



Agenda & minutes

Full Council meeting of
Tuesday, 17 October 2017

Portsmouth City Council

A MEETING OF THE COUNCIL will be held at the Council Chamber - The Guildhall on Tuesday, 17 October 2017 at 2.00 pm 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 9 - 24)
 - the extraordinary Council meeting held on 11 July 2017
 - the ordinary Council meeting held on 11 July 2017
 - the extraordinary Council meeting held on 2 August 2017.
- 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 **Treasury Management Outturn Report 2016/17** (Pages 25 - 46)

To receive and consider the attached report and recommendations by the Cabinet held on 28 September 2017 (minute 43 refers).
- 9 **Treasury Management Mid-Year Review 2017/18** (Pages 47 - 58)

To receive and consider the attached report and recommendations by the Cabinet held on 28 September 2017 (minute 44 refers).
- 10 **Broadcasting Council Meetings** (Pages 59 - 64)

To receive and consider the attached report of the Resources portfolio held on 12 October 2017 (recommendations to follow).
- 11 **Hampshire Fire and Rescue Service - Response Following Motion Referral** (Pages 65 - 76)

To receive and consider the attached Paper, including the referred motion, and response recommendations by the Scrutiny Management Panel held on 26 July 2017 (minute 13 refers).

Notices of Motion: Process information

Standing Order (32(d)) requires a vote by members before each motion to determine whether or not the motion is to be debated at the meeting or stand referred to the Cabinet or relevant Committee (including Scrutiny) to report back to a future meeting.

12 Notices of Motion

(a) The Committee System

Proposed by Councillor Colin Galloway
Seconded by Councillor Stuart Potter

The current system of governance within our council, that of a portfolio holder selected by the Leader of the Administration to lead a small group of councillors in decision making in the various Cabinets. This system has its merits insofar as decisions can be made quickly and the overall responsibility for the final decision rests with the portfolio holder. The merits, however, tend to be overshadowed by the flaws, the main one being that the portfolio holder can simply overrule any suggestion that is not advantageous to the administration. Although opposition members are encouraged to attend Cabinet meetings they do not have a voice at these meetings which will sway any decision made by the portfolio holder.

The idea of having truly open and transparent committee meetings has already been put to this chamber previously but no vote was elected as a report had suggested that such a system would be expensive. I believe that it is now time to take that vote and begin the process to change to a committee system of governance in the interest of fairness and as a duty to our residents to show how their councillors support them and to work together to bring our city back to a safe, vibrant and prosperous place to live.

We therefore request this council to ask the Governance Audit and Standards Committee which has responsibility under the Constitution for such matters, to consider this issue and report back to this Council for our full council meeting in February 2018 or before, should time permit.

(b) Economic Viability Assessments from Developers

Proposed by Councillor Steve Pitt
Seconded by Councillor Ben Dowling

This council recognises the need to provide quality homes which are affordable to those on low and middle incomes in Portsmouth, and for transparency in regard to planning applications to ensure that the council's own policies, on affordable housing requirements, as laid out in the Portsmouth Plan, are met.

It has become clear that there are companies who are openly

boasting in their promotion, that they can help developers to avoid paying Section 106 monies and making appropriate levels of affordable housing provision.

These companies produce what are known as Economic Viability Assessments or EVAs, in order to demonstrate that developers are not making sufficient profits to enable councils to insist on full 106 or affordable housing contributions.

This issue has caused concern among councillors across the political spectrum in the city, along with notable contributions from both members of the public and party activists of different hues.

Whilst some of these EVAs are no doubt submitted in good faith, there is sufficient evidence to suggest that the reports are often prepared in such a way as to attempt to confuse local planning committees and present a misleading picture. Indeed, some councils, especially in London, are now insisting that EVAs are no longer able to be submitted unless they are able to be viewed by members of the public and in open session at planning committee meetings.

In principle, this council supports this view and will take every action possible in order to ensure that there is transparency in this regard and that developers are making the appropriate contributions to benefit our communities.

Accordingly, this council, which is committed to increasing the delivery of affordable housing as set out in the Portsmouth Plan, requests that the Cabinet Member for Planning, Regeneration and Economic Development, commissions the development of a Draft Development Viability Supplementary Planning Document to:

1. Consider offering a 'fast-track' planning service to applications which deliver 30%, or more, affordable housing, to incentivise this behaviour by developers.
2. Require any planning application which does not meet the affordable housing requirement, contained in the Portsmouth Plan, to submit an Economic Viability Assessment which must be fully public and will be published online alongside the other planning application materials.
3. Require such Economic Viability Assessments to be in a standard form, to be agreed by Portsmouth City Council, to aid understanding and comparison by members of the planning committee and the public.
4. Consider a threshold approach to internal review of Economic Viability Assessments, whereby large applications would be reviewed by external experts to ensure the accuracy of the assessments, especially around residual

land values and assumed sales rates.

5. Employ 'clawback' mechanisms as standard when large applications cannot comply with the affordable housing thresholds, to ensure that any subsequent improvement in viability is accompanied by an appropriate increase in the affordable housing provision.

Such a document would enable these factors to become a material consideration for the Planning Committee dependent on the circumstances of individual applications.

(c) **Flooding**

Proposed by Councillor Luke Stubbs
Seconded by Councillor Hugh Mason

As a low lying city with an extensive coastline, Portsmouth will be dangerously exposed if climate projections that show rising sea levels and more frequent storms prove to be accurate.

It is therefore welcome news that the City Council has secured £5.8m from the Environment Agency to work up a detailed scheme to protect homes and businesses in Southsea from the increased risk of flooding that may arise over the coming century.

While acknowledging the critical role public consultation has to play, the City Council is keen for this work to progress. It is opposed to any suggestion which would involve the War Memorial and the Pyramids being moved and it considers the likely cost of an underground car park to be prohibitive. It notes that central government funding is not available for any works not directly associated with reducing flood risk and it acknowledges the pressure on its own capital resources, which it expects to continue for the foreseeable future.

The City Council therefore puts on record its support for the general approach to flood defences taken by this administration and by its predecessor.

(d) **Living Wage**

Proposed by Councillor Gerald Vernon-Jackson
Seconded by Councillor Leo Madden

"The City Council recognises that many people in Portsmouth working in both the public and private sector have not seen a pay rise for some years. The rise in inflation caused by the fall in the value of the pound means this is a real wage cut for many.

The City Council therefore supports the removal of the public pay cap. Increases in pay should be funded by central government.

Council recommends to the Employment Committee that in respect

of PCC, it also supports the payment of the Living Wage (as defined by the Living Wage Foundation) to all employees in Portsmouth".

(e) **Cycling**

Proposed by Councillor Hugh Mason

Seconded by Councillor Matthew Winnington

Portsmouth City Council aims to protect residents and visitors from road danger, air and noise pollution, and improve the health economy and wellbeing of our local communities. The Council recognises that creating a public environment that encourages cycling and walking is a low cost and highly effective way of achieving these aims and should therefore invest in changing patterns of travel towards walking and cycling.

This Council showed initiative by being the first to introduce a city-wide 20 mph limit in residential roads. This has improved safety. The Council recognises that the Cycling UK's 'Space for Cycling' campaign highlights areas where further improvement should be made.

To date, little practical work has been done to achieve Portsmouth Cycle Forums "A city to Share" which would also help to progress the aims of Space for Cycling

In order to progress this the City Council request that the Cabinet

- a. Develops a strategy to implement in full Portsmouth Cycle Forum's 'A City to Share'; such strategy to include a costed network of safe, accessible and direct routes that link places and people
- b. Identifies all implementation costs associated with the strategy and seeks financing for these costs through bids to the Department for Transport and other relevant bodies and that the Cabinet also considers proposing the allocation of at least 5% of all Local Transport Plan capital funds each year towards the accomplishment of the strategy.

13 Questions from Members under Standing Order No 17. (Pages 77 - 78)

David Williams
Chief Executive

Members of the public are now permitted to use both audio visual recording devices and social media during this meeting, on the understanding that it neither disrupts the meeting or records those stating explicitly that they do not wish to be recorded. Guidance on the use of devices at meetings open to the public is available on the Council's website and posters on the wall of the meeting's venue.

Full Council meetings are digitally recorded.

If any member of the public wishing to attend the meeting has access requirements, please notify the contact, the Local Democracy Manager at Stewart.Agland@portsmouthcc.gov.uk. Please also use this email address for any deputation requests.

Civic Offices
Guildhall Square
PORTSMOUTH
9 October 2017

MINUTES OF AN EXTRAORDINARY MEETING OF THE COUNCIL held at the Guildhall, Portsmouth on Tuesday, 11 July 2017 at 2.00 pm

Council Members Present

The Right Worshipful The Lord Mayor
Councillor Ken Elcome (in the Chair)

Councillors

Dave Ashmore	Leo Madden
Simon Boshier	Hugh Mason
Jennie Brent	Lee Mason
Ryan Brent	Stephen Morgan
Yahiya Chowdhury	Gemma New
Alicia Denny	Robert New
Ben Dowling	Steve Pitt
John Ferrett	Will Purvis
Jim Fleming	Darren Sanders
David Fuller	Lynne Stagg
Colin Galloway	Luke Stubbs
Paul Godier	Julie Bird
Scott Harris	Linda Symes
Steve Hastings	David Tompkins
Hannah Hockaday	Gerald Vernon-Jackson CBE
Suzy Horton	Matthew Winnington
Lee Hunt	Neill Young
Frank Jonas BEM	Rob Wood
Donna Jones	Tom Wood
Ian Lyon	

45. Apologies for Absence

Apologies for absence were received on behalf of Councillor Steve Wemyss. Councillor Stuart Potter sent apologies that he would be late. Councillor David Fuller apologised for having to leave early.

The Lord Mayor gave detailed information concerning filming in the chamber, advising that notices had been displayed on the walls concerning the council's rules which strictly prohibit the filming, photographing or recording of members of the public unless they are addressing the meeting and only then if they do not actively object. Filming from gallery to gallery is also prohibited. The Lord Mayor then gave details of the evacuation procedure and reminded everyone that there are building evacuation signs displayed both inside the public galleries and in the chamber itself.

46. Deputations from the Public under Standing Order No 24

The City Solicitor advised that there were no deputations relating to the business on the agenda of the extraordinary meeting.

47. Admission to the Roll of Honorary Aldermen - Alex Bentley

The Lord Mayor advised that the motion to admit Alex Bentley as an honorary alderman will need to be passed by not less than two thirds of the members voting.

It was

Proposed by Councillor Stephen Morgan
Seconded by Councillor Donna Jones

That the title of honorary alderman be conferred on Alex Bentley, a former member of the Portsmouth City Council.

The seconder of the motion gave a short speech in support, as did the Leader of the Liberal Democrat Group, Councillor Gerald Vernon-Jackson.

RESOLVED unanimously that the title of honorary alderman be conferred on Alex Bentley and that a certificate confirming this decision be presented to him at a future city council meeting.

The meeting concluded at 2.10 pm.

Lord Mayor

MINUTES OF A MEETING OF THE COUNCIL held at the Guildhall
Portsmouth on Tuesday, 11 July 2017 at 2.05 pm

Council Members Present

The Right Worshipful The Lord Mayor
Councillor Ken Elcome (in the Chair)

Councillors

Dave Ashmore	Leo Madden
Simon Boshier	Hugh Mason
Jennie Brent	Lee Mason
Ryan Brent	Stephen Morgan
Yahiya Chowdhury	Gemma New
Alicia Denny	Robert New
Ben Dowling	Steve Pitt
John Ferrett	Stuart Potter
Jim Fleming	Will Purvis
David Fuller	Darren Sanders
Colin Galloway	Lynne Stagg
Paul Godier	Luke Stubbs
Scott Harris	Julie Bird
Steve Hastings	Linda Symes
Hannah Hockaday	David Tompkins
Suzy Horton	Gerald Vernon-Jackson CBE
Lee Hunt	Matthew Winnington
Frank Jonas BEM	Neill Young
Donna Jones	Rob Wood
Ian Lyon	Tom Wood

48. Declarations of Interests under Standing Order 13(2)(b)

There were no declarations of members' interests.

49. Minutes of the Meetings of the Annual Council Meeting held on 16 May 2017 and the Adjourned Council Meeting held on 16 May 2017

It was

Proposed by Councillor Donna Jones

Seconded by Councillor Gerald Vernon-Jackson

That the minutes of the annual council meeting held on 16 May 2017 be confirmed and signed as a correct record.

RESOLVED that the minutes of the meeting of the annual council meeting and the adjourned council meeting held on 16 May 2017 be confirmed and signed as a correct record.

50. Communications and apologies for absence

Apologies for absence were received on behalf of Councillor Steve Wemyss. Apologies for lateness were received on behalf of Councillor Stuart Potter. Apologies for having to leave the meeting early were given by Councillor David Fuller.

The Lord Mayor welcomed the new Independent Group whose leader was Councillor Paul Godier, deputy leader Councillor Julie Swan. He also advised that Councillor Stuart Potter had been appointed as deputy leader of the UK Independence Party group. The Lord Mayor further advised that as a result of these changes the seating plan had been revised.

The Lord Mayor congratulated Councillor Stephen Morgan on his recent election as Member of Parliament for Portsmouth South and on his appointment as Parliamentary Private Secretary to the Shadow Secretary of State for Communities and Local Government. He also congratulated Penny Mordaunt, Minister of State for the Department for Work and Pensions, on her re-election as Member of Parliament for Portsmouth North.

The Lord Mayor also offered congratulations to Councillor Frank Jonas who had been awarded the British Empire Medal by the Queen in her Majesty's birthday honours for services to the community.

The Lord Mayor also extended thanks to Councillors Lynne Stagg and Alicia Denny for providing refreshments at council meeting over several years.

The Leader of the Council, Councillor Donna Jones advised that Councillor Paul Godier had been appointed as champion for homelessness and put on record thanks for his work leading the homelessness working group.

Finally the Lord Mayor announced the sad news that Gladys Howard, a former Lord Mayor of Portsmouth had passed away recently and said that he had attended her funeral on behalf of the city council. He reminded councillors that Gladys Howard had been presented with a special recognition of achievement award for her service to the city of Portsmouth. The Lord Mayor gave brief details of Gladys' achievements and invited the city council to observe a minute's silence in her memory.

51. Deputations from the Public under Standing Order No 24

The City Solicitor advised that five deputation requests had been received in respect of item 13(b) - Homelessness.

The Leader advised that although a proposal to suspend standing orders was not often made, on this occasion the amount of time allowed for each person wishing to make a deputation would only be two and a half minutes. The Leader said that she wished to propose that each person making a deputation could speak for five minutes.

It was

Proposed by Councillor Donna Jones
Seconded by Councillor Gerald Vernon-Jackson

That standing orders be suspended for this item in order to allow each person making a deputation five minutes. This was agreed.

Deputations on this item were then given by Hilary Reed, Paul Smith, Alan Burgess and John Sutton. A deputation by Graham Newell was not made as he was not present in the chamber.

The City Solicitor advised that a deputation request had been made in respect of agenda item 6 - Appointments - Temporary Deputy Member for the Hampshire Fire & Rescue Authority.

The City Solicitor invited Mark Chapman, Fire Brigades Union to make his deputation which he then did.

The City Solicitor thanked all those who had made deputations.

52. Questions from the Public under Standing Order No 25

There were no questions from the public.

53. Appointments - Temporary Deputy Member for the Hampshire Fire & Rescue Authority

The Lord Mayor advised that two nominations had been received to be appointed to act as temporary deputy member on the Hampshire Fire & Rescue Authority (HFRA).

It was

Proposed by Councillor Donna Jones
Seconded by Councillor Luke Stubbs

That Councillor Frank Jonas be appointed to act as temporary deputy member on the Hampshire Fire & Rescue Authority.

It was

Proposed by Councillor Gerald Vernon-Jackson
Seconded by Councillor Darren Sanders

That Councillor Winnington be appointed to act as temporary deputy member on the Hampshire Fire & Rescue Authority.

Following debate upon being put to the vote, Councillor Frank Jonas was appointed.

RESOLVED that Councillor Frank Jonas be appointed to act as temporary deputy member on the Hampshire Fire & Rescue Authority (HFRA).

54. Urgent Business - To receive and consider any urgent and important business from Members of the Cabinet in accordance with Standing Order No 26

The Lord Mayor advised that there was no urgent business.

55. Recommendations from the Cabinet Meeting held on 29 June 2017

Minute 21 - LED Street Lighting Replacement Programme

Minute 21 was approved unopposed.

56. Recommendations from the Licensing Committee held on 23 June 2017

The following minute was opposed:

Minute 13 - The Gambling Act 2005 - Adoption of Statement of Licensing Policy

It was

Proposed by Councillor Lee Mason
Seconded by Councillor Hannah Hockaday

That the recommendations contained in minute 13 - The Gambling Act 2005 - Adoption of Statement of Licensing Policy be noted and approved.

An amendment standing in the name of Councillor Winnington was circulated in the chamber but an adjournment was requested by the Leader of the Liberal Democrat Group in order to allow for a short discussion to take place between the proposer of the minute and the proposer of the amendment.

Council adjourned at 2.47 pm. Council resumed at 2.57 pm.

As an amendment it was

Proposed by Councillor Matthew Winnington
Seconded by Councillor Hugh Mason

That in addition to adopting the statement of licensing policy, the council agreed the following -

"That further to the concerns expressed in paragraph 18.9 of the Gambling Policy, the council therefore requests the government to take action either to remove fixed odds betting terminals from use or at least to reduce the price per spin to £10. These are highly addictive gaming machines as they allow people to lose up to £100 per spin and users to spin every ten seconds. As such the Council will lobby the Secretaries of State for Communities & Local

Government and Culture, Media & Sport to change the law to remove fixed odds betting terminals from use or at least to regulate further to reduce the stakes that can be gambled each spin to a much lower sum. The Chief Executive be requested to make representations to these Government departments accordingly."

Councillor Lee Mason agreed to subsume the amendment into his original proposal. Upon the substantive recommendations being put to the vote these were CARRIED.

RESOLVED that

- (1) Council notes and approves the recommendations of the Licensing Committee and adopts the Statement of Licensing Policy in accordance with section 349 of the Gambling Act 2005;**
- (2) That in addition to adopting the Statement of Licensing Policy, the Council agree the following -**

That further to the concerns expressed in paragraph 18.9 of the Gambling policy, the Council therefore requests the Government to take action either to remove fixed odds betting terminals from use or at least to reduce the price per spin to £10. These are highly addictive gaming machines as they allow people to lose up to £100 per spin and users to spin every ten seconds. As such the Council will lobby the Secretaries of State for Communities & Local Government and Culture, Media & Sport to change the law to remove fixed odds betting terminals from use or at least to regulate further to reduce the stakes that can be gambled at each spin to a much lower sum. The Chief Executive be requested to make representations to these Government departments accordingly.

Minute 14 - Licensing Act 2003 - Adoption of Statement of Licensing Policy

It was

Proposed by Councillor Lee Mason

Seconded by Councillor Hannah Hockaday

That the recommendations contained in Minute 14 - Licensing Act 2003 - Adoption of Statement of Licensing Policy be adopted.

Following debate, upon being put to the vote, this was CARRIED.

RESOLVED

That the Council noted and approved the recommendations of the Licensing Committee and Council adopted the statement of licensing policy in accordance with Section 5 of the Licensing Act 2003.

57. Recommendations from the Governance & Audit & Standards Committee Meeting held on 30 June 2017

Minute 36 - Proposed amendments to the Complaint Form submitted in relation to the Councillor Code of Conduct

This was approved unopposed.

58. Review of the political balance on committees and panels

It was

Proposed by Councillor Donna Jones
Seconded by Councillor Frank Jonas

To adopt the proposals circulated in the chamber. Upon being put to the vote this was CARRIED.

RESOLVED that council

(1) Adopted the overall political balance and allocation of seats as set out in the Chief Executive's report, and agree the following named membership which has the agreement of all those affected

- **UKIP Group (4 seats): Councillor Galloway retains membership of Licensing Committee, Planning Committee, Housing & Social Care Scrutiny Panel and Scrutiny Management Panel.**
- **Labour Group (4 seats) : Councillor Morgan retains membership on the Licensing Committee and Scrutiny Management Panel ; Councillor Chowdhury retains membership on Health Overview and Scrutiny Panel and the Economic Development Culture and Leisure Scrutiny Panel.**
- **Independent Group (3 seats) : Councillor Godier retains membership of Licensing Committee and Education, Children & Young People Scrutiny Panel and the Group gains a seat on the Traffic, Environment and Community Safety Scrutiny Panel to be taken by Councillor Godier.**

(2) That Councillor Steve Hastings be the Chair of the Traffic, Environment and Community Safety Scrutiny Panel.

59. Notices of Motion

The Lord Mayor advised that there were five notices of motion before council.

Notice of Motion (a) - The Committee System

This was abandoned owing to the seconder not being present when the item was called.

Notice of Motion (b) - Homelessness

It was

Proposed by Councillor Colin Galloway
Seconded by Councillor Stuart Potter

That this notice of motion be debated today.

Upon being put to the vote this was CARRIED.

It was

Proposed by Councillor Colin Galloway
Seconded by Councillor Stuart Potter

That notice of motion (b) as set out on the agenda be adopted.

It was

Proposed by Councillor Donna Jones
Seconded by Councillor Gerald Vernon-Jackson

To delete the first and second paragraph and amend the final paragraph by inserting the following after the words "this chamber".

"places on record the hard work being done by the Voluntary Sector, faith groups, Officers and Members of the City Council for some of our most vulnerable and needy homeless and rough sleepers"

and asks the Leader of the Council to write to the Police and Crime Commissioner to

- then replace the remainder of the paragraph with the following words -

"request further assistance from the local police force and PCSOs where appropriate. The Conservative, Liberal Democrat, Labour and Independent Groups on this council are keen to see an end to homelessness in our city and are committed to ensuring there is adequate funding for this purpose."

Following debate, upon being put to the vote the amendment standing in the name of Councillor Donna Jones was CARRIED. On being put to the vote, the substantive notice of motion (as amended) was CARRIED.

RESOLVED that council adopted the following notice of motion:

"This Chamber places on record the hard work being done by the Voluntary Sector, faith groups, Officers and Members of the City Council for some of our most vulnerable and needy homeless and rough

sleepers and asks the Leader of the Council to write to the Police and Crime Commissioner to request further assistance from the local police force and PCSOs where appropriate. The Conservative, Liberal Democrat , Labour and Independent Groups on this council are keen to see an end to homelessness in our city and are committed to ensuring there is adequate funding for this purpose."

Council adjourned at 4.55 pm.

Council resumed at 5.15 pm.

Notice of Motion (c) - Congratulations to Land Rover BAR

It was

Proposed by Councillor Alicia Denny
Seconded by Councillor Steve Hastings

That notice of motion (c) be debated today.

Upon being put to the vote this was CARRIED.

It was

Proposed by Councillor Alicia Denny
Seconded by Councillor Steve Hastings

That notice of motion (c) as set out on the agenda be adopted.

Following debate upon being put to the vote this was CARRIED.

RESOLVED that "The city council congratulates Sir Ben Ainslie and all of his Land Rover BAR team on reaching the semi-finals of the 2017 Louis Vuitton America's Cup in Bermuda and, in particular, the BAR Academy for winning the Red Bull Youth America's Cup. Thanks are due to them for representing the country and the city so admirably and promoting Portsmouth as a centre of maritime excellence to a worldwide audience. While appreciating the disappointment of not being able to bring the cup home this time, we hope the unique offer of sailing in Southsea is repeated in future years supported by BAR in their future endeavours.

To ensure we maximise on the unique and strong offer we have in Southsea with one of the best sailing locations in the world, the Council requests the Executive consider options of other sailing events to develop the city's economy to support jobs in the city through tourism."

Notice of Motion (d) - Children and Social Work Act

It was

Proposed by Councillor Ryan Brent

Seconded by Councillor Hannah Hockaday

That this notice of motion be debated today.

Upon being put to the vote this was CARRIED.

It was

Proposed by Councillor Ryan Brent
Seconded by Councillor Hannah Hockaday

That notice of motion (d) as set out in the agenda be adopted.

As an amendment it was

It was

Proposed by Councillor Will Purvis
Seconded by Councillor Rob Wood

In paragraph 5 delete "highlight their resourcing intentions" replace with "commit to funding the additional costs of this change".

Councillor Ryan Brent agreed to subsume the amendment into his original notice of motion. Following debate on being put to the vote, the substantive notice of motion incorporating the amendment was CARRIED.

RESOLVED that Council adopts the following Notice of Motion:-

"The Children and Social Work Act provides the legal framework to support a programme of reform in children's social care set out in the Government's July 2016 policy paper 'Putting Children First'. This Act is only the first legislative step, and places a duty on the Secretary of State to make a variety of Regulations, including provisions such as:

- **Local Authorities must publish information about their 'local offer for care leavers'**
- **Personal advisers must be provided for care leavers up to the age of 25**
- **Extending the existing duties of local authorities and schools to children who have been adopted or placed in other long-term arrangements within their geography**

Portsmouth City Council and the Conservative administration commends the government's action to strengthen support for young people leaving care; in particular extending the personal adviser service from age 21 to age 25, which will support young people make this important transition.

In Portsmouth there has been an annual average of 34 children who 'leave' the care of the city council and receive statutory support as care

leavers. This costs an average of £13,194 per care leaver per year. However, due to the increase in Unaccompanied Minors entering the locality this number is set to increase by a predicted average of 8 in the coming years. In addition to this, the statutory extension from the age of 21 to 25 for Care Leavers' will add a further £383,000 pressure in year 1. This would see an additional demand pressure of £1,385,000 upon the Children, Families and Education directorate at the council by year 5.

This council requests the Chief Executive to write to the Secretary of State for Education, the Minister for Children and Families, the Chairman of the LGA as well as both Portsmouth constituency MPs, to ask the government to commit to funding the additional costs of this change to ensure that the increase in demand pressure that this Act will place on Children's Social Care across all Local Authorities does not impact upon the quality of service delivered to vulnerable children and families."

Notice of Motion (e) - Tackling delayed discharge

It was

Proposed by Councillor Darren Sanders
Seconded by Councillor Ben Dowling

That this notice of motion be debated today.

Upon being put to the vote this was CARRIED.

It was

Proposed by Councillor Darren Sanders
Seconded by Councillor Ben Dowling

That notice of motion (e) as set out on the agenda be adopted.

As an amendment it was

Proposed by Councillor Luke Stubbs
Seconded by Councillor Donna Jones

To delete last paragraph and replace with the following:

"The Council therefore resolves to ask the Chief Executive to write to the CCG and Solent NHS Trust asking them to draw up a business plan with the support of the city's MPs and Leader of the Council to create a facility at St James' Hospital by the end of 2017".

Councillor Darren Sanders agreed to subsume the amendment into his original notice of motion.

Following debate, on being put to the vote, the substantive notice of motion incorporating the amendment, was CARRIED.

RESOLVED that the following Notice of Motion be adopted

"Council regrets the significant number of patients at QA who are medically fit to be discharged from an acute care hospital but for varying reasons cannot return home immediately.

Portsmouth Hospital NHS Trust believes this group to be about 240 people at any one time, about a third of whom live in Portsmouth. Each one costs the NHS £500 for every day they remain in QA.

Such patients would be better served by short-term convalescent care. As such, Council welcomes the suggestion by the NHS Trust that a convalescent care home will significantly reduce the capacity and financial pressures this situation raises for the NHS, the people concerned and the Council.

Council also notes that discussions have taken place between it and the NHS on this matter and recognises there is already spare land the NHS is vacating at St James' Hospital where this could go.

The Council therefore resolves to ask the Chief Executive to write to the CCG and Solent NHS Trust asking them to draw up a business plan with the support of the city's MPs and Leader of the Council to create a facility at St James' Hospital by the end of 2017".

60. Questions from Members under Standing Order No 17

There were five questions before council.

Question No 1 was from Councillor Julie Bird

"Our local paper 'The News' has recently reported that the building in Victoria Park, previously known as 'The Arts Lodge' is to be run as a charity for the homeless.

For over a year we have been under the impression that this was going to be a centre for Adult Learning Disabilities. Whilst undoubtedly a good, worthy and necessary cause what alternative provisions have been made for this and what prompted the change to assist a homeless charity."

This and supplementary questions were answered by the Leader of the Council with responsibility for Planning, Regeneration and Economic Development, Councillor Donna Jones.

Question No 2 was from Councillor Colin Galloway

"We note that the Victoria Park catering outlet has been given over to the Society of St James. The Society, we know, is primarily a homelessness charity, but we also have certain apprehensions about staffing the unit as homelessness is often associated with alcohol and substance abuse. Will you

please explain the details of the infrastructure of the unit so that we can all rest assured that this will be a safe and healthy place to visit?"

This and supplementary questions were answered by the Leader of the Council with responsibility for Planning, Regeneration and Economic Development, Councillor Donna Jones.

Question No 3 was from Councillor Gerald Vernon-Jackson CBE

"When did the Fire Service last inspect Horatia and Leamington Houses before the fire at Grenfell Tower fire? What recommendations were made and were all recommendations actioned?"

This and supplementary questions were answered by the Leader of the Council with responsibility for Planning, Regeneration and Economic Development, Councillor Donna Jones.

Question No 4 was from Councillor Julie Bird

"Fratton Councillors have recently received notification that 250 Fratton Road will become a drop in and rehabilitation centre. Bearing in mind that there is a known issue in the area with alcoholics and drug addicts and dispersal orders have previously been in place to try and mitigate these issues, could the Council please confirm why they have considered an area with existing issues situated behind a community centre, between three schools and directly opposite a public library a suitable premises for such a service."

This was answered by the Cabinet Member for Health and Social Care, Councillor Luke Stubbs.

Question No 5 was from Councillor Colin Galloway

"Portsmouth has all the potential for being a "green" city. We are blessed with a city that benefits from being an island city with a relatively flat topography. It is good to see that the city is encouraging cycleways, however one major problem remains and that is the continued use of pavements designated for pedestrians being used and abused by uncaring and dangerous cyclists who show no regard for people as they cycle at them at great speeds. I ask the portfolio holder for Traffic and Transport if the problem is being addressed and how can this practice be brought abruptly to an end before there is a fatality?"

This was answered by the Cabinet Member for Traffic and Transportation, Councillor Simon Boshier.

The meeting concluded at 7.12 pm.

.....
Lord Mayor

MINUTES OF AN EXTRAORDINARY MEETING OF THE COUNCIL held at the Guildhall Portsmouth on Wednesday, 2 August 2017 at 5.30 pm

Council Members Present

The Right Worshipful The Lord Mayor
Councillor Ken Elcome (in the Chair)

Councillors

Lee Mason	Leo Madden
Dave Ashmore	Hugh Mason
Simon Boshier	Stephen Morgan
Jennie Brent	Robert New
Ryan Brent	Steve Pitt
Yahiya Chowdhury	Stuart Potter
Alicia Denny	Darren Sanders
Ben Dowling	Lynne Stagg
Colin Galloway	Luke Stubbs
Paul Godier	Julie Bird
Scott Harris	Linda Symes
Steve Hastings	Gerald Vernon-Jackson CBE
Hannah Hockaday	Steve Wemyss
Suzy Horton	Matthew Winnington
Lee Hunt	Neill Young
Frank Jonas BEM	Tom Wood
Donna Jones	

61. Apologies for Absence

The Lord Mayor welcomed everyone to the meeting and thanked members for their understanding at the delayed start.

The Lord Mayor read out in full the rules relating to filming council proceedings.

The Lord Mayor then gave detailed information about the evacuation procedures.

Apologies for absence were received on behalf of Councillors John Ferrett, Jim Fleming, David Fuller, Ian Lyon, Gemma New, Will Purvis, David Tompkins and Rob Wood.

62. Declarations of Interests

There were no declarations of interests.

63. Deputations from the Public under Standing Order No 24.

No deputations had been received for today's meeting.

64. Director of Regeneration Post

The Lord Mayor advised that a report from the Chief Executive had been circulated previously regarding the post of Director of Regeneration and that in response to the recommendations in the report a proposal had been circulated in the Lord Mayor's Banqueting Room.

It was proposed by
Councillor Luke Stubbs
Seconded by Councillor Gerald Vernon-Jackson

To adopt the proposal circulated in the Banqueting Room.

Following a short debate, upon being put to the vote the proposal standing in the name of Councillor Luke Stubbs was CARRIED.

RESOLVED

That Council

- (i) Approved the appointment to the new post of Director of Regeneration as detailed in section 3.4 of the report.**
- (ii) Recorded thanks to Mr Alan Cufley for his long service to the council and wished him the very best for the future**

The Leader of the Council, Councillor Donna Jones, paid tribute to Mr Alan Cufley for his distinguished career with Portsmouth City Council for over 42 years and asked that the Council's thanks be placed on record.

The Lord Mayor then added his personal thanks to Mr Alan Cufley for his service to the council and for his professionalism.

The meeting concluded at 6.10 pm.

.....
Lord Mayor

Agenda Item 8

From the Cabinet meeting held on 28 September 2017

Council Agenda Item 8 (Cabinet minute 43)

Treasury Management Outturn Report 2016/17

RECOMMENDED to Council that:

- (1) The actual prudential indicators based on the unaudited draft accounts, as shown in Appendix A of the report, be noted.**
- (2) The actual treasury management indicators for 2016/17, as shown in Appendix B, be noted.**

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Title of meeting: Governance and Audit and Standards Committee
Cabinet
City Council

Date of meeting: Governance and Audit and Standards Committee 15 September 2017
Cabinet 28 September 2017
City Council 17 October 2017

Subject: Treasury Management Outturn Report 2016/17

Report by: Director of Finance and Information Services (Section 151 Officer)

Wards affected: All

Key decision: No

Full Council decision: Yes

1. Executive Summary

The Chartered Institute of Public Finance & Accountancy's (CIPFA) Prudential Code of Practice requires local authorities to calculate prudential indicators before the start of and after each financial year.

These end of year indicators are shown at Appendix A of the report for information and noting by members in order to comply with the code.

The CIPFA Code of Practice on Treasury Management also requires the Section 151 Officer to prepare an annual report on the outturn of the previous year. This information is shown in Appendix B of the report.

2. Purpose of Report

To inform members and the wider community of the Council's treasury management activities in 2016/17 and of the Council's treasury management position as at 31 March 2017.

3. Recommendations

It is recommended that:

- (a) The actual prudential indicators based on the unaudited draft accounts , as shown in Appendix A, be noted
- (b) The actual treasury management indicators for 2016/17, as shown in Appendix B, be noted

4. Background

The Local Government Act 2003 requires local authorities to have regard to the Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code for Capital Finance in Local Authorities.

5. Reasons for Recommendations

The net cost of Treasury Management activities and the risks associated with those activities have a significant effect on the City Council's overall finances.

6. Equality Impact Assessment

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

7. Legal implications

The Section 151 Officer is required by the Local Government Act 1972 and by the Accounts and Audit Regulations 2015 to ensure that the Council's budgeting, financial management, and accounting practices meet the relevant statutory and professional requirements. Members must have regard to and be aware of the wider duties placed on the Council by various statutes governing the conduct of its financial affairs.

8. Director of Finance & Information Services (Section 151 Officer) comments

All financial considerations are contained within the body of the report and the attached appendices

.....
Signed by Director of Finance & Information Services (Section 151 Officer)

Appendices:

Appendix A: Prudential Indicators

Appendix B: Treasury Management Outturn

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:

<u>Title of document</u>		Location
1	Information pertaining to the treasury management outturn	Financial Services
2		

ACTUAL PRUDENTIAL INDICATORS**1. SUMMARY OF ACTUAL PRUDENTIAL INDICATORS FOR 2016/17**

Ratio of non-Housing Revenue Account (HRA) financing costs to the non HRA net revenue stream	9.9%
Ratio of HRA financing costs to the HRA net revenue stream	12.4%
Non HRA capital expenditure	£193,853,000
HRA capital expenditure	£30,690,000
Non HRA capital financing requirement at 31 March	£340,948,000
HRA capital financing requirement at 31 March	£151,780,000
External debt at 31 March	£579,343,337

2. RATIO OF FINANCING COSTS TO NET REVENUE STREAM 2016/17

This ratio reflects the annual cost of financing net debt as a proportion of the total revenue financing received. It therefore represents the proportion of the City Council's expenditure that is largely fixed and committed to repaying debt. The higher the ratio, the lower the flexibility there is to shift resources to priority areas and/or reduce expenditure to meet funding shortfalls.

For the General Fund, this is the annual cost of financing debt as a proportion of total income received from General Government Grants, Non Domestic Rates and Council Tax. The ratios of financing costs to net revenue streams for the General Fund in 2016/17 were as follows:

	Original Estimate	Actual
	£'000	£'000
Financing Costs:		
Interest Payable	17,434	18,948
Interest Receivable	(3,051)	(6,365)
Provision for Repayment of Debt	6,819	3,674
Total Financing Costs	21,202	16,257
Net Revenue Stream	159,419	163,480
Ratio of Financing Costs to Net Revenue Stream	13.3%	9.9%

Interest Payable

Interest payable was £1.5m more than the original estimates.

The Council borrowed £15m in 2015/16 and £94m in 2016/17 which had not been included in the original estimates in order to take advantage of relatively low interest rates. Although this should reduce the amount of interest payable in the long term it did result in an additional £2.4m cost in 2016/17.

The Council has entered into a finance lease for the Isle of Wight ferry terminal to enable it to fulfil its obligations to Wightlink following the disposal of the head lease for this site. The Council has paid £0.3m interest on this finance lease in 2016/17.

The highways maintenance private finance initiative (PFI) scheme provides for capital works to bring the highway network up to a specified condition (including interest and principal repayments on loans taken out by the contractor), lifecycle replacement (subsequent capital works), and operation and maintenance. This is an inseparable PFI which means that although the Council knows how much it pays the contractor it does not know how the contractor spends its revenues on the various components of the scheme. The original estimate of the interest on the highways maintenance (PFI) was prepared on the basis of nominal costs in the original financial model prepared at the commencement of the contract in 2004. In preparing the 2016/17 Statement of Accounts it was decided that the estimated indexation used previously may have become less accurate over time and that more accurate estimates may be derived from using actual indexation. This has resulted in the interest on the highways maintenance PFI being £1.8m less than the original estimate. This does not represent an overall saving to the Council as the overall cost of the highways maintenance PFI is broadly the same with additional expense being charged to highways operation and maintenance, capital expenditure charged to revenue balances to cover lifecycle replacement costs, and principal repayment of debt.

The Housing Revenue Account's (HRA) contribution towards interest payable was 0.6m lower than anticipated. This was because the original capital program provided for £15.3m of HRA capital expenditure to be financed from borrowing whereas no HRA capital expenditure was actually financed from borrowing. In addition the original estimates provided for properties worth £3.7m to be appropriated from the General Fund into the HRA which also did not happen.

Interest Receivable

Interest Receivable was £3.3m more than the original estimates. This was due to the Council having more cash to invest than had been anticipated, largely due to additional borrowing, and the interest rates on the Council's investments being higher than had been anticipated.

Provision for the Repayment of Debt

The provision for the repayment of debt was £3.1m less than the original estimate. On 21 March 2017 the City Council approved two amendments to the Council's minimum revenue provision (MRP) for the repayment of debt policy which has reduced total MRP compared to the original estimate.

The Council decided to change the the method of calculating the (MRP) for the repayment of government supported General Fund borrowing (with the exception of finance leases, service concessions and borrowing to fund long term debtors) from a straight 2% to a 50 year annuity in order to better reflect the maturity pattern of the Council's borrowing and avoid the credit risk associated with providing for the repayment of debt long before there is any realistic chance of the debt being repaid.

In recent years the Council has made a number of changes to its methods of calculating its MRP for the repayment of debt. In 2016/17 it was decided to back date the revised MRP calculations in order to ascertain the over provision of MRP made in previous years and the Treasury Management Strategy was amended by the City Council to give the Director of Finance and Information Services (Section 151 Officer) delegated authority to release the £31.3m over provision of MRP into the General Fund over a prudent period. £1.9m, being equal to the General Fund MRP charge excluding provision for finance leases and service concessions (including PFIs), was released to the General Fund in 2016/17.

The reduction in MRP was partly offset by an additional £0.5m being set aside to repay debt connected to the highways maintenance PFI.

Net Revenue Stream

Council Tax receipts, retained non-domestic rates and non-ring fenced government grants were all higher than anticipated in the original budget. This had the effect of further reducing the ratio of financing costs to net revenue stream.

Housing Revenue Account (HRA)

The ratio of Housing Revenue Account (HRA) financing costs to net revenue stream is shown below. For the HRA, this is the annual cost of financing capital expenditure, as a proportion of total gross income received including housing rents and charges.

	Original Estimate	Actual
HRA	12.7%	12.4%

3. ACTUAL CAPITAL EXPENDITURE 2016/17

A revised capital program was approved by the City Council on 14 February 2016. There has been significant under spending against the budget. Much of this was due to slippage or funding not being available. This does not represent additional capital resources. Actual capital expenditure in 2015/16 was as follows:

	Revised Estimate £'000	Actual £'000
Culture, Leisure & Sport	1,867	1,364
Children & Education	8,694	9,273
Environment & Community Safety	6,051	4,402
Health & Social Care (Adults Services)	1,599	1,167
Resources	10,192	6,376
Planning, Regeneration & Economic Development	102,117	116,491
Commercial Port	3,135	1,542
Traffic & Transportation	14,444	11,443
Housing General Fund	2,843	1,756
Local Enterprise Partnership	52,169	40,039
Total Non HRA	203,111	193,853
Housing Revenue Account (HRA)	33,836	30,690
Total	236,947	224,543

Actual capital expenditure was £12.4m below the original revised program. The main variances were as follows:

Environment and Community Safety - £1.6m Underspend

This is due to slippage on coastal flood protection works as a result of staff shortages.

Resources - £3.8m Underspend

£2,260k of this underspend is due to slippage on landlords maintenance, utilities management & investment in solar PV. £303k of capital works to the Guildhall is delayed until external funding can be obtained.

Planning, Regeneration and Economic Development - £14.4m Overspent

The Council has entered into a £10.6m finance lease for the Isle of Wight ferry terminal to enable it to fulfil its obligations to Wightlink following the disposal of the head lease for this site. The effect of this transaction was to repurchase a long term debtor, Wightlink's obligations under its lease, and finance the repurchase from unsupported borrowing. This transaction was not included in the revised capital program.

Commercial Port - £1.6m Underspend

The port regeneration scheme is underspent by £851k following the delayed resolution of a dispute over the final account because the contractor has not responded to communications in a timely manner. The purchase of a link span for berth 4 is underspent by £740k because the actual payment terms are different to those forecast when phasing the budget.

Traffic and Transportation - £3.0m Underspend

There has been slippage of £1,260k on the Tipner Park and Ride scheme due to agreement not being reached on costs. £1,304k of expenditure on the Hard Interchange has slipped into early 2017/18.

Local Enterprise Partnership (LEP) - £12.1m Underspend

A £3m loan to Red Funnel did not go ahead as they were unable to obtain the necessary planning permissions. The £7.7m Centenary Quay scheme will now be funded from another source. A number of other programmes have slipped.

Housing General Fund - £1.1m Underspend

This is mainly due to slippage on disabled facilities grants where catch up work was not started until late in the year. In addition it has proved difficult to spend Section 106 monies as there are very few housing associations building social housing in the city.

4. ACTUAL CAPITAL FINANCING REQUIREMENT

This represents the underlying requirement to borrow for capital expenditure. It takes the total value of the City Council's fixed assets and determines the amount that has yet to be repaid or provided for within the Council's accounts.

The capital financing requirement is increased each year by any new borrowing and reduced by any provision for the repayment of debt. Broadly, the higher the capital financing requirement, the higher the amount that is required to be set aside for the repayment of debt in the following year.

The actual capital financing requirements as at 31st March 2016 were as follows:

	Original Estimate	Actual
	£'000	£'000
Non HRA	380,872	340,948
HRA	168,667	151,780
Total	549,539	492,728

The non HRA capital financing requirement is lower than had been originally estimated. This was largely because the original estimate provided for £66m to be borrowed to finance the acquisition of commercial properties whilst only £37.5m of borrowing was actually required to finance the acquisition of commercial properties. The original estimate also provided for £4.2m to be borrowed to finance the provision of care homes, but it has not been possible to identify sites for these care homes.

The HRA capital financing requirement is lower than the original estimate. The original estimates provided for £15.3m to be borrowed to finance HRA capital expenditure. Most of this money was to provide new council dwellings but much of this expenditure has slipped through delays in obtaining planning permission. In addition a scheme to redevelop Arthur Pope House using £4.8m of borrowing has slipped due to delays in relocating the doctors' surgery. In addition the original estimates provided for properties worth £3.7m to be appropriated from the General Fund into the HRA which would have increased the HRA capital financing requirement but this did not happen.

5. ACTUAL EXTERNAL DEBT

At 31 March 2017, the City Council's level of external debt amounted to £579,343,337 consisting of the following:

- Long Term Borrowing £495,238,598
- Finance leases £12,125,077
- Service concessions (including PFI schemes) £71,979,662

The overall level of debt, excluding debt managed by Hampshire County Council, has increased between 2015/16 and 2016/17 by £96,105,919. This is because the Council borrowed £94m from the PWLB in 2016/17 in order to take advantage of relatively low interest rates and entered into a new £10.6m finance lease for the Isle of Wight Ferry Terminal. This new debt was partly mitigated by principal repayments.

6. CODE OF PRACTICE

The Prudential Code requires local authorities to adopt CIPFA's Code of Practice for Treasury Management in Local Authorities. The City Council has complied with this code.

TREASURY MANAGEMENT DECISIONS 2016/17**1. SUMMARY OF ACTUAL TREASURY MANAGEMENT INDICATORS FOR 2016/17**

Gross debt less investments at 31 March	£142,657,935
Maturity structure of the Council's borrowing:	
- Under 1 year	1%
- 1 to 2 years	4%
- 3 to 5 years	4%
- 6 to 10 years	6%
- 11 to 20 years	22%
- 21 to 30 years	11%
- 31 to 40 years	21%
- 41 to 50 years	31%
Sums invested for periods longer than 364 days at 31 March:	
31/3/2017	£180m
31/3/2018	£106m
31/3/2019	£18m
Fixed interest rate exposure at 31 March	£315m
Variable interest rate exposure at 31 March	(£257m)

2. GOVERNANCE

Treasury management activities were performed within the Prudential Indicators approved by the City Council.

Treasury management activities are also governed by the Treasury Management Policy Statement, Annual Minimum Revenue Provision for Debt Repayment Statement and Annual Investment Strategy approved by the City Council.

3. FINANCING OF CAPITAL PROGRAMME

The 2016/17 capital program was financed as follows:

Source of Finance	Revised Estimate £'000	Actual £'000
Corporate Reserves (including Capital Receipts)	61,291	59,664
Grants & Contributions	83,119	66,561
Revenue & Reserves	26,463	26,579
Long Term Borrowing	66,073	71,739
Total	236,946	224,543

£16.6m less grants and contributions were applied to finance capital expenditure than had been included in the revised capital program. This was largely due to the LEP underspending on schemes which would have been financed from grants and contributions.

4. COMBINED BORROWING AND INVESTMENT POSITION (NET DEBT)

On 31 March 2017 the Council had gross debt including finance leases and private finance initiative (PFI) schemes of £579m and gross investments of £436m giving rise to a net debt of £143m. The current high level of investments has arisen from the Council's earmarked reserves and borrowing in advance of need to take advantage of low borrowing rates thus securing cheap funding for the Council's capital program. The current high level of investments does increase the Council's exposure to credit risk, ie. the risk that an approved borrower defaults on the Council's investment. In the interim period when investments are high in advance of capital expenditure being incurred, there is also a short term risk that the rates (and therefore the cost) at which money has been borrowed will be greater than the rates at which those loans can be invested. The difference between current borrowing and investment rates is 1.26%. This should provide longer term savings through reduced borrowing costs.

5. BORROWING ACTIVITY

The Council employs Capita Asset Services to provide interest rate forecasts. The forecast overall longer run trend is for gilts and Public Works Loans Board (PWLb) certainty rates to rise, albeit gently, with 25 year rates expected to rise from their current 2.6% to 3.3% by March 2020.

Borrowing rates were particularly low in the summer of 2016 (see Appendix C) and the Council borrowed £94.0m from the Public Works Loans Board (PWLb) repayable in equal instalments of principal over 25 years at an average rate of 2.37%.

The Council also rescheduled a £10.5m loan in September 2016. The effect of the rescheduling was to replace a 15 year equal instalment of principal loan with a 50 year maturity loan and to reduce the interest rate from 4.52% to 2.09%. This represents an effective interest rate of 3.34% after taking account of the premium payable to the PWLB for early redemption of £3.2m. This has generated an annual saving of £47,000 per annum after taking account of the cost of financing the premium and in overall terms resulted in a total saving (in net present value* terms) of £1.1m.

* Net present value is a method of making a like for like comparison of different cash flows over time

In December 2016 the Council entered into a £10.6m finance lease for the Isle of Wight ferry terminal to enable it to fulfil its obligations to Wightlink following the disposal of the head lease for this site. The effect of this transaction was to repurchase a long term debtor, Wightlink's obligations under its lease, and finance the repurchase from unsupported borrowing.

The Council's gross debt at 31 March 2017 of £579m is within the Council's authorised limit (the maximum amount of borrowing permitted by the Council) of £618m and the Council's operational boundary (the maximum amount of borrowing that is expected) of £600m. The Council aims to have a reasonably even maturity profile so that the Council does not have to replace a large amount of borrowing in any particular year when interest rates might be high. The maturity profile of the Council's borrowing (Appendix D) is within the limits contained in the Council's Treasury Management Policy.

6. INVESTMENT ACTIVITY

Investment rates followed a falling trend in the first four months of 2016/17 with a sharp fall of around 0.25% in line with the reduction in the base rate in August. Base rate is not forecast to rise from 0.25% until June 2019 and then to only rise slowly. Since August investment rates have been broadly stable (see Appendix E).

The Council's investment portfolio has increased by £64.9m from £371.8m at 1 April to £436.7m, but the total sums invested for longer than 364 days did remain within the limits approved by the City Council. The average return on the Council's investments during 2016/17 was 1.11%. This compares with 0.97% during 2015/16. The Council's investment returns are benchmarked by Capita Asset Services and as at the end of March 2017 the average return on the Council's investments of 0.89% exceeded the risk adjusted benchmark return of 0.75% by 0.14%. The Council's investment return for 2016/17 was £5.3m and performance for the year was £0.1m above the revised estimate of £5.2m. The duration of the Council's investments was within the limits set in the Council's Treasury Management Policy.

7. INTEREST RATE EXPOSURES

Fixed interest rates avoid the risk of budget variances caused by interest rate movements, but prevent the Council from benefiting from falling interest rates on its borrowing or rising interest rates on its investments. The Council's net fixed interest rate borrowing at 31 March 2017 was £315m which was within the limit set in the 2016/17 Treasury Management Policy of £358m. Variable interest rates expose the Council to the benefits and dis-benefits of interest rate movements and can give rise to budget variances. The Council's net variable interest rate investments at 31 March 2017 were £257m which was within the limit set in the 2016/17 Treasury Management Policy of £444m.

8. REVENUE COSTS OF TREASURY MANAGEMENT ACTIVITIES IN 2016/17

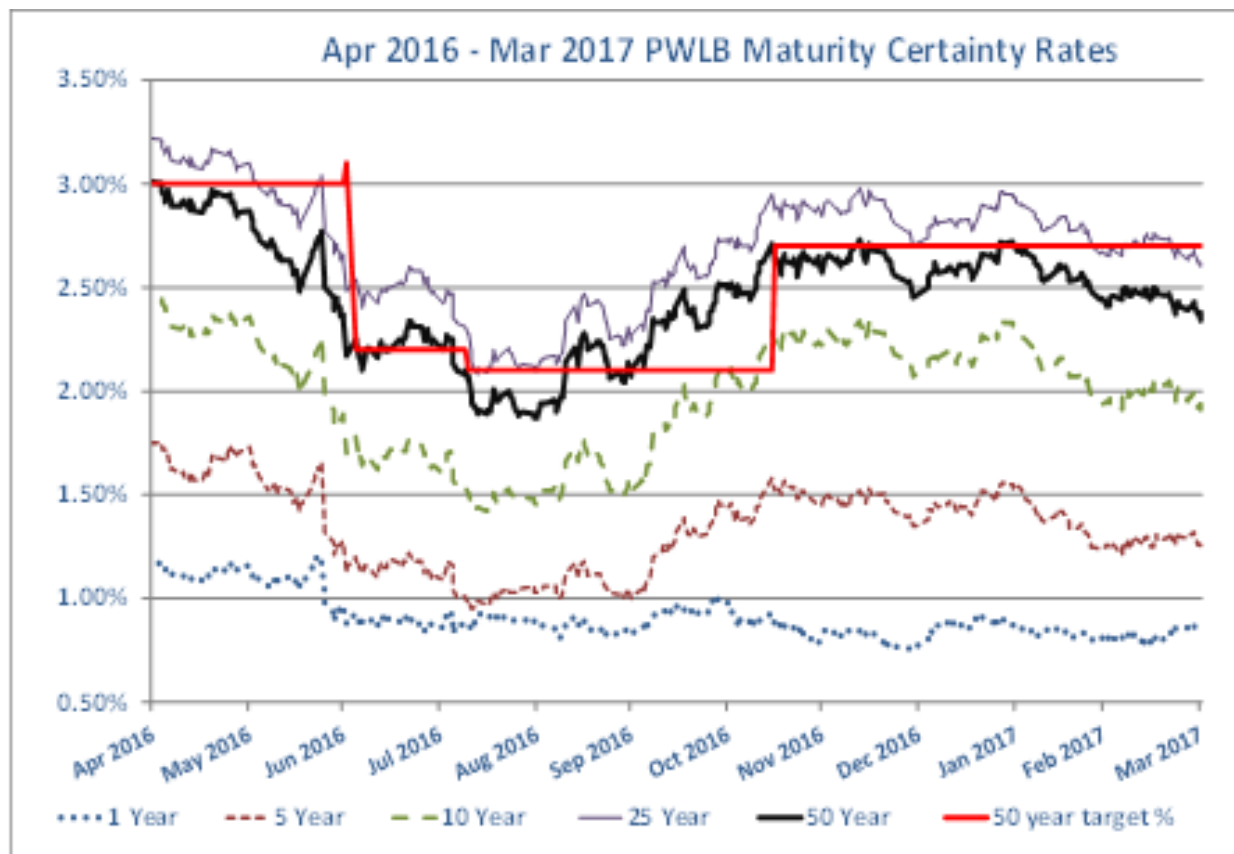
Expenditure on treasury management activities against the revised budget is shown below.

	Revised Estimate 2016/17 £000	Actual 2016/17 £000	Variance +/- £000
Interest Payable:			
PWLB – Maturity Loans	12,415	12,415	-
PWLB - E.I.P Loans	5,340	5,340	-
Other Long Term Loans	512	510	(2)
HCC Transferred Debt	420	410	(10)
Interest on Finance Lease	220	546	326
Interest on Service Concession Arrangements (including PFIs)	8,763	6,982	(1,781)
Interest Payable to External Organisations	4	1	(3)
Premiums and Discounts on Early Redemption of Debt	31	33	2
	<hr/> 27,705	<hr/> 26,237	<hr/> (1,468)
<u>Deduct</u>			
Investment Income:			
Interest on Investments	(5,192)	(5,297)	(105)
Other interest receivable	(1,376)	(1,340)	36
	<hr/> 21,137	<hr/> 19,600	<hr/> (1,537)
Provision for Repayment of Debt	6,368	6,628	260
Debt Management Costs	399	360	(39)
	<hr/> 27,904	<hr/> 26,588	<hr/> (1,316)

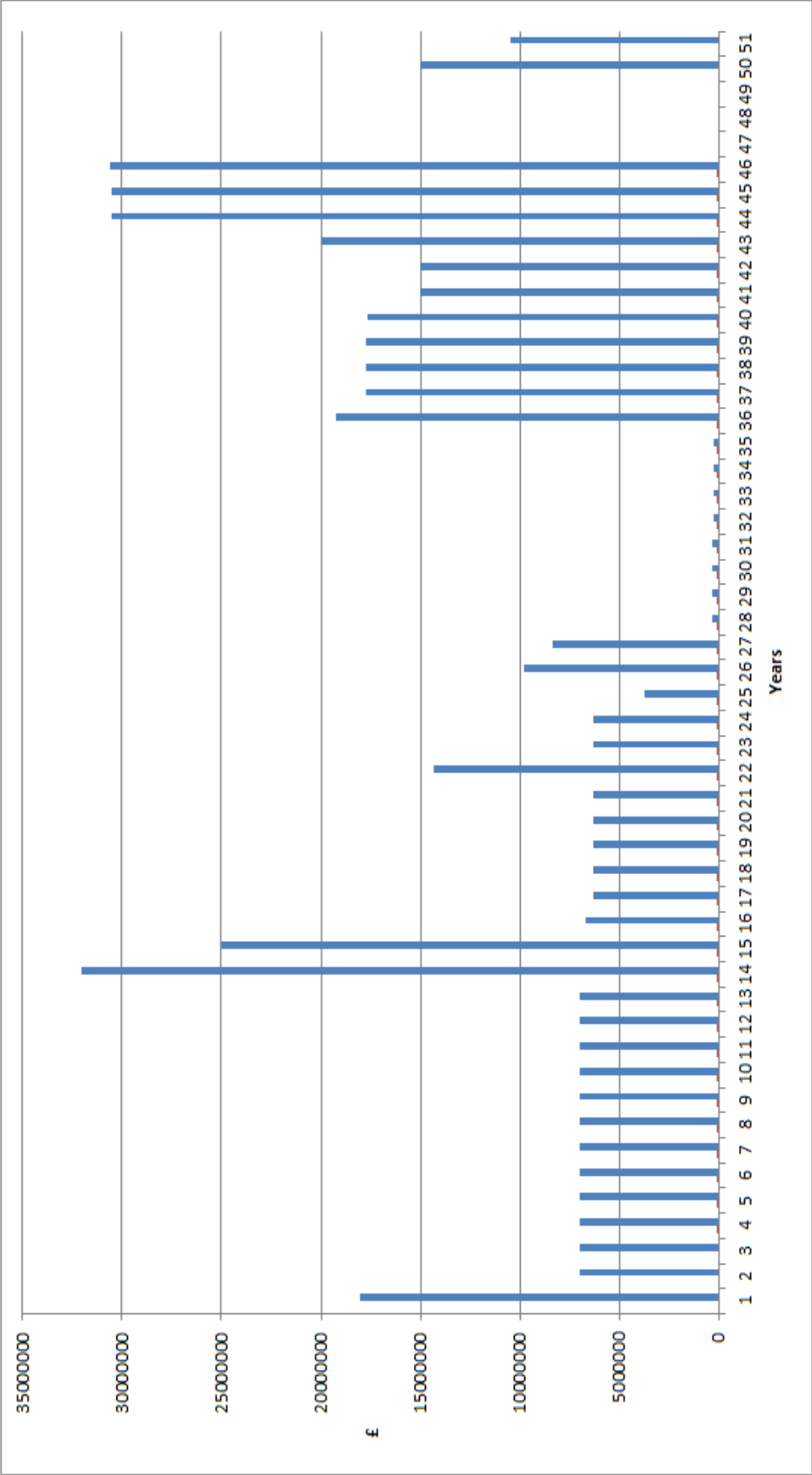
Net treasury management costs were £1.3m below the revised budget mainly due to a reduction in interest payable.

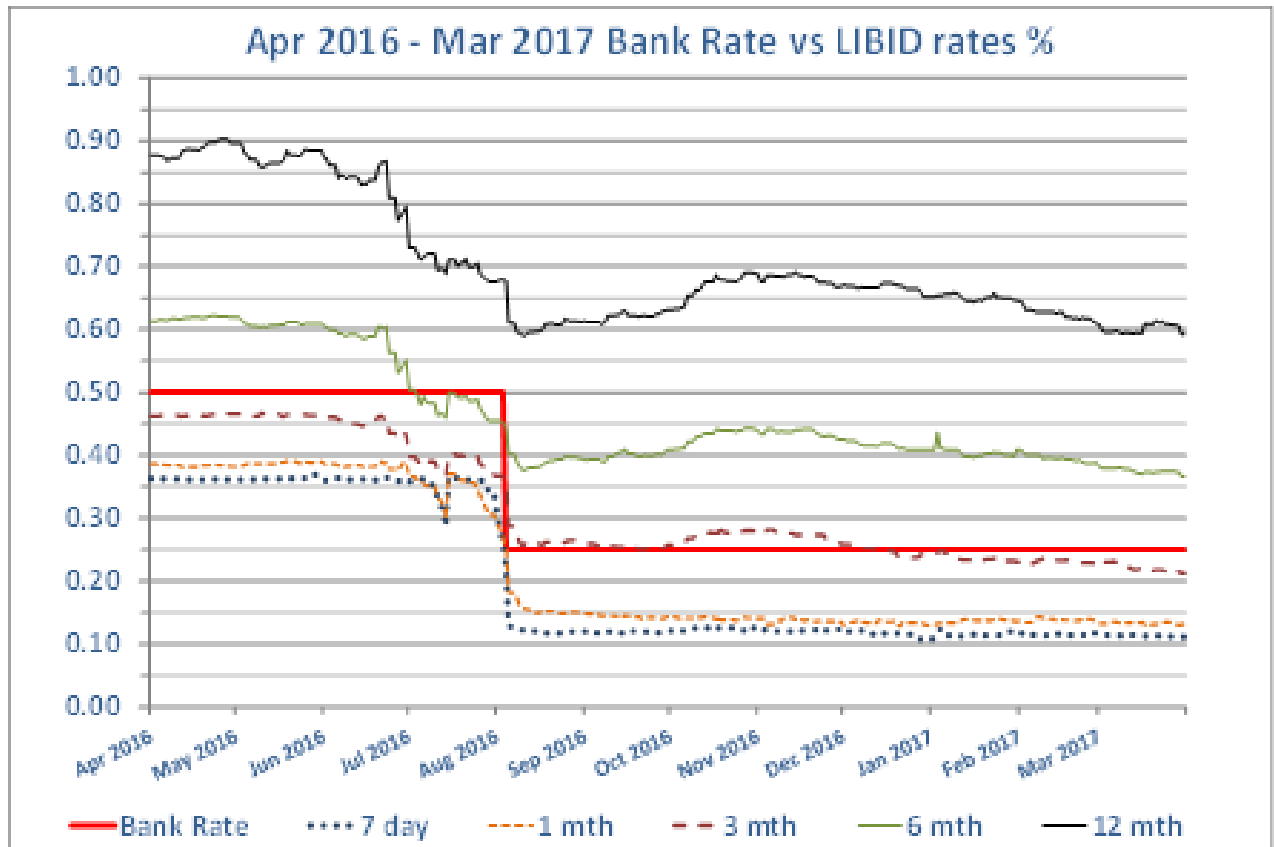
The highways maintenance private finance initiative (PFI) scheme provides for capital works to bring the highway network up to a specified condition (including interest and principal repayments on loans taken out by the contractor), lifecycle replacement (subsequent capital works), and operation and maintenance. This is an inseparable PFI which means that although the Council knows how much it pays the contractor it does not know how the contractor spends its revenues on the various components of the scheme. The revised estimate of the interest on the highways maintenance (PFI) was prepared on the basis of nominal costs in the original financial model prepared at the commencement of the contract in 2004. In preparing the 2016/17 Statement of Accounts it was decided that the estimated indexation used previously may have become less accurate over time and that more accurate estimates may be derived from using actual indexation. This has resulted in the interest on the highways maintenance PFI being £1.8m less than the revised estimate. This does not represent an overall saving to the Council as the overall cost of the highways maintenance PFI is broadly the same with additional expense being charged to highways operation and maintenance, capital expenditure charged to revenue balances to cover lifecycle replacement costs, and principal repayment of debt.

The reduction in interest payable on the highways maintenance PFI was partly offset by an increase in interest payable on under finance leases. The Council has entered into a finance lease for the Isle of Wight ferry terminal to enable it to fulfil its obligations to Wightlink following the disposal of the head lease for this site. The Council has paid £0.3m interest on this finance lease in 2016/17 which was not included in the revised estimate.



DEBT MATURITY PROFILE





Agenda Item 9

From the Cabinet meeting held on 28 September 2017

Council Agenda Item 9 (Cabinet minute 44)

Treasury Management Mid-Year Review 2017/18

RECOMMENDED to Council:

- (1) That the authorised limit for external debt be increased by £10,600,000 from £607,555,000 to £618,155,000**
- (2) That the operational boundary for external debt be increased by £10,600,000 from £589,255,000 to £599,855,000**
- (3) That non-specified investments of up to £20m are permitted in the Council's subsidiary companies including but not restricted to MMD (Shipping Services) Ltd**
- (4) That the actual Treasury Management indicators for July 2017 in Appendix A be noted.**

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Title of meeting:	Governance and Audit and Standards Committee Cabinet City Council
Date of meeting:	Governance and Audit and Standards Committee 15 September 2017 Cabinet 28 September 2017 City Council 17 October 2017
Subject:	Treasury Management Mid-Year Review 2017/18
Report by:	Director of Finance and Information Services (Section 151 Officer)
Wards affected:	All
Key decision:	No
Full Council decision:	Yes

1. Executive Summary

This report seeks to increase the Council's authorised limit for external debt, ie. the amount of debt that it can hold by £10.6m from £607.6m to £618.2m and to increase the operational boundary by a corresponding amount.

This report also seeks to broaden the range of non-specified investments that the Council can invest in to include the proposed Energy Supply Company and any other subsidiary companies that the Council may establish in addition to MMD (Shipping Services) Ltd.

This report outlines the Council's performance against the treasury management indicators approved by the Council on 21 March 2017.

2. Purpose of report

The purpose of the report is to inform members and the wider community of the Council's Treasury Management position at 31 July 2017 and to amend the Council's Treasury Management Strategy to reflect the Council's current circumstances.

In March 2009 the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Panel issued a bulletin on Treasury Management in Local Authorities. The bulletin states that "in order to enshrine best practice it is suggested that authorities report formally on Treasury Management activities at least twice yearly". The report in Appendix A covers the first four months of 2017/18.

3. Recommendations

- a That the authorised limit for external debt be increased by £10,600,000 from £607,555,000 to £618,155,000
- b That the operational boundary for external debt be increased by £10,600,000 from £589,255,000 to £599,855,000
- c That non-specified investments of up to £20m are permitted in the Council's subsidiary companies including but not restricted to MMD (Shipping Services) Ltd
- d That the actual Treasury Management indicators for July 2017 in Appendix A be noted

4. Background

The Council's treasury management operations cover the following:

- Cash flow forecasting (both daily balances and longer term forecasting)
- Investing surplus funds in approved investments
- Borrowing to finance short term cash deficits and capital payments
- Management of debt (including rescheduling and ensuring an even maturity profile)
- Interest rate exposure management

The key risks associated with the Council's treasury management operations are:

- Credit risk - ie. that the Council is not repaid, with due interest in full, on the day repayment is due
- Liquidity risk - ie. that cash will not be available when it is needed, or that the ineffective management of liquidity creates additional, unbudgeted costs
- Interest rate risk - that the Council fails to get good value for its cash dealings (both when borrowing and investing) and the risk that interest costs incurred are in excess of those for which the Council has budgeted
- Maturity (or refinancing risk) - this relates to the Council's borrowing or capital financing activities, and is the risk that the Council is unable to repay or replace its maturing funding arrangements on appropriate terms
- Procedures (or systems) risk - ie. that a treasury process, human or otherwise, will fail and planned actions are not carried out through fraud, error or corruption

The total borrowings of the Council are £576m. The Council has investments lodged with 52 institutions that amount to £465.5m. The cost of the Council's borrowings and the income derived from the Council's investments are included within the Council's treasury management budget of £22m per annum. The Council's treasury management activities account for a significant proportion of the Council's overall budget. As a consequence the Council's Treasury Management Policy aims to manage risk whilst optimizing costs and returns. The Council monitors and measures its treasury management position against the indicators described in this report. Treasury management monitoring reports are brought to the Governance and Audit and Standards Committee for scrutiny.

5. Reasons for Recommendations

The Council's total external debt, including finance leases and service concessions including private finance initiative (PFI) schemes must not exceed the Council's authorised limit for external debt. The Council's external debt including finance leases and service concessions amounted to £576m as at 31 July 2017, £32m below the authorized limit for external debt. The Council has entered into a £10.6m finance lease for the Isle of Wight ferry terminal to enable it to fulfil its obligations to Wightlink following the disposal of the head lease for this site. It is recommended that the authorised limit for external debt be increased by £10,600,000 from £607,555,000 to £618,155,000 in order to maintain the Council's capacity to borrow to either fund either capital expenditure or temporary cash deficits.

It is recommended that the operational boundary be increased by a similar amount to the authorised limit. The operational boundary is based on probable external debt. It is not a limit, but acts as a warning mechanism to prevent the authorised limit being breached.

The Treasury Management Policy approved by the City Council on 21 March provides for up to £2m to be invested in the Council's subsidiary company MMD (Shipping Services) Ltd. On 29 July the Cabinet approved the outline business case to establish a municipal energy supply company. This is estimated to require circa £8m of cash flow support. In addition the 2017/18 budget had a stronger focus on entrepreneurial activities to generate income which could lead to the establishment of further subsidiary companies. It is recommended that the Treasury Management Policy be amended to permit up to £20m to be invested in subsidiary companies including but not restricted to MMD (Shipping Services) Ltd.

To highlight any variance from the approved Treasury Management Policy and to note any subsequent actions.

To provide assurance that the Council's treasury management activities are effectively managed.

6. Equality impact assessment (EIA)

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

7. Legal Implications

The Section 151 Officer is required by the Local Government Act 1972 and by the Accounts and Audit Regulations 2015 to ensure that the Council's budgeting, financial management, and accounting practices meet the relevant statutory and professional requirements. Members must have regard to and be aware of the wider duties placed on the Council by various statutes governing the conduct of its financial affairs.

8. Director of Finance's comments

All financial considerations are contained within the body of the report and the attached appendices

.....
Signed by Director of Financial Services & IS (Section 151 Officer)

Appendices:

Appendix A: Treasury Management Mid-Year Review 2017/18

Appendix B: Debt Maturity Profile

Appendix C: LIBOR Rates

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:

<u>Title of document</u>		Location
1	Information pertaining to treasury management strategy and performance	Financial Services
2		

TREASURY MANAGEMENT MID YEAR REVIEW OF 2017/18**1. SUMMARY OF TREASURY MANAGEMENT INDICATORS AS AT 31 JULY**

The Council's debt at 31 July was as follows:

	Original Prudential Indicator	Recommended Prudential Indicator	Position at 31/7/17
Authorised Limit	£608m	£618m	£576m
Operational Boundary	£589m	£600m	£576m

The maturity structure of the Council's borrowing was:

	Under 1 Year	1 to 2 Years	3 to 5 Years	6 to 10 Years	11 to 20 Years	21 to 30 Years	31 to 40 Years	41 to 50 Years
Lower Limit	0%	0%	0%	0%	0%	0%	0%	0%
Upper Limit	10%	10%	10%	20%	30%	30%	30%	40%
Actual	1%	4%	4%	6%	22%	11%	21%	31%

Sums invested for periods longer than 364 days at 31 July 2017 were:

Maturing after	Limit £m	Actual £m
31/3/18	168	128
31/3/19	148	15
31/3/20	144	15

The Council's interest rate exposures at 31 July 2017 were:

	Limit £m	Actual £m
Fixed Interest	389	305
Variable Interest (net Investments)	(389)	(288)

2. GOVERNANCE

The Treasury Management Policy Statement, Annual Minimum Revenue Provision for Debt Repayment Statement and Annual Investment Strategy approved by the City Council on 21 March 2017 provide the framework within which Treasury Management activities are undertaken.

3. NET DEBT

On 31 July 2017 the Council had gross debt including finance leases and private finance initiative (PFI) schemes of £576m and gross investments of £465m giving rise to a net debt of £111m. The current high level of investments has arisen from the Council's earmarked reserves and borrowing in advance of need to take advantage of low borrowing rates thus securing cheap funding for the Council's capital programme. The current high level of investments does increase the Council's exposure to credit risk, ie. the risk that an approved borrower defaults on the Council's investment. In the interim period when investments are high in advance of capital expenditure being incurred, there is also a short term risk that the rates (and therefore the cost) at which money has been borrowed will be greater than the rates at which those loans can be invested.

4. BORROWING ACTIVITY

The Council employs Capita Asset Services to provide interest rate forecasts. The forecast overall longer run trend is for gilts and Public Works Loans Board (PWLb) certainty rates to rise, albeit gently, with 25 year rates expected to rise from their current 2.6% to 3.3% by December 2019.

The Council did not undertake any new borrowing in the first four months of 2017/18.

The Council's gross debt at 31 July 2017 of £576m is within the Council's authorised limit (the maximum amount of borrowing permitted by the Council) of £608m and the Council's operational boundary (the maximum amount of borrowing that is expected) of £589m. The Council aims to have a reasonably even maturity profile so that the Council does not have to replace a large amount of borrowing in any particular year when interest rates might be high. The maturity profile of the Council's borrowing (Appendix B) is within the limits contained in the Council's Treasury Management Policy (see paragraph 1).

5. INVESTMENT ACTIVITY

In accordance with the Government's statutory guidance, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite.

Investment rates available in the market for investments that are longer than 3 months have followed a downward trend in the first four months of 2017/18. Market rates available for shorter term investments have remained stable in line with the 0.25% Bank of England base rate. Short term market interest rates for the first four months of 2017/18 are shown in Appendix C.

The Council's investment portfolio has increased by 7% in 2017/18 from £436.7m on 1 April to £465.5m as at 31 July largely due to a number of income streams including Council Tax receipts tending to be front loaded.

The overall investment portfolio yield for the first four months of the year was 0.94%.

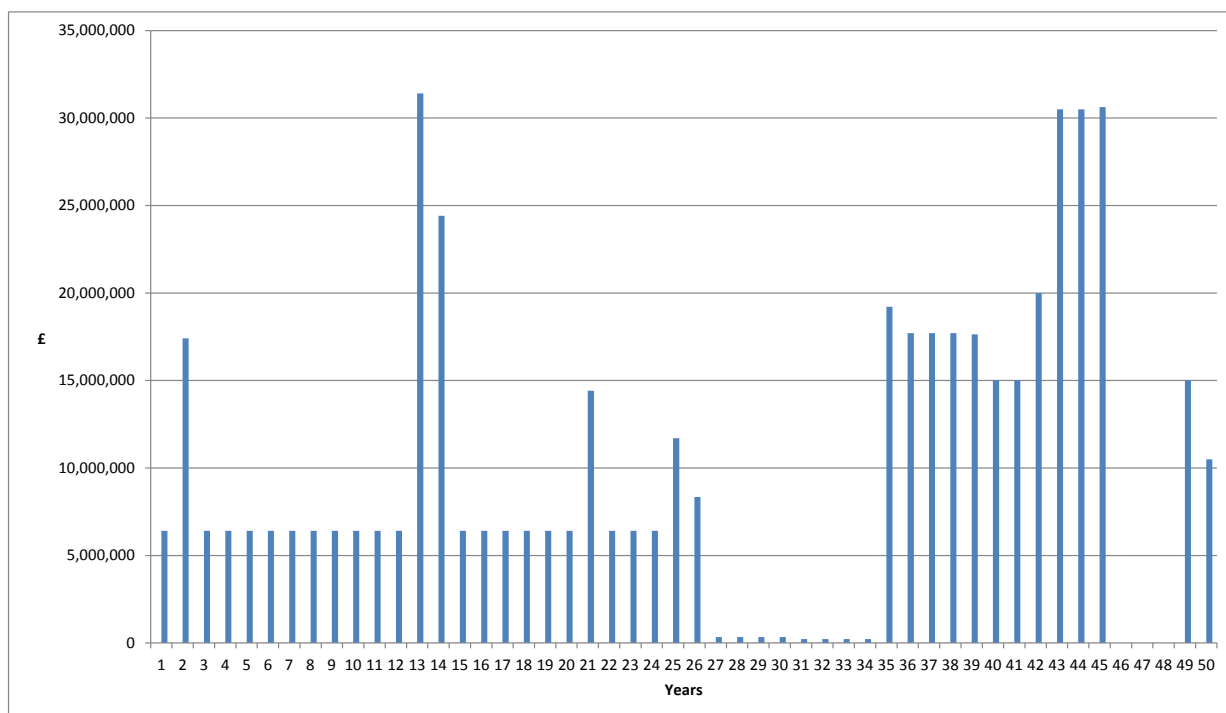
The Council's budgeted investment return for 2017/18 is £2,730k, and performance for the year to date is £582k above budget. This is due to having better than anticipated investment returns.

The current investment portfolio yield is unlikely to be maintained as maturing investments are having to be replaced with lower yielding investments reflecting the current market and the current Bank of England base rate of 0.25%.

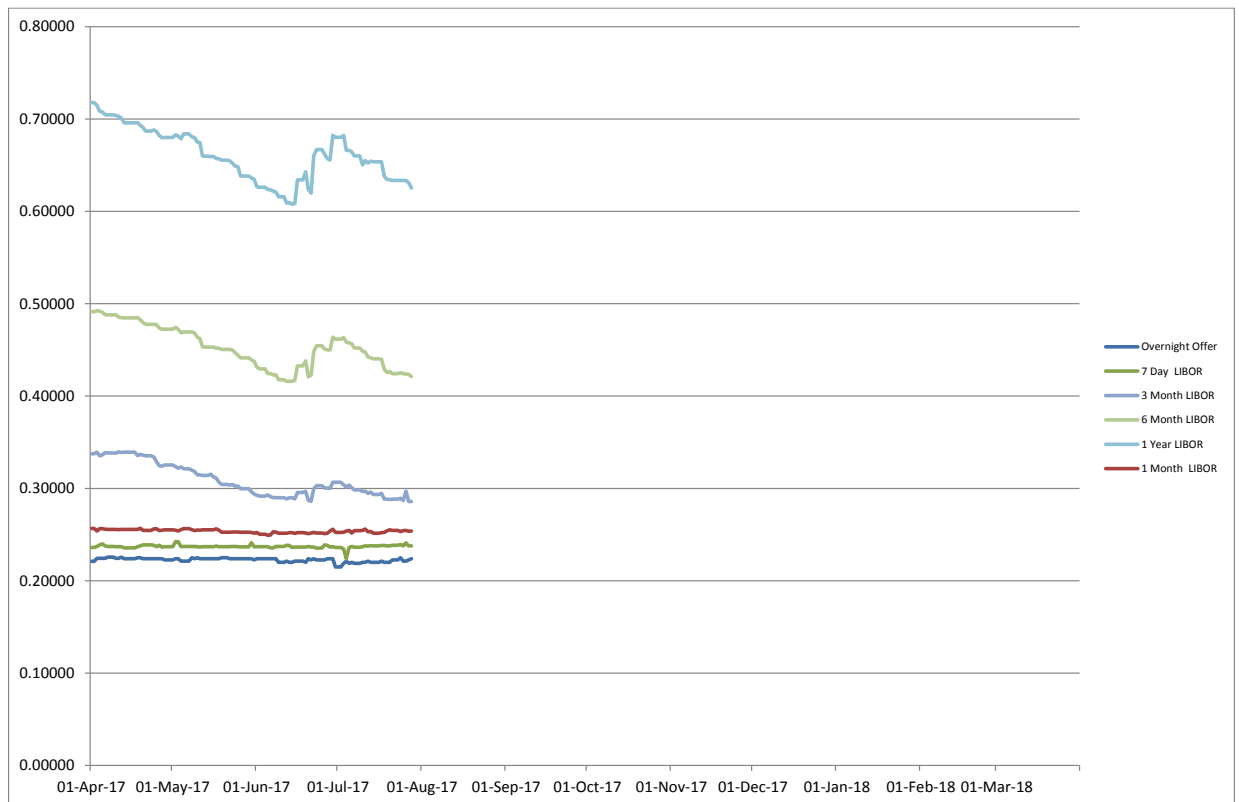
6. INTEREST RATE EXPOSURES

Fixed interest rates avoid the risk of budget variances caused by interest rate movements, but prevent the Council from benefiting from falling interest rates on its borrowing or rising interest rates on its investments. The Council's net fixed interest rate borrowing at 31 July 2017 was £305m which was within the limit set in the 2017/18 Treasury Management Policy of £389m. Variable interest rates expose the Council to the benefits and dis-benefits of interest rate movements and can give rise to budget variances. The Council's net variable interest rate investments at 31 March 2017 were £288m which was within the limit set in the 2017/18 Treasury Management Policy of £389m.

DEBT MATURITY PROFILE



LIBOR RATES





Title of meeting: Resources Portfolio Decision Meeting

Date of meeting: 12 October 2017

Subject: Report on Broadcasting Council Meetings

Report by: Director of Customer and Communication

Wards affected: N/A

Key decision: No

Full Council decision: Yes

1. Purpose of report

- 1.1 This report is to comply with the resolution passed at the Council Meeting held on 21 March 2017 when Notice of Motion b) - Transparency in Council Meetings - was referred to the Cabinet Member for Resources to consider a report on the broadcasting of cabinet and committee meetings with a request to report back to Council.

2. RECOMMENDED that the Cabinet Member for Resources

Recommends to Full Council

- (1) That the broadcasting of Cabinet/Portfolio and Full committee decision meetings, together with the Scrutiny Management Panel, be web streamed with effect from 1st November 2017, thus allowing the necessary notices and meeting room changes to be made after the Full Council decision**
- (2) That the web-streaming of themed scrutiny panel meetings be referred to Scrutiny Management Panel to assess and determine for the reasons given in paragraph 3.6**
- (3) That it notes the Cabinet Member for Resources will keep the arrangements under review, including whether any refinements are needed in due course.**

3. Background

- 3.1 At a meeting of full Council on 21 March 2017, the Council supported extending the broadcasting of meetings from Full Council meetings only to cabinet and committee meetings (including all decision making and scrutiny meetings). The resolution is set out below:-

Notice of Motion (b) - Transparency in Council Meetings

RESOLVED that

"The broadcasting of Full Council meetings has been a success. Since July 2015, when live and on-demand streaming began, each meeting has been watched (at least in part) between 400 and 2500 times. This is far more than can physically fit in the council chamber and is far in excess of expectations. Council notes that the cost of recording equipment continues to fall. It also notes that members of the public now sometimes record cabinet and committee meetings and it welcomes this development: it sees it as a sign that there is unmet demand to access video of these meetings from the wider community. Council therefore resolves to ask the Cabinet Member for Resources to bring forward a report on the broadcasting of cabinet and committee meetings (including all decision making and scrutiny meetings) and in the event that a change to standing orders is required the matter is referred to Governance & Audit & Standards Committee before reporting back to Council."

- 3.2 The Council Chamber has since been upgraded to enhance its capability as a fully functional Council meeting facility with wider usage capabilities and to address the previous system's increasing microphone system unreliability.

The upgrade includes:-

- A fixed wired microphone system, for members and officers, integrated with a public streaming service, with three wide angle video cameras, to allow automatic tracking to the active speaker
- A fixed wall mounted projector with hanging screen above the Lord Mayor's seat
- Integrated power distribution throughout the Chamber to allow members to use/charge mobile devices whilst in their allocated seats.
- More energy efficient LEDs and associated works - resulting in much brighter and cleaner lighting.

- 3.3 During this upgrade and in order to meet the Council's transparency agenda, the opportunity has been taken to review the facilities in the Executive Meeting Room in the Guildhall (it already has some equipment to aid those who are hearing impaired and also sound amplification). Consequently, It is intended to provide basic web streaming and audio recording facilities through the installation of a single fixed camera (which would be permanently set-up) and additional wired microphones. The latter have been acquired from another local authority, as the wireless microphones previously used in the Council Chamber were nearing the end of their serviceable life.

- 3.4 It is envisaged that all decision meetings will be web streamed from either the Executive Meeting Room or the Council Chamber in the Guildhall with effect from 1st November. In respect of the Executive Meeting Room, it will involve utilising the existing equipment previously used in the Council Chamber, until the above mentioned more permanent web streaming equipment has been installed.

3.5 In connection with the extension to the web streaming aspirations of the Council the cameras will be positioned so as to avoid filming members of the public.

3.6 In respect of scrutiny panels, which are not decision making bodies, it is proposed that the possible web-streaming of these meetings be firstly assessed by the Scrutiny Management Panel, with a view to phasing these in if the Panel determines that necessary measures are in place to ensure the themed panels are able to perform their roles without affecting the way they undertake their work. The Panels operate very differently and less formally than the Council's decision meetings. For example they regularly interview external witnesses about sensitive matters and such witnesses may not all be comfortable with the formal public transmission of their interviews, with the risk of compromising the effectiveness of a scrutiny review through being unable to elicit the requisite information. It is worth noting that the final reports from the scrutiny reviews are submitted to the Cabinet to determine which recommendations are taken forward and that these Cabinet meetings are web streamed.

3.7 At present, there are no facilities in the Civic Offices for live streaming or recording meetings as no room has the necessary equipment. Should a further back up meeting room be required in the Civic Offices at any time (bearing in mind there is currently no room allocated exclusively for public Council Committee meetings), a temporary tripod and camera would need to be set up and wired microphones arranged and connected up to a microphone control system which would have to be acquired. Whilst this would obviously be labour intensive and time consuming it is anticipated that such usage would be infrequent.

3.8 Should usage be more frequent than currently envisaged, the Resources Portfolio Holder /Council may wish to give consideration to setting up a meeting room in the Civic Offices on the same basis as the Executive Meeting Room in the Guildhall, which would overcome the inherent setting up issues mentioned and ensure that an additional reliable and quality recording/web streaming service is available.

4. Reasons for recommendations

4.1 To address the proposals set out in the original Notice of Motion and highlight the inherent issues in respect of the scrutiny process.

5. Equality impact assessment

5.1 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

- 6.1 Where a local authority meeting is open to the public, any person attending is already permitted to report on the proceedings. Any communicative method can be used to report on the proceedings, including the internet, to publish, post or share the results.
- 6.2 "Reporting" includes filming, photographing, making an audio recording and providing commentary on proceedings and also allows for the use of social media.
- 6.3 In public meetings where reporting is likely to take place, aspects of the following legislation will need to be taken into account and the officers will provide the necessary guidance on agendas and at meetings. Over time, based on experience, refinements may be needed to procedures, particularly to reflect any future legislative changes. Also, there is likely to be a need to regularise Council rules to reflect the legislation, but as the legislation takes primacy and will be obviously be applied, that will not hinder implementation.
- The Data Protection Act 1998.
 - The Human Rights Act 1998 (HRA 1998).
 - Defamation law.
 - Copyright law.

7. Director of Finance's comments

None in respect of the recommendations in this report.

.....
Signed by:

Appendices: Nil

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

.....
Signed by:

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Agenda Item 11

From the Scrutiny Management Panel held on 26 July 2017

Council Agenda Item 11 (Scrutiny Management Panel minute 13)

**Notice of Motion Referral from 21 March 2017 Council Meeting
Agenda Item 12 c) - - Hampshire Fire Service-**

RECOMMENDED that the following response be sent to Full Council

"Scrutiny Management Panel (SMP) have considered the notice of motion on the 'Hampshire Fire and Rescue Service'.

SMP notes (having heard from representatives of the FBU and Hampshire Fire and Rescue Service) that the ALP has never been taken off the pre-determined attendance (PDA) procedure for tall buildings fires.

SMP notes that the Council as landlord of its own housing, as well as in its private-sector housing regulation role, depends on a strong partnership with Hampshire Fire and Rescue Service and works with them and other stakeholders including the FBU to promote and maintain fire safety and to continue to be vigilant and seek to plan for the evolving risks and pressures in which they operate. This involves examining for a range of fire safety issues and solutions, beyond ALPs.

SMP welcomes the expertise of Hampshire Fire and Rescue Service and the Fire Brigade Union and recognise that they have jointly worked toward a solution in this instance, and strongly encourages the continuation of the strong partnership ethos which characterises the relationships."

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Briefing paper for: Scrutiny Management Panel

From:

- James Hill, Interim Director of Property and Housing
- Meredydd Hughes, Assistant Director of Property and Housing (Repairs & Maintenance)
- Ian Collins, Emergency Planning (Civil Contingencies Manager)

At a meeting of Full Council on 21 March 2017, the Notice of Motion set out below (that was proposed by Councillor Steve Pitt and Seconded by Councillor Gerald Vernon-Jackson) was referred to Scrutiny Management Panel for consideration.

Notice of Motion - Hampshire Fire and Rescue Service

"This Council welcomes Hampshire Fire Service's adoption of changes proposed by the Fire Brigades Union, to the pre-determined attendance (PDA) procedures for tall building fires in Portsmouth.

The previous policy, implemented following last year's Hampshire Risk Review, meant that Southsea's Aerial Ladder Platform (ALP) was not on the PDA for tall buildings fires. As a result, there were occasions when Portsmouth was dependent on Southampton's ALP to provide cover, whilst Southsea's remained at the fire station.

At the time of the Risk Review, this Council was warned that such an issue would arise but decided to ignore the FBU's concerns.

In order to provide a solution, the FBU proposed crewing changes to their management, which have now been fully implemented, enabling Southsea's ALP to be deployed in almost all circumstances.

The council wishes to thank the FBU for its sensible and pragmatic approach to solving the problem, and regrets that it did not listen to the city's FBU representatives, when they brought a deputation to Full Council last year.

The council recognises that the solution of 'triple-jumping' a crew onto the ALP is not ideal and thanks the FBU for proposing changes to its established working practices, which have enabled this to be possible, in order to better guarantee their safety and the safety of the people of Portsmouth.

Finally, this council wishes to thank Hampshire Fire Service management for agreeing to make the changes proposed by the FBU and for working constructively with them to implement the new policy."

Property and Housing Directorate and Emergency Planning Response

To assist the Scrutiny Management Panel with its deliberations and report back to Full Council, the following information is presented.

Portsmouth City's 'High Rise' Stock Profile

The city of Portsmouth remains one of the most densely populated cities outside London but is a relatively 'flat' city. The recent high rise developments in and around Gun wharf Quays are providing residential units for the private ownership/rent, Portsmouth University has built and refurbished high rise student accommodation around the City Centre and the Local Authority owned high rise accommodation were predominantly built in the 1960's.

Stock Profile Local Authority Owned Stock

The local authority remains a significant social housing landlord with a retained stock of approximately 14,809 units of housing located around the city and approximately a third of the stock located within the Havant Borough Council boundary.

Focussing on flats, the City Council owns

- 1,096 blocks of flats
 - 40 are blocks of flats which would be deemed to be 'high rise'
 - 27 are blocks of flats between 6 - 9 storey's (exceed 18 metres)
 - 13 are 'tower blocks' which are 10 storey's and above (exceed 30 metres), the highest of the tower blocks are 24 storeys high (approx. 75 Meters)
 - The other 1,056 blocks of flats are low rise blocks of five storeys and below (Less than approx. 18 Metres)

All the high rise blocks of flats are located within the Portsmouth area

See Appendix A for a list of the 40 blocks of flats

Private Sector

Throughout the City there are privately owned blocks of flats some new build and others arising from refurbished buildings, for example:

- No.1 Gunwharf Quays - 28 storeys
- Unite Student Halls of Residence, Greetham Street - 25 storeys
- VIVID (housing association) flats Southdown View, Hilsea - 6 storeys

Approach to Fire Safety (Local Authority High Rise Flats)

All our high rise blocks are built with 'compartmentation.' This is designed to contain the fire in the flat or area it has started and minimises spread throughout the building.

All flats in high rise and tower blocks have safety measures which include hard wire smoke detectors in all dwellings. Some blocks have within the communal areas have active fire safety measures to assist in the event of a fire including partial communal alarm systems, dry risers, emergency lighting or Automatic Opening Vents (AOVs) that activate communal windows to open in the event of a fire and enable smoke to disperse.

The routes to enable the fire service to deal with a fire are protected and those routes are also designed to provide a safe means of escape if an evacuation is necessary.

Each flat property entrance door is a fire door designed to contain a fire for at least 30 minutes, providing 1 hour fire protection to other properties if a fire starts in a property. The doors in the communal corridors and stairwells are also fire doors designed to contain a fire for at least 30 mins. The combination of these fire safety measures provides time to enable the fire to be contained and fought by the fire service and prevent fire spread.

The local authority undertakes fire risk assessments and has a policy to review fire risk assessments every three years. All the high rise blocks of flats have fire risk assessments in place.

Partnership Working

The local authority housing team has always enjoyed a strong partnership with Hampshire Fire and Rescue Services (HFRS).

HFRS is the enforcing authority for the Regulatory Reform (Fire Safety) Order 2005. Property and Housing regularly meet with HFRS at least twice a year to discuss its fire strategy and progress of plans to undertake FRAs or associated work.

PCC meetings with HFRS are also an opportunity to discuss current fire safety guidance, learning from fires in Portsmouth and the rest of the country, this close working relationship will continue.

There are other informal meetings with HFRS to discuss any operational issues including familiarisation with our high rise blocks of flats.

The services work together to hold community events and running practice fire exercises in high rise buildings.

The services also undertake joint partnership inspections to review fire safety measures.

Construction (High rise flats)

All Local Authority purpose built blocks of flats were constructed in compliance with the building and fire safety regulations appropriate at the time of construction. As

such the properties will contain fire safety measures providing fire separation and containment with protected fire escape routes.

Property and housing blocks have had occasional instances of fires within flats over the past few years, in every instance the fire has been contained within the property where the fire commenced, all other neighbouring residents have not been impacted whilst the fire service fights the fire.

Some blocks of flats have had cladding installed as part of refurbishment schemes; Property and Housing Service. Two blocks of flats (Horatia House and Leamington House) have an Aluminium Composite Material (ACM) Cladding System. This has been tested and failed the current test. A joint partnership inspection assessed the measures in place and concluded the residents could remain in residence as the cladding is removed.

Stay Put Policy

In common with all landlords of purpose built blocks of flats we advise residents

If there is a fire in your flat you should;

- Leave and evacuate the property
- Close all doors behind you
- Use the stairs and never use the lift when evacuating the building as the fire may cause a power failure trapping you inside
- Get out and stay out, never assume that someone else has phoned the fire service so call 999.

If the fire is elsewhere in the block you should;

- Close your doors and windows
- Stay put unless advised by the fire service or your property begins to become affected by the fire,
- If the fire service needs to fully evacuate the building they will knock door to door.
- Your tower block has designed to delay the spread of fire, so you will be safe in your home

HFRS endorsed this approach at a public meeting on the 27th June 2017 confirming that the measures in place enable them to tackle fire and also to control and manage evacuation if that proves necessary.

Smoke Detectors

All Property and housing dwellings, including those of leaseholders, will be fitted with at least one mains operated smoke detector with a battery back-up on each dwelling floor level as appropriate which will be replaced in accordance with manufacturer's instructions by the expiry date.

This approach complements the 'stay put policy' and avoids unnecessary and uncontrolled evacuation.

Grenfell Tower Tragedy

The Grenfell Tower tragedy has brought into sharp focus fire safety measures in high rise residential blocks both in the private and public sector.

During the weeks that followed the tragedy, the City Council's approach to fire safety has been tested, as has the emergency response arrangements; at one point the Senior Management Team, the Emergency Response Centre and a Rest Centre was activated to consider the potential evacuation of two tower blocks that have ACM cladding systems. Whilst that proved unnecessary, the council's Emergency Response Plan was activated and its associated procedures put in place, including engaging in a multi-agency teleconference with the Local Resilience Forum, to ensure partner agencies were informed and prepared should the situation have changed.

The investigations at Grenfell Tower are not complete and undoubtedly there will continue to be learning that all landlords can take from the tragedy.

We will continue to build on our current working arrangements to enhance and improve them and our partnership arrangements are well positioned to respond.

Hampshire Fire and Rescue Services

A coherent fire safety approach relies on three key elements:

1. The landlords measures to ensure the
 - a. property meets the required standards for fire safety
 - b. the work with their tenants/occupiers to ensure they understand their responsibilities in how they use the property and understand the approach to dealing with fires
2. The occupiers responsibilities for their own safety and use of the property
3. The Fire services ability to respond to the fire quickly and with the right equipment

All are underpinned with the strong partnership approach between the key services and agencies.

Whilst it is for the HFRS to understand the levels of resourcing and equipment they need to provide an effective response in the City to any incident of fire, our fire safety approach for the local authority high rise blocks (and particularly the stay put policy) depends on their ability to respond quickly and with the right equipment.

Appendix A

List of the 40 High Rise Blocks of Flats

Number of Storeys	Block Name
6	CROWN COURT (1-24) CROWN COURT (41-58) HAWTHORN CRESCENT (475-545 ODDS) KING ALBERT COURT (1-30) LORDS COURT (1-18) PERTH HOUSE (1-34) ROSLYN HOUSE (1-54) WESTMINSTER PLACE (1-78) WIMPOLE COURT (25-42) ILLUSTRIOUS HOUSE (1-16)
7	BLACKWOOD HOUSE (1-26) ESTELLA ROAD (BLOCK E 1-35) ESTELLA ROAD (BLOCK F 36-63) ESTELLA ROAD (BLOCK G 64-105) ESTELLA ROAD (BLOCK H 106-133) ESTELLA ROAD (BLOCK I 134-161) ESTELLA ROAD (BLOCK J 162-189)

**GRAFTON STREET (BLOCK A 2-70
EVENS)**

**GRAFTON STREET (BLOCK B 72-
126 EVENS)**

**GRAFTON STREET (BLOCK C 128-
182 EVENS)**

**GRAFTON STREET (BLOCK D 184-
238 EVENS)**

GROSVENOR HOUSE (1-54)

WINGFIELD STREET (1-71 ODDS)

8 BRISBANE HOUSE (1-30)

DARWIN HOUSE (1-45)

GRENVILLE HOUSE (1-30)

OMEGA HOUSE (1-80)

11 WILMCOTE HOUSE (1-113)

12 COPPERFIELD HOUSE (1-88)

PICKWICK HOUSE (1-88)

18 BARKIS HOUSE (1-136)

EDGBASTON HOUSE (1-136)

HANDSWORTH HOUSE (1-153)

HORATIA HOUSE (1-136)

LEAMINGTON HOUSE (1-136)

NICKLEBY HOUSE (1-136)

TIPTON HOUSE (1-136)

20 MILL GATE HOUSE (1-76)

21 SARAH ROBINSON HOUSE (1-120)

24 LADYWOOD HOUSE (1-136)

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Hampshire Fire Service

Proposed Councillor Steve Pitt
Seconded Councillor Gerald Vernon-Jackson

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At the time of the Risk Review, this Council was warned that such an issue would arise but decided to ignore the FBU's concerns.

In order to provide a solution, the FBU proposed crewing changes to their management, which have now been fully implemented, enabling Southsea's ALP to be deployed in almost all circumstances.

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The council recognises that the solution of 'triple-jumping' a crew onto the ALP is not ideal and thanks the FBU for proposing changes to its established working practices, which have enabled this to be possible, in order to better guarantee their safety and the safety of the people of Portsmouth.

Finally, this council wishes to thank Hampshire Fire Service management for agreeing to make the changes proposed by the FBU and for working constructively with them to implement the new policy."

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Agenda Item 13



Portsmouth
CITY COUNCIL

**QUESTIONS FOR THE CABINET OR CHAIR
UNDER STANDING ORDER NO 17**

CITY COUNCIL MEETING – 17 October 2017

QUESTION NO 1

FROM: COUNCILLOR LINDA SYMES

**TO REPLY: LEADER OF THE COUNCIL
COUNCILLOR DONNA JONES**

Could the Leader give an update on the property portfolio and outline the criteria under which the government allows this money to be spent?

QUESTION NO 2

FROM: COUNCILLOR NEILL YOUNG

**TO REPLY: CABINET MEMBER FOR ENVIRONMENT &
COMMUNITY SAFETY
COUNCILLOR ROBERT NEW**

Following the recent spate of burglaries across Portsmouth, would the Cabinet Member for Community Safety agree that the re-establishment of the Community Tasking Coordination Group meetings would ensure that there was a co-ordinated response to these incidents?

QUESTION NO 3

FROM: COUNCILLOR BEN DOWLING

TO REPLY: CABINET MEMBER FOR ENVIRONMENT &
COMMUNITY SAFETY
COUNCILLOR ROBERT NEW

Whilst acknowledging the recent improvements made to air quality in Portsmouth thanks to the actions of this council across administrations, the findings of recent air monitoring by the Portsmouth Friends of the Earth which highlights dangerous levels of NO2 in multiple locations across the city are worrying; what action is the council taking to tackle this issue in both the short and long term?

QUESTION NO 4

FROM: COUNCILLOR IAN LYON

TO REPLY: LEADER OF THE COUNCIL
COUNCILLOR DONNA JONES

“Would the Leader of the Council update members about the current status of Portsmouth City’s 2016/17 budget outturn?”

QUESTION NO 5

FROM: COUNCILLOR MATTHEW WINNINGTON

TO REPLY: LEADER OF THE COUNCIL WITH
RESPONSIBILITIES FOR PLANNING,
REGENERATION AND ECONOMIC DEVELOPMENT
COUNCILLOR DONNA JONES

What work has the City Council done with the Department for Work & Pensions to secure alternative accommodation in Portsmouth for the over 200 members of staff who are being evicted from their office in Roebuck House?