor and review if any issues are raised or further information provided.
Pregnancy and Maternity	It is likely that these schemes will have a positive impact on this group as they aim to improve access, improve crossing facilities, and generally improve clarity regarding users of the space. However, there is the potential for a negative impact on expectant mothers and those on maternity leave; for example, pregnant mothers will tend to not be able to move as quickly as when not pregnant, therefore, any footpath diversion must be appropriately designed, signed and communicated to residents and businesses so that any extra time required for walked journeys can be accommodated	These projects will improve bus facilities in the area, improving crossing facilities and safety, but also provide a public open space park and better connections to / from city centre. Appropriate communication with affected businesses and residents so that any expectant mothers are aware of routes that may be more difficult to cross during the construction phase.
Race	No differential or negative impact identified.	Monitor and review if any issues are raised or further information provided.
Religion or Belief	No differential or negative impact identified.	Monitor and review if any issues are raised or further information provided.
Sex	No differential or negative impact identified.	Monitor and review if any issues are raised or further information provided.
Sexual Orientation	No differential or negative impact identified.	Monitor and review if any issues are raised or further information provided.
Community Safety	It is likely that these schemes will have a positive impact on this group through improved public realm, conversion of car parks into bus hub, open public park, mobility hub - incorporating additional lighting and CCTV.	Monitor and review if any additional issues are raised or further information provided.
Poverty	No differential or negative impact currently identified as a result of this protected characteristic.	Monitor and review if any issues are raised or further information provided.

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
Health & Wellbeing	It is likely that these schemes will have a positive impact on this group as they include better walking and cycling facilities, enhance connectivity, create parks and open spaces for recreational use	Monitor and review if any additional issues are raised or further information provided.
Other Significant Impacts	Prioritisation of sustainable travel through the TCF schemes	N/A

Agenda Item 8

DECISION-MAKER:	OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE		
SUBJECT:	PROTECTING, PRESERVING AND PROMOTING THE RICHER ITCHEN IN SOUTHAMPTON - SCRUTINY INQUIRY TERMS OF REFERENCE		
DATE OF DECISION:	8 SEPTEMBER 2022		
REPORT OF:	DIRECTOR - LEGAL AND BUSINESS SERVICES		
<u>CONTACT DETAILS</u>			
Executive Director	Title	Director of Legal and Business Services	
	Name:	Richard Ivory	Tel: 023 8083 2794
	E-mail	Richard.ivory@southampton.gov.uk	
Author:	Title	Scrutiny Manager	
	Name:	Mark Pirnie	Tel: 023 8083 3886
	E-mail	Mark.pirnie@southampton.gov.uk	
STATEMENT OF CONFIDENTIALITY			
None			
BRIEF SUMMARY			
It is the role of the Overview and Scrutiny Management Committee (OSMC) to determine the scrutiny inquiry programme. This report requests that the OSMC agrees the terms of reference for a scrutiny inquiry focussing on protecting, preserving and promoting the River Itchen in Southampton.			
RECOMMENDATIONS:			
	(i)	That the Committee consider and approve the draft terms of reference for the scrutiny inquiry.	
	(ii)	That authority is delegated to the Director - Legal and Business Services, in consultation with the Chair of the Scrutiny Inquiry Panel, to finalise the inquiry plan.	
REASONS FOR REPORT RECOMMENDATIONS			
1.	To enable the Scrutiny Inquiry Panel to commence the scrutiny inquiry.		
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED			
2.	None.		
DETAIL (Including consultation carried out)			
5.	The River Itchen in Hampshire is approximately 28 miles in length. The source of the river is just south of the village of Cheriton, and the river becomes tidal after it passes under Woodmill Bridge in Swaythling.		
6.	The River Itchen is an example of a chalk stream, rivers that rise from springs in landscapes with a bedrock of chalk.		

7.	The river runs through the heart of Southampton dividing the city in two. It has been the lifeblood of the city since Roman and Saxon times and is an important commercial and natural resource.
8.	Marinas, wharves, and quays are located at the lower reaches of the river and businesses line its banks. In Southampton the river is also used by numerous clubs involved in water sports as well as SWAC (Southampton Water Activities Centre) and Woodmill Activity Centre.
9.	Areas of the River Itchen in Southampton are identified as Sites of Special Scientific Interest (SSSI), Special Areas of Conservation (SAC) and Special Protection Areas (SPA) and as the Itchen meanders through Southampton it does, in places, offer opportunities for communities to access the waterfront and enjoy being by the water.
10.	The river is subject to use by numerous, and, at times competing interests that can create pressure on the natural environment and tensions between user groups. In addition, ownership and oversight of the river is complex and the responsibility of a number of different organisations.
11.	Reflecting the importance of the river to the city and the issues identified above, this Committee, at its meeting on 11 th August 2022, agreed that protecting, preserving and promoting the River Itchen in Southampton would be the subject of the 2022/23 scrutiny inquiry. Attached as Appendix 1 are draft terms of reference and an outline project plan for the proposed inquiry. Members are recommended to consider and approve the draft terms of reference for the scrutiny inquiry to enable the inquiry to commence.
12.	The final report and recommendations of the Scrutiny Inquiry Panel will be considered by the OSMC prior to Cabinet to ensure that the review has met the agreed terms of reference set by this Committee.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
13.	There are no additional financial implications arising from the approval of the recommendations.
<u>Property/Other</u>	
14.	None.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
15.	The duty to undertake overview and scrutiny is set out in Part 1A Section 9 of the Local Government Act 2000.
<u>Other Legal Implications:</u>	
16.	None
RISK MANAGEMENT IMPLICATIONS	
17.	None.
POLICY FRAMEWORK IMPLICATIONS	

18.	None
KEY DECISION	No
WARDS/COMMUNITIES AFFECTED:	None directly as a result of this report
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Draft Inquiry Terms of Reference and Outline Inquiry Plan
Documents In Members' Rooms	
1.	None
Equality Impact Assessment	
Do the implications/subject of the report require an Equality and Safety Impact Assessments (ESIA) to be carried out?	No
Data Protection Impact Assessment	
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out?	No
Other Background Documents	
Equality Impact Assessment and Other Background documents available for inspection at:	
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	None

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Protecting, Preserving and Promoting the River Itchen in Southampton Scrutiny Inquiry - Draft Terms of Reference and Outline Inquiry Plan

1. Scrutiny Panel membership:

Councillor
Councillor
Councillor
Councillor
Councillor
Councillor
Councillor

2. Purpose:

In partnership with stakeholders to identify opportunities to protect, preserve and promote the River Itchen in Southampton.

3. Background:

- The River Itchen in Hampshire is an example of a chalk stream, rivers that rise from springs in landscapes with a bedrock of chalk. It is approximately 28 miles in length.
- The source of the river is just south of the village of Cheriton, and the river becomes tidal after it passes under Woodmill Bridge in Swaythling.
- The Itchen has been the lifeblood of Southampton since Roman and Saxon times, it divides the city in two and is an important commercial and natural resource.
- Marinas, wharves, and quays are located at the lower reaches of the river and businesses line its banks. In Southampton the river is also used by numerous clubs involved in water sports as well as SWAC (Southampton Water Activities Centre) and Woodmill Activity Centre.
- Areas of the River Itchen in Southampton are identified as Sites of Special Scientific Interest (SSSI), Special Areas of Conservation (SAC) and Special Protection Areas (SPA) and as the Itchen meanders through Southampton it does, in places, offer opportunities for communities to access the waterfront and enjoy being by the water.
- The river is subject to use by numerous, and, at times competing interests that can create pressure on the natural environment and tensions between user groups. In addition, ownership and oversight of the river is complex and the responsibility of a number of different organisations.
- Reflecting their importance to communities, across the UK there are examples of local approaches where stakeholders are working in partnership to protect, preserve and promote urban rivers.

4. Objectives:

- a) To identify the various different users and uses of the River Itchen in Southampton and the challenges this presents.

- b) To understand existing plans and opportunities to address the identified challenges.
- c) To identify good practice being employed to protect, preserve and promote urban rivers elsewhere.
- d) To identify what initiatives and approaches could work well in Southampton to protect, preserve and promote the River Itchen.

5. Methodology:

- a) Seek the views of residents and stakeholders
- b) Undertake desktop research
- c) Identify best practice

6. Proposed Timetable:

Seven meetings between October 2022 and April 2023

Meeting 1: 6 October 2022

- Introduction, context and background
 - Ownership
 - Responsibilities
 - Rules governing the river
 - Uses of the river
 - Feedback from resident's survey

Meeting 2: 17 November 2022

- The condition of the river and plans for improvement
 - Water quality
 - Habitat and biodiversity
 - Hazards / Wrecks
 - Chessil Bay case study

Meeting 3: 1 December 2022

- Economic importance of the river (Understand the role of the river in the local economy and recognise the impact of some commercial use)
 - Wharfs
 - Marinas
 - Business along riverbanks
 - Housing developments
 - Planning policies and development

Meeting 4: 19 January 2023

- Flood Risk Management
 - River Itchen Flood Risk Alleviation Scheme

Meeting 5: 16 February 2023

- Recreation / Community use and access to the river (How can more people enjoy the river?)
 - Water sports
 - Friends of groups
 - Houseboat residents
 - Riverside walks and access

Meeting 6: 2 March 2023

- Review of best practice (What urban areas have sought to address the challenges raised?)

Meeting 7: 20 April 2023

- Consideration of the final report

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DECISION-MAKER:	OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE		
SUBJECT:	MONITORING SCRUTINY RECOMMENDATIONS TO THE EXECUTIVE		
DATE OF DECISION:	8 SEPTEMBER 2022		
REPORT OF:	DIRECTOR - LEGAL AND BUSINESS SERVICES		
<u>CONTACT DETAILS</u>			
Executive Director	Title	Director – Legal and Business Services	
	Name:	Richard Ivory	Tel: 023 8083 2794
	E-mail	Richard.ivory@southampton.gov.uk	
Author:	Title	Scrutiny Manager	
	Name:	Mark Pirnie	Tel: 023 8083 3886
	E-mail	Mark.pirnie@southampton.gov.uk	
STATEMENT OF CONFIDENTIALITY			
N/A			
BRIEF SUMMARY			
This item enables the Overview and Scrutiny Management Committee to monitor and track progress on recommendations made to the Executive at previous meetings.			
RECOMMENDATIONS:			
	(i)	That the Committee considers the responses from the Executive to recommendations from previous meetings and provides feedback.	
REASONS FOR REPORT RECOMMENDATIONS			
1.	To assist the Committee in assessing the impact and consequence of recommendations made at previous meetings.		
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED			
2.	None.		
DETAIL (Including consultation carried out)			
3.	Appendix 1 of the report sets out the recommendations made to the Executive at previous meetings of the Overview and Scrutiny Management Committee (OSMC). It also contains a summary of action taken by the Executive in response to the recommendations.		
4.	The progress status for each recommendation is indicated and if the OSMC confirms acceptance of the items marked as completed they will be removed from the list. In cases where action on the recommendation is outstanding or the Committee does not accept the matter has been adequately completed, it will be kept on the list and reported back to the next meeting. It will remain on the list until such time as the Committee accepts the recommendation as completed. Rejected recommendations will only be removed from the list after being reported to the OSMC.		

RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
5.	None.
<u>Property/Other</u>	
6.	None.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
7.	The duty to undertake overview and scrutiny is set out in Part 1A Section 9 of the Local Government Act 2000.
<u>Other Legal Implications:</u>	
8.	None
RISK MANAGEMENT IMPLICATIONS	
9.	None.
POLICY FRAMEWORK IMPLICATIONS	
10.	None
KEY DECISION	No
WARDS/COMMUNITIES AFFECTED:	None directly as a result of this report
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Monitoring Scrutiny Recommendations – 8 September 2022
Documents In Members' Rooms	
1.	None
Equality Impact Assessment	
Do the implications/subject of the report require an Equality and Safety Impact Assessments (ESIA) to be carried out?	No
Data Protection Impact Assessment	
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out?	No
Other Background Documents Equality Impact Assessment and Other Background documents available for inspection at:	
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	None

Overview and Scrutiny Management Committee: Holding the Executive to Account

Scrutiny Monitoring – 8 September 2022

Date	Portfolio	Title	Action proposed	Action Taken	Progress Status
14/07/22	Health, Adults & Leisure	St Mary's Leisure Centre	1) That, to enable value for money to be demonstrated, Cabinet postpones the scheduled decision on the re-opening of St Mary's Leisure Centre to enable full financial modelling to be undertaken and success metrics to be developed.	Cabinet considered and did not approve this action at its meeting of 19 July 2022.	Closed
			2) That, irrespective of Cabinet agreeing to postpone the decision to re-open St Mary's Leisure Centre, success metrics for the initiative are developed and performance against the key indicators, including user numbers, is reported to the Committee after 6 and 12 months of the centre re-opening.	This action was approved by Cabinet. Success metrics and performance information are being developed and will be reported to the Committee in February and August 2023.	Approved and in progress
			3) That the Administration gives due consideration to the potential impact on the viability of other community venues across the City when developing the future activity programme at St Mary's Leisure Centre.	This action was approved by Cabinet. The activities offered at St Mary's Leisure Centre upon its re-opening in August 2022 replicate those available when it closed in December 2022. The introduction of additional activities will be considered and introduced based on user demand and consideration will be given to the availability of such activities elsewhere within the locality and city.	Closed
			4) That the Committee are provided with information detailing how much of the Council's repairs and maintenance budget has not been committed for 2022/23.	The corporate repairs and maintenance budget is £2.8M and the actual spend to date in 2022/23 is circa £540k. The remaining budget is allocated to commitments in the form of work orders, purchase orders and other similar standing orders. It is not anticipated that the repairs and maintenance budget will be	Closed

Date	Portfolio	Title	Action proposed	Action Taken	Progress Status
				overspent. The budget is flexible enough to meet the costs associated with re-opening and operating the building.	
14/07/22	Health, Adults & Leisure	Carer Friendly Southampton – Progress Update	<p>1) That the Young Carers Action Plan is circulated to the Committee when it is available, and that clarification is provided outlining the reasons behind the delay in the production of this action plan.</p> <p>2) That consideration is given to how the City of Culture funding awarded to Southampton could be utilised to support the wider engagement of carers in cultural activities and the delivery of the aspirations outlined in 2.4c in the Adult Carers Action Plan.</p> <p>3) That the Committee re-consider the item prior to the re-tendering of the Carers Service.</p>	<p>Agreed. Children’s Services and Learning are implementing Destination 22, the Young Carers Action Plan needs to reflect this work as well as the Young Carers strategy.</p> <p>At the announcement of the UK City of Culture outcome, DCMS identified a small pot of funding ringfenced to the three finalists to develop a legacy from the bidding process. These funds are being invested in the Culture Trust as the strategic lead body. Cultural Services is happy to explore collaborative opportunities by reviewing the Adult Carers Action Plan alongside the Cultural Strategy.</p> <p>The Scrutiny Manager will liaise with Adrian Littlemore, Senior Commissioner at the ICU to determine the appropriate meeting at which to update the Committee on progress.</p>	