

Portsmouth City Council

A MEETING OF THE COUNCIL will be held at the Council Chamber - The Guildhall on Tuesday, 15 July 2014 at 2.05 pm (or immediately following the conclusion of the Extraordinary Council meeting if later) and all members of the council are hereby summoned to attend to consider and resolve upon the following business:-

Agenda

- 1 **Members' Interests**
- 2 **To approve as a correct record the Minutes of** (Pages 1 - 18)
 - the Annual Meeting of the Council held on 3 June 2014 and
 - the Adjourned Meeting of the Council held on 3 June 2014
- 3 **To receive such communications as the Lord Mayor may desire to lay before the Council, including apologies for absence.**
- 4 **Deputations from the Public under Standing Order No 24.**
- 5 **Questions from the Public under Standing Order 25.**
- 6 **Appointments**
- 7 **Urgent Business - To receive and consider any urgent and important business from Members of the Cabinet in accordance with Standing Order No 26.**
- 8 **Hampshire Community Bank - Cabinet Recommendation 10 July 2014** (Pages 19 - 36)

To receive and consider the attached report of the Cabinet held on 10 July, the recommendations for which will follow.
- 9 **Notice of Motion Referral re publication of reports (Complaints procedures) - Governance & Audit & Standards Committee Recommendation 27 June 2014** (Pages 37 - 40)

To receive and consider the recommendations below of the Committee held on 27 June, the report for which is attached.

Council is RECOMMENDED to note that the Committee

RESOLVED that for the reasons outlined [in the report attached to the Council agenda] the investigation report is not published in whole, or in part, but that the Council's procedure for the assessment

investigation and determination of complaints is amended to allow a redacted copy of the investigators report to be provided to the complainant at the same time that it is provided to the councillor who is the subject of the complaint.

10 Filming, photographing and recording of public meetings of the Council - Governance & Audit & Standards Committee Recommendation 27 June 2014 (Pages 41 - 46)

To receive and consider the recommendation of the Committee held on 27 June, the report for which is attached.

RESOLVED that Governance & Audit & Standards Committee recommend that Council adopts the recommendations set out in item 2 of the report.

11 Scrutiny Report - Scrutiny Management Panel Recommendation 4 July 2014 (Pages 47 - 52)

To receive and consider the recommendations of the Panel held on 4 July, the report for which is attached.

RESOLVED that the Panel recommends to Council that

- (1) the report be noted and the work done by the panels be acknowledged; and**
- (2) an extra recommendation be added to the report as follows - "thanks be formally recorded to all those members of the public, witnesses and officers who contributed to the reviews and to democratic services officers who supported the panels"**

12 Review of Certain Special Responsibility Allowances for Members (Pages 53 - 56)

To receive and consider the recommendations in the attached report by the Chief Executive.

13 Notices of Motion

- (a) Proposed by Councillor Colin Galloway
Seconded by Councillor Julie Swan**

Portsmouth City Council calls upon the Secretary of State for Work and Pensions to implement with immediate effect the full Armed Forces Compensation Scheme recommendations that War Disablement Pensions be excluded from being used as a source of Income for Benefits calculations

At present, a Veteran injured during their service in the Armed Forces, and who receives a War Disablement Pension which is intended to raise the living standard of that Veteran, can currently receive a £10 per week disregard when receiving benefits.

This Council recognises the sacrifice which Veterans have

undertaken for their Country, and agrees that these Veterans should be attributed with a 100% disregard when being assessed for benefits, yet the DWP still fails to apply it.

There are Veterans in Civilian Street who through no fault of their own, by way of Physical and Mental injuries cannot work in a normal environment and thus rely on the War Disablement Pension as a source of extra income to supplement their daily life.

I believe that the War Disablement Pension should be treated in exactly the same manner as the Disability Living Allowance is currently treated:

**(b) Proposed by Councillor Darren Sanders
Seconded by Councillor Hugh Mason**

Tackling poverty by reducing dependency

Council welcomes the fact that the Local Welfare Assistance Scheme - the scheme that gives money to some of the most vulnerable people in society - has been overseen by local councils across the country, rather than the DWP.

Council opposes the removal of funding for this scheme from April 2015.

Council welcomes the work already done by officers on a replacement. It believes such a replacement should be brought in for at least no more cost than now.

Council also recognises that many people in our city are forced to use payday loan and similar companies, such as Wonga and Provident. It believes this is wrong and applauds the work done so far to mitigate it.

Council endorses the desire of the Church of England to put these firms out of business. As such, it asks the administration to deliver the following as part of any future strategy on this matter:

1. Overseeing a way to enable those in need to get high-quality 'white goods' and similar items without the extortionate interest levels they now often pay.
2. Working with United Savings and Loans and similar organisations to enable people in need to access decent alternatives to payday loans.
3. Bringing to Portsmouth a 'Social Supermarket', similar to one in Barnsley.

Given the desire of all parties on the Council for openness, Council asks the administration to ensure officers update all groups on

request and report on progress at the November Council meeting.

**(c) Proposed by Councillor Paul Godier
Seconded by Councillor Hannah Hockaday**

That the Leader of the Council writes to the relevant Government Minister requesting that more be done around the regulation or banning of legal highs with the aim of seeking to reduce the risk of injury or death to those persons involved in this activity, including people residing in Cities such as Portsmouth.

**(d) Proposed by Councillor John Ferrett
Seconded by Councillor Neill Young**

This Council welcomes the decision of the new administration to halt the process of out-sourcing the City's Youth Parliament. The council notes the damaging effects of political coercion particularly amongst young people. The council wishes to indicate that close political relationships with Looked After Children, through Associations such as the Youth Parliament are not advised or encouraged. The council will in the future take all reasonable measures to ensure that the political independence of the Youth Parliament is not compromised. This will include retaining the Youth Parliament 'in-house' if that is felt to be the best way to encourage and promote participation amongst young people in our city.

**(e) Proposed by Councillor John Ferrett
Seconded by Councillor Luke Stubbs**

In the light of recent events surrounding former Cllr Mike Hancock, whilst an elected individual of this authority, the Council believes that an urgent review of the city's Safeguarding Procedure should take place to ensure that it is robust enough to protect the public. Members of the public have a right to feel safe when in contact with any elected member of this council.

A citizen of Portsmouth was let down by a former member of this council through his inappropriate actions; the previous Leader of this council for his lack of appropriate actions; and the two liberal democrat members of the investigation sub-committee who sat on the case of a vulnerable resident regards former Cllr M Hancock. This council requests in respect of members facing serious allegations, that the Monitoring Officer prepare a report for the Governance Audit and Standards committee on how the council's current Safeguarding Procedure should be used to best protect the public and members when a complaint is made by a vulnerable constituent.

**(f) Proposed by Councillor Alistair Thompson
Seconded by Councillor John Ferrett**

The City Council is concerned at the conduct of one its former

members' who has admitted to abusing his position of trust. He has admitted to harassing a resident, making repeated unwanted sexual advances and conduct that falls below the standards expected of a Parliamentarian or a member of this Council.

Over the last four years the Council has spent tens of thousands of pounds investigating this matter, both through court and legal fees and officer time - This at a time when the Council is faced with making cuts to front line services.

The Council believes that this is an unsatisfactory situation.

The Council therefore requests the Governance and Audit and Standards Committee to do the following:

1. Instruct officers to prepare a detailed breakdown of the full costs of this affair
2. To write to all members with this information
3. To write to the former member requesting that given this unnecessary burden on the taxpayers of Portsmouth that now he has admitted to these appalling actions he might chose to repay this sum and thus ease the financial burden on residents
4. To consider legal action to reclaim these costs if he refuses.

**(g) Proposed by Councillor Darren Sanders
Seconded by Councillor Lynne Stagg**

Council calls on Cabinet to reverse its decision to abandon the pilot crackdown, to be run by 3GS, on dog mess and littering. The problem of litter and dogs mess is one many local residents complain about. With reducing council budgets, finding new ways of tackling problems with minimal cost to local tax payers is important.

Council recognises that, in places like Swansea and Leeds where 3GS operates, the company is making money for local authorities while not clogging up the courts.

In order to minimise costs, the Council requests Cabinet to call on 3GS to conduct its own prosecutions in any pilot, as it does in Leeds. Any short-term shortfall is to be made up from Environment & Community Portfolio reserve with all recouped costs going back there.

**14 Forward Plan Omission Report
The Camber - East Street and Broad Street, Old Portsmouth**

To note in accordance with the Constitution that due to the urgent decision that needed to be taken at the meeting of the Cabinet Member for Planning, Regeneration & Economic Development on 13 June 2014, it was consequently not possible to include the item within the normal forward plan process and the usual omission procedure therefore had to be followed.

15 Questions from Members under Standing Order No 17. (Pages 57 - 60)

David Williams
Chief Executive

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Full Council and Cabinet meetings are digitally recorded, audio only.

Civic Offices
Guildhall Square
PORTSMOUTH
7 July 2014

MINUTES OF THE ANNUAL MEETING OF THE COUNCIL held at the Guildhall, Portsmouth on Tuesday 3 June 2014 at 10.30 am.

Council Members Present

The Right Worshipful The Lord Mayor
Councillor Lynne Stagg (In the Chair)

Councillors

Adair, Margaret	Madden, Leo
Andrewes, Michael	Mason, Hugh
Bosher, Simon	Mason, Lee
Denny, Alicia	New, Robert
Dowling, Ben	Potter, Stuart
Ellcome, Ken	Purvis, Will
Ferrett, John	Sanders, Darren
Ferrett, Ken	Smith, Phil
Foster, Margaret	Stevens, Les
Fuller, David	Stockdale, Sandra
Galloway, Colin	Stubbs, Luke
Godier, Paul	Swan, Julie
Gray, Aiden	Symes, Linda
Hall, Terry	Thompson, Alistair
Hastings, Steve	Vernon-Jackson, Gerald
Hockaday, Hannah	Wemyss, Steve
Horne, David	Winnington, Matthew
Hunt, Lee	Wood, Rob
Jonas, Frank	Wylie, Steven
Jones, Donna	Young, Neill

The Lord Mayor welcomed everyone to the meeting.

38 Vote of Thanks to Retiring Lord Mayor and Lady Mayoress

It was

Proposed by Councillor Gerald Vernon-Jackson

Seconded by Councillor Darren Sanders

That a vote of thanks be given to the retiring Lord Mayor and Lady Mayoress.

It was RESOLVED unanimously

That the Council places on record its sincere thanks to Councillor Lynne Stagg for her outstanding service to the City of Portsmouth during his year of office.

That the Council expresses its great appreciation of the fine qualities which Councillor Lynne Stagg brought to the conduct of the business of this Council, her devotion to duty and the distinction and goodwill with which she carried out the many and varied duties of office of Lord Mayor.

That the Council also places on record its gratitude to Mrs Anne Taulbut

for the untiring support and help which she has given as Lady Mayoress.

That this resolution be engrossed and be presented to Councillor Lynne Stagg and Mrs Anne Taulbut at this ceremony.

The retiring Lord Mayor was presented with the Council's gift of an engrossed scroll which signifies the Council's appreciation of her time in office.

39 Election of Lord Mayor 2014-15

Councillor Hugh Mason nominated Councillor Steven Wylie for election to the office of Lord Mayor for the ensuing municipal year. The nomination was seconded by Councillor Leo Madden.

There being no other nominations, the Lord Mayor put the proposal, which was carried unanimously, and she declared Councillor Steven Wylie duly elected Lord Mayor.

Councillor Steven Wylie then left the Chamber with the retiring Lord Mayor to don the Lord Mayor's robes and the Chain of Office.

40 Investiture of the New Lady Mayoress

Mrs Anne Taulbut, the retiring Lady Mayoress, invested Mrs Elisabeth Wylie, the new Lady Mayoress with the Chain of Office, after which the new Lady Mayoress signed a document of office witnessed by the City Solicitor.

41 New Lord Mayor takes the Chair

Councillor Steven Wylie took the Chair and thereupon made and subscribed the Declaration of Acceptance of Office, witnessed by the City Solicitor.

42 Presentation of the Keys of the City

The Lord Mayor received the Keys of the Fortress of Portsmouth presented to him by Lieutenant Colonel Paul Youngman.

43 Presentation of the Portsmouth Sword

The Lord Mayor received the Portsmouth Sword which was presented to him by Commander Andy Green, Royal Navy.

44 Lord Mayor returns thanks to the Council

The Lord Mayor took this opportunity to thank members of the Council for his election and gave a short speech.

45 Appointment of Deputy Lord Mayor 2014/15

Councillor John Ferrett nominated Councillor David Horne as the Deputy Lord Mayor for the ensuing municipal year. This nomination was seconded by Councillor Donna Jones.

Councillor Lee Hunt nominated Councillor Sandra Stockdale as the Deputy Lord Mayor for the ensuing municipal year. This nomination was seconded by Councillor Les Stevens.

Upon both nominations being put to the vote, the nomination for Councillor Horne was CARRIED.

Councillor David Horne was duly elected as the Deputy Lord Mayor and he made and subscribed the Declaration of Acceptance of Office. This was witnessed by the City Solicitor.

The Chief Executive said that Councillor Horne would be supported by his Deputy Lady Mayoress, Mrs Mary Horne who could not attend the meeting today and who would therefore subscribe the Declaration of Acceptance of Office at a later date.

46 Appointment of Chaplains to the City Council

The Dean of Portsmouth, the Very Reverend David Brindley, Major Geoff Chape and Reverend Janice Morgan were appointed as Chaplains to the City Council.

47 Appointment of the New Lord Mayor Cadets

To support the Lord Mayor in his year in office, a team of six cadets will be on hand. The Lord Mayor wished to show his appreciation by presenting each of them with a certificate.

The following cadets received their certificates at the meeting:-

Cadet Flight Sergeant, Emily Austin-Williams of the Air Training Corps
Cadet

Corporal, Marnie Kirby of the Hampshire and Isle of Wight Army Cadet Force
Cadet first class Nancy Jones of the Sea Cadet Corps

The following cadets were unable to attend this meeting and would receive their certificates at a later date:-

Cadet Corporal Joseph Oldfield of the Royal Marine Voluntary Cadet Corps
Edward Smith of the RAF section of the Combined Cadet Force and
Charlotte Butler of St John Ambulance.

48 Presentation of Civic Awards

A representative from the Cadets brought forward the Civic Award Badges for presentation.

The Lord Mayor presented Civic Awards to members of the community who had been nominated for their outstanding contribution to the life of the city. The awards were presented to Syed Aminul Haque, Mr Ron Jacobs, Mrs Stephanie Jennings, Mrs Linda Limburn, Mrs Eileen Mailé, the Pompey Supporters' Trust and Mrs Mary Verrier.

49 Young Person's Civic Award

A representative from the Cadets brought forward the Young Person's Civic Award. Nominations for this award were made by members of the Portsmouth Youth Parliament which represents young people in the city and strives to ensure their voices are heard by decision makers. This year the nominee was Ms Kay Sutherland and the Lord Mayor presented her with the award.

50 Posthumous Civic Award

The Lord Mayor advised that a special posthumous civic award would be made this year to recognise the sacrifice made by Mr Marco Antonio de Araujo who gave his life to save two young girls from drowning. A representative from the Cadets brought forward the award which was collected by Tracey Hall.

The meeting adjourned at 12 noon, to be re-convened at 2.45 pm.

Lord Mayor

MINUTES OF THE ADJOURNED MEETING OF THE COUNCIL held at the Guildhall, Portsmouth on Tuesday 3 June 2014 at 2.45 pm.

Council Members Present

The Right Worshipful The Lord Mayor
Councillor Steven Wylie (In the Chair)

Councillors

Adair, Margaret	Mason, Hugh
Andrewes, Michael	Mason, Lee
Bosher, Simon	New, Robert
Denny, Alicia	Potter, Stuart
Dowling, Ben	Purvis, Will
Ellcome, Ken	Sanders, Darren
Ferrett, John	Scott, Eleanor
Ferrett, Ken	Smith, Phil
Foster, Margaret	Stagg, Lynne
Fuller, David	Stevens, Les
Galloway, Colin	Stockdale, Sandra
Godier, Paul	Stubbs, Luke
Gray, Aiden	Swan, Julie
Hall, Terry	Symes, Linda
Hastings, Steve	Thompson, Alistair
Hockaday, Hannah	Vernon-Jackson, Gerald
Horne, David	Wemyss, Steve
Hunt, Lee	Winnington, Matthew
Jonas, Frank	Wood, Rob
Jones, Donna	Young, Neill
Madden, Leo	

The Lord Mayor welcomed members to the second part of today's meeting. In particular the Lord Mayor extended a welcome to newly elected members, Councillors Steve Hastings, Paul Godier, Alicia Denny, Hannah Hockaday, Julie Swan, Linda Symes, Ben Dowling, Colin Galloway and Stuart Potter and congratulated Councillor Galloway on his appointment as the Leader of the UK Independence Party and his deputy Councillor Swan. The Lord Mayor also advised that filming would be taking place in the chamber today.

51 Declarations of Interest under Standing Order 13(2)(b)

The following members declared a non-pecuniary interest in that they are members of the Portsmouth Football Supporters Trust.

Councillor Wemyss, Councillor Swan, Councillor Jonas, Councillor Thompson.

52 Minutes of the Meeting held on 18 March 2014

It was

Proposed by Councillor Donna Jones

Seconded by Councillor Gerald Vernon-Jackson

That the minutes of the meeting held on 18 March 2014 be confirmed and signed as a correct record.

RESOLVED that the minutes of the meeting held on 18 March 2014 be confirmed and signed as a correct record.

53 Communications and Apologies

There were no apologies for absence. The Lord Mayor drew members' attention to the revised seating plan which had been circulated in the chamber and is effective from this meeting, subject to a minor amendment being made. The Lord Mayor also advised that a revised standing order booklet taking into account previously agreed changes had been circulated in the chamber.

The Lord Mayor welcomed Mr Esmond "Doug" Smith representing the delegation from Portsmouth, Rhode Island, USA to the meeting and Mr Smith gave a vote of thanks and presented a proclamation from Portsmouth Rhode Island which he read out at the meeting. He particularly thanked the previous Lord Mayor, Councillor Lynne Stagg and her consort Mrs Anne Taulbut.

The Lord Mayor advised members that he had had the privilege this lunchtime of opening the D-Day Veterans Village event in Southsea.

The Lord Mayor also said that it had been announced today that Portsmouth City Council's D-Day Museum has received initial support from the Heritage Lottery Fund for a £4.1 million bid to completely transform the museum to tell the D-Day story for museum visitors in the 21st century. D-Day Museum. Councillor Gerald Vernon-Jackson asked that thanks be recorded formally in the minutes to all those involved from the city council in achieving this very substantial sum of money from the Heritage Lottery Fund.

54 Deputations from the Public under Standing Order 24

There were no requests to make deputations at this meeting.

55 Leader of the City Council

The Lord Mayor said that the Chief Executive had received the resignation of Councillor Gerald Vernon-Jackson as Leader of the City Council and that therefore under the Local Government and Public Involvement in Health Act 2007, the council had to appoint a leader who would remain in office until their current term of office as a councillor ends, or until they resign from office or are removed from office by resolution of the council if sooner.

It was

Proposed by Councillor Simon Boshier
 Seconded by Councillor Alistair Thompson

That Councillor Donna Jones be appointed Leader of the City Council.

Following debate a recorded vote was requested by eight members standing.

The following members voted in favour of Councillor Jones being elected as Leader of the City Council.

Boshier, Simon	Jonas, Frank
Denny, Alicia	Jones, Donna
Ellcome, Ken	Mason, Lee
Ferrett, John	New, Robert
Ferrett, Ken	Potter, Stuart
Galloway, Colin	Stubbs, Luke
Godier, Paul	Swan, Julie
Gray, Aiden	Symes, Linda
Hastings, Steve	Thompson, Alistair
Hockaday, Hannah	Wemyss, Steve
Horne, David	Young, Neill

The following members voted against

Adair, Margaret	Purvis, Will
Andrewes, Michael	Sanders, Darren
Dowling, Ben	Smith, Phil
Foster, Margaret	Stagg, Lynne
Fuller, David	Stevens, Les
Hall, Terry	Stockdale, Sandra
Hunt, Lee	Vernon-Jackson, Gerald
Madden, Leo	Winnington, Matthew
Mason, Hugh	Wood, Rob

The following member abstained

Councillor Eleanor Scott

Twenty two members voted in favour of Councillor Donna Jones becoming leader, 18 members voted against and there was one abstention.

RESOLVED that Councillor Donna Jones be elected Leader of Portsmouth City Council.

- 56 In accordance with the Local Government and Public Involvement in Health Act 2007, to receive details from the Leader of the Council regarding Cabinet Members and portfolios for the ensuing municipal year**

The Lord Mayor explained that the Council Leader is empowered to determine the number of councillors on the Cabinet and decide portfolios and portfolio remits and to select one of the appointed members to the position of deputy leader. The Cabinet and Opposition Spokespersons (notified so far) were

circulated (attached to these minutes as Appendix 1). The Lord Mayor also called upon the Leader to give details of the membership of the Health & Wellbeing Board which is in the gift of the Leader and was then circulated.

RESOLVED (1) that council noted that there will be nine portfolios (including the Leader) for the ensuing municipal year as set out in Appendix 1 attached to these minutes;

(2) that council noted the membership of the Health & Wellbeing Board for the ensuing municipal year also as set out in Appendix 1 attached to these minutes.

The Lord Mayor proposed and the council agreed to take agenda items 9, 10, 11, 12, 13 and 14 together namely proportional representation on committees and panels and consequent appointment of members and standing deputies, chairs and vice-chairs and other appointments.

It was

Proposed by Councillor Donna Jones
Seconded by Councillor Luke Stubbs

To adopt the overall political balance and allocation of seats schedule circulated in the chamber and to agree the membership of the committees and panels, standing deputies, chairs and vice-chairs of committees and panels, including appointments and other appointments detailed at agenda items 13 and 14 also circulated at the meeting.

The Lord Mayor advised that there was one contested position - that for the Police and Crime Panel but the Leader of the Liberal Democrat Group, Councillor Gerald Vernon-Jackson withdrew the nomination of Councillor Lynne Stagg.

Upon being put to the vote council agreed all the appointments.

RESOLVED (1) the total number of seats on committees and panels be divided among the political groups in accordance with Table 1 as set out below:

TABLE 1

Group	1 Number of Cllrs	2 Total No of Cttee Seats	3 Places on Licensing cttee	4 Planning cttee	5 Governance & Audit & Standards, Employment, and 5 Themed Scrutiny Panels (6 Members)	6 Places on Scrutiny Management Panel (9* Members)
LD	19	34	7	4	19	4
Con	12	22	4	3	12	3
UKIP	6	11	2	2	6	1
Lab	4	7	1	1	4	1
LD (NA)	1	2	1	0	1	0
TOTALS	42	76	15	10	42	9

(2) that any other bodies subject to the political proportionality rules be appointed in accordance with the proportions shown in Table 1.

RESOLVED (3) that the following committees and panels be appointed with the membership as shown together with the standing deputies and chairs and vice-chairs where appropriate as indicated.

Licensing Committee

Group allocation	Position	Nomination
Liberal Democrat		Les Stevens
Liberal Democrat		Phil Smith
Liberal Democrat		David Fuller
Liberal Democrat		Margaret Adair
Liberal Democrat		Sandra Stockdale
Liberal Democrat		Margaret Foster
Liberal Democrat		Gerald Vernon-Jackson
Conservative	Chair	Hannah Hockaday
Conservative	Vice-Chair	Ken Ellcome
Conservative		Frank Jonas
Conservative		Lee Mason
UKIP		Stuart Potter
UKIP		Julie Swan
Labour		Ken Ferrett
Liberal Democrat (na)		Eleanor Scott
Liberal Democrat	Standing Deputy	Hugh Mason
Liberal Democrat	Standing Deputy	Leo Madden
Liberal Democrat	Standing Deputy	Lee Hunt
Conservative	Standing Deputy	Linda Symes
Conservative	Standing Deputy	Neill Young
Conservative	Standing Deputy	Rob New
UKIP	Standing Deputy	Stephen Hastings
UKIP	Standing Deputy	
UKIP	Standing Deputy	
Labour	Standing Deputy	
Labour	Standing Deputy	
Labour	Standing Deputy	

Planning Committee

Group allocation	Position	Nomination
Liberal Democrat		Les Stevens
Liberal Democrat		Gerald Vernon-Jackson
Liberal Democrat		Sandra Stockdale
Liberal Democrat		David Fuller
Conservative	Vice-Chair	Frank Jonas
Conservative		Lee Mason
Conservative		Ken Ellcome
UKIP		Stephen Hastings
UKIP		Colin Galloway
Labour	Chair	Aiden Gray
Liberal Democrat	Standing Deputy	Lee Hunt
Liberal Democrat	Standing Deputy	Hugh Mason
Liberal Democrat	Standing Deputy	Rob Wood
Liberal Democrat	Standing Deputy	Margaret Foster
Liberal Democrat	Standing Deputy	Darren Sanders
Conservative	Standing Deputy	Rob New
Conservative	Standing Deputy	
Conservative	Standing Deputy	
Conservative	Standing Deputy	
Conservative	Standing Deputy	
UKIP	Standing Deputy	Alicia Denny
UKIP	Standing Deputy	
UKIP	Standing Deputy	
UKIP	Standing Deputy	
Labour	Standing Deputy	
Labour	Standing Deputy	
Labour	Standing Deputy	

Scrutiny Management Panel

Group allocation	Position	Nomination
Liberal Democrat		Matthew Winnington
Liberal Democrat		Michael Andrewes
Liberal Democrat		Phil Smith
Liberal Democrat		Darren Sanders
Conservative	Chair	Alistair Thompson
Conservative		Hannah Hockaday
Conservative	Vice-Chair	Simon Bosher
UKIP		Alicia Denny
Labour		John Ferrett
Liberal Democrat	Standing Deputy	David Fuller
Liberal Democrat	Standing Deputy	Terry Hall
Liberal Democrat	Standing Deputy	Ben Dowling
Conservative	Standing Deputy	
Conservative	Standing Deputy	
Conservative	Standing Deputy	
UKIP	Standing Deputy	Paul Godier
UKIP	Standing Deputy	
UKIP	Standing Deputy	
Labour	Standing Deputy	
Labour	Standing Deputy	
Labour	Standing Deputy	

Governance & Audit & Standards

Group allocation	Position	Nomination
Liberal Democrat		Leo Madden
Liberal Democrat		Hugh Mason
Conservative	Chair	Simon Bosher
UKIP		Colin Galloway
Labour		John Ferrett
Liberal Democrat (Non-Aligned)	Vice-Chair	Eleanor Scott
Liberal Democrat	Standing Deputy	Rob Wood
Liberal Democrat	Standing Deputy	Phil Smith
Liberal Democrat	Standing Deputy	David Fuller
Conservative	Standing Deputy	
Conservative	Standing Deputy	
Conservative	Standing Deputy	
	Standing Deputy	
	Standing Deputy	
	Standing Deputy	
	Standing Deputy	
	Standing Deputy	
	Standing Deputy	

Employment Committee

Group allocation	Position	Nomination
Liberal Democrat		Darren Sanders
Liberal Democrat		Gerald Vernon-Jackson
Liberal Democrat		Lynne Stagg
Conservative	Chair	Donna Jones
Conservative	Vice-Chair	Luke Stubbs
Labour		John Ferrett
Liberal Democrat	Standing Deputy	David Fuller
Liberal Democrat	Standing Deputy	Hugh Mason
Liberal Democrat	Standing Deputy	Rob Wood
Conservative	Standing Deputy	Linda Symes
Conservative	Standing Deputy	
Conservative	Standing Deputy	
	Standing Deputy	
	Standing Deputy	
	Standing Deputy	
	Standing Deputy	
	Standing Deputy	
	Standing Deputy	

Health Overview & Scrutiny

Group allocation	Position	Nomination
Liberal Democrat		Phil Smith
Liberal Democrat		Lynne Stagg
Conservative		Hannah Hockaday
Conservative		Simon Boshier
Labour	Chair	David Horne
UKIP		Stephen Hastings
Liberal Democrat	Standing Deputy	Margaret Adair
Liberal Democrat	Standing Deputy	Margaret Foster
Liberal Democrat	Standing Deputy	Sandra Stockdale
Conservative	Standing Deputy	Lee Mason
Conservative	Standing Deputy	
Conservative	Standing Deputy	
UKIP	Standing Deputy	Julie Swan
	Standing Deputy	
	Standing Deputy	
	Standing Deputy	
	Standing Deputy	
	Standing Deputy	

Vacant - Vice-Chair

Economic Development, Culture & Leisure Scrutiny Panel

Group allocation	Position	Nomination
Liberal Democrat		Matthew Winnington
Liberal Democrat		Ben Dowling
Liberal Democrat		Lee Hunt
Conservative		Hannah Hockaday
Conservative		Simon Bosher
UKIP	Chair	Julie Swan
Liberal Democrat	Standing Deputy	Lynne Stagg
Liberal Democrat	Standing Deputy	Phil Smith
Liberal Democrat	Standing Deputy	David Fuller
Conservative	Standing Deputy	Alistair Thompson
Conservative	Standing Deputy	
Conservative	Standing Deputy	
UKIP	Standing Deputy	Alicia Denny
	Standing Deputy	
	Standing Deputy	
	Standing Deputy	
	Standing Deputy	
	Standing Deputy	

Vacant - Vice-Chair

Education, Children & Young People Scrutiny Panel

Group allocation	Position	Nomination
Liberal Democrat	Chair	Will Purvis
Liberal Democrat		Lynne Stagg
Liberal Democrat		Ben Dowling
Conservative		Alistair Thompson
UKIP		Paul Godier
Labour		Ken Ferrett
Liberal Democrat	Standing Deputy	Terry Hall
Liberal Democrat	Standing Deputy	Margaret Adair
Liberal Democrat	Standing Deputy	Matthew Winnington
Conservative	Standing Deputy	
Conservative	Standing Deputy	
Conservative	Standing Deputy	
UKIP	Standing Deputy	Colin Galloway
	Standing Deputy	
	Standing Deputy	
	Standing Deputy	
	Standing Deputy	

Vacant - Vice-Chair

Housing and Social Care Scrutiny Panel

Group allocation	Position	Nomination
Liberal Democrat	Chair	Darren Sanders
Liberal Democrat		Sandra Stockdale
Liberal Democrat		Phil Smith
Conservative		Hannah Hockaday
Conservative		Alistair Thompson
UKIP		Alicia Denny
Liberal Democrat	Standing Deputy	Gerald Vernon-Jackson
Liberal Democrat	Standing Deputy	Michael Andrewes
Liberal Democrat	Standing Deputy	Margaret Foster
Conservative	Standing Deputy	Simon Boshier
Conservative	Standing Deputy	
Conservative	Standing Deputy	
UKIP	Standing Deputy	Stuart Potter
	Standing Deputy	
	Standing Deputy	
	Standing Deputy	
	Standing Deputy	
	Standing Deputy	

Vacant - Vice-Chair

Traffic, Environment & Community Safety Scrutiny

Group allocation	Position	Nomination
Liberal Democrat		Lee Hunt
Liberal Democrat		Phil Smith
Liberal Democrat		Lynne Stagg
Conservative		Simon Boshier
Conservative		Hannah Hockaday
UKIP	Chair	Stuart Potter
Liberal Democrat	Standing Deputy	Hugh Mason
Liberal Democrat	Standing Deputy	Les Stevens
Liberal Democrat	Standing Deputy	Leo Madden
Conservative	Standing Deputy	Alistair Thompson
Conservative	Standing Deputy	
Conservative	Standing Deputy	
UKIP	Standing Deputy	Paul Godier
	Standing Deputy	
	Standing Deputy	
	Standing Deputy	
	Standing Deputy	

Vacant - Vice-Chair

RESOLVED (4) that the following appointments be made for 2014/15:

Hampshire Fire & Rescue Authority

Councillor Phil Smith
Councillor Luke Stubbs
Councillor Stephen Hastings

Police and Crime Panel 2014/15

Councillor Ken Ellcome

**Local Government Association General Assembly for the 2014/15
municipal year (all with voting rights)**

Councillor Donna Jones (Conservative)
Councillor Rob New (Conservative)
Councillor Hannah Hockaday (Conservative)
Councillor Gerald Vernon-Jackson (Liberal Democrat)

Langstone Harbour Board

Councillor Matthew Winnington (Liberal Democrat)
Councillor Phil Smith (Liberal Democrat)
Councillor Les Stevens (Liberal Democrat)
Councillor Luke Stubbs (Conservative)
Councillor Lee Mason (Conservative)
Councillor Paul Godier (UK Independence Party)

**RESOLVED (5) that the following appointments be made to the Twinning
Advisory Group for the 2014/15 municipal year:**

Councillor Lee Mason (Chair) (Conservative)
Councillor Steven Wylie (Vice-Chair) (Liberal Democrat)
Councillor Hugh Mason (Liberal Democrat)
Councillor Terry Hall (Liberal Democrat)
Councillor Frank Jonas (Conservative)
(One vacancy)
Plus one representative from each of the three twinning committees
(self-nominating)

**57 To receive and consider any urgent and important business in
accordance with Standing Order No 26**

There was no urgent and important business.

58 Forward Plan Omission

RESOLVED to note in accordance with the constitution that it was not possible to include the report in respect of agenda item 17 within the normal forward plan process and the usual omission procedure therefore had to be followed.

59 Revised Minimum Revenue Provision for Debt Repayment Policy

It was

Proposed by Councillor Donna Jones
Seconded by Councillor Luke Stubbs

That the recommendations set out in the report be adopted. Upon being put to the vote this was CARRIED.

RESOLVED (1) that the revised minimum revenue provision (MRP) for debt repayment policy for 2013/14 and 2014/15 contained in the appendix to the report be approved;

(2) that a sum equal to the reduction in MRP under the new policy be transferred to an earmarked reserve to fund capital expenditure related to the City Deal.

60 Dates of Future Meetings of the Full Council

It was

Proposed by Councillor Donna Jones
Seconded by Councillor Luke Stubbs

That the dates for meetings of the council during the ensuing municipal year as required under Standing Order 6 and 10(k), to commence at 2.00 pm unless otherwise indicated, be agreed as set out on the agenda.

RESOLVED that the meetings of the council be held on the following dates in the 2014/15 municipal year to commence at 2.00 pm unless otherwise indicated:

15 July 2014	20 January 2015
14 October 2014	10 February 2015 (Budget)
11 November 2014	17 March 2015
9 December 2014 (if needed)	19 May 2015* (Annual) (10.30 am)

Note: (*) The current understanding is that the local elections will be combined with the General Election on 7 May 2015 (following the Fixed Term Parliament Act 2011).

It was

Proposed by Councillor Donna Jones
Seconded by Councillor Luke Stubbs

That the following provisional council meeting dates for 2015/16 be agreed in principle subject to later ratification.

RESOLVED that the following provisional council meeting dates for 2015/16 subject to later ratification be agreed in principle:

14 July 2015

13 October 2015

10 November 2015

8 December 2015

19 January 2016

9 February 2016

22 March 2016

17 May 2016 (Annual)* (10.30 am)

Note: (*) The current understanding is that the local elections will be combined with the Police & Crime Commissioner elections on 5 May 2016.

The meeting concluded at 3.45 pm.

Lord Mayor

Cabinet & Opposition spokespersons for 2014/15 as at 3 June

Portfolio	Cabinet Member	Group Spokespersons
The Leader	Donna Jones (Conservative)	Gerald Vernon-Jackson (Liberal Democrat)
Planning, Regeneration & Economic Development	Luke Stubbs (Deputy Leader) (Conservative)	Ben Dowling (Liberal Democrat)
Environment & Community Safety	Rob New (Conservative)	Sandra Stockdale (Liberal Democrat)
Culture, Leisure and Sport	Linda Symes (Conservative)	Lee Hunt (Liberal Democrat)
Traffic and Transportation	Ken Ellcome (Conservative)	Lynne Stagg (Liberal Democrat)
Health & Social Care	Frank Jonas (Conservative)	Matthew Winnington (Liberal Democrat)
Housing	Steve Wemyss (Conservative)	David Fuller (Liberal Democrat)
Resources	Lee Mason (Conservative)	Hugh Mason (Liberal Democrat)
Children and Education	Neill Young (Conservative)	Rob Wood (Liberal Democrat)

Health & Wellbeing Board

Councillor Frank Jonas (as Portfolio holder for Health & Social Care)
 Councillor Neill Young (as Portfolio holder for Children and Education)
 Councillor Donna Jones
 Councillor Luke Stubbs

Vacancy - Two members of the Opposition

Agenda Item 8

Agenda item:

Title of meeting: CABINET AND CITY COUNCIL

Date of meeting: 10th July 2014 (Cabinet)
15th July 2014 (Council)

Subject: Hampshire Community Bank

Report by: Head of Financial Services and Section 151 Officer

Wards affected: All

Key decision: Yes

Full Council decision: Yes

1. Purpose of report

- 1.1 To describe what a "Community Bank" is and the advantages one could bring to the local economy and to set out details of an opportunity to help create a new "Hampshire Community Bank" (HCB).
- 1.2 To seek endorsement to the key aims of HCB and, if agreed, give delegated authority to the Head of Finance and Section 151 Officer (HFS) to invest up to £5 million in creating the HCB in consultation with the Strategic Director Regeneration but subject to the HFS being satisfied with the outcome of the Due Diligence process.

2. Recommendations

Recommended that:

- 1) The key aims for the Hampshire Community Bank Limited as set out in this report are endorsed.
- 2) The Governance arrangements set out in Section 10 are approved.
- 3) Authority to approve a Capital Investment of up to £5 million in in the creation of Hampshire Community Bank and incur any necessary costs relating to the Due Diligence process is delegated to the Head of Financial Services and Section 151 Officer in consultation with the Strategic Director Regeneration.
- 4) The £5m Capital Investment costs to be funded by unsupported Prudential Borrowing and Due Diligence costs up to £25,000 are financed from the MTRS Reserve.
- 5) The attached financial appraisal is approved and the Corporate Capital Programme is amended to reflect the addition of this new Capital Investment.

3. Reasons for recommendations

3.1 To provide authority to invest in the creation of the Hampshire Community Bank to help generate the benefits set out in section 5.

4. Background

4.1 The initiative for this process came from Professor Richard Werner who is Director of the Centre for Banking, Finance and Sustainable Development at Southampton University. Professor Werner is an internationally renowned expert on banking who correctly predicted the "Credit Crunch" collapse of the UK banking system and property market, highlighted the problem of 'recurring banking crises' and suggested workable solutions. See details of his career on the [University of Southampton website](#) .

4.2 The House of Commons' "[Competition and Choice in Retail Banking](#)" 2011 report, clearly showed that dissatisfaction with UK banks runs high. It also quoted the Governor of the Bank of England (Para 143) as follows " ... *make sure that we find ways of encouraging new banks that will pose a competitive threat to [existing] banks*" In July 2013 the [Government's response to the Parliamentary Commission on Banking Standards](#) stated in Chapter 4, para 4.2 "*The Government is determined to see a step change in competition in the UK banking market in order to achieve better outcomes for consumers*". Community Banks could be a very positive way for local councils to respond to the Government challenge to banking.

4.3 Professor Werner has highlighted creation of Community Banks as a way of greatly strengthening and improving the banking system. He has gathered together a group of people with the necessary skills and has started up a Community Interest Company called "Local First Community Interest Company" with the express purpose of creating a Community Bank here in Hampshire. He has secured a £250,000 grant and £950,000 loan approved by the Secretary of State for Business, Innovation and Skills to cover set up costs including getting a banking permission. He has also persuaded one of the world's top 10 law firms to help secure the banking licence without payment on a "pro bono" basis.

4.4 Local First CIC has produced a document entitled "Hampshire Community Bank - Information Memorandum for Investors" which is specifically aimed at local government institutions such as Councils, Universities etc. It sets out the arguments for creating a Community bank together with an outline implementation plan and timetable. Copies of the document have been placed in the group rooms.

4.5 The main characteristics of a Community Bank are set out below:

- Not for profit with any surpluses distributed between the founding investors and grants to the local area on a 50/50 basis
- Run by local bodies for local people
- Main purpose is to create a strong and sustainable local economy
- Cannot ever be taken over or sold
- No "Bankers Bonuses"

4.6 The case for a Community Bank centres around the following:

- A lack of competition and concentration of larger corporate banks creates an environment susceptible to a "credit crunch" and its associated affects. Large banks prefer to lend large amounts to large companies creating barriers for Small and Medium Sized Enterprises (SME) access to finance and therefore growth arising from their formulaic non local approach. See Government's response to the Parliamentary Commission on Banking Standards referred to above.
- The German Sparkassen group of local, legally independent, not-for-profit savings banks have been a continuing success story over the last 200 years, including during the current recession, which demonstrates that this business model is both beneficial and commercially viable. In Germany, local, not-for-profit banks and credit unions account for 70% of all retail bank deposits and an even higher percentage of lending to Small and Medium Sized Enterprises (SMEs), but in the UK this figure is less than 1%. It is their virtual absence in the UK that accounts for many of the funding problems SMEs are facing.
- HCB could be an exciting opportunity for Portsmouth and Hampshire to help improve economic prosperity generally, particularly in the marine and maritime sector.

5. Hampshire Community Bank Key Aims and Outputs

5.1 The HCB process would create a new "not for profit" bank which cannot ever be taken over or sold and which will exist in perpetuity to benefit the County of Hampshire.

5.2 Half of the surpluses made by the Bank will be distributed via a Grants Board towards innovation, social enterprise and business start-up's. Investors will be given representation on that Grants Board

5.3 If successful, the bank will be a powerful force in achieving the following :

- Securing a strong and sustainable local economy in Hampshire
- Working with businesses, councils and charities to deliver sustainable economic growth
- Retaining wealth in the local area

5.4 Over a five year period it is estimated that the HCB could deliver the following outputs:

- Distribution of half of the surpluses generated by the bank by a Grants Board including the investor's representatives to support charitable or other deserving causes in Hampshire. Over five years that is estimated to yield over £6.5 million. Over 10 years the sum distributed could be over £20 million.

- Support around 480 small and medium enterprises to grow through provision of key investment capital.
- Provide funding to support £375m of investment in the Hampshire economy.
- Creation of between 7 and 11 additional jobs for each £1m of locally focused lending giving between 2,600 and 4,100 new jobs over the first five years.
- Leverage additional private sector investment into the Hampshire economy.
- Generate increased local tax revenues from business rates.
- Increased rate of business survival and job retention in the event of a future recession.
- Improved access to financial services for those who are disenfranchised by the current banking systems
- 6% return on investment for founding investors, although no dividend is planned during the first 2 years of operation (see Financial Appraisal at Appendix 2 for estimated effects on PCC).
- Creation of a new local institution that can support council plans and act as a partner in the delivery of a range of strategies such as local economic development; sustainability [waste, energy]; housing; education; apprenticeships; cultural offerings, etc.

5.5 Creation of the HCB would be in line with the following strategies: the LEP Strategy for Growth, PCC's Regeneration Strategy and the Medium Term Financial Strategy that aims to drive regeneration, reduce the demand for council services and reduce the council's reliance on central government grant.

5.6 It is therefore recommended that, subject to the Governance arrangements set out below, authority to implement the Hampshire Community Bank proposals as set out in this report is delegated to the Head of Financial Services and Section 151 Officer in consultation with the Strategic Director Regeneration.

6. Business Model & Business Plan

6.1 How would HCB operate, what services would it provide?

- At launch Hampshire Community Bank will offer as a minimum savings facilities, business loans and mortgages.
- In the first year, the bank aims to provide a full range of banking services to both businesses and individuals in Hampshire, enabling customers to switch to HCB without loss of service.

- Services for Individuals will include:
 - Current accounts (debit cards, standing orders/direct debits, faster payments/CHAPS/BACS/SWIFT International)
 - Savings accounts
 - Cash ISAs
 - Stock and share ISA accounts with free investment advice via partners
 - Accounts for CICs, charities, local authorities, local clubs and societies
 - Cash /pre-paid cards
 - Credit cards
 - Mortgages, especially for new-build (green, local)

- Services for Businesses will include:
 - Current accounts (with overdraft facilities)
 - Loans
 - Mortgages
 - Business credit cards
 - Asset finance
 - Trade finance
 - Support for businesses and mutuals during transition to employee ownership

6.2 How will the HCB differ from other banks? The bank's primary goal is to help create a strong, sustainable economy in Hampshire. To achieve this the intention is that the bank will:

- Lend in a way that benefits and focuses on Hampshire;
- Prioritise 'productive' lending, that is lending that creates jobs, sustainable economic growth, delivers a low carbon economy and enhances local economic 'resilience'.
- Create an organisational culture that values strong relationships with the community
- Recruit and train staff from the local community;
- Operate an apprenticeship system and support businesses in offering apprenticeship systems
- Operate as a 'not for profit' social enterprise, reinvesting all surplus profits in the local community
- Grow organically to meet the needs of individuals and business, not to meet targets
- Offer innovative services that support local saving and lending;

- Offer expertise in financing employee-ownership and mutualisation schemes
- Be transparent and focus on the ‘triple bottom line’ i.e. the commercial, social and environmental impact of the bank’s lending decisions
- Create a culture in which staff are motivated not by bonuses, but by contributing to the local community. There will be low differentials between the highest paid and lowest paid staff.
- Become a true financial partner to Hampshire stakeholders from all walks of life.

6.3 How will HCB customers access services? A HCB office presence will be required and is planned for rented accommodation, but in the main HCB would conduct business in a way similar to that of, say, First Direct Bank whereby there are no bank branches as such and individual clients access services via the phone, online and other bank branches/ATM Cash Machines. Business customers would receive all of the above together with a personalised service through which HCB staff would look to understand local business needs and tailor appropriate lending offers.

6.4 How will HCB attract money from depositors? The HCB plans show that depositors would be offered a savings interest rate of 1% above the London Inter-Bank Offer rate. This is assumed to be more than sufficient to generate the level of deposits shown in the Business Plan.

6.5 Who will borrow from HCB? The planned loan book for HCB is as shown in the table below:

Planned loan book of Hampshire Community Bank	Year	Year	Year	Year	Year
	1	2	3	4	5
	£ Million	£ Million	£ Million	£ Million	£ Million
SME lending	46	90	110	133	150
Residential property	35	67	83	100	112
Student loans	5	11	14	17	19
Sovereign/sub-sovereign	12	23	28	33	38
Commercial property	17	34	41	50	56
Total lending	115	225	276	333	375

6.6 How much money will the bank distribute to worthy causes? Distribution of half of the surpluses generated by HCB to support charitable or other deserving projects or causes in Hampshire is estimated to yield over £6.5 million in the first five years and over 10 years the sum distributed could be over £20 million.

6.7 When will HCB start operating at a profit? A summary of the preliminary HCB Financial Plan over 5 years is shown below:

Profit and Loss Summary from preliminary Financial Model	Year 1 £'000	Year 2 £'000	Year 3 £'000	Year 4 £'000	Year 5 £'000
Operating income	1,819	4,421	6,512	7,859	8,933
Net profit / (loss) before tax	-402	2,153	4,308	5,607	6,526

7. Creation and Operation of HCB

7.1 At this stage, it is anticipated that the following organisations will pledge their support subject to due diligence:

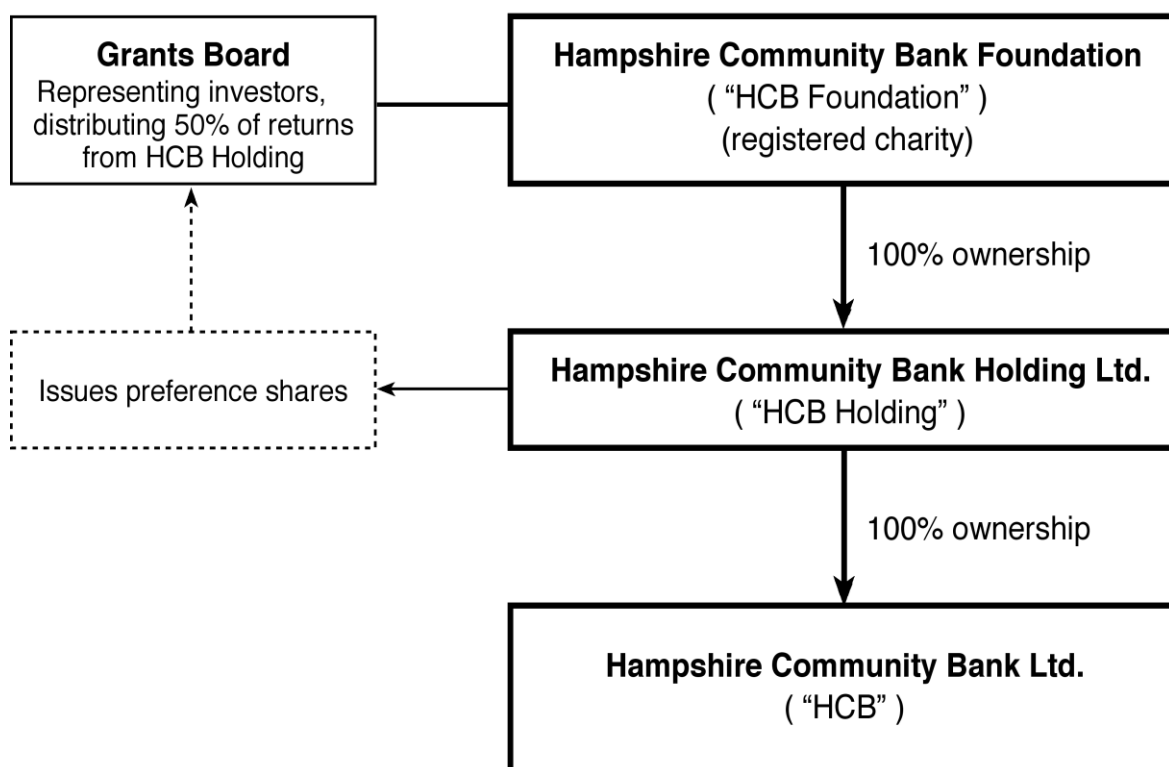
- Eastleigh Borough Council
- Test Valley Borough Council
- Winchester City Council
- New Forest District Council
- University of Portsmouth
- University of Southampton

7.2 The exact amount of the investment by each organisation has yet to be determined however it is anticipated that the Bank will need to raise £7 million locally which it is planned will be matched by the Department for Business Innovation & Skills (BIS) making a total investment of £14 million to launch the Bank. This is estimated to be of sufficient scale to provide for a sustainable and conservatively run bank with a loan book after 3 years of £276 million.

7.3 HCB would operate only in Hampshire and the launch is planned for Spring/Summer 2015.

8. Legal Structure

8.1 The "Hampshire Community Bank - Information Memorandum for Investors" described at Para 4.4 above confirms that once a banking licence is obtained Local First CIC Company would change to become Hampshire Community Bank Ltd. Hampshire Community Bank Ltd. would be fully owned by a bank holding company, Hampshire Community Bank Holding Ltd. ("HCB Holding"), which in turn would be fully owned and controlled by a charitable foundation (the Hampshire Community Bank Foundation, "HCB Foundation") whose charter enshrines its goal to own the bank in perpetuity, offer appropriate corporate governance and receive and allocate the dividends from the bank in order to support social, environmental, educational, research and cultural projects. As the charity and holding company cannot sell the bank shares, this structure ensures the continuation of the bank and its not-for-profit character. The figure below shows the structure in diagram format:



8.2 Details of the Local First CIC Company team, associates and partners who are involved in the project are set out in Appendix 1.

9. Risks, Due Diligence & Financial Appraisal

9.1 The Due Diligence process includes (inter alia):

- Legal structure and governance arrangements
- Organisational structure and operations
- Licensing and regulation
- Investment and funding
- Business Plan (including the marketing strategy, loan book strategy, competitor analysis, financing strategy and financial forecasts)
- Distributions to Shareholders
- Services (including lending criteria)

9.2 The Banking Authorisation process is extremely rigorous and will address most of our due diligence requirements however, particular attention will be paid to the control and distribution of profits:

- 1) Initially between the founding investors and the Grants Board and then subsequently;
- 2) The relationship between the relative shares of the amounts invested compared to the relative voting rights for the distribution of profits via the Grants Board.

9.3 The main risks at this stage are as follows:

- Approval of the Banking License and therefore the extent to which costs are incurred (funded by the founding investors at risk) up to that point. To mitigate this risk only £2m of the £14 million capital will be accessible to directors. The remainder will be held in an escrow account and only released either upon receiving the informal approval of the banking license by the regulators or agreement of the majority of shareholders. On a £5 million investment by PCC that would equate to around £700,000.
- The robustness of the Business Plan, the success of which will drive the return to the founding shareholders. An initial internal review of the Business Plan has not raised any concerns. The Business Plan itself however, will be scrutinised through the regulatory process and it is the intention of the founding investors to also take some external professional advice on the plan.

9.4 At this relatively early stage, a significant amount of due diligence is still to be performed. However, to enable the banking regulatory process to proceed, it is necessary for the Bank to be able to demonstrate that it has raised sufficient capital to make its application. It is recommended therefore that authority to make an investment of up to £5 million in the creation of the Hampshire Community Bank, including costs relating to the due diligence process, is delegated to the Head of Financial and Section 151 Officer in consultation with the Strategic Director Regeneration but is subject to the Head of Financial and Section 151 Officer being satisfied with the outcome of the Due Diligence process. It is further recommended that the £5m be funded from Prudential Borrowing as an Invest to Save scheme as demonstrated by the financial appraisal set out in Appendix 2 and summarised below.

9.5 A Financial Appraisal is attached as Appendix 2 and includes a summary as shown in the table below. Please see Financial Appraisal summary for notes explaining the amounts shown:

Description	£ Million
Total amount invested by PCC over ten years	5.00
Cash amount paid to PCC by the Hampshire Community Bank (HCB) over 10 years	
- 6% as HCB initial Business Plan and Financial Model	3.45
- 4% assuming a reduced performance by HCB	2.07
Net Present Value of Capital and Revenue Cash Flows over 10 years	
- 6% as HCB initial Business Plan and Financial Model	1.16
- 4% assuming a reduced performance by HCB	0.19

9.6 It is also recommended that the Head of Finance & S151 Officer make regular progress reports on the project and due diligence process to the Corporate Projects Board as set out in Section 10 below.

10. Project Governance

10.1 If approved the HCB proposal would be set up as a Corporate Project and run accordingly.

10.2 It is likely that a "non- legal entity" group comprising representatives of the founding investors would need to be created to govern the HCB project, although any decisions relating to statutory services will revert back to the relevant local authority or statutory body.

10.3 Governance for the project would be managed in accordance with the City Council's process for all major projects as follows:

- Reported through Corporate Projects Board
- Regular briefings to Leader and Portfolio holder for PRED
- Monitoring from Government via BIS

10.4 Consultation arrangements would include Member engagement as necessary.

10.5 Subject to a satisfactory review of the legal structure (see Legal Services comments in section 12 below) any appointment of City Council representative(s) will be made in accordance with the City Council Constitution.

11. Equality impact assessment (EIA)

11.1 A preliminary EIA has been carried out which indicates that the requirement for a full EIA is low.

12. Legal Services comments

12.1 There is a power to invest in the manner herein envisaged, provided the investment is sound, and that it promotes benefits to the PCC area. A thorough review of the legal structure by the legal services team will be necessary before execution of any documentation in relation to the proposed investment.

13. Head of Financial Services and Section 151 Officer comments

13.1 A Financial Appraisal is attached at Appendix 2 and an extract from the summary is shown in Para 9.5 above. The appraisal shows the effects of the HCB's planned 6% returns over ten years on a £5 million investment and the effects of a reduced level of return of 4%. It also shows that at both 6% and 4% levels of return the investment yield would be better than that PCC could obtain from lending to "risk free" borrowers. This proposal however is not risk free as yet and therefore it is recommended that investment is subject to the Head of Financial

Services and Section 151 Officer being satisfied with the results of a Due Diligence investigation.

13.2 The scheme is considered a "Spend to Save" project and it is recommended that Due Diligence and other associated revenue costs up to £25,000 are financed by a transfer from the Medium Term Resource Strategy Reserve.

13.3 It is recommended that the Financial Appraisal is approved

.....
Signed by: **Chris Ward, Head of Financial Services and Section 151 Officer**

Appendices:

- Appendix 1 - Local First Community Interest Company Team, Associates & Partners**
- Appendix 2 - Financial Appraisal**

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location

The recommendation(s) set out above were approved/ approved as amended/ deferred/
rejected by on

.....
Signed by:

APPENDIX 1

LOCAL FIRST COMMUNITY INTEREST COMPANY TEAM, ASSOCIATES & PARTNERS

Local First CIC has produced a document entitled "Hampshire Community Bank - Information Memorandum for Investors" (IMI), see Para 4.4 of main report for more details. The IMI confirms that once a banking licence is obtained Local First CIC Company would change to become Hampshire Community Bank Ltd (see proposed legal structure in Para 8.1 of main report). The IMI also describes the team, associates and partners who are involved in the project as set out below.

Richard Werner (Chairman and Chief Executive)

Professor Werner is chair of Local First CIC. He is also Chair in International Banking at the University of Southampton, founding director of its Centre for Banking, Finance and Sustainable Development and programme director of the MSc in International Banking.

Richard has worked in director roles at Bear Stearns and Jardine Fleming, is an FCA approved person and runs the global funds of Providence Asset Management Ltd. Having popularised the expression 'Quantitative Easing' in the 1990s, he is well known as a central bank watcher and expert on banking systems, bank regulation and the recurring banking crises. His books include 'New Paradigm in Macroeconomics' (Palgrave Macmillan, 2005) and 'Where does money come from?' (with Josh Ryan-Collins, Tony Greenham, Andrew Jackson; new economics foundation, 2nd ed. 2012). Since 2011 he has been a member of the European Central Bank (ECB) Shadow Council.

Roy Ruffler

Roy founded Ruffler Bank in 1969 and was the Chairman and owner of the bank until 2009, when he sold his shareholding to AnaCap Financial Partners LLP. The bank is now known under the name Aldermore Bank. Ruffler Bank built its business by marketing a range of savings schemes to consumers and providing business finance facilities to SMEs. Roy will provide nonexecutive oversight to the bank.

Colin Fisher

Colin is a non-executive director of Morgan Stanley Bank International Limited, where he was also chairman of the audit committee for 6 years. In addition, he is a nonexecutive director and chairman of the audit committee of BMCE Bank International. He has been a director of Lloyds TSB Financial Services Holdings Limited (where he was Head of Retail Banking) and Lloyds TSB Scotland plc. He has also been chairman of ActivCard UK Limited, Goldfish Bank Limited, United Dominions Trust, and Mortgage Express.

Reiner Faust

Reiner has been executive director of several German co-operative local banks. Moreover, he has experience in setting up local banks from scratch, from the time of German unification, when the German co-operative banks and Sparkassen established new, independent local banks in former East Germany. Reiner is currently head of Raiffeisenbank Gotha, a city with a historic link to England.

Mike Battersby

Mike has 25 years of marketing and corporate financing experience from Lloyds Banking Group and at Royal Bank of Scotland, where he was Regional Director for Solent and the South West. Mike has worked at a high level to formulate policy in the Employee Ownership Association as part of a working group formed to advise the government, and has worked locally to promote the sector via his own advisory business.

Fiona Brownsell

Fiona is a financial transformation specialist and CEO of new bank incubator, Tusmor. Fiona was a core launch team member of Metro Bank, where she was designer and developer of their IT system. She has particular expertise in banking IT and recently advised the Treasury Select Committee on this matter. Fiona was formerly a Vice President of American Express, where she was responsible for their Technologies Division.

Key members of the team:

- **Martin Read** who is a Director of Local First CIC and former KPMG accountant and has worked on a previous successful banking license submission to the FSA.
- **Charles Bazlinton**, who is a Director of Local First CIC, works to promote the understanding of economics and banking matters and is author of 'The Free Lunch - Fairness with Freedom'.
- **Andrew Rigg**, who is a Director of Local First CIC, farms in Hampshire and co-founded and chaired an innovative environmental charity in the early 1990s. Andrew is also a director of a renewable energy company.
- **Alex Templeton**, an energy sector specialist, NESTA award-winning innovator and author of a report on low carbon finance options for local authorities.
- **Kostas Voutsinas**, PhD, a financial sector and asset management analyst and fund manager, who is also an FCA approved person.

Partners

Sparkassen DSGV

Sparkassen DSGV (German Savings Banks and Giro Association) is the umbrella group for the 426 German community savings banks and associated financial organisations. DSGV has extensive experience in the launch and development of new banks and is currently launching two new community banks in Greece. It should be noted that the Sparkassen network is distinct both legally and strategically to the German 'Landesbanks' that encountered problems during the financial crisis.

Deloitte

Deloitte's New Banking Team helps organisations acquire banking licences in the UK and have offered an element of pro bono work to Local First.

Blake Laphorn (from 1 July Blake Morgan)

Blake Laphorn is one of the UK's leading full service law firms and is well established in Hampshire. Their Banking Team is operating in support of Local First.

International law firm

A "top ten" international law firm is working without payment on a "pro bono" basis with Professor Werner and the Local First CIC team to help secure a banking licence.

Parity Trust

Parity Trust is a Hampshire-based Industrial and Provident Society that provides affordable finance for individuals, social enterprises and SMEs. It is supporting the creation of a local bank.

Association of Cooperatives in Bavaria

This is the largest of the federally organised cooperative bank organisations in Germany, whose deputy head of legal has experience in establishing banks in the EU and is offering assistance.

APPENDIX 2

Report to Cabinet and City Council 10th and 15th July 2014

Hampshire Community Bank Financial Appraisal

SUMMARY

NOTE	Description	£ Million
1	Total amount invested by PCC over ten years	5.00
	Cash amount paid to PCC by the Hampshire Community Bank (HCB) over 10 years	
2	- 6% as HCB initial Business Plan and Financial Model	3.45
3	- 4% assuming a reduced performance by HCB	2.07
4	Net Present Value of Capital and Revenue Cash Flows over 10 years	
	- 6% as HCB initial Business Plan and Financial Model	1.16
	- 4% assuming a reduced performance by HCB	0.19

NOTES

- 1 PCC payment to an escrow account assumed to be on 1st October 2014
- 2 HCB assumed to pay nothing for the first two years, then a return of 5% in each of the next seven years followed by a final payment in year ten to bring total payments up to the equivalent of a 6% return per annum.
- 3 HCB assumed to pay nothing for the first two years, then a return of 5% in each of the next seven years followed by a final payment in year ten to bring total payments up to the equivalent of a 4% return per annum.
- 4 A technique called Discounted Cash Flow has been used to show at current values how the returns from this proposal, which involves some risk, compare with those the City Council could obtain from lending to "risk free" borrowers. The values shown represent the value at current prices of the extra income the HCB investment could yield above that PCC could obtain from "risk free" borrowers.

Report to Cabinet and City Council 10th and 15th July 2014

Hampshire Community Bank Financial Appraisal

Assumptions

All calculations are at current prices

PCC investment is assumed to be in one payment to an escrow account on 1st October 2014 (Year 0) of the following amount: **£5,000,000**

PCC investment is assumed to be repaid by HCB at the end of the 10 year period on 31 March 2025

HCB are assumed to pay PCC a dividend annually of: **5.00%**

HCB are also assumed to pay PCC a bonus at the end of the ten years bringing the Internal Rate of Return to: **6.00%**

To reflect risk and assess sensitivity to reducing rate of return the effects of HCB only being able to pay PCC a reduced rate of bonus at the end of the ten years is shown reflecting an Internal Rate of Return of: **4.00%**

City Council costs are estimated as:

- In the first year (mainly Due Diligence) **£25,000**
- thereafter at the annual rate of **£1,000**

The scheme is considered a "Spend to Save" project and Due Diligence and other associated revenue costs are financed by a transfer from the Medium Term Resource Strategy Reserve.

The Net Present Value Discount Rate representing the estimated risk-free interest rates achievable for each year is based as follows:

- the 12 month LIBOR rate for the period that the City's Treasury Management plans show cash in hand and invested.
- Thereafter at the current average cost of capital

A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	CAPITAL EFFECTS	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	TOTAL
2	Year ----->	0	1	2	3	4	5	6	7	8	9	10	
3		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
4	Payment to Hampshire Community Bank (HCB)	5,000,000											5,000,000
5	Repayment from HCB												-5,000,000
6													
7													
8	Net Capital Expenditure/(Income)	£5,000,000	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
9													
10	REVENUE EFFECTS	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	TOTAL
11		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
12													
13	6% Rate of Return												
14	City Council costs	25,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	35,000
15	LESS - HCB Dividends	£0	£0	£0	-£250,000	-£250,000	-£250,000	-£250,000	-£250,000	-£250,000	-£250,000	-£250,000	-2,000,000
16	Redemption bonus to give 6% Rate of Return												-1,480,000
17													
18	Net Revenue Expenditure/(Income)	£25,000	£1,000	£1,000	-£249,000	-£249,000	-£249,000	-£249,000	-£249,000	-£249,000	-£249,000	-£249,000	-£3,445,000
19													
20	Net Present Value of Capital and Revenue Cash Flows over 10 years at 6% rate of return												
21													
22	4% Rate of Return												
23	City Council costs	25,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	35,000
24	LESS - HCB Dividends	£0	£0	£0	-£250,000	-£250,000	-£250,000	-£250,000	-£250,000	-£250,000	-£250,000	-£250,000	-2,000,000
25	Redemption bonus to give 4% Rate of Return												-100,000
26													
27	Net Revenue Expenditure/(Income)	£25,000	£1,000	£1,000	-£249,000	-£249,000	-£249,000	-£249,000	-£249,000	-£249,000	-£249,000	-£249,000	-£2,065,000
28													
29	Net Present Value of Capital and Revenue Cash Flows over 10 years at 4% rate of return												
30													
31	ESTIMATED FUNDS AVAILABLE FOR DISTRIBUTION BY INVESTORS VIA "GRANTS BOARD"												
32	NOTE - THE FOLLOWING AMOUNTS ARE NOT INCOME TO PCC BUT ARE FUNDS PROVIDED TO THE CHARITABLE "HANTS COMMUNITY BANK FOUNDATION" (SEE REPORT SECTION 8).												
33	THESE FUNDS WOULD BE 50% OF THE PROFITS MADE EACH YEAR BY THE HCB TO BE DISTRIBUTED BY INVESTORS TO SUPPORT IMPORTANT LOCAL CAUSES												
34													
35	Estimated Funds available for distribution	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	TOTAL
36		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
37													
38	Total for distribution - NOTE figures from 2020/21 estimated by PCC	£0	£0	£0	£1,723,000	£2,242,000	£2,610,000	£2,700,000	£2,700,000	£2,700,000	£2,700,000	£2,700,000	£20,075,000

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Decision maker:	Governance & Audit & Standards Committee
Subject:	Arrangements for Assessment, Investigation and Determination of a Complaint that a Member has failed to Comply with the Members' Code of Conduct
Date of decision:	Governance & Audit and Standards Committee 27 th June 2014 Council 15 th July 2014
Report by:	City Solicitor
Wards affected	N/A
Key decision (over £250k)	No

1 Background

1.1 Following Council's consideration of a Notice of Motion on the 13th February Council resolved that the matter set out below, was referred to the Governance & Audit & Standards Committee.

"The Council's arrangements for the determination and consideration of complaints approved by Council on the 17 July 2012 provide that when the Monitoring Officer produces a report into an alleged breach of a Code of Conduct, that a copy of that report is provided to the Councillor who is the Subject of the Complaint.

The Governance and Audit and Standards Committee are asked to consider a review to these arrangements to require that when a Consideration Sub-Committee accept an independent investigators report into a member complaint on behalf of the GA&S Committee, that the report should be published, complying with the Data Protection Act, and that a copy of the report should be provided to the Complainant also."

1.2 The Committee is asked to consider whether it is content to make this amendment to the present arrangements for the assessment, investigation and determination of complaints. In the event that the Committee makes any change to those arrangements that decision will be required to be approved by Council.

2 Purpose of Report

2.1 To enable Members to consider whether they are content to agree the proposed change to the arrangements so that any independent investigators report into a complaint is published and a copy provided to the complainant, subject to compliance with the Data Protection Act.

- 3 Present situation with regard to investigation reports produced as part of the consideration of complaints.**
- 3.1 Following the receipt of a complaint an Assessment Sub-Committee of the Governance and Audit and Standards Committee is established to consider the complaint. The purpose of the Sub-Committee is to decide if what has been complained about could, if it is proven, amount to a breach of the Council's Code of Conduct. It is not to decide on whether or not there has been a breach of the Code. In the event that it is decided that it could amount to a breach of the Code then the Sub-Committee can if they consider it to be a sufficiently serious breach refer it for investigation. Depending upon the allegations in the complaint this may be investigated internally or externally. A report is then produced for the Sub-Committee to consider.
- 3.2 A copy of the report is made available to the Councillor who is the subject of the Complaint. This is to enable the Councillor to respond to the investigators findings which is essential to enable a proper consideration of the complaint and it is also necessary in the interest of justice that the Subject Councillor is made aware of the allegations and evidence against them.
- 3.3 At present the report is not published. This is to allow the details of the allegation and the result of the investigation to remain confidential until such time as the Sub-Committee have been able to consider the report, decide if they accept its findings and also reach a conclusion on those findings. It is a concern that if the report was published before the Sub-Committee had fully considered it this could impact upon the Sub-Committee and would be unfair for any Councillor who is the subject of a complaint. In particular that it may prejudice the outcome of the matter before it was fully considered. It is for these reasons that this change is not recommended.
- 3.4 A copy is also not at present automatically made available to the Complainant. The complainant is not provided with a copy as they are considered to be witness to the events complained of and in that capacity. The complainant will, however, inevitably be interviewed as part of the investigation and their concerns examined by the investigator in his report.
- 3.5 The proposal to provide the complainant with a copy would in reality not give the complainant greater rights than they presently enjoy, as they are entitled to obtain a copy if they are referred to in the report, under the Data Protection Act. Any such copy of the report would in any event be redacted to protect the rights of the Councillor who is the subject of the complaint. It may, however, be felt that the procedure for the assessment investigation and determination of complaints should be amended to make this right of the complainant explicit. It could also be further amended to require copies of any report which is produced as part of an investigation to be provided to the complainant, whether it is produced by an independent investigator or the Monitoring Officer.

4 Recommendation

- 4.1 For the reasons outlined above the investigation report is not published in whole, or in part, but that the Council's procedure for the assessment investigation and determination of complaints is amended to allow a redacted copy of the investigators report to be provided to the complainant at the same time that it is provided to the councillor who is the subject of the complaint.

5 Equality Impact Assessment (EIA)

- 5.1 The contents of this report does not have any relevant equalities impact and therefore an equalities assessment is not required.

6 City Solicitor's Comments

- 6.1 The City Solicitor's comments are included in this report.

7 Head of Finance & S151 Officer Comments

- 7.1 There are no financial implications arising from the recommendations set out in this report.

.....
Signed by: Michael Lawther City Solicitor

Appendices:

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
None	N/A

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Agenda item:

Title and Date of meeting:

**Governance and Audit and Standards Committee
27 June 2014**

Full Council 15 July 2014

Subject:

Filming, photographing and recording of public meetings of the Council

Report by:

Local Democracy Manager

Wards affected:

N/A

Key decision:

No

Full Council decision:

Yes

1. Purpose of report

The purpose of the report is to provide information to the Council on how best to ensure compliance with the new legislative requirements under the Local Audit and Accountability Act 2014, which requires (once the necessary secondary legislation is in place) Councils to allow the filming, photographing and recording of all meetings of the Council to which the public are admitted.

2. Recommendations

RECOMMENDED

(1) that the Council agree the proposed rules for governing the filming, photographing and recording of Council meetings to which the public are entitled to attend (see appendix A below) which will form part of the Constitution, subject to any revisions that may be necessary once the Secondary legislation is published

(2) that Standing Order 36 (c) relating to public conduct be deleted and replaced by the following -

The public and broadcasters are permitted to film or record meetings to which they are allowed access so long as they do so from areas specifically allocated to them and in a manner which does not disrupt the running of the meeting

The use of digital and social media recording and communication tools including Twitter , Blogging or audio recording will be allowed so long as it does not interfere with the running of the meeting.

The filming or recording of members of the public is prohibited in circumstances where they are not making representations to the meeting. Where a member of the public who is addressing the meeting does actively object to being filmed, they should also not be filmed.

The Chair of the meeting or anyone designated by the Chair shall stop the meeting and take appropriate action if anyone breaches the rules governing the filming, photographing and recording of Council meetings (appendix A refers)

(3) that Standing order 34 (a) (iii) relating to conduct of Councillors and members of the public in meetings, be deleted

(4) it is not considered necessary to make any material changes to the facilities currently afforded to the press and public in the meeting chamber and rooms currently used by the Council, however this may need to be reviewed once the detail of the Secondary legislation is known and if additional facilities are required to be provided; if such a review is required, it be undertaken through a Member/officer working group comprising representatives of all Groups on the Council.

3. Background

The Full Council on 10 December 2013, resolved that the issues raised in the below notice of motion be considered by Scrutiny Management Panel for report back to Council at a later date.

"The Council supports the principles of openness and transparency and encourages filming, recording and the taking of photographs at council meetings that are open to the public. It also welcomes the use of social networking websites (such as Twitter and Facebook) and micro-blogging to communicate with people about what is happening, as it happens at council meetings.

The Council instructs the Chief Executive to prepare a report for the next Governance and Audit and Standards Committee meeting on how the terms of this motion can best be implemented."

Since that time the Local Audit and Accountability Act 2014, received Royal Assent - a relevant extract from which is produced below for ease of reference.

"Access to local government meetings and documents

- (1) The Secretary of State may by regulations make provision for and in connection with allowing persons—

- (a) to film, photograph or make sound recordings of proceedings at a meeting of a body to which this section applies, or of a committee or sub-committee of such a body;
 - (b) to use other means for enabling persons not present at such a meeting to see or hear proceedings at the meeting, as it takes place or later;
 - (c) to report or provide commentary on the proceedings at such a meeting, orally or in writing, so that the report or commentary is available, as the meeting takes place or later, to persons not present at the meeting.
- (2) Regulations under subsection (1) may in particular make provision—
- (a) for allowing persons to make available to the public or a section of the public using any medium (including the internet) things produced as a result of activities within that subsection;
 - (b) about the facilities to be made available by bodies to which the regulations apply to enable persons to carry on such activities;
 - (c) about the steps to be taken by persons before carrying on such activities;
 - (d) about the circumstances in which persons may not carry on such activities, including for enabling a person specified in the regulations to prevent them from doing so in the circumstances specified in the regulations."

On 18 March 2014, Full Council considered and agreed the Scrutiny Management Panel's recommendation that a working group be set up to prepare a report on how the practicalities of this impending requirement can be implemented as soon as possible, including how the Council's Standing Orders should be amended. In the circumstances, the timescale involved over the pre and post election period has not allowed a working group to undertake this work prior to the Governance and Audit and Standards Committee meeting, which in turn is required to report to the Full Council in July, so the requisite changes can be approved before the relevant Regulations requiring compliance are in place. Consequently, this report seeks to help ensure the necessary information is before Full Council for determination before compliance is imposed by Regulation.

4. Conclusion

Clearly until the subsequent Regulations/secondary legislation and accompanying guidance is published, it is not possible to know the detailed application and operational requirements, however this report seeks to address the principles of the Act, whilst recognising that some revisions to the proposals may be necessary when more information is produced.

5. Equality impact assessment (EIA)

An equality impact assessment is not required as the recommendations do not have a negative impact on any of the protected characteristics as described in the Equality Act 2010.

6. Legal Implications

These have been taken into account In the preparation of this report.

7. Finance Comments - There are no financial consequences arising from the recommendations in the report.

.....
Signed by:

Appendix:A Rules Governing the Filming, Photographing and Recording of public meetings of the Council.

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Nil	

Appendix A - Rules governing the Filming, Photographing and Recording of public meetings of the Council.

The filming, photographing and recording of all Council, Cabinet (including portfolio holder meetings), Committee, Sub Committee and Panel meetings (collectively known as Council meetings) to which the public are admitted shall be allowed.

Meetings or parts of meetings from which the press and public are excluded may not be filmed or recorded.

The public and broadcasters are permitted to film, photograph or record meetings to which they are allowed access so long as they do so from areas specifically allocated to them and in a manner which does not disrupt the running of the meeting.

The use of digital and social media recording and communication tools including Twitter, Blogging or audio recording will be allowed so long as it does not interfere with the running of the meeting.

The filming, photographing or recording of members of the public is prohibited in circumstances where they are not making representations to the meeting and the Council will take action as it considers appropriate against any person found to be contravening this restriction.

Where a member of the public who is addressing the meeting does actively object to being filmed, photographed or recorded, they should not be filmed, photographed or recorded.

The Chair of the meeting or any Council representative designated by the Chair, has the Authority to stop the meeting and take appropriate action if any person breaches these rules or is considered to be filming, photographing or recording in a disruptive or otherwise inappropriate manner.

Any person or organisation choosing to film, photograph or record any meeting of the Council, is responsible for any claims or other liability resulting from them doing so and by choosing to film, photograph or record proceedings, they accept that they are required to indemnify the Council, its members and officers in relation to any such claims or liabilities.

The Council will display the requirements as to filming, photographing or recording, at its meeting venues and those undertaking these activities will be deemed to have accepted them whether they have read them or not.

The Council will publish the guidance on the filming, photographing and recording of meetings on its web site.

Agreeing work programmes

At its meeting on 5 July 2013, the Scrutiny Management Panel considered all the topics that had been put forward by the themed panels and prioritised and allocated them to the relevant themed scrutiny panels for review.

Scrutinising the Budget

Scrutiny of the budget was undertaken by the panel at its meetings on 7 November 2013 and 7 February 2014 when it received presentations from Chris Ward, Head of Finance and S151 Officer on the Budget 2014/15. Members were given the opportunity to discuss the contents of the presentations and ask questions.

Notice of Motion Referral

Scrutiny Management Panel received one Notice of Motion referral from Full Council concerning Transparency and Openness (Filming of meetings). This was considered at its meeting on 7 February 2014 in light of additional information being provided that the Local Audit and Accountability Bill had received royal assent on 30 January 2014. Members were advised that secondary legislation was necessary to decide exactly how to bring in and regulate the provisions. The panel made recommendations to the Council meeting held on 18 March 2014 which were accepted.

Updates Received

The Panel received updates at its meetings on the following matters:-

- Corporate Performance in the Transforming Organisation - the Panel was advised that the approach towards measuring performance had changed significantly over the last few years. Previously the system of regulation was based on numerous national indicators and the performance management framework was based around reporting how well PCC was doing against the national indicators. Following various changes as set out in the report, it was agreed that in developing business plans, more focus needed to be on the key performance indicators that services would use to measure their efficiency and effectiveness. The Strategic Directors Board are now using the business plans produced by services to provide a focus on performance. Services are being asked to identify blocks or barriers affecting performance. (5 Nov 2013)
- Welfare Reform Update - the original scrutiny panel review into this had been completed in May 2012. The information contained in the report had quickly become out of date as many changes had been made and the panel received a detailed update. (5 Nov 2013).
- Winter Maintenance Operations Plan 2013 - 2014 - the panel received an update explaining the lessons learned following snow events and that the overall aim is to ensure so far as is reasonably practicable that safe passage along the highway is not endangered by snow or ice. In particular co-ordination needed to be much more joined up and as a result of this the snow desk had been set up. (7 February 2014).

- Corporate Peer Challenge - the panel received information about the review team, information that had been sent to them about the authority, their general programme and to whom they spoke. The full report was provided to the panel as appendix 1 of the report and appendix 2 provided a summary of actions in response to the recommendations. Many of the issues have been reflected in the annual governance statement for the authority and as such are being tracked through the Governance & Audit & Standards Committee. The panel noted the report and wanted two matters particularly to be highlighted: comments about PCC's relationship with the voluntary and community sector and the suggestion that there should be more systematic and tailored political development and training for councillors. (7 February 2014)

Decisions Called-in.

As part of its remit, the Scrutiny Management Panel is responsible for dealing with any decisions subject to the Call-in procedures. The panel met on one occasion during the last Municipal Year to consider a call-in of decisions relating to the Pyramids, taken by Cabinet on 10 June 2013. The panel decided that it was satisfied that adequate information had been supplied to enable the Cabinet to reach its decision and did not refer the matter back to Cabinet for reconsideration.

Economic Development, Culture & Leisure Scrutiny Panel (EDCL Panel)

Following its review into "Making Community Ownership work for Portsmouth", the EDCL panel now receives regular updates on the work of the Community Ownership Unit Portsmouth (the cross departmental, virtual team "COUP"). Members of the panel have been invited to attend some of the COUP networking events (including a talk 'Can community ownership revolutionise your neighbourhood?' given by social entrepreneur Phil Tulba on the experience of award winning social enterprise Adrenaline Alley a BMX and skate park in Corby).

During the 2013/14 municipal year the panel completed its review 'Pathways into Work for Young People' which is expected to go to Cabinet in July 2014. The report's recommendations focus on the importance of promoting employment and training opportunities such as apprenticeships, the need to make clear links between schools and local businesses, and the Council's own use of contractual arrangements to incorporate social inclusion clauses. The work with more vulnerable groups was recognised and encouraged, such as the Troubled Families Unit/Positive Family Steps giving targeted support to families and the New Belongings Project assisting care leavers with their education and employment choices. The panel was very interested in the Post 16 curriculum in the city and the variations between retake opportunities afforded by the local colleges which can impact upon employment opportunities for their students. The panel also heard from schools on their careers advice provision, the government agencies, local authority and voluntary bodies assisting young adults to prepare for work and ensuring they have the necessary skills, as well as from local employers who are seeking candidates with the relevant qualifications and attitude to ensure sustainable employment for young people in the city.

Housing & Social Care Scrutiny Panel (HSC Scrutiny Panel)

'Advancing the use of Technology in Adult Social Care (Telecare and Telehealth)

The HSC Scrutiny Panel signed off its report in September 2013, following 9 evidence gathering meetings hearing from service providers at the City Council, sheltered housing providers, health practitioners and the voluntary sector representatives. The Cabinet on 7 October 2013 supported the recommendations to recognise and promote the importance of Telecare and Healthcare in assisting Adult Social Care clients and Sheltered Housing residents and the preventative benefits to the healthcare system.

Hospital Discharge Arrangements in Portsmouth.

The panel commenced this review in October 2013. The panel heard from the council officers involved in these arrangements from a variety of departments: Adult Social Care (including occupational therapists), the Integrated Commissioning Unit, Sheltered Housing and Community Housing (with links to Telecare and external housing providers) and Housing Options. External witnesses included representatives from Age UK Portsmouth, and Hampshire Domiciliary Care Association.

The panel has also visited Queen Alexandra Hospital to meet with the Managing Director of Medicine for the Clinical Services Centre who explained the issues surrounding discharge of patients from QA.

The review is continuing and the intention is to gather evidence from those with direct experience of discharge arrangements.

Education, Children & Young People Scrutiny Panel

School Governance Arrangements

The panel conducted a review into school governance arrangements which has recently been completed. During the course of the review the panel learned that the city has a large number of governor vacancies, particularly in the parent governor category. The panel was pleased to note that the council's school governance strategy action plan, that was approved by Cabinet earlier this year, contained a number of initiatives to improve governance in the city, including working with the Shaping Portsmouth group to promote the role to the business community.

The panel received evidence from a number of head teachers, chairs of governors and a parent governor through their attendance at panel meetings and through responses to the panel's questionnaire. This enabled the panel to obtain evidence on why governors are not staying in post, the take up of training of governors and their ability to understand school data, which was used to form their recommendations. The panel also considered the current arrangements for governing body self-review in the city.

The work of the governor services team was reviewed by the panel who concluded that they provide excellent support to governing bodies. The panel considered how

effective clerking is in the city and sent a questionnaire out to clerks and received evidence on the Hampshire CC clerking service.

A number of recommendations were made by the panel to improve governance in the city. The panel's report and recommendations will be considered by Cabinet early in the new municipal year. If approved these will feed into the school governance strategy.

Traffic, Environment & Community Safety Scrutiny Panel

Review of air quality in Portsmouth.

The review assessed the progress on the 29 measures set out in the Air Quality Action Plan.

The panel recognised the significant detrimental impact of air pollution on health and the economic costs of failing to deliver the council's responsibilities. It was pleased that air quality had improved sufficiently since 2009 for 8 of the 13 Air Quality Management Areas (where levels of nitrogen dioxide were above the National Air Quality Objectives set to protect health) to be revoked; however members recognised the need for further development of the council's strategies to improve air quality and to achieve the objectives and recommended that this be done by producing a new local Air Quality Strategy.

The panel's report went to Cabinet on 1 July 2013 where all its recommendations were supported.

Assessment of the progress made following Portsmouth's review of domestic abuse.

In July 2013 the panel started a review to assess the progress made following the 2012 domestic abuse commissioning strategy which was published by the Safer Portsmouth Partnership, the Children's Trust Board and the Portsmouth Children's Safeguarding Board.

It noted that Portsmouth reports high levels of domestic abuse but this may reflect good access to and confidence in support services.

Although good progress has been made to support victims of domestic abuse, Members recommended that more work is required to fully embed a co-ordinated community response across the city and this must remain a priority for the council and its partners.

The report was signed off on 29 April 2014 and is expected to be considered by the Cabinet in July.

Health, Overview & Scrutiny Panel

Over the last 12 months, the panel scrutinised regular updates from local NHS organisations and Portsmouth City Council and looked at:

- Maternity Services.
- Re-provision of Exbury Ward, St James Hospital

- Possible Repatriation of Plastics from St Richard's Hospital, Chichester.
- New Ways of Working
- Framework for Assessing Change.
- Update on Public Health Progress Following the Transfer of Responsibility and Health Information.
- The Right Place, Right Time Community Lounge
- Guildhall Walk Health care Centre
- Continuing Healthcare - Section 75 Agreements
- Report on 2011-12 Five-Year Olds Dental Epidemiology Survey in Portsmouth.
- Hampshire & Isle of Wight Local Dentists Committee
- Amputation rate for diabetics
- Hampshire & Isle of Wight Pharmaceutical Committee
- St Mary's and St James Hospital Service Review
- Dementia Action Group
- Proposal to Close the Lowry Unit
- Options for the provision of Vascular Surgery for Southern Hampshire

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Signed by:
Head of Customer, Community and Democratic Services

Appendices:
None

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Minutes of Scrutiny Meetings	City Council's website www.portsmouth.gov.uk



Agenda item:

Title of meeting: Full Council

Date of meeting: 15 July 2014

Subject: Review of Certain Special Responsibility Allowances for Members

Report by: Chief Executive

Wards affected: N/A

Key decision: No

Full Council decision: Yes

1. Purpose of report

At the request of the Council Leader and as mentioned at the last Council meeting, to revisit certain Special Responsibility Allowances (SRA) agreed by the Council on 22 January 2013 on the recommendation of the Independent remuneration panel, having regard to the Panel's report at that time.

2. Recommendations

In accordance with the wishes of the Council Leader, it is recommended that the Council revert to the pre- remuneration panel multiple rates that were increased for the Council Leader, Cabinet Members and Regulatory Chairs, so that with effect from 1 August 2014,

1. The Council Leader receives a reduced multiple of 1.8 of the basic, giving a revised SRA for that position, which at the current basic rate equates to £18,544
2. Cabinet members receive a reduced multiple of 0.7 of the basic, giving a revised SRA for that position, which at the current basic rate equates to £7,211
3. Regulatory Chairs receive a reduced multiple of 0.35 of the basic, giving a revised SRA for that position, which at the current basic rate equates to £3,606

The Members allowance scheme be amended accordingly to reflect these changes

3. Background

The remuneration panel recommended and the Council adopted in January 2013, an increase in the multiple of the basic allowance (then £10,200) to the positions of Council Leader, Cabinet Members and Regulatory Chairs.

The reasons given by the Panel for these recommended increases were that the additional allowances paid to cabinet members were considered too low and that those paid to the leaders of opposition groups were too high. The Panel also looked at evidence from other local authorities with similar populations, and concluded that the relative sizes of the additional responsibility allowances were out of line with practice elsewhere. In consequence of the Panel's recommendation to increase the allowance for Cabinet Members, it also felt it appropriate to recommend an increase in the allowance paid to the Leader. It also considered that the responsibility allowance for the chairs of the regulatory committees did not fully reflect the workloads and responsibilities of those roles.

On adopting these recommendations in January 2013, the allowance for Council Leader increased from 1.8 to 2, Cabinet Members increased from 0.7 to 1 and Regulatory Chairs increased 0.35 to 0.5

With the inclusion of a 1% increase in the basic allowance in 2013, through the schemes automatic link to the staff salary award, the basic allowance is now £10,302 so applying the above multiples the current SRAs for the following positions are -

Council Leader £20,604,

Cabinet Member £10,302

Regulatory Chair £5,151

In making any further changes to the allowances, members should have regard to the views of the Remuneration Panel, as set out above.

4. Equality impact assessment (EIA)

An equality impact assessment is not required as the recommendations do not have a negative impact on any of the protected characteristics as described in the Equality Act 2010.

5. Legal Implications

The procedure by which the Council establishes its remuneration is set out in the Local Authorities (Members' Allowances) (England) Regulations 2003. The recommendations within this report comply with that procedure and therefore the proposed changes to the remuneration would be lawful.

6. Finance Implications

The financial implications of the recommendations represent a reduction of £31,423 to the current scheme as shown in the table below.

There is no impact on the 2014/15 budget provision as this was prepared taking into account the personal decision of individual members to forgo part of the allowance.

Revised proposed SRA	Current SRA	Reduction	Number of roles	Overall Reduction to scheme
£18,544 (Leader)	£20,604	£2,060	1	£2,060
£7,211 (Cabinet Member)	£10,302	£3,091	8	£24,728
£3,606 (Regulatory Chair)	£5,151	£1,545	(3 out of 5*) two dual hatted Cllrs get just one allowance)	£4,635
				£31,423

* Regulatory bodies

- Health & Wellbeing Board
- Governance & Audit & Standards
- Employment Committee
- Licensing Committee
- Planning Committee

There is no change to the Special Responsibility Allowance proportions for other roles which remain in line with the recommendations of the Independent Remuneration Panel formally agreed by Full Council last year. These are as follows:

Opposition Leader	0 .6
Other Leader (5+)	0 .3
Other Leader (2-4)	0 .2
Scrutiny Chairs	0 .25
Opposition Spokespersons	0 .1

.....
Signed by:

Appendices:

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Current members allowance scheme	ccds
Previous independent remuneration panel report	ccds

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

.....
Signed by:

Agenda Item 15



Portsmouth CITY COUNCIL

COUNCIL MEETING

QUESTIONS FOR THE CABINET OR CHAIR UNDER STANDING ORDER NO 17

CITY COUNCIL MEETING – 15 JULY 2014

QUESTION NO 1

FROM: COUNCILLOR ALISTAIR THOMPSON

TO REPLY: LEADER OF THE COUNCIL
COUNCILLOR DONNA JONES

Would the leader please update the Council on the progress made in setting up an inquiry into the alleged bullying culture that has existed at PCC?

QUESTION NO 2

FROM: COUNCILLOR STEVE WEMYSS

TO REPLY: LEADER OF THE COUNCIL
COUNCILLOR DONNA JONES

In Human Resource terms is bullying regarded as that which is perceived by the victim and not the perpetrator?

QUESTION NO 3

FROM: COUNCILLOR TERRY HALL

TO REPLY: LEADER OF THE COUNCIL
COUNCILLOR DONNA JONES

Given the strong political opposition expressed about the Leader of the last administration using 1/4 of one page of Flagship as a foreword, what will be the policy of the current Leader of the Council in relation to her appearance in Flagship?

QUESTION NO 4

FROM: COUNCILLOR MICHAEL ANDREWES

TO REPLY: CABINET MEMBER FOR TRAFFIC AND
TRANSPORTATION
COUNCILLOR KEN ELLCOME

The Conservatives said in leaflets that they would either scrap all residents parking zones or introduce them across the whole city which approach will he be adopting?

QUESTION NO 5

FROM: COUNCILLOR MATTHEW WINNINGTON

TO REPLY: CABINET MEMBER FOR CHILDREN AND
EDUCATION
COUNCILLOR NEILL YOUNG

Can the Cabinet Member please explain why he did not challenge the obviously misleading statistics from the Government that showed that a lower proportion of children from Portsmouth go to university than anywhere else in the country when it does not take account of the huge amount of hard working and successful children from Portsmouth who attend Further Education Colleges outside the city boundary?

QUESTION NO 6

FROM: COUNCILLOR ALISTAIR THOMPSON

TO REPLY: CABINET MEMBER FOR ENVIRONMENT AND
COMMUNITY SAFETY
COUNCILLOR ROB NEW

Would the Cabinet Member for the Environment please provide members with an update regarding the closed cycle track at the Mounbatten Centre and when he hopes it can be reopened?

QUESTION NO 7

FROM: COUNCILLOR MICHAEL ANDREWES

TO REPLY: CABINET MEMBER FOR TRAFFIC AND
TRANSPORTATION
COUNCILLOR KEN ELLCOME

What is the approximate cost of bringing Park and Ride immediately to Southsea?"

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