



# Agenda & minutes

Full Council meeting of  
Tuesday, 20 March 2018



# *Portsmouth City Council*

A MEETING OF THE COUNCIL will be held at the Council Chamber - The Guildhall on Tuesday, 20 March 2018 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      **Declaration of Members' Interests**
- 2      **To approve as a correct record the Minutes of of the Ordinary Council meeting held on 13 February 2018** (Pages 7 - 50)
- 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.** (Pages 51 - 52)
- 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      **Health and Wellbeing Strategy 2018-2021** (Pages 53 - 88)  
To receive and consider the attached report by the Cabinet held on 16 March 2018 (recommendations to follow).
- 9      **Treasury Management Policy 2018/19** (Pages 89 - 160)  
To receive and consider the attached report by the Cabinet held on 16 March 2018 (recommendations to follow).
- 10     **Changes to Standing Orders (Council Procedure Rules)** (Pages 161 - 188)  
To receive and consider the attached report and recommendations by the Governance & Audit & Standards Committee held on 9 March 2018 (minute 25 refers).
- 11     **Proposed amendments to the Council's constitution (Part 2 Decision Making)** (Pages 189 - 272)  
To receive and consider the attached report and recommendations by the Governance & Audit & Standards Committee held on 9 March 2018 (minute 26 refers).

**12 Appointment of Independent Persons (Pages 273 - 278)**

To receive and consider the attached report and recommendations by the Governance & Audit & Standards Committee held on 9 March 2018 (minute 27 refers).

**13 Pay Policy Statement (Pages 279 - 290)**

To receive and consider the attached report and recommendations by the Employment Committee held on 27 February 2018 (minute 5 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.

**14 Notices of Motion**

**(a) Notice of Motion**

Proposed by Councillor Luke Stubbs  
Seconded by Councillor Linda Symes

In light of the Grenfell Tower Fire, this Council agrees to write to the Local Government Association and the Police and Fire Minister asking that Planning Law is changed to make it obligatory for Planning Departments and developers to consult the Fire Service on all Planning Applications which relate to purpose-built student accommodation, schools, hotels, high rise office blocks, high rise housing, large development sites and NHS buildings. In the meantime Portsmouth City Council ask the Council's Planning Committee to consider immediately operating the voluntary process offered by Hampshire Fire and Rescue Service to look at the above-mentioned planning applications.

**(b) Notice of Motion**

Proposed by Councillor John Ferrett  
Seconded by Councillor Darren Sanders

"The Council notes that Government Ministers have promised that an extra £350million a week will be available for public services following the UK's departure from the European Union. Therefore, the Council requests the leader to write to the Prime Minister and ask how much of these additional resources will be made available for public services in Portsmouth."

**15 Questions from Members under Standing Order No 17. (Pages 291 - 292)**

David Williams  
Chief Executive

Members of the public are permitted to use both audio visual recording devices and social media during this meeting, on the understanding that it neither disrupts the meeting nor 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.

Whilst every effort will be made to webcast this meeting, should technical or other difficulties occur, the meeting will continue without being webcast via the Council's website.

This meeting is webcast (videoed), viewable via the Council's livestream account at <https://livestream.com/accounts/14063785>

If any member of the public wishing to attend the meeting has access requirements, please notify the contact the Local Democracy Manager at [Stewart.Aglan@portsmouthcc.gov.uk](mailto:Stewart.Aglan@portsmouthcc.gov.uk)

Civic Offices  
Guildhall Square  
PORTSMOUTH  
12 March 2018

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# Agenda Item 2

13 February 2018

1

MINUTES OF A MEETING OF THE COUNCIL held at the Guildhall  
Portsmouth on Tuesday, 13 February 2018 at 2.00 pm

## **Council Members Present**

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

## **Councillors**

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

### **1. Declarations of Interests under Standing Order 13(2)(b)**

Councillor Paul Godier declared a personal, non-prejudicial interest under agenda item 9 in that he has a relative who works for the Youth Offending Team.

Councillor Ken Ellcome declared a personal, non-prejudicial interest in notice of motion 11(a) - Policing Cuts in that he was a serving police officer for 30 years. He said that he would not be taking part in the debate.

### **2. Minutes of the Ordinary Council meeting held on 12 December 2017**

It was

Proposed by Councillor Donna Jones  
Seconded by Councillor Hugh Mason

That the minutes of the council meeting held on 12 December 2017 be confirmed and signed as a correct record.

**RESOLVED that the minutes of the council meeting held on 12 December 2017 be confirmed and signed as a correct record.**

**3. Communications and apologies for absence**

Apologies for absence were received on behalf of Councillor Ben Dowling. Apologies for lateness were received on behalf of Councillor Ian Lyon.

The Lord Mayor gave detailed information concerning filming in the chamber and reiterated 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.

The Lord Mayor referred to the seating plan which had been slightly updated.

**4. Deputations from the Public under Standing Order No 24**

The City Solicitor advised that one video deputation had been received in respect of item 11(b). Seven deputations had been received, three in respect of item 7 Revenue Budget, one in respect of item 11(a) Police Cuts and three in respect of item 11(c) Reducing the Use of Single-Use Plastics in Portsmouth.

A video deputation was given on behalf of Mrs Emma Kate Smith on notice of motion 11(b). Deputations were made on agenda item 7 - Budget and Council Tax 2018/19 and Medium Term Budget Forecast 2019/20 to 2021/22 by Mr Jerry Brown, Mr Stephen Bonner and Mr Geoff Holt.

Mr Richard Adair made a deputation on notice of motion 11(a) Policing Cuts.

A shared deputation was made on notice of motion 11(c) Reducing the Use of Single-Use Plastics in Portsmouth by Ms Claire Seek and her children Mariella and Kester and individual deputations on this item were made by Ms Sarah Shreeve and Mr Aaron Sayers.

As a result of the deputation made by Mr Holt outlining the circumstances of one individual's treatment in the latter stages of her life, council decided to initiate an investigation in this incident in terms of the council's Adult Social Care but also wanted to look into external services for example the NHS.

**5. Appointments**

The Lord Mayor advised that appointments would be dealt with under agenda item 10 - Political Balance on Committees and Panels.



**6. Urgent Business under Standing Order No 26**

There was no urgent business.

**7. Recommendations from the Cabinet Meeting held on 12 February 2018**

The following minutes were opposed

Minute 6 - Portsmouth City Council Budget and Council Tax 2018/19 and Medium Term Budget Forecast

Minute 7 - Capital Programme 2017/18 to 2022/23

The Lord Mayor explained that in accordance with the letter of 2 February 2018 concerning procedure at the meeting previously sent to members, he proposed that the capital programme and the budget and council tax setting items be taken and debated together on the basis that each impacts on the other and on the understanding that the budget and council tax item will be voted on first followed by the capital programme. This was agreed.

It was

Proposed by Councillor Donna Jones

Seconded by Councillor Luke Stubbs

That the recommendations contained in Cabinet minute 6 - Portsmouth City Council Budget and Council Tax 2018/19 and Medium Term Budget Forecast and Cabinet Minute 7 - Capital Programme 2017/18 to 2022/23 be approved.

The Lord Mayor reminded everyone that the group leaders were not subject to any time limit when speaking about the budget proposals.

The Leader wished to place on record her thanks to

- Members of the UKIP group and the two independent councillors for their support
- To Matt Evans and Tom Southall for their work on the investment portfolio
- To Chris Ward and Julian Pike and the finance team for all their work
- Her personal thanks to the Conservative group members and to Cabinet members in particular.

Following her budget presentation, the Leader commended the proposals to council.

As an amendment to the recommendations in relation to Cabinet minute 6 and Cabinet minute 7, it was

Proposed by Councillor Gerald Vernon-Jackson

Seconded by Councillor Hugh Mason

That the recommendations set out in Appendix 1 attached to these minutes (Liberal Democrat Portsmouth City Council Budget and Council Tax 2018/19 and Medium Term Budget Forecast) and the recommendations set out in Appendix 2 attached to these minutes (Liberal Democrat Capital Programme 2017/18 to 2022/23) be adopted.

Councillor Vernon-Jackson then spoke to this group's proposed budget amendment. He placed on record his thanks to Chris Ward, Julian Pike and finance officers and also to the Conservative administration and Cabinet. Councillor Vernon-Jackson then spoke to his group's proposed budget amendments and commended them to council.

Councillor Colin Galloway then spoke to the budget presented by the administration which he said was acceptable under the constraints imposed by central government. His group did not propose any amendments. He added his thanks to Chris Ward and his team for all the work they had put in.

As an amendment to the recommendations in relation to Cabinet minute 6, it was

Proposed by Councillor Stephen Morgan  
Seconded by Councillor Yahiya Chowdhury

That the recommendations set out in Appendix 3 attached to these minutes (Labour Budget and Council Tax 2018/19 and Medium Term Budget Forecast) be adopted.

Councillor Stephen Morgan, Labour group leader then spoke to his group's proposed budget amendments and commended them to council.

Council adjourned at 4.25 pm.

Council resumed at 4.40 pm.

Following debate, the Lord Mayor called upon the Leader of the Council, Councillor Donna Jones to sum up, which she then did. Councillor Jones said that she did not propose to accept any of the amendments that had been put forward and gave her reasons.

The Lord Mayor advised that regulations require all votes on the budget proposals to be dealt with by means of recorded votes.

Upon the Liberal Democrat amendment standing in the name of Councillor Gerald Vernon-Jackson on the Budget and Council Tax 2018/19 and Medium Term Budget Forecast being put to the vote the following members voted in favour:

Councillors David Ashmore  
David Fuller  
Suzy Horton  
Lee Hunt  
Leo Madden

Will Purvis  
Darren Sanders  
Lynne Stagg  
Gerald Vernon-Jackson  
Matthew Winnington

Hugh Mason  
Steve Pitt

Rob Wood  
Tom Wood

The following members voted against:

Councillors	Julie Bird	Paul Godier	Scott Payter-Harris
	Simon Boshier	Hannah Hockaday	Stuart Potter
	Jennie Brent	Frank Jonas	Luke Stubbs
	Ryan Brent	Donna Jones	Linda Symes
	Alicia Denny	Ian Lyon	David Tompkins
	John Ferrett	Lee Mason	Steve Wemyss
	James Fleming	Gemma New	Neill Young
	Colin Galloway	Robert New	

The following members abstained:

Councillors Yahiya Chowdhury Stephen Morgan

The Liberal Democrat group amendment was therefore LOST.

Upon the Labour group amendment standing in the name of Councillor Stephen Morgan being put to the vote, the following members voted in favour:

Councillors Yahiya Chowdhury John Ferrett Stephen Morgan

The following members voted against:

Councillors	Julie Bird	Hannah Hockaday	Scott Payter-Harris
	Simon Boshier	Frank Jonas	Stuart Potter
	Jennie Brent	Donna Jones	Luke Stubbs
	Ryan Brent	Ian Lyon	Linda Symes
	Alicia Denny	Lee Mason	David Tompkins
	James Fleming	Gemma New	Steve Wemyss
	Colin Galloway	Robert New	Neill Young
	Paul Godier		

The following members abstained:

Councillors	David Ashmore	Will Purvis
	David Fuller	Darren Sanders
	Suzy Horton	Lynne Stagg
	Lee Hunt	Gerald Vernon-Jackson
	Leo Madden	Matthew Winnington
	Hugh Mason	Rob Wood
	Steve Pitt	Tom Wood

The Labour group amendment was therefore LOST.

Upon the recommendations in Cabinet minute 6 - Portsmouth City Council Budget and Council Tax 2018/19 and Medium Term Budget Forecast being put to the vote the following members voted in favour:

Councillors	Julie Bird	Paul Godier	Scott Payter-Harris
	Simon Boshier	Hannah Hockaday	Stuart Potter
	Jennie Brent	Frank Jonas	Luke Stubbs
	Ryan Brent	Donna Jones	Linda Symes
	Alicia Denny	Ian Lyon	David Tompkins
	John Ferrett	Lee Mason	Steve Wemyss
	James Fleming	Gemma New	Neill Young
	Colin Galloway	Robert New	

The following councillors voted against:

Councillors	David Ashmore	Steve Pitt
	Yahiya Chowdhury	Will Purvis
	David Fuller	Darren Sanders
	Suzy Horton	Lynne Stagg
	Lee Hunt	Gerald Vernon-Jackson
	Leo Madden	Matthew Winnington
	Hugh Mason	Rob Wood
	Stephen Morgan	Tom Wood

There were no abstentions.

The Cabinet recommendations in Cabinet minute 6 - Portsmouth City Council Budget and Council Tax 2018/19 and Medium Term Budget Forecast were therefore CARRIED.

## RESOLVED

(1) That the following be approved in respect of the Council's Budget:

- [(a) not allocated]
- (b) The revised Revenue Estimates for the financial year 2017/18 and the Revenue Estimates for the financial year 2018/19 as set out in the General Fund Summary (Appendix A)
- (c) The Portfolio Cash Limits for the Revised Budget for 2017/18 and Budget for 2018/19 as set out in Sections 7 and 9, respectively
- (d) That £2.0m be transferred to the Revenue Reserve for Capital in 2017/18 to supplement the resources available for the Capital Programme to enable the Council to increase the Capital Resources available to properly fund its statutory responsibilities including School Places, Sea Defences, critical maintenance obligations and potential match funding commitments for the City Centre Re-development
- (e) The additional £3.1m received from the Business Rate Retention Pilot (currently guaranteed for 1 year only) be used to enable the Council to make a Revenue Contribution to the Capital Programme to ensure the Council can properly meet its statutory responsibilities for providing Special School Places

- (f) That £2.0m be transferred to the MTRS Reserve in 2017/18 and a further £2.5m in 2018/19 to restore it to a level sufficient to enable the Council to pursue both Spend to Save schemes, Invest to Save schemes and fund redundancy costs, all aimed at facilitating the Council's savings strategy
- (g) That £1.7m is carried forward from 2017/18 to 2018/19 in respect of contingent items that were expected to arise in 2017/18 but are now expected to occur in 2018/19
- (h) Any further underspendings for 2017/18 arising at the year-end outside of those made by Portfolios be transferred to Capital Resources in order to provide funding for known future commitments such as Sea Defences and the enabling transport infrastructure necessary for the City's development and growth which have, as yet, insufficient funding
- (i) Any variation to the Council's funding arising from the final Local Government Finance Settlement be accommodated by a transfer to or from General Reserves.
- (j) The S.151 Officer be given delegated authority to enter into the Solent<sup>1</sup> 100% Business Rates Retention Pilot agreement with the Department for Communities and Local Government
- (k) The S.151 Officer be given delegated authority to make any necessary adjustments to Cash Limits within the overall approved Budget and Budget Forecasts
- (l) That the level of Council Tax be increased by 2.99% for general purposes in accordance with the referendum threshold<sup>2</sup> for 2018/19 announced by Government (as calculated in recommendation (4) (d))
- (m) That the level of Council Tax be increased by a further 1.5% beyond the referendum threshold (as calculated in recommendation (4) (d)) to take advantage of the flexibility offered by Government to implement a "Social Care Precept"; and that in accordance with the conditions of that flexibility, the full amount of the associated sum generated of £1,071,700 is passported direct to Adult Social Care
- (n) Managers be authorised to incur routine expenditure against the Cash Limits for 2018/19 as set out in Section 9
- (o) That the savings requirement for 2019/20 be set at a minimum on-going sum of £4.0m
- (p) That the S.151 Officer be given delegated authority to make transfers to and from reserves in order to ensure that they are

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<sup>1</sup> Includes Isle of Wight Council, Portsmouth City Council and Southampton City Council

<sup>2</sup> Council Tax increases beyond the referendum threshold can only be implemented following a "Yes" vote in a local referendum

maintained as necessary and in particular, adjusted when reserves are no longer required or need to be replenished

- (q) Directors be instructed to start planning how the City Council will achieve the savings requirements shown in Section 10 and that this be incorporated into Service Business Plans
  - (r) The minimum level of General Reserves as at 31 March 2019 be maintained at £8.0m (£7.0m in 2017/18) to reflect the known and expected budget and financial risks to the Council
  - (s) Members have had regard for the Statement of the Section 151 Officer in accordance with the Local Government Act 2003 as set out in Section 13.
- (2) That the following be **noted** in respect of the Council's Budget:
- (a) The Revenue Estimates 2018/19 as set out in Appendix A have been prepared on the basis of a 1.5% tax increase for the "Social Care Precept" (amounting to £1,071,700) and that this is passported to Adult Social Care in order to provide for otherwise unfunded budget pressures including the current underlying budget deficit, the cost of the new National Living Wage and demographic pressures arising from a "living longer" population
  - (b) The decision on the amount at which to set the Adult Social Care precept will be critical for the Social Care and wider Health system in the City; in the event that the additional flexibility of the "Social Care Precept" and associated 1.5% tax increase (amounting to £714,500 for each 1%) is not taken, then equivalent savings will need to be made in Adult Social Care in 2018/19
  - (c) In general, due to the additional costs of the Pay Award and inflation generally amounting to an additional £1.1m, any reduction from the 4.49% Council Tax increase proposed will require additional savings of £714,500 for each 1% reduction in order for the Budget 2018/19 to be approved
  - (d) The Revenue Forecast for 2019/20 onwards as set out in Section 10 and Appendix B
  - (e) The estimated Savings Requirement of £12m for the three year period 2019/20 to 2021/22, for financial and service planning purposes, be phased as follows:

Financial Year	In Year Savings Requirement	Cumulative Saving £
	£m	m
2019/20	4.0	4.0
2020/21	4.0	8.0
2021/22	4.0	12.0

- (f) The MTRS Reserve held to fund the upfront costs associated with Spend to Save Schemes, Invest to Save Schemes and

redundancies will hold an uncommitted balance of £4.8m<sup>3</sup> and will only be replenished in future from an approval to the transfer of any underspends, contributions from the Revenue Budget or transfers from other reserves which may no longer be required

- (g) The Council Tax element of the Collection Fund for 2017/18 is estimated to be a surplus of £1,210,318 which is shared between the City Council (85%), Police & Crime Commissioner (11%) and the Hampshire Fire & Rescue Authority (4%)
  - (h) The Business Rate element of the Collection Fund for 2017/18 is estimated to be a surplus of £1,114,662 which is shared between the City Council (49%), the Government (50%) and the Hampshire Fire & Rescue Authority (1%)
  - (i) The Retained Business Rate income<sup>4</sup> for 2018/19 is based on the estimated Business Rate element of the Collection Fund surplus as at March 2017, the Non Domestic Rates poundage for 2018/19 and estimated rateable values for 2018/19 and has been determined at £73,567,319
- (3) That the S.151 Officer has determined that the Council Tax base for the financial year 2018/19 will be **55,857.4** [item T in the formula in Section 31 B(1) of the Local Government Finance Act 1992, as amended (the "Act")].
- (4) That the following amounts be now calculated by the Council for the financial year 2018/19 in accordance with Section 31 and Sections 34 to 36 of the Local Government Finance Act 1992:

(a)	£486,934,953	Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
(b)	£412,275,394	Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
(c)	£74,659,559	Being the amount by which the aggregate at (4) (a) above exceeds the aggregate at (4)(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B(1) of the Act.
(d)	£1,336.61	Being the amount at (4)(c) above (Item R), all divided by Item (3) above (Item T), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year.

<sup>3</sup> Including the transfer into the reserve of £4.5m contained with the recommendations in this report

<sup>4</sup> Including the Portsmouth City Council element of the Collection Fund surplus of £546,184, S31 Grants of £6,008,979, the "Tariff" paid to Government of £17,157,504 and the contributions to the "Growth Pool" of £4,853,053 and from the "Growth Pool" of £3,094,522

(e) Valuation Bands (Portsmouth City Council)

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
891.07	1,039.59	1,188.10	1,336.61	1,633.63	1,930.66	2,227.68	2,673.22

Being the amounts given by multiplying the amount at (4)(d) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in Valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings in different valuation bands.

- (5) That it be noted that for the financial year 2018/19 the Hampshire Police & Crime Commissioner is consulting upon the following amounts for the precept to be issued to the Council in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below:

Valuation Bands (Hampshire Police & Crime Commissioner)

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
118.31	138.02	157.74	177.46	216.90	256.33	295.77	354.92

- (6) That it be noted that for the financial year 2018/19 Hampshire Fire and Rescue Authority are recommended to approve the following amounts for the precept issued to the Council in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below:

Valuation Bands (Hampshire Fire & Rescue Authority)

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
43.83	51.13	58.44	65.74	80.35	94.96	109.57	131.48

- (7) That having calculated the aggregate in each case of the amounts at (4)(e), (5) and (6) above, the Council, in accordance with Sections 31A, 31B and 34 to 36 of the Local Government Finance Act 1992 as amended, hereby sets the following amounts as the amounts of Council Tax for the financial year 2018/19 for each of the categories of dwellings shown below:

Valuation Bands (Total Council Tax)

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
1,053.21	1,228.74	1,404.28	1,579.81	1,930.88	2,281.95	2,633.02	3,159.62

- (8) The Council determines in accordance with Section 52ZB of the Local Government Finance Act 1992 that the Council's basic amount of Council Tax for 2018/19, which represents a 4.49% increase, is not excessive in accordance with the principles approved by the Secretary of State under Section 52ZC of the Act; and it be noted that:



- i) The 4.49% increase includes a 1.5% increase to support the delivery of Adult Social Care
  - ii) As the billing authority, the Council has not been notified by a major precepting authority (the Police and Crime Commissioner for Hampshire or the Hampshire Fire & Rescue Authority) that its relevant basic amount of Council Tax for 2018/19 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK of the Local Government Finance Act 1992.
- (9) The S.151 Officer be given delegated authority to implement any variation to the overall level of Council Tax arising from the final notification of the Hampshire Police & Crime Commissioner and Hampshire Fire and Rescue Authority precepts.

Upon the Liberal Democrat amendment standing in the name of Councillor Gerald Vernon-Jackson concerning Cabinet minute 7 - Capital Programme 2017/18 to 2022/23 being put to the vote, the following members voted in favour:

Councillors	David Ashmore	Steve Pitt
	Yahiya Chowdhury	Will Purvis
	David Fuller	Darren Sanders
	Suzy Horton	Lynne Stagg
	Lee Hunt	Gerald Vernon-Jackson
	Leo Madden	Matthew Winnington
	Hugh Mason	Rob Wood
	Stephen Morgan	Tom Wood

The following members voted against:

Councillors	Julie Bird	Paul Godier	Scott Payter-Harris
	Simon Boshier	Hannah Hockaday	Stuart Potter
	Jennie Brent	Frank Jonas	Luke Stubbs
	Ryan Brent	Donna Jones	Linda Symes
	Alicia Denny	Ian Lyon	David Tompkins
	John Ferrett	Lee Mason	Steve Wemyss
	James Fleming	Gemma New	Neill Young
	Colin Galloway	Robert New	

The Liberal Democrat amendment to the Capital Programme was therefore LOST.

Upon the recommendations in Cabinet minute 7 - Capital Programme 2017/18 to 2022/23 being put to the vote the following members were in favour:

Councillors	David Ashmore	Lee Mason
	Julie Bird	Stephen Morgan
	Simon Boshier	Gemma New
	Jennie Brent	Robert New
	Ryan Brent	Scott Payter-Harris

Yahiya Chowdhury  
Alicia Denny  
John Ferrett  
James Fleming  
David Fuller  
Colin Galloway  
Paul Godier  
Hannah Hockaday  
Suzy Horton  
Lee Hunt  
Frank Jonas  
Donna Jones  
Ian Lyon  
Leo Madden  
Hugh Mason

Steve Pitt  
Stuart Potter  
Will Purvis  
Darren Sanders  
Lynne Stagg  
Luke Stubbs  
Linda Symes  
David Tompkins  
Gerald Vernon-Jackson  
Steve Wemyss  
Matthew Winnington  
Rob Wood  
Tom Wood  
Neill Young

The proposal to approve the Cabinet recommendations referred to in Cabinet minute 7 were therefore CARRIED.

#### RESOLVED

- (1) That the following be approved in respect of the Council's Capital Programme:
  - 1) The Revised Capital Programme 2017/18 to 2022/23 attached as Appendix 1 of the report which includes all additions, deletions and amendments for slippage and rephrasing described in Sections 6 and 8 be approved
  - 2) The S.151 Officer be given delegated authority to determine how each source of finance is used to fund the overall Capital Programme and to alter the overall mix of financing, as necessary, to maximise the flexibility of capital resources used and minimise the ongoing costs of borrowing to the Council
  - 3) That the S.151 Officer in consultation with the Leader of the Council be given delegated authority to release capital resources held back for any contingent items that might arise, and also for any match funding requirements that may be required of the City Council in order to secure additional external capital funding (e.g. bids for funding from Government or the Solent Local Enterprise Partnership)
  - 4) The following schemes as described in Section 9 and Appendix 2 be reflected within the recommended Capital Programme 2017/18 to 2022/23 and be financed from the available corporate capital resources:

<b>Recommended New Capital Schemes</b>		<b>Corporate Resources Required £</b>	<b>Total Scheme Value £</b>
<b>Education</b>			
	Schools' Conditions Project 2018/19	1,000,000	1,100,000
	Sufficiency of Secondary School Places	10,237,800	10,237,800
	Sufficiency of Special School Places - Redwood Park Academy	2,053,700	3,053,700
	Sufficiency of Special School Places - The Willows Centre	400,000	400,000
	Milton Childcare Sufficiency	250,000	250,000
	Forest School at Foxes Forest - Community Accessible Education Centre	125,000	125,000
<b>Culture, Leisure and Sport</b>			
	Farlington Pavillion Refurbishment	70,000	140,000
	Lumps Fort Sun Huts Maintenance	50,000	50,000
	Milton Park Barn Thatched Roof	130,000	130,000
	Victoria Park Heritage Lottery Funding Bid	250,000	2,500,000
	Disabled Beach Buggies & Access Mats	20,000	20,000
	Allotment Security Grants	35,000	35,000
	Outdoor Fitness Equipment	80,000	80,000
<b>Environment and Community Safety</b>			
	Public Toilets New Provision, across the City	125,000	180,000
	Wheeled Bins for Refuse	1,120,000	1,120,000
<b>Health and Social Care</b>			
	Shearwater House - Backup Power Supply	50,000	50,000
<b>Housing</b>			
	307 Twyford Avenue - Refurbishment of Supported Housing Accommodation for Adult Social Care clients	190,000	190,000
	4 Target Road - Refurbishment of Supported Housing Accommodation for Adult Social Care clients	100,000	100,000
	69 Goldsmith Avenue - Refurbishment of Supported Housing Accommodation for Adult Social Care clients	160,000	160,000
<b>Planning, Regeneration and Economic Development</b>			
	City Centre Public Realm 2018/19	500,000	500,000

<b>Resources</b>			
	Landlord's Maintenance	2,395,000	2,395,000
	Channel Shift - Phase 2	582,500	582,500
	Windows 10 Upgrade & Hardware Refresh	1,500,000	1,800,000
<b>Traffic and Transportation</b>			
	Cathodic Protection - Hard Interchange	1,200,000	1,200,000
	Western Corridor - South	120,000	120,000
	Central Corridor	250,000	250,000
	Eastern Corridor Road Link - Phase 2	500,000	500,000
	LTP 4	1,500,000	1,500,000
	Smart Cities - Intelligent Transport System	500,000	803,000
	Pedestrian Crossing - Henderson Road	80,000	80,000
<b>Total Recommended Sum To Be Approved</b>		<b>25,574,000</b>	<b>29,652,000</b>

- 5) The following Schemes as described in Section 14 be included within the "Reserve List" of Capital Schemes to be considered once additional capital resources are identified

<b>Future Priority Capital Schemes – Not in Priority Order</b>
School Condition (roofs, boilers, electrics, windows etc.)
Camber Quay Berth 4 Replacement
Enabling Transport Infrastructure match funding - City Centre development
Sea Defences
Landlords Repairs & Maintenance
Local Transport Plan - Road safety and traffic improvement schemes
Digital Strategy (Including move to cloud based Information Technology systems)

- 6) The Prudential Indicators described in Section 15 and set out in Appendix 3 be approved.
- (2) That the following be noted in respect of the Council's Capital Programme:
- 1) The passported Capital Allocations (Ring-fenced Grants) as set out in Section 7
  - 2) That Cabinet Members, in consultation with the Section 151 Officer, have authority to vary Capital Schemes and their associated funding within their Portfolio in order to manage any potential overspending or funding shortfall or to respond to emerging priorities
  - 3) As outlined in Section 9 and Appendix 2 that the Director of Property & Housing Services will work with other Directors to further prioritise the schedule of identified Landlord's

Maintenance works to ensure that those with the highest priority are undertaken up to the value of the £2.4m allocated

- 4) The use of Drayton & Farlington Neighbourhood CIL to fund £70,000 of a £140,000 scheme to undertake a refurbishment of Farlington Pavilion, as outlined in Section 12 and Appendix 2
- 5) As outlined in Section 13 and Appendix 2 the release of £55,000 towards a £180,000 scheme from the Environment & Community Safety Portfolio Reserve to provide new public toilets across the City
- 6) The City Council note that Prudential Borrowing can only be used as a source of capital finance for Invest to Save Schemes as described in Section 15.

It was

Proposed by Councillor Robert New under Standing Order 40 that notice of motion (c) should be heard as the next item as the Cabinet Member had to leave the meeting early. This was agreed. For the purpose of the minutes this will be recorded in the same order as appears on the agenda.

#### **Further Recommendations from the Cabinet Meeting held on 12 February 2018**

#### **8. Portsmouth Youth Offending Team Youth Justice Strategic Plan 2017-19**

Minute 5 - Portsmouth Youth Offending Team Youth Justice Strategic Plan 2017-19

This was approved unopposed.

**RESOLVED that council endorsed and approved the refreshed Youth Justice Strategic Plan 2017-19.**

#### **9. Review of the political proportionality on Committees and Panels**

In response to a report from the Chief Executive, it was

Proposed by Councillor Donna Jones  
Seconded by Councillor Neill Young

"1.To adopt the overall political balance and allocation of seats as set out in the chief executive's report, and agree the following changes -

2. That the **six vacant Conservative seats** be filled as follows (including resultant Standing Deputy vacancies where applicable) -

- Licensing Committee - Jennie Brent

- Planning Committee - Scott Payter-Harris (currently a Standing deputy)
- Traffic, Environment and Community Safety Scrutiny Panel Steve Wemyss
- Economic Development Culture and Leisure Scrutiny Panel - Ian Lyon (currently a standing deputy)
- Governance and Audit and Standards Committee Alicia Denny - (currently a Standing deputy)
- Scrutiny Management Panel - Julie Bird

3. The following Chair and Vice Chair positions be assigned as follows -

- Economic Development Culture and Leisure Scrutiny Panel - Alicia Denny (Chair) (position currently vacant)
- Planning Committee - Scott Payter-Harris (Vice Chair) (to replace Councillor Jonas in that position)
- Traffic, Environment and Community Safety Scrutiny Panel Steve Wemyss (Chair) (position currently vacant)
- Traffic, Environment and Community Safety Scrutiny Panel, Lee Hunt (Vice Chair) (position currently vacant)

Upon being put to the vote these were CARRIED.

**RESOLVED that Council**

**Adopted the overall political balance and allocation of seats as set out in the chief executive's report, and agreed the following changes -**

**1. That the six vacant Conservative seats be filled as follows (including resultant Standing Deputy vacancies where applicable) -**

- **Licensing Committee - Jennie Brent**
- **Planning Committee - Scott Payter-Harris (currently a Standing deputy)**
- **Traffic, Environment and Community Safety Scrutiny Panel Steve Wemyss**
- **Economic Development Culture and Leisure Scrutiny Panel - Ian Lyon (currently a standing deputy)**
- **Governance and Audit and Standards Committee - Alicia Denny - (currently a Standing deputy)**

- **Scrutiny Management Panel - Julie Bird**

**2. That the following Chair and Vice Chair positions be assigned as follows -**

- **Economic Development Culture and Leisure Scrutiny Panel - Alicia Denny (Chair) (position currently vacant)**
- **Planning Committee - Scott Payter-Harris (Vice Chair) (to replace Councillor Jonas in that position)**
- **Traffic, Environment and Community Safety Scrutiny Panel Steve Wemyss (Chair) (position currently vacant)**
- **Traffic, Environment and Community Safety Scrutiny Panel, Lee Hunt (Vice Chair) (position currently vacant).**

**10. Notices of Motion**

There were three notices of motion before council.

**a) Policing Cuts**

It was

Proposed by Councillor Lee Hunt  
Seconded by Councillor Rob Wood

That notice of motion (a) as set out on the agenda be debated today. Upon being put to the vote this was LOST.

The Leader of the Council said that this was an important matter and proposed that it be referred to Cabinet and this was agreed.

**RESOLVED that Notice of Motion (a) be not debated today.**

**Note: This Notice of Motion will be referred to Cabinet.**

**b) Centenary of Granting Votes for Women**

It was

Proposed by Councillor Suzy Horton  
Seconded by Councillor Lynne Stagg

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

Upon being put to the vote this was CARRIED.

It was

Proposed by Councillor Suzy Horton  
Seconded by Councillor Lynne Stagg

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

As an amendment it was

Proposed by Councillor Alicia Denny  
Seconded by Councillor Jennie Brent

**that**

" In paragraph 1, at the end of the sentence (removing the full stop) add the following:

" and are grateful to the Council for doing so on the anniversary of the Royal assent with plaques to Herta Ayrton. The council places on record thanks to Alderman Terry Hall for initially raising awareness of Herta; to Flick Drummond for starting a campaign to obtain a plaque; and to the Leader, Cabinet member for Resources and Deputy Lord Mayor for working on these plans."

Add new paragraphs, (2, 3 and 4)

"We should also remember with appreciation the 1869, 1870 and 1872 petitions for votes for women that was circulated in Portsmouth, and the decision to allow women to vote in city elections in 1869 and in county elections in 1888.

We are grateful, as it continues to engage with Vote100, for the Council's plan to remember the election of Kate Edmond (Portsmouth Women's Citizens association) in November 1918 as the first female councillor in Portsmouth; the 90th anniversary of equal rights to vote in July; and Alison Garland the first woman to stand for parliament from Portsmouth in a general election December 1918.

We also remember Phyllis Loe, the first female Lord Mayor in 1972; Sarah McCarthy Fry, elected as the first female MP for Portsmouth North in 2005; Flick Drummond, elected as the first female MP for Portsmouth South 2015; Penny Mordaunt MP, Portsmouth's first female Secretary of State serving in government; and our current leader, Donna Jones, who became the first female leader of Portsmouth City Council in 2014."

In original paragraph 3, delete the words " wishes to unveil a plaque at 2 Kent Street in Portsmouth, the former location of the Women's Suffrage office" and replace with " is resolved to back a bid for central government funding as part of Vote100 and to support a year of remembrance."

Add after original paragraph 3 new paragraph (will be 6)

"We are also mindful of the many organisations who campaigned to obtain Women's Suffrage, including, but not limited to:-  
National Union of Woman's Suffrage Societies, Women's Social and Political Union, National Union of Teachers, Primrose League, Co-operative Congress, Fabian society, Conservative and Unionist Franchise Association, Women's Liberal Association, Independent Labour Party, British Women's temperance



movement, Woman's Co-operative Guild, National Union of Women's Workers, Women's Freedom League, Church League for Women's Suffrage, Unitarian movement, National Society for Women's Suffrage, Women's Labour League and, last but not least, Portsmouth Women's Citizens Association who were successful in electing Kate Edmund."

In the final paragraph (originally 4)

Replace "endorses" with "requests" in the first line.

Delete the words "investigate the costs of a suitable plaque and consider whether it can be afforded from within the Resources Cash Limit or its Portfolio Reserve" and replace with

"investigation into the costs of suitable campaigns; ways to remember; and plaques to be placed in appropriate locations. Further, if it can be afforded from within the Resources Cash Limit or its Portfolio Reserve, the Cabinet member for Resources be asked to consider adding to any money received from Central Government in order to achieve its objective of promoting awareness of Vote 100."

Councillor Suzy Horton, mover of the original motion agreed to subsume into it the amendment.

Upon the substantive motion being put to the vote this was CARRIED unanimously.

#### **RESOLVED that**

**The City Council wishes to record the centenary of the granting of votes for women for parliamentary elections in the UK and are grateful to the Council for doing so on the anniversary of the Royal assent with plaques to Herta Ayrton. The council places on record thanks to Alderman Terry Hall for initially raising awareness of Herta; to Flick Drummond for starting a campaign to obtain a plaque; and to the Leader, Cabinet member for Resources and Deputy Lord Mayor for working on these plans.**

**We should also remember with appreciation the 1869, 1870 and 1872 petitions for votes for women that were circulated in Portsmouth, and the decision to allow women to vote in city elections in 1869 and in county elections in 1888.**

**We are grateful, as it continues to engage with Vote100, for the Council's plan to remember the election of Kate Edmond (Portsmouth Women's Citizens association) in November 1918 as the first female councillor in Portsmouth; the 90th anniversary of equal rights to vote in July; and Alison Garland the first woman to stand for parliament from Portsmouth in a general election December 1918.**

**We also remember Phyllis Loe, the first female Lord Mayor in 1972; Sarah McCarthy Fry, elected as the first female MP for Portsmouth North in 2005; Flick Drummond, elected as the first female MP for Portsmouth South 2015; Penny Mordaunt MP, Portsmouth's first female Secretary of**

**State serving in government; and our current leader, Donna Jones, who became the first female leader of Portsmouth City Council in 2014.**

**To commemorate the granting of the franchise to women in parliamentary elections in 1918, the City Council is resolved to back a bid for central government funding as part of Vote100 and to support a year of remembrance.**

**We are also mindful of the many organisations who campaigned to obtain Women's Suffrage, including, but not limited to:- National Union of Woman's Suffrage Societies, Women's Social and Political Union, National Union of Teachers, Primrose League, Co-operative Congress, Fabian society, Conservative and Unionist Franchise Association, Women's Liberal Association, Independent Labour Party, British Women's temperance movement, Woman's Co-operative Guild, National Union of Women's Workers, Women's Freedom League, Church League for Women's Suffrage, Unitarian movement, National Society for Women's Suffrage, Women's Labour League and, last but not least, Portsmouth Women's Citizens Association who were successful in electing Kate Edmund.**

**Consequently, the City Council endorses the Cabinet Member for Resources' investigation into the costs of suitable campaigns; ways to remember; and plaques to be placed in appropriate locations. Further, if it can be afforded from within the Resources Cash Limit or its Portfolio Reserve, the Cabinet member for Resources be asked to consider adding to any money received from Central Government in order to achieve its objective of promoting awareness of Vote 100.**

**c) Reducing the use of single-use plastics in Portsmouth**

(Please note that notice of motion c) was debated as the first notice of motion at the request of the Cabinet Member who had to leave early. For the sake of clarity this is being recorded in the minutes in the order set out on the agenda.)

It was

Proposed by Councillor Lee Hunt  
Seconded by Councillor Rob Wood

That notice of motion (c) as set out in the agenda be debated today.

Upon being put to the vote this was CARRIED.

It was

Proposed by Councillor Lee Hunt  
Seconded by Councillor Rob Wood

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

As an amendment it was

Proposed by Councillor Robert New  
Seconded by Councillor Neill Young

**to**

Add in the paragraph 1 after "The introduction of the 5p bag charge" the words "by the Conservative government"

Delete 2018 from point 1 and replace with 2019

Add to point 2 after "non-plastic recyclable" the words "and re-usable".

Add to Point 4, after the words "with a view to" the word "encourage"

And also to Point 4 delete '2018' and replace with "2020 to allow small businesses and vendors, often small family run businesses an appropriate window of time to be able to adapt their businesses without a negative impact by moving to recyclable and eco-friendly materials"

Add two new final points (points 6 and 7):

6. Investigate introducing a Portsmouth branded range of re-usable cups and water bottles for sale across Portsmouth City Council retail outlets, including Waterfront Gifts and work with independent businesses to investigate a loyalty scheme for re-useable coffee cup users to encourage the wider use of re-usable receptacles.
7. Continue to investigate the set-up of a city-wide 'Water re-fill' scheme, which will complement the new water refill stations soon to be installed across the city."

As an amendment it was

Proposed by Councillor Will Purvis  
Seconded by Councillor Dave Ashmore

To insert an additional point at the end of the motion

"Support Plastic Free Coastlines with the aim of being recognised as a Plastic Free City by 2019; committing to plastic free alternatives; supporting plastic free initiatives within the City and providing a named representative from the council to sit on the Portsmouth Plastic Free Coastlines steering group."

Councillor Lee Hunt proposer of the original motion agreed to subsume into it both amendments.

Upon the substantive motion (subsuming into it both amendments) being put to the vote this was CARRIED unanimously.

**RESOLVED that**

**The introduction of the 5p bag charge by the Conservative government has already seen use of single-use plastic bags drop by 85%, but most families still throw away about 40kg of plastic per year, which could otherwise be recycled. The amount of plastic waste generated annually in the UK is estimated to be nearly 5 million tonnes.**

**Whilst, the Council welcomes the commitment of some major businesses to reduce their use of plastic packaging in the medium-term, and encourages all local businesses to respond to the Government's recent call for evidence on reducing plastic waste, a true step change in this level of plastic waste can only be achieved by reducing the prevalence of single-use plastic materials.**

**Therefore Council resolves to ask the Cabinet to;**

- 1. Develop a robust strategy to make Portsmouth a 'single-use-plastic-free' authority by the end of 2019 and encourage the City's institutions, businesses and citizens to adopt similar measures;**
- 2. End the sale and provision of single use plastic products such as bottles, cups, cutlery and drinking straws in council buildings, or council supported venues, wherever possible; promoting the use of non-plastic recyclable and re-usable alternatives e.g. paper straws to ensure our venues remain accessible to those with additional needs.**
- 3. Encourage traders in Portsmouth to sell re-usable containers and invite customers to bring their own. Consider introducing a 'window sticker' scheme to accredit local businesses that are committed to reducing plastic waste e.g. offering free water bottle refills.**
- 4. Investigate the possibility of requiring pop-up food and drink vendors at council supported events to avoid single use plastics as a condition of their contract; with a view to phasing out all single use plastics at markets and events in the City by the end of 2020 to allow small businesses and vendors, often small family run businesses an appropriate window of time to be able to adapt their businesses without a negative impact by moving to recyclable and eco-friendly materials.**
- 5. Work with tenants in commercial properties owned by Portsmouth City Council to encourage the phasing out of single use plastic cups, bottles, cutlery and straws.**
- 6. Investigate introducing a Portsmouth branded range of re-usable cups and water bottles for sale across Portsmouth City Council retail outlets, including Waterfront Gifts and work with independent businesses to investigate a loyalty scheme for re-**

**useable coffee cup users to encourage the wider use of re-usable receptacles.**

- 7. Continue to investigate the set-up of a city-wide 'Water re-fill' scheme, which will complement the new water refill stations soon to be installed across the city.**
- 8. Support Plastic Free Coastlines with the aim of being recognised as a Plastic Free City by 2019; committing to plastic free alternatives; supporting plastic free initiatives within the City and providing a named representative from the council to sit on the Portsmouth Plastic Free Coastlines steering group.**

**11. Questions from Members under Standing Order No 17**

There were no questions before council.

The meeting concluded at 7.35 pm.

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Lord Mayor

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**AGENDA ITEM 7 - Portsmouth City Council Budget & Council Tax 2018/19 & Medium Term Budget Forecast 2019/20 to 2021/22**

Amendment to Cabinet recommendations attached.

Proposed by (Name) Councillor Gerald Vernon-Jackson

Signed \_\_\_\_\_

Seconded by (Name) Councillor Hugh Mason

Signed \_\_\_\_\_





## **Amendment proposed by the Liberal Democrat Group**

### **Portsmouth City Council - Budget & Council Tax 2018/19 & Medium Term Budget Forecast 2019/20 to 2021/22**

That the recommendations of the Cabinet of 12<sup>th</sup> February 2018 (Minute 6/18) on "Portsmouth City Council - Budget & Council Tax 2018/19 & Medium Term Budget Forecast 2019/20 to 2021/22" be amended as follows:-

#### **Recommendation 1 (b) be amended to:**

1(b) The revised Revenue Estimates for the financial year 2017/18 and the Revenue Estimates for the financial year 2018/19 as set out in the General Fund Summary (Appendix A amended) including the changes described in paragraph 1(t) below:-

1(t) the following changes be made to Cash Limits for 2018/19 and future years as set out in the table below, but Members note that:

**the responsibility of the City Council is to approve the overall Budget and the associated cash limits of its Portfolios and Committees; it is not the responsibility of the City Council to approve any individual savings or additions within those Portfolios/Committees, that responsibility is reserved for Cabinet Members. The budget savings and additions in the tables below are therefore indicative only.**

**i) Reductions to Revenue Estimates**

Indicative Portfolio Savings Proposal	Impact on Level of Service & Service Outcomes	2018/19	2019/20 & Future Years
		£	£
<b><u>Resources</u></b>			
Reduction in Administrative Support across Departments	Reduction in the capacity, availability and accessibility of some key persons. Some key people will spend a meaningful proportion of their time on administrative functions.	(77,000)	(92,000)
Reduction in Support Services across Departments	A reduction in capacity will present a risk to the organisation including a reduction in the advice available on professional and technical matters, reduce resources directed at providing financial monitoring and control activities and may compromise the ability to deliver savings in other areas of the council.	(110,000)	(159,000)

Indicative Portfolio Savings Proposal	Impact on Level of Service & Service Outcomes	2018/19	2019/20 & Future Years
		£	£
Traffic & Transportation			
<p>Re-instatement of MB &amp; MC Parking Zones to improve the current parking policy through the efficient management of on-street parking in the area and in accordance with the vote from residents</p> <p>Implementation of further residents' car parking zones to improve the current parking policy through the efficient management of on-street parking and in the areas where residents have voted in favour of doing so in the following areas:</p> <p><u>North Kings:</u> (Area 1 of the Five Zone Survey of Central Southsea 2014)</p> <p><u>Owens Gardens</u> - boundary Grove Road South, Elm Grove, Merton/Nelson Road and Victoria Road South: (Area 2 of the Five Zone Survey of Central Southsea 2014)</p> <p><u>South Kings:</u> (Area 3 of the Five Zone Survey of Central Southsea 2014)</p> <p><u>Boundary of Highland Road, Winter Road, Goldsmith Avenue and Francis Avenue:</u> (Area 5 of the Five Zone Survey of Central Southsea 2014)</p>	Expected to lead to additional parking demand in adjacent areas as a consequence of displacement.	(115,000)	(97,000)
Total		(302,000)	(348,000)

## ii) Additions to Revenue Estimates

Saving No.	Increases to Portfolio Cash Limits - Deletion of Indicative Savings	2018/19	2019/20 & Future Years
		£	£
<b><u>Culture Leisure &amp; Sport</u></b>			
New	Additional open access music events across the City	5,000	0
<b><u>Environment &amp; Community Safety</u></b>			
New	Additional cleaning for district shopping centres	37,000	37,000
New	2 Additional Enforcement Officers/Wardens	51,000	74,000
New	Re-instatement of a fixed number of Free Bulky Waste Collections (means tested)	10,000	10,000
New	Provision of 10 Multi-Use Waste Bins located across the City	7,000	7,000
<b><u>Housing</u></b>			
New	Provision of lockers for homeless people to store their belongings (in a civic site to be determined)	5,000	1,000
<b><u>Resources</u></b>			
New	Grant to Off the Record	40,000	40,000
New	Commencing in July 2018, an increase in pay for the lowest paid to the level of the Living Wage as defined by the Living Wage Foundation, subject to the approval of the Employment Committee	97,000	129,000
<b><u>Traffic &amp; Transportation</u></b>			
New	Re-instatement of a dial-a-ride service	50,000	50,000
<b>Total</b>		<b>302,000</b>	<b>348,000</b>

### **Recommendation 1(c) be amended to:-**

1(c) The Portfolio Cash Limits for the Revised Budget for 2017/18 and Budget for 2018/19 as set out in Sections 7 and 9, respectively as amended by paragraph 1(u) below:-

1(u) The following changes be made to Cash Limits for 2018/19 and future years

<b>Portfolio / Committee</b>	<b>2018/19 £</b>	<b>Future Years £</b>
Culture Leisure & Sport	5,000	0
Environment & Community Safety	105,000	128,000
Housing	5,000	1,000
Resources	(50,000)	(82,000)
Traffic & Transportation	(65,000)	(47,000)
<b>Total</b>	<b>0</b>	<b>0</b>

**The following recommendation 1(v) be added**

- 1(v) The Cabinet be requested to instruct Officers to prepare a feasibility study to evaluate the potential benefits and any associated risks, to both the Council and Portsmouth Hospitals NHS Trust, of the City Council providing the senior debt (as lender) for the Queen Alexandra Hospital Private Finance Initiative. In the event that the feasibility study is sufficiently compelling, with adequate loan security, a financial payback, and acceptable risk, that a project team is established to prepare a detailed business case to be funded from the MTRS Reserve and the associated capital investment required being funded by Prudential Borrowing.

**The following recommendation 1(w) be added**

- 1(w) The Cabinet be requested to instruct Officers to investigate all feasible options for widening the availability of the Councils Rent Deposit Bond scheme in order to maximise the opportunities for homeless, or other vulnerable, persons to access private rented accommodation.

**SECTION 151 OFFICER'S COMMENTS**

**Under Recommendation 1(s), the Section 151 Officer advises as follows:-**

The proposals contained within this amendment do not alter the statements made by the Section 151 Officer in Section 13 of this report.

**CITY SOLICITOR'S COMMENTS**

The City Solicitor is satisfied that it is within the City Council's powers to approve the amendment as set out, and supports the advice of the Section 151 Officer given above.

# Liberal Democrat Group Amendment

## GENERAL FUND SUMMARY - 2017/18 to 2021/22

## APPENDIX A (amended)

Original Budget 2017/18 £	NET REQUIREMENTS OF PORTFOLIOS	Revised Budget 2017/18 £	Original Budget 2018/19 £	Forecast 2019/20 £	Forecast 2020/21 £	Forecast 2021/22 £
	Community Safety					
23,842,700	Children & Families	24,193,300	24,904,800	27,017,800	27,765,600	28,456,600
10,160,860	Culture Leisure & Sport	9,088,260	8,998,160	9,462,460	9,700,260	9,925,760
24,247,457	Education	24,518,957	24,294,457	24,639,757	24,761,957	24,906,657
15,800,013	Environment & Community Safety	15,968,413	16,259,013	16,773,513	17,202,713	17,635,413
45,432,879	Health & Social Care	46,138,079	45,052,279	45,733,579	47,492,679	49,202,079
9,040,528	Housing	8,280,328	8,287,428	8,392,128	8,490,628	8,583,228
144,153	Leader	144,153	158,453	163,153	167,753	171,653
37,329	Planning Regeneration Economic Development	(4,444,871)	(4,490,371)	(5,541,071)	(6,033,571)	(6,201,771)
22,758,234	Resources	22,456,934	22,289,434	23,215,434	23,981,334	24,470,134
14,605,707	Traffic & Transportation	16,658,207	16,328,707	16,905,007	15,991,307	16,030,207
88,600	Governance, Audit & Standards Committee	146,900	199,400	212,900	228,000	123,300
(215,595)	Licensing Committee	(216,695)	(222,795)	(227,695)	(230,295)	(235,595)
<b>165,942,865</b>	<b>Portfolio Expenditure</b>	<b>162,931,965</b>	<b>162,058,965</b>	<b>166,746,965</b>	<b>169,518,365</b>	<b>173,067,665</b>
	<u>Other Expenditure</u>					
0	Precepts	0	0	38,400	39,400	40,400
(135,000)	Portchester Crematorium - Share of Dividend	(145,000)	(150,000)	(140,000)	(140,000)	(140,000)
7,172,000	Pension Costs	6,983,700	7,672,000	8,224,800	8,517,900	8,785,000
6,689,000	Contingency Provision	4,212,000	6,384,000	4,326,000	4,251,000	4,251,000
8,000,000	Revenue Contributions to Capital Reserve	10,461,900	10,344,500	5,000,000	2,000,000	0
764,100	Transfer to / (from) Other Reserves	2,629,800	3,155,900	2,229,500	1,272,200	272,200
(28,702,765)	Treasury Management	(29,559,165)	(27,225,965)	(26,806,965)	(26,281,465)	(26,113,165)
1,912,800	Other Expenditure	4,425,800	2,536,600	2,045,900	2,455,500	3,065,400
<b>(4,299,865)</b>	<b>Other Expenditure</b>	<b>(990,965)</b>	<b>2,717,035</b>	<b>(5,082,365)</b>	<b>(7,885,465)</b>	<b>(9,839,165)</b>
<b>161,643,000</b>	<b>TOTAL NET EXPENDITURE</b>	<b>161,941,000</b>	<b>164,776,000</b>	<b>161,664,600</b>	<b>161,632,900</b>	<b>163,228,500</b>
	<b>FINANCED BY:</b>					
(583,761)	Contribution (to) from Balances and Reserves	(1,389,356)	(304,260)	4,663,082	8,915,907	11,859,921
22,313,120	Revenue Support Grant	22,313,120	0	11,482,624	7,378,053	3,345,127
49,632,941	Business Rates Retention	50,844,141	73,567,319	52,874,252	51,498,445	52,785,905
18,033,040	Other General Grants	17,925,435	15,827,049	15,375,983	15,034,082	14,862,658
72,247,660	Council Tax	72,247,660	75,685,892	77,268,659	78,806,413	80,374,889
<b>161,643,000</b>		<b>161,941,000</b>	<b>164,776,000</b>	<b>161,664,600</b>	<b>161,632,900</b>	<b>163,228,500</b>
	<b>BALANCES &amp; RESERVES</b>					
19,227,169	Balance brought forward at 1 April	19,256,118	20,645,474	20,949,734	16,286,652	7,370,745
583,761	Deduct (Deficit) / Add Surplus for Year	1,389,356	304,260	(4,663,082)	(8,915,907)	(11,859,921)
<b>19,810,930</b>	<b>Balance carried forward at 31 March</b>	<b>20,645,474</b>	<b>20,949,734</b>	<b>16,286,652</b>	<b>7,370,745</b>	<b>(4,489,176)</b>
<b>7,000,000</b>	<b>Minimum Level of Balances</b>	<b>7,000,000</b>	<b>8,000,000</b>	<b>8,000,000</b>	<b>8,000,000</b>	<b>8,000,000</b>
<b>(583,761)</b>	<b>Underlying Budget Deficit / (Surplus)</b>	<b>(1,389,356)</b>	<b>(304,260)</b>	<b>4,663,082</b>	<b>8,915,907</b>	<b>11,859,921</b>

**AGENDA ITEM 8 - Capital Programme 2017/18 to 2022/23**

Amendment to Cabinet recommendations attached.

Proposed by (Name) Councillor Gerald Vernon-Jackson

Signed \_\_\_\_\_

Seconded by (Name) Councillor Hugh Mason

Signed \_\_\_\_\_





## **Amendment proposed by the Liberal Democrat Group**

### **Capital Programme 2017/18 to 2022/23**

That the recommendations of the Cabinet of 12<sup>th</sup> February 2018 (Minute 7/18) on "Capital Programme 2017/18 to 2022/23" be amended as follows:-

**Recommendation 4) be amended to reflect the following changes and the Revised Capital Programme 2017/18 to 2022/23 attached at Appendix 1 be amended accordingly:**

<b>Scheme Description - Reductions</b>		<b>Increase / (Decrease) in Corporate Resources</b>	<b>Total Corporate Resources Allocated</b>
		<b>£</b>	<b>£</b>
<b>Reductions to Proposed Capital Schemes:</b>			
	City Centre Public Realm 2018/19	(400,000)	100,000
	LTP 4	(150,000)	1,350,000

<b>Scheme Description - Additions</b>		<b>Increase / (Decrease) in Corporate Resources</b>	<b>Total Corporate Resources Allocated</b>
		<b>£</b>	<b>£</b>
<b>Additional Capital Scheme Proposals (New):</b>			
	Community Crime Prevention Fund	50,000	50,000
	Sustainable Transport Fund	150,000	150,000
	Community Transport Fund	250,000	250,000
	Match Funding to Acquire Homes for the Homeless	100,000	100,000
<b>Total Overall Change</b>		<b>0</b>	

In accordance with the changes described above, that recommendation 4) be replaced with the following:-

Recommended New Capital Schemes		Corporate Resources Required £	Total Scheme Value £
<b>Education</b>			
	Schools' Conditions Project 2018/19	1,000,000	1,100,000
	Sufficiency of Secondary School Places	10,237,800	10,237,800
	Sufficiency of Special School Places - Redwood Park Academy	2,053,700	3,053,700
	Sufficiency of Special School Places - The Willows Centre	400,000	400,000
	Milton Childcare Sufficiency	250,000	250,000
	Forest School at Foxes Forest - Community Accessible Education Centre	125,000	125,000
<b>Culture, Leisure and Sport</b>			
	Farlington Pavillion Refurbishment	70,000	140,000
	Lumps Fort Sun Huts Maintenance	50,000	50,000
	Milton Park Barn Thatched Roof	130,000	130,000
	Victoria Park Heritage Lottery Funding Bid	250,000	2,500,000
	Disabled Beach Buggies & Access Mats	20,000	20,000
	Allotment Security Grants	35,000	35,000
	Outdoor Fitness Equipment	80,000	80,000
<b>Environment and Community Safety</b>			
	Public Toilets New Provision, across the City	125,000	180,000
	Wheeled Bins for Refuse	1,120,000	1,120,000
	Community Crime Prevention Fund - to assist crime prevention activities	50,000	50,000
<b>Health and Social Care</b>			
	Shearwater House - Backup Power Supply	50,000	50,000
<b>Housing</b>			
	307 Twyford Avenue - Refurbishment of Supported Housing Accommodation for Adult Social Care clients	190,000	190,000
	4 Target Road - Refurbishment of Supported Housing Accommodation for Adult Social Care clients	100,000	100,000
	69 Goldsmith Avenue - Refurbishment of Supported Housing Accommodation for Adult Social Care clients	160,000	160,000
	Match Funding to Acquire Homes for the Homeless	100,000	100,000
<b>Planning, Regeneration and Economic Development</b>			
	City Centre Public Realm 2018/19	100,000	100,000
<b>Resources</b>			
	Landlord's Maintenance	2,395,000	2,395,000
	Channel Shift - Phase 2	582,500	582,500
	Windows 10 Upgrade & Hardware Refresh	1,500,000	1,800,000

Recommended New Capital Schemes		Corporate Resources Required £	Total Scheme Value £
<b>Traffic and Transportation</b>			
	Cathodic Protection - Hard Interchange	1,200,000	1,200,000
	Western Corridor - South	120,000	120,000
	Central Corridor	250,000	250,000
	Eastern Corridor Road Link - Phase 2	500,000	500,000
	LTP 4	1,350,000	1,350,000
	Smart Cities - Intelligent Transport System	500,000	803,000
	Pedestrian Crossing - Henderson Road	80,000	80,000
	Sustainable Transport Fund - to encourage alternative modes of transport to the car	150,000	150,000
	Community Transport Fund - Allowing communities to be involved in improving their areas e.g. traffic calming schemes such as at Locksway Rd., Clive Rd. and Fort Cumberland Rd. and removing buildouts (without trees) where residents want this to happen	250,000	250,000
<b>Total Recommended Sum To Be Approved</b>		<b>25,574,000</b>	<b>29,652,000</b>

### **SECTION 151 OFFICER'S COMMENTS**

The proposals set out within this amendment are affordable within the overall capital resources available to the Council.

### **CITY SOLICITOR'S COMMENTS**

The City Solicitor is satisfied that it is within the City Council's powers to approve the amendment as set out, and supports the advice of the Section 151 Officer given above.

**NOTES TO THE LIBERAL DEMOCRAT AMENDMENT - Capital Programme 2017/18 to 2022/23**

The overall financial effect of the proposals is set out below:

		<b>Corporate Resources Required</b>
		<b>£</b>
<b>Reductions to Proposed Capital Schemes:</b>		
	City Centre Public Realm 2018/19	(400,000)
	LTP 4	(150,000)
<b>Additional Capital Scheme Proposals (New):</b>		
	Community Crime Prevention Fund	50,000
	Match Funding to Acquire Homes for the Homeless	100,000
	Sustainable Transport Fund	150,000
	Community Transport Fund	250,000
<b>Total Overall Change</b>		<b>0</b>

**AGENDA ITEM 7 - Portsmouth City Council Budget & Council Tax 2018/19 & Medium Term Budget Forecast 2019/20 to 2021/22**

Amendment to Cabinet recommendations attached.

Proposed by (Name) Councillor Stephen Morgan

Signed \_\_\_\_\_

Seconded by (Name) Councillor Yahiya Chowdhury

Signed \_\_\_\_\_

## **Amendment proposed by the Labour Group**

### **Portsmouth City Council - Budget & Council Tax 2018/19 & Medium Term Budget Forecast 2019/20 to 2021/22**

That the recommendations of the Cabinet of 12<sup>th</sup> February 2018 (Minute 6/18) on "Portsmouth City Council - Budget & Council Tax 2018/19 & Medium Term Budget Forecast 2019/20 to 2021/22" be amended as follows:-

#### **Recommendation 1 (b) be amended to:**

1(b) The revised Revenue Estimates for the financial year 2017/18 and the Revenue Estimates for the financial year 2018/19 as set out in the General Fund Summary (Appendix A amended) including the changes described in paragraph 1(t) below:-

1(t) the following changes be made to Cash Limits for 2018/19 and future years as set out in the table below, but Members note that:

**the responsibility of the City Council is to approve the overall Budget and the associated cash limits of its Portfolios and Committees; it is not the responsibility of the City Council to approve any individual savings or additions within those Portfolios/Committees, that responsibility is reserved for Cabinet Members. The budget savings and additions in the tables below are therefore indicative only.**

## i) Reductions to Revenue Estimates

Indicative Portfolio Savings Proposal	Impact on Level of Service & Service Outcomes	2018/19	2019/20 & Future Years
		£	£
<b>Resources</b>			
20% Reduction in Members Basic Allowance*		(80,000)*	(80,000)*
25% Reduction in Special Responsibility Allowance*		(28,000)*	(28,000)*
A reduction in Cabinet Members from 9 to 6**		0**	0**
Move to "All Out" Elections***		0***	0***
Reduction in Administrative Support across Departments	Reduction in the capacity, availability and accessibility of some key persons. Some key people will spend a meaningful proportion of their time on administrative functions.	(77,000)	(92,000)
Reduction in Support Services across Departments	A reduction in capacity will present a risk to the organisation including a reduction in the advice available on professional and technical matters and may compromise the ability to deliver savings in other areas of the council.	(73,000)	(105,000)
<b>Total</b>		<b>(258,000)</b>	<b>(305,000)</b>

\* Members should have regard to the report of the Independent Remuneration Panel and the resolutions of Council on 14<sup>th</sup> November 2017.

\*\* Members should note that, in accordance with the Local Government Act 2000, this is a decision for the Leader of the Council not the Council itself. In the event that the Leader elects to take such a decision, the savings amount will increase by £22,500.

\*\*\* The required process for moving to whole council elections would be as follows

- I. Full Council resolves to undertake public consultation as the Council thinks appropriate on any proposed change
- II. Have regard to the outcome of the consultation before making its decision
- III. Convene a special meeting of the Council
- IV. Full Council must pass a resolution by a two-thirds majority of those voting at that Special meeting

- V. The resolution must specify the commencement year (earliest date would be May 2019)
- VI. The resolution is the means by which the term of office is reduced for any members whose term would not be completed
- VII. Any election(s) scheduled to take place before the start date indicated in the Council's resolution would continue as normal
- VIII. An explanatory document on the decision must be published after the resolution is made
- IX. The Council must notify the Boundary Commission of the scheme adopted and the commencement year
- X. If the Council resolves to change to whole council elections, the decision cannot be reversed until five years from the date of the resolution

The earliest implementation date would be from May 2019 and the saving is estimated to be £47,000 per annum.

The relevant legislation is contained in sections 32-36 of the Local Government and Public Involvement in Health Act 2007 (as amended by the Localism Act 2011)

#### ii) Additions to Revenue Estimates

Saving No.	Increases to Portfolio Cash Limits - Deletion of Indicative Savings	2018/19	2019/20 & Future Years
		£	£
Environment & Community Safety			
New	Neighbourhood Improvements - Enhancing the cleanliness of streets and the greenness and appeal of public spaces	129,000	152,500
Health & Social Care			
New	To invest in Adult Social Care in order to respond to increases in both cost and demand for care services arising from the general growth in the elderly population and the increase in complexity of care needs	129,000	152,500
Total		258,000	305,000

#### **Recommendation 1(c) be amended to:-**

- 1(c) The Portfolio Cash Limits for the Revised Budget for 2017/18 and Budget for 2018/19 as set out in Sections 7 and 9, respectively as amended by paragraph 1(u) below:-



- 1(u) The following changes be made to Cash Limits for 2018/19 and future years

<b>Portfolio / Committee</b>	<b>2018/19 £</b>	<b>Future Years £</b>
Environment & Community Safety	129,000	152,500
Health & Social Care	129,000	152,500
Resources	(258,000)	(305,000)
<b>Total</b>	<b>0</b>	<b>0</b>

### **SECTION 151 OFFICER'S COMMENTS**

**Under Recommendation 1(s), the Section 151 Officer advises as follows:-**

The proposals contained within this amendment do not alter the statements made by the Section 151 Officer in Section 13 of this report.

### **CITY SOLICITOR'S COMMENTS**

The City Solicitor is satisfied that it is within the City Council's powers to approve the amendment as set out, and supports the advice of the Section 151 Officer given above.

# Labour Group Amendment

## GENERAL FUND SUMMARY - 2017/18 to 2021/22

## APPENDIX A (amended)

Original Budget 2017/18 £	NET REQUIREMENTS OF PORTFOLIOS	Revised Budget 2017/18 £	Original Budget 2018/19 £	Forecast 2019/20 £	Forecast 2020/21 £	Forecast 2021/22 £
	Community Safety					
23,842,700	Children & Families	24,193,300	24,904,800	27,017,800	27,765,600	28,456,600
10,160,860	Culture Leisure & Sport	9,088,260	8,993,160	9,462,260	9,699,960	9,925,460
24,247,457	Education	24,518,957	24,294,457	24,639,757	24,761,957	24,906,657
15,800,013	Environment & Community Safety	15,968,413	16,283,013	16,798,813	17,228,813	17,662,113
45,432,879	Health & Social Care	46,138,079	45,181,279	45,890,079	47,653,479	49,366,979
9,040,528	Housing	8,280,328	8,282,428	8,390,928	8,489,428	8,582,028
144,153	Leader	144,153	158,453	163,153	167,753	171,653
37,329	Planning Regeneration Economic Development	(4,444,871)	(4,490,371)	(5,541,071)	(6,033,571)	(6,201,771)
22,758,234	Resources	22,456,934	22,031,434	22,935,634	23,694,034	24,175,934
14,605,707	Traffic & Transportation	16,658,207	16,443,707	17,004,407	16,093,207	16,134,307
88,600	Governance, Audit & Standards Committee	146,900	199,400	212,900	228,000	223,300
(215,595)	Licensing Committee	(216,695)	(222,795)	(227,695)	(230,295)	(235,595)
<b>165,942,865</b>	<b>Portfolio Expenditure</b>	<b>162,931,965</b>	<b>162,058,965</b>	<b>166,746,965</b>	<b>169,518,365</b>	<b>173,067,665</b>
	Other Expenditure					
0	Precepts	0	0	38,400	39,400	40,400
(135,000)	Portchester Crematorium - Share of Dividend	(145,000)	(150,000)	(140,000)	(140,000)	(140,000)
7,172,000	Pension Costs	6,983,700	7,672,000	8,224,800	8,517,900	8,785,000
6,689,000	Contingency Provision	4,212,000	6,384,000	4,326,000	4,251,000	4,251,000
8,000,000	Revenue Contributions to Capital Reserve	10,461,900	10,344,500	5,000,000	2,000,000	0
764,100	Transfer to / (from) Other Reserves	2,629,800	3,155,900	2,229,500	1,272,200	272,200
(28,702,765)	Treasury Management	(29,559,165)	(27,225,965)	(26,806,965)	(26,281,465)	(26,113,165)
1,912,800	Other Expenditure	4,425,800	2,536,600	2,045,900	2,455,500	3,065,400
<b>(4,299,865)</b>	<b>Other Expenditure</b>	<b>(990,965)</b>	<b>2,717,035</b>	<b>(5,082,365)</b>	<b>(7,885,465)</b>	<b>(9,839,165)</b>
<b>161,643,000</b>	<b>TOTAL NET EXPENDITURE</b>	<b>161,941,000</b>	<b>164,776,000</b>	<b>161,664,600</b>	<b>161,632,900</b>	<b>163,228,500</b>
	FINANCED BY:					
(583,761)	Contribution (to) from Balances and Reserves	(1,389,356)	(304,260)	4,663,082	8,915,907	11,859,921
22,313,120	Revenue Support Grant	22,313,120	0	11,482,624	7,378,053	3,345,127
49,632,941	Business Rates Retention	50,844,141	73,567,319	52,874,252	51,498,445	52,785,905
18,033,040	Other General Grants	17,925,435	15,827,049	15,375,983	15,034,082	14,862,658
72,247,660	Council Tax	72,247,660	75,685,892	77,268,659	78,806,413	80,374,889
<b>161,643,000</b>		<b>161,941,000</b>	<b>164,776,000</b>	<b>161,664,600</b>	<b>161,632,900</b>	<b>163,228,500</b>
	BALANCES & RESERVES					
19,227,169	Balance brought forward at 1 April	19,256,118	20,645,474	20,949,734	16,286,652	7,370,745
583,761	Deduct (Deficit) / Add Surplus for Year	1,389,356	304,260	(4,663,082)	(8,915,907)	(11,859,921)
<b>19,810,930</b>	<b>Balance carried forward at 31 March</b>	<b>20,645,474</b>	<b>20,949,734</b>	<b>16,286,652</b>	<b>7,370,745</b>	<b>(4,489,176)</b>
<b>7,000,000</b>	<b>Minimum Level of Balances</b>	<b>7,000,000</b>	<b>8,000,000</b>	<b>8,000,000</b>	<b>8,000,000</b>	<b>8,000,000</b>
<b>(583,761)</b>	<b>Underlying Budget Deficit / (Surplus)</b>	<b>(1,389,356)</b>	<b>(304,260)</b>	<b>4,663,082</b>	<b>8,915,907</b>	<b>11,859,921</b>

# Agenda Item 5



**Portsmouth**  
CITY COUNCIL

## **COUNCIL MEETING**

### **QUESTIONS BY THE PUBLIC AT COUNCIL MEETINGS UNDER STANDING ORDER NO 25**

**CITY COUNCIL MEETING – 20 MARCH 2018**

#### **QUESTION NO 1**

**FROM: MR JERRY BROWN**

"When will the Leader of the Council press for the appointment of non-executive directors to the active, fully-owned companies owned by Portsmouth City Council?"

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<b>Title of meeting:</b>	Cabinet Full Council
<b>Date of meeting:</b>	16 March 2018 (Cabinet) 20 March 2018 (Council)
<b>Subject:</b>	Health and Wellbeing Strategy refresh, 2018-2021
<b>Report by:</b>	Jason Horsley, Director of Public Health
<b>Wards affected:</b>	n/a
<b>Key decision:</b>	No
<b>Full Council decision:</b>	Yes

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## 1. Purpose of report

- 1.1 To present to the Cabinet the Health and Wellbeing Strategy for 2018-2021 for approval.

## 2. Recommendations

- 2.1 The Cabinet is recommended to:
  - a. Approve the Health and Wellbeing Strategy attached at Appendix 1.

## 3. Background

- 3.1 There is statutory duty on local Health and Wellbeing Boards to produce a strategy for the Health and Wellbeing of their population, which should be adopted by the partner organisations. At the last meeting of the Health and Wellbeing Board, a document was approved by the Health and Wellbeing Board, with the recommendation that this is adopted by partner organisations.

## 4. Reasons for recommendations

- 4.1 The Health and Wellbeing Strategy needs to focus on the highest impact issues for the city, and the areas where the work of the Health and Wellbeing Board can add maximum value.
- 4.2 A draft consultation document was issued in December that reflected previous decisions that:

- our overarching aims should be to improve healthy life expectancy in the city; and reduce inequality by improving the areas with lowest expectancy fastest
- we do this by working to principles around promoting prevention, supporting independence and intervening earlier
- that the strategy needs to work on all dimensions of the city in a whole systems approach
- that broad themes are supporting physical good health, supporting social, emotional and mental health, working to improve outcomes for marginalised groups fastest; and improving access to services.

## **5. Feedback from consultation**

5.1 Over 80 responses were received in response to consultation. Most responses were made by individuals rather than on behalf of organisations. Organisations represented include:

- Healthwatch
- Portsmouth College
- Portsmouth Hospitals Trust - maternity
- North End Baptist Church
- Safer Portsmouth Partnership
- NHS Property
- Portsmouth CCG (ICS)
- Wessex Cancer Trust
- Adult Social Care, PCC
- Stroke Association
- Milton Neighbourhood Forum
- Home of Comfort Nursing Home
- The Roberts Centre
- The Society of St James
- Portsdown U3A
- Regeneration Directorate, PCC
- Public Health, PCC
- Vivid Housing
- Tackling Poverty Steering Group

5.2 There was strong agreement that the four priorities that had been identified felt correct for Portsmouth's strategy. Key comments in relation to the general priorities were that:

- There needs to be a greater reflection of the importance of economic good health because it is so important for overall wellbeing
- We need to come alongside communities, with their skills and aspirations, and look at 'what is strong rather than what is wrong'.
- Look at how the voluntary and community sector can work alongside the statutory services and organisations to deliver services and build better understanding.

- Ensure the wider determinants of health are integrated into commissioning plans - 'somewhere to live, someone to love and something meaningful to do.'

- 5.3 In relation to Priority 1 - Physical Health, there was strong agreement that this is an important priority, and agreement about the themes of preventing the harms from tobacco and increasing physical activity. However, there was also a sense that the overarching theme needed to be "reducing obesity" or "encouraging healthy weight" with physical activity and diet/nutrition as the enablers to that aim. There was also feedback about the importance of starting early with support to children and families.
- 5.4 Commentary around Priority 2 - Social, emotional and mental good health suggested that there was strong support that the right priorities had been identified, although the question was posed if issues related to addiction (including substance misuse) would sit better linked to tobacco and physical health. Many respondents picked up on the issues that mental wellbeing is influenced by a huge range of factors and that preventing matters arising in the first instance (such as abuse, loneliness and lack of opportunities) is critical to any approach.
- 5.5 In considering vulnerable groups, there was broad agreement that the right groups had been identified but that more needed to be done to reflect issues of homelessness.
- 5.6 In response to the feedback, a number of amendments were made to the draft document, including:
- Inclusion of reference to the children's physical health strategy
  - More emphasis on the issue of homeless as a cause and effect of marginalisation
  - More consideration of issues relating to diet and healthy weight
  - Recognition of the importance of the surrounding environment, picking up issues such as air quality and quality of the public realm
- 5.7 The revised text (attached as Appendix 1) was approved by the Health and Wellbeing Board on 21<sup>st</sup> February 2018, with a recommendation that this should be formally adopted by partner organisations.
- 5.8 An accessible designed version of the document will be produced for wider circulation.

## **7. Equality impact assessment**

- 7.1 A preliminary EIA was completed for the document and concluded that there will be no negative impact on any of the protected characteristics arising from the development of a refreshed Health and Wellbeing Strategy. Any individual projects or measures arising from the strategic approach outlined will be subject to impact assessments in their own right. The preliminary EIA is attached as Annex 2.

## **8. Legal implications**

8.1 Legal implications are set out in the body of the report.

## **9. Director of Finance's comments**

9.1 The work outlined in the strategy will be undertaken using existing staffing resources and will not incur additional costs.

.....  
Signed by:  
Dr Jason Horsley, Director of Public Health

## **Appendices: Draft Health and Wellbeing Strategy for consultation**

### **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:

<b>Title of document</b>	<b>Location</b>

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

.....  
Signed by:



# Portsmouth's Health and Wellbeing Strategy 2018-2021

## Introduction

### Developing the draft Health and Wellbeing Strategy

There is a statutory duty on local Health and Wellbeing Boards to produce a strategy for the Health and Wellbeing of their populations. The strategy should inform work that is done to improve health and wellbeing in local areas.

Portsmouth's previous strategy (2014-2017) is wide-ranging and provided a comprehensive overview of health and wellbeing matters in the city. In refreshing this for 2018-2021, we are focusing on the relationships to other work in the city, and on the areas of work that will have the highest impact in the context of the wider system.

We have sought to identify priorities based on the strong evidence we have about the city and the huge range of stakeholder information and feedback that members of the Board have access to. We remain committed to the reduction of health inequalities, by improving outcomes for those in the worst position fastest. We recognise that inequalities can be identified according to where people live, and that this is particularly true in some areas where there are high levels of deprivation and need; but there are also inequalities between genders, ethnicities, ages and abilities that we need to tackle.

In developing the document we have taken account of:

- the most up to date evidence of what is happening around health and wellbeing outcomes in Portsmouth, as summarised in our Joint Strategic Needs Assessment
- an assessment of our progress against the previous strategy
- latest relevant national guidance, strategies and plans
- local strategies and plans
- insight from local residents and communities, including through an open consultation on the draft document.

The strategy will be a critical piece of documentation for:

- Underpinning commissioning decisions: setting a framework for commissioning plans across the NHS, local authority and other agencies in the city
- Influencing decisions: providing a source of evidence and direction for policy and decision making in a wide range of areas across the city, such as development, community safety and education.
- Holding leaders of organisations across the city to account for improving outcomes: the strategy will be reviewed each year and provide a basis for conversations about where we are improving outcomes, and where more needs to be done.

We are consulting on our draft strategy, and the responses to this will be used to shape the final document. We will consult in detail with lead agencies and partnerships to ensure that the work programmes proposed in the strategy are complementary to programmes already underway, and consider where the Health and Wellbeing Board can add additional value to those programmes.

The Health and Wellbeing Board works alongside other partnerships in the city, looking at a range of issues that affect people's lives. Portsmouth's Children's Trust Board will take the lead on issues relating to children and families and education. Similarly, the Safer Portsmouth Partnership will lead on issues relating to violent crime. However, there are some issues with a very specific health and care emphasis, and that cut across areas of work, and these are reflected in the Health and Wellbeing Strategy.

We have some significant challenges to address, but we are confident that by working together we can really make a difference over the next three years.

Health and Wellbeing Board Portsmouth

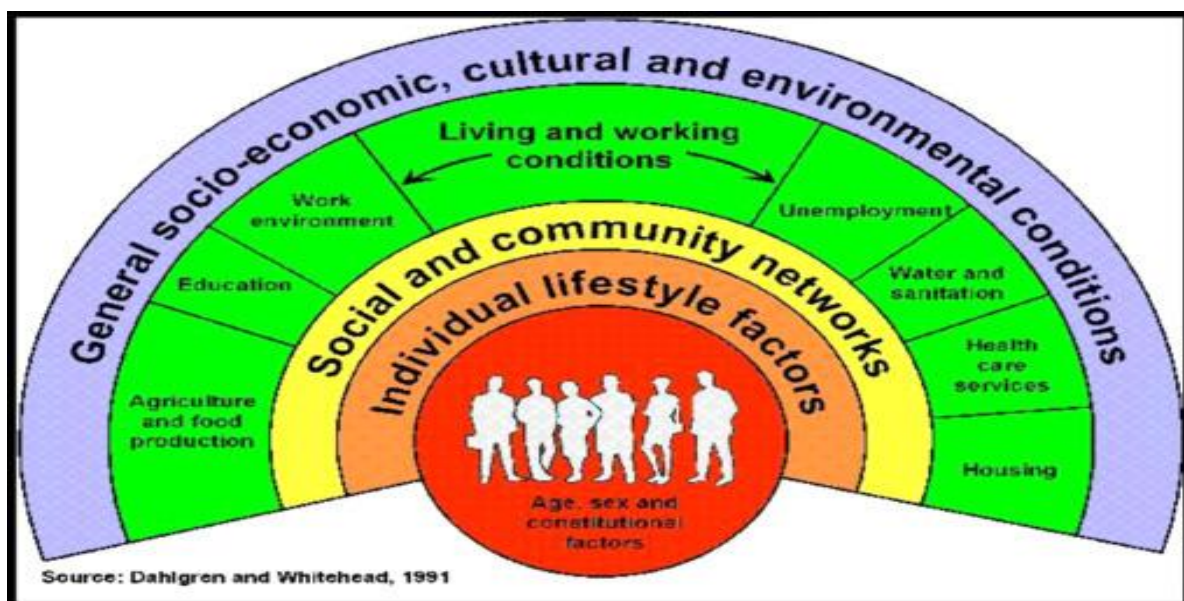
## Portsmouth - in a nutshell and the case for change

Portsmouth is a great waterfront city, home to over 200,000 people, with all the diversity, opportunities and challenges that come with that.

The city has great assets and potential. We have an extraordinary natural environment, world-leading status in industries including marine technology, aerospace and defence, and a vibrant cultural sector. Our university is thriving and respected and we have plans for regeneration of the city, including the development of thousands of homes on the Tipner site to the west of the city.

Despite this, the most recent summary of the Joint Strategic Needs assessment for the city showed that life expectancy in the city is lower than the national averages for both men and women. Main areas of concern for Portsmouth, when considering health and wellbeing data, are educational achievement at 16, high levels of recorded violence against the person (including domestic abuse), premature mortality from cancer, high levels of death from drug misuse and deaths from suicide.

We believe that if the city is to unlock its potential, we need to tackle these issues - and other areas where Portsmouth may be making improvements but is still in a poor position relative to other areas of the country, such as smoking prevalence and smoking-related deaths, and premature mortality from heart disease and stroke. We know that outcomes in health are more than about managing health problems and that the wider determinants of health are critical:



Put simply, people who have good quality and secure jobs and housing in the areas and communities where they have families and social networks stay healthier, feel happier and live longer. In order for them to secure work, homes and relationships, they need a good start in life, support when they have problems, and care when they need it. When these conditions exist, areas are attractive to investors and visitors, creating more opportunities for residents, and more resources that can be directed to support the most vulnerable.

The case for improving health and wellbeing in Portsmouth is clear - unlocking the potential of the city and securing the prosperity it can generate depends on it.



## Our vision and approach

We want to improve healthy life expectancy in the city; and reduce inequality by improving the areas with the lowest expectancy fastest. We will do this by working to principles around:

- Promoting prevention
- Supporting independence
- Intervening earlier

We know that we want to give people the best possible start in life, empower them to live healthy lives and enjoy a healthy older age. In order to do this we will:

- Empower people to take care of their physical health
- Empower people to take care of their social, emotional and mental health
- Work with marginalised groups to make improvements for them fastest
- Improve access to health and social care support in the community

Themes	Priority	What we will do
Improve healthy life expectancy in the city; and reduce inequality by improving the areas with the lowest expectancy fastest		
Support physical good health	Reduce the harms from tobacco and other substances	<ul style="list-style-type: none"> <li>- Implement the Smoke-Free Portsmouth Tobacco control strategy</li> <li>- Tackle the causes of substance and alcohol misuse and work with the Safer Portsmouth Partnership to reduce the harms from substance misuse.</li> </ul>
	Reduce the harms from physical inactivity and poor diets	<ul style="list-style-type: none"> <li>- Ensure wider environmental measures such as open space protection and transport infrastructure are taken to support better quality environments</li> <li>- Implement our citywide approach to physical activity</li> <li>- Implement the wider Healthy Weight strategy, including a focus on education, diet and nutrition.</li> </ul>
	Focus on good physical health in children and young people	<ul style="list-style-type: none"> <li>- Implement the Children's Trust strategy to support the physical health of children, including supporting families and communities.</li> </ul>
Support social, emotional, mental and economic health	Promote positive mental wellbeing across Portsmouth	<ul style="list-style-type: none"> <li>- Develop opportunities to ensure people feel connected to the wider community</li> <li>- Continue to implement the Future in Mind Strategy to transform the approach to child and adolescent mental health</li> </ul>
	Reduce the drivers of isolation and exclusion	<ul style="list-style-type: none"> <li>- Develop and implement the suicide prevention plan</li> <li>- Progress the priorities of the Tackling Poverty Strategy, including providing good quality, sustainable employment opportunities that enable a reasonable standard of living for residents; helping residents to be financially resilient and shaping wider policies and decisions so they reduce the risk of poverty.</li> </ul>
Make improvements for marginalised groups fastest	People with complex needs	<ul style="list-style-type: none"> <li>- Progress programme of activity around complex needs</li> <li>- Develop and implement citywide strategy for street sleeping</li> </ul>
	People in the armed forces community	<ul style="list-style-type: none"> <li>- Complete a detailed needs assessment by Spring 2018.</li> </ul>
	Children and people with special educational needs and disabilities, and their families	<ul style="list-style-type: none"> <li>- Implement the six priorities in the SEND strategy</li> <li>- Implement the four priorities in the Carers' Strategy</li> </ul>
	Looked after children and care leavers	<ul style="list-style-type: none"> <li>- Increase placement stability</li> <li>- Improved educational outcomes</li> <li>- More care leavers in education, employment and training</li> <li>- Improved emotional health and resilience.</li> </ul>
Improve access to health and social care support in the community	Implementation of the Portsmouth Blueprint for health and care	<ul style="list-style-type: none"> <li>- development of the Stronger Futures programme for integrating care services for children, and supporting earlier intervention through a restorative approach</li> <li>- developing integrated locality teams for adults services</li> <li>- developing a multi-speciality community provider model for services in the city</li> <li>- developing a programme for workforce development across the city.</li> </ul>

## How we will deliver and monitor the strategy

Our approach will consider the complete environment in which people live, and the whole range of influences on their lives:



In our work with individuals, we will:

- ensure that people are empowered to take responsibility for their own well-being, transferring responsibility to them wherever possible to self-care and self-manage, to opt for personal budgets and to have a full say in designing and shaping the policies, services and plans that will affect them.
- Ensure we see the whole person and their whole set of issues, consider how these link together and support them to tackle problems holistically.

In our work with communities, we will:

- Take an asset-based approach, recognising the many strengths that already exist in our cities and communities
- Consider community-based ideas and solutions to tackle problems, building on schemes such as community connectors.

In our work with each other, we will:

- Continue to work together on commissioning and delivering services, so that organisational structures and boundaries don't stand in the way of delivering the best solutions, and residents don't experience difficulty in access and navigating services
- Hold each other to account respectfully and supportively for delivering on the objectives in the Health and Wellbeing Strategy.
- Support key partnerships to identify local priorities and deliver long-term sustainable changes to the way we work.

Much of the detailed information underpinning this strategy, and the supporting work programmes, are contained in documents referenced throughout. The Health and Wellbeing Board will work

alongside other partnerships and groups in the city groups, and will support discussion on these key areas to understand where we can go further and faster in securing the improvements in health and wellbeing that we need to see in the city.

Progress against the areas set out in the strategy will be tracked through the annual reports presented by the Director of Public Health setting out progress against the Public Health Outcomes Framework. The Board will also invite colleagues to celebrate successes and share challenges regularly so that all partners with an interest in health and wellbeing in Portsmouth can come together to build a common understanding of the challenges and opportunities, and can tackle them together.

## Theme 1: Support good physical health

Lifestyles, particularly physical inactivity, unhealthy diets, drinking alcohol to excess, and smoking are challenges in Portsmouth, with a significant proportion of adults exhibiting more than one unhealthy behaviour, which adversely contributes to the health inequalities of those living in Portsmouth's more deprived areas, and affects the predicted poor long-term health of those currently of middle age (35 to 64 years) living anywhere in the city. There is also a real challenge that many of these behavioural issues in adults impact negatively on children from pregnancy onwards (eg smoking in pregnancy, offering unhealthy food, snacks and drinks, not taking children to dental and other health appointments).

### Creating the conditions for improvement

The choices people make about things that affect their physical health and wellbeing are often influenced by the environments they live, work and relax in. We need to make sure that these wider environments are supporting people to take care of their own physical health.

This includes making sure that we tackle issues around air quality, which is known to contribute to premature deaths. We also need to make sure that environments support people to undertake physical activity, for example, by making sure that our transport infrastructure supports active travel. This is important because the more we can encourage people to use more active travel methods, the greater the opportunities for reducing traffic and improving the air we breathe.

We also need to ensure we protect our open spaces, which is particularly important in a very densely built city like Portsmouth, and make them nice places to be and to use. The city benefits hugely from the unique natural environment created by the waterfront, but people need to be able to feel confident and safe using their environments and making the most of the opportunities they present.

### Priority 1a: Reduce the harms from tobacco and other substances

#### Why is this a priority?

Smoking remains the main reason for the gap in life expectancy between rich and poor. The Local Tobacco Control Profiles show that compared to England, Portsmouth has significantly higher rates of:

Measure	Portsmouth	England
Prevalence of current smokers in 15 year olds, 2014/15	10.9%	8.2%
Prevalence of regular smokers in 15 year olds, 2014/15	8.2%	5.5%
Smoking prevalence in adults 2015	19.8%	16.9%
Pregnant women smoking at the time of delivery	14.7%	11.4%
Smoking attributable mortality 2012/14	333 deaths per 100,000 persons aged 35+ years	275 deaths per 100,000 persons aged 35+ years



The national Tobacco Control Plan for England states “...nicotine addiction for most people starts in adolescence. In England, almost two-thirds of current and ex-smokers say that they started smoking regularly before they were 18 years old.... Very few people start smoking for the first time after the age of 25” The local Health and Lifestyle Survey found that 49% of all current tobacco smokers started to smoke when they were younger than 16 years, 24% between 16 and 17 years of age and 20% between 18 and 24 years of age.

The most recent local ‘You say’ survey of secondary school pupils encouragingly found an increase in pupils who had never tried tobacco from 78% in 2015 to 85.7% in 2016.

The local Health and Lifestyle Survey of adults found the highest levels of adults smoking daily or occasionally in Central locality (21% compared to 16% in North and 11% in South localities). Those with the lowest levels of mental wellbeing were more likely to smoke tobacco than those with the highest levels of mental wellbeing (16% compared to 9%). Seventy-seven per cent of local smokers say they would like to stop smoking. Of those who had given up smoking, 71% said they gave up without any help or support.

The Tobacco Control Alliance has recently agreed ‘Smoke-free Portsmouth: Tobacco Control Strategy 2016-2020’. This four-year strategy covers all aspects of smoking and tobacco control to improve the health and wellbeing of the people of Portsmouth by reducing inequalities and by nurturing a tobacco free generation. Creating a smokefree generation is a key priority for us and we will ensure that we focus on preventing young people from starting to smoke to help achieve this.

This will be achieved through a reduction in the prevalence of smoking consistent with national targets and by addressing the wider tobacco control agenda.

We aim to:

- i. Reduce smoking prevalence in Portsmouth, both overall and in identified target groups
- ii. Support local communities to create a tobacco-free culture for Portsmouth

The strategy focus on the three important areas of protection, prevention, and cessation; with our key priorities for achieving a Smoke-Free Portsmouth being to:

1. Promote smokefree environments across the city
2. Motivate and assist every smoker to stop
3. Deliver effective communications and campaigns around the tobacco agenda
4. Provide leadership to create a smokefree city
5. Develop a workforce confident and competent to help reduce the harms of smoking
6. Improve health outcomes and reduce smoking related inequalities targeting young people, pregnant women, adults in routine and manual occupations and adults with mental health disorders.

Another area of concern in Portsmouth is the prevalence of digestive conditions, including chronic liver disease and cirrhosis, which contribute to the comparatively shorter life expectancy of males and females in the most deprived compared to the least deprived areas of the city. Liver disease is affected by physical activity, diet, tobacco smoking and alcohol as well as by Hepatitis B and C viruses: it is a largely preventable disease.

The Liver Disease Profiles and the Local Alcohol Profiles for England show that Portsmouth has significantly higher rates than England across for:

- Claimants of benefits due to alcoholism, 2015
- People admitted to hospital for alcohol-specific conditions, 2014/15
- Admission episodes for males aged 40-64 years, 2014/15

- Admission episodes for mental and behavioural disorders due to use of alcohol condition (broad definition) for males and for females, 2014/15
- Admission episodes for mental and behavioural disorders due to use of alcohol condition (narrow definition) for males 2014/15
- Admission episodes for intentional self-poisoning by and, exposure to, alcohol condition for males and for females, 2014/15
- Alcohol-specific mortality for males and for females, 2012/14
- Alcohol-related mortality for males, 2014
- Mortality from chronic liver disease for males and for females, 2014
- Premature mortality rate from liver disease for males and for females, 2012-14
- Premature mortality rate from alcoholic liver disease for males, 2012-14

The local Health and Lifestyle Survey found that 33% of adults are drinking alcohol at levels that put them at 'increasing risk' of developing an alcohol use disorder, with a further 12% drinking at 'high risk' levels. People from lower socio-economic groups do not necessarily drink more alcohol than people from other groups, but they do suffer disproportionately from alcohol-related illness due to the adverse impact of other lifestyle and socio-economic factors (the 'alcohol harm paradox').

The survey also found the highest rates of negative impacts of drinking alcohol to excess were reported in Central locality. A significantly higher proportion of people aged 16-34 years are at 'increasing risk' of developing an alcohol use disorder (44%) compared to 35-64 year olds (30%) or 65+ years (20%). A significantly higher proportion of 35-64 year olds are at 'high risk' of developing an alcohol use disorder (18%) compared to 16-34 year olds (9%) and 65+ year olds (3%).

The use of alcohol or drugs is strongly associated with suicide in the general population and in sub-groups such as young men and people who self-harm. Although substance misuse affects fewer people, its effects are particularly severe, on physical health, mental health, employment prospects and on those around the person. Alcohol and drugs misuse is also closely associated with crime and offending. The strategy to reduce harms caused is overseen by the Safer Portsmouth Partnership.

Smoking, alcohol and substance misuse are all issues that feature strongly in the Public Health Outcomes Framework, and we will use these indicators to track the effectiveness of work in these areas.

## **Priority 1b: Reduce the harms from physical inactivity and poor diets**

### **Why is this a priority?**

The list of benefits of regular and adequate levels of physical activity is huge; some of the main ones were highlighted by the World Health Organisation:

- improve muscular and cardiorespiratory fitness;
- improve bone and functional health;
- reduce the risk of hypertension, coronary heart disease, stroke, diabetes, breast and colon cancer and depression;
- reduce the risk of falls as well as hip or vertebral fractures; and
- fundamental to energy balance and weight control.

Being physically active improves the health of everyone, regardless of age, sex, ethnicity, disability, wealth or waist size. Various pieces of research and analysis have concluded that:

- persuading inactive people to become active could prevent one in six premature deaths
- physical inactivity is the 4<sup>th</sup> largest cause of disease and disability in the UK
- in children aged 0-5 years, lower levels of physical activity are associated with increased levels of obesity

As measured by the Active Lives Survey 64.5% of the Portsmouth population are classed as active. This is in line with the national averages but below that of the region and Hampshire. 22.8% of Portsmouth residents achieve less than 30 minutes per week of moderate intensity activity.

The Portsmouth Health and Lifestyle survey found that the South locality had a significantly higher proportion meeting the recommended weekly minimum physical activity guideline, than the North and Central localities (and Portsmouth average) - 66% in the South compared to 55% and 54% in North and Central. The local 2015 survey also found that the proportion who meet the weekly activity guideline is greatest amongst those aged 16-34 years, and then falls sharply to half among those aged 35-44 years. It is slightly higher again among those aged 45-64, but then falls again to its lowest level among those aged 65+. The survey also found that 9% of respondents in Portsmouth are sedentary (i.e. do not do regular moderate or vigorous activity). Those in the most deprived quintile of neighbourhoods are more likely to be sedentary.

The overall aim in the city is to ensure that everyone meets the recommendations for physical activity. However, targeting those who are the most inactive to become more active will produce the greatest reduction in chronic disease.

Therefore, we will aim to:

#### **1. Create Active Environments**

Engineering activity back into daily life through infrastructure, transport, housing, workplaces and open space. Influence how people live their lives and choose being active

#### **2. Enable Active starts**

Creating positive attitudes and behaviour amongst all children and young people. Ensuring that positive habits are resilient into adulthood and through periods of change.

### **3. Support Active Lives**

Engage and empower individuals, families and communities to be active every day. Build a culture of activity throughout every corner of daily life.

### **4. Practice Active Medicine**

Valuing and utilising physical activity to prevent and treat health conditions. Activity is viewed as a key component for physical and mental health and wellbeing.

This is an area where there is strong data available about levels of activity undertaken in the city (often commissioned by outside agencies) and around areas that we know are linked to activity, including healthy weight data. Therefore, we will propose to track progress against the following indicators:

1. Increase physical activity levels amongst children and young people
2. Reduce the number of physically inactive adults
3. Retain levels of activity through the life course
4. Reduce inequalities of activity levels amongst females, people with a disability, some ethnic groups and people living in Portsmouth's most deprived communities

Physical activity is commonly linked with obesity and healthy weight and whilst activity is an essential component in maintaining a healthy weight it should be regarded as a health priority in itself. The health benefits of physical activity extend beyond weight loss and are just as important for those overweight, underweight or at the correct weight.

Equally, physical activity is not the only element to maintaining a healthy weight. 'Healthy weight' is the terms used to describe an individual whose height and weight is proportional and falls within defined parameters where the risk of ill-health due to weight is at its lowest. Those individuals above (overweight or obese) or below (underweight) a healthy weight are at increased risk of adverse effects on their health and wellbeing.

Nationally, it is estimated that 64% of the adult population (16+) is above a healthy weight, with a further 1.8% underweight, meaning that only 36.5% of the population falls within the healthy weight range. The most recent estimates for Portsmouth suggest that around 98,000 residents are above normal weight. In Portsmouth, the prevalence of childhood obesity is higher in the most deprived areas compared to the least deprived, which follows the links between deprivation and childhood obesity seen nationally. Similar associations exist around adult obesity, highlighting that the most significant predictor of childhood obesity is parental obesity.

In order to tackle these issues, we need to create a culture where healthy eating becomes the norm alongside physical activity, through developing supportive environments, ensuring healthy food options are easily accessible and readily affordable, and that support is available to help individuals

achieve a healthy weight. We need also to remember that diet doesn't only impact on weight - it is known to contribute to conditions such as type 2 diabetes, hypertension and certain cancers.

Work on promoting physical activity is led through the Physical Activity Alliance, supported by Public Health Portsmouth who also lead efforts to promote healthy eating and good nutrition. The impact of the Health and Wellbeing Board's work on promoting physical activity will be measured through the Public Health Outcomes Framework.

## **Priority 1c: Support the physical good health of children and young people in Portsmouth**

### **Why is this a priority?**

For Portsmouth, our children's health and wellbeing is doing well in some aspects, but there are a range of areas where we are lagging behind how England is doing as a whole. For example:

- ✗ Smoking prevalence at age 15 (current smokers) is significantly higher than for England (10.9% v 8.2% in 2014/15).
- ✗ A&E attendances per 1,000 are significantly higher than the national average for 5-9 year olds, 10-14 year olds, 15-17 year olds and 15-19 year olds based on 2015/16 data, although are lower than the national average for 0-4 year olds

In order to address the particular physical health issues that affect children and young people in the city, and to ensure they get the best possible start, a strategy is in place to tackle the key issues. This has three strategic themes:

**1: Supporting young people** - risky behaviours are those that expose young people to harm, or significant risk of harm and may result in unintended or undesirable consequences. Some risky behaviour can be considered a part of growing up but there is a distinction to behaviour that could escalate to a harmful stage. So we will work together to reduce these, including focusing on alcohol and substance misuse amongst young people.

**2: Supporting families** - the family environment and the circumstances a child grows up in has a huge impact on health and wellbeing of children and young people. Early, secure attachment is crucial for healthy, early development as well as contributes to social and educational outcomes in later life, and children need to grow up in safe, supportive environments. We will work to ensure that support to families incorporates both healthcare approaches and also addresses social concerns, through joining up commissioning of young people's services and continuing to promote good health to families and schools.

**3: Supporting communities** - children and young people are influenced by their surrounding that they grow up in, including where they learn and play. Services working with families as well as the built environment shapes all have a role. Examples of services include primary care, community and acute services and services outside health such as children's centres, nurseries and schools, play and youth services. We will work together to deliver seamless healthcare in the community, ensure the role of education settings in health is recognised, and support the development of healthy environments for children.

The Public Health Outcomes Framework includes many indicators of child and family health and we will track progress according to our direction of travel on these indicators.

## **Theme 2: Support social, emotional, mental and economic health**

We know that Portsmouth has significantly higher rates of factors which are risks for mental ill health but lower recorded rates than the national average of, for example, depression.

### **Priority 2a: Promote positive mental wellbeing across Portsmouth**

Stigma and discrimination often means that mental health problems are not openly talked about. However, illnesses linked to mental health account for a third of GP consultations, and research shows mental health issues are closely associated with poorer outcomes for employment, personal relationships and physical health.

By promoting wellbeing and building emotionally resilient communities we can reduce the number of people going on to experience a mental health problem. In addition, supporting early identification and intervention we can reduce the impact for individuals experiencing a mental health problem.

This means ensuring that mental health becomes a part of everyday conversation and is something that everybody is aware of and cares about. Whether it is a midwife supporting a mother through the birth of a child, a school nurse helping children to develop emotional literacy, or a member of our new integrated community health and social care teams.

We will continue to promote better physical and mental health through using the "five ways to wellbeing" model:

- Connecting with the people around you
- Being active - exercise makes you feel good
- Taking Notice - be aware of the world around you and what you are feeling
- Keep learning - learning new things builds confidence and is fun
- Giving - do something nice for a friend or stranger - seeing yourself, and your happiness linked to the wider community can be incredibly rewarding and create connections.

The evidence also shows that people have different levels of "mental capital" throughout their lives, and this is something that planning needs to take into account. A particularly critical time, including for building resilience, is in childhood and adolescence.

Future in Mind is a five-year strategy to transform children's mental health and wellbeing provision, so that by 2020 England could lead the world in improving outcomes for children and young people with mental health problems. We want all children and young people in Portsmouth to enjoy good emotional wellbeing and mental health. Our Local Transformation Plan sets out that the way in which we will achieve this vision is by:

- Establishing a clearly understood needs-led model of support for children and young people with Social Emotional Mental Health difficulties which will provide access to the right help at the right time through all stages of their emotional and mental health development.
- Ensuring that every child and young person has access to early help in supporting their emotional wellbeing and mental health needs which will prevent difficulties escalating and requiring specialist mental health services.
- Supporting professionals working with children and young people to have a shared understanding of Social Emotional Mental Health and to promote resilience and emotional wellbeing in their work.

The Strategy is overseen by the Health and Wellbeing Board.

We know that building emotional resilience, and improving the life experiences of people with mental health issues is not something that can be managed in isolation. Instead, we must work with other health and social care agencies, the voluntary sector, patients, carers and the public, to look at services needed to enable people to live stable and happier lives, where they feel supported and in control of their own mental wellbeing.

## **Priority 2b: Reduce poverty and other drivers of isolation and exclusion**

### **Why is this a priority?**

Compared to England, the risk factors section of Public Health England's suicide profile illustrates that Portsmouth has lower rates of people with long-term health problems and of long-term unemployment, but has higher rates of people who are separated or divorced, people living alone, children who are looked after, children leaving care, children in the youth justice system and estimated prevalence of opiates or crack cocaine. Portsmouth also has a higher than national rates of mental health clients receiving services from adult social care, of adult carers who have as much social contact as they would like, and of clients receiving specialist alcohol and drug services. Isolation is also a recognised driver of mental ill health. Mapping from Age UK shows that the most deprived communities in the city also have the highest risk of loneliness in those aged 65 and over.

For overall deprivation, Portsmouth is now ranked 63rd worst of 326 local authorities (where one is the most deprived, previously ranked 76th worst of 326 local authorities). The Tackling Poverty Needs Assessment was refreshed in January 2015 in the light of the recession and changes in the welfare system. The needs assessment identifies the multiple factors which adversely and positively affect poverty including educational outcomes, employment and low-pay employment, financial exclusion and debt and the way services are organised to respond to people in crisis. Current priorities for the Action Plan include re-commissioning a social welfare advice service for Portsmouth (Advice Portsmouth's contract expires in March 2017); responding to welfare reform (including the introduction of Universal Credit and the reduced Household Benefit Cap); and supporting access to resources for people in financial hardship, following the closure of the Local Welfare Assistance Scheme.

The confidential audits of deaths by suicide 2013-2015 identified potentially adverse life events affecting individuals before their death – bearing in mind that individual cases are complex and it is impossible to reduce suicide events to a single cause. Many people experienced more than one potentially adverse life event. The audits found that 39% of males and 25% of females were unemployed or were worried about employment, and 24% of males and 26% of females had finance worries. The audit cited a Royal College of Psychiatrists' report on the relationship between debt and mental health: people in debt are more likely to have mental health problems, and people with mental health problems are more likely to be in debt. One in two adults with debts has a mental health problem; and one in four people with a mental health problem is in debt. However, the relationship between mental health and debt is complex and one does not inevitably lead to the other.

Some groups are more vulnerable to low pay and poverty, leading to social isolation, and further research is required to understand how Portsmouth residents are affected, and how they can be assisted. This includes self-employed people, people with health and care plans or disabilities and black, minority ethnic and refugee communities. However, there is a much broader issue about the importance of good quality work for people in the city, and the importance of supporting people dealing with challenging issues such as low pay, zero hours contracts, forced self-



employment, and insecure work. In Portsmouth, there is a particular issue around seasonal and short-term work driven by the visitor economy.

We will work together to ensure that there are support mechanisms in place for people who need them. Much work to address this is being led through the Tackling Poverty Strategy Steering Group. The Tackling Poverty Strategy 2015-2020 has six priority areas for action:

- Improving our children's futures
- Providing good quality, sustainable employment opportunities that enable a reasonable standard of living for residents
- Helping residents to be financially resilient
- Helping people to move out of immediate crisis, but also helping them to solve their problems in the longer term
- Improving residents' lives by recognising the links between poverty and health inequalities
- Shaping wider policies and decisions so they reduce the risk of poverty.

The Health and Wellbeing Board will support the Tackling Poverty Steering Group wherever it is able to do so.

## **Theme 3: Make improvements for marginalised groups fastest, including our most vulnerable children, young people and adults.**

### **Creating the conditions for helping marginalised people**

There are certain things that many of us take as a given in day to day life - that we have enough money to take care of our basic needs, somewhere to live, people to love and connect with and things to do that give us purpose.

But for a variety of reasons, not everyone has some or all of those things, and experience some level of marginalisation. The strategy has already addressed the importance of tackling poverty, and identified the link between poor quality employment and physical and mental health. There is increasing recognition of the prevalence and significance of loneliness too - and in the context of Portsmouth, the issue of urban loneliness is critical. More and more, we are understanding that even in a densely populated and vibrant city, it is possible for people to feel isolated and unsupported.

We also recognise that some of the symptoms of a marginalised life aren't always obvious. We understand that health conditions are sometimes not visible - particularly in the case of mental health issues - but other social issues can be difficult to detect too. For example, it is sometimes not obvious if people are living with poor housing conditions, in housing where their tenure is insecure, or whether people are part of the "hidden homeless", sleeping on sofas or a succession of temporary accommodation.

The Health and Wellbeing Board will support existing work, led through the strategic group on homelessness and rough sleeping to ensure that services and support are in place to support people who are struggling, with a principle of preventing situations escalating, and intervening as early as possible.

### **Priority 3a: People with complex needs**

#### **Why is this a priority?**

There is growing national and local evidence that a small cohort of adults in our communities are likely to experience 'severe and multiple deprivation' (SMD cohort), including substance misuse, homelessness, offending and mental health problems. They are likely to have ineffective contact with services that are often designed to deal with one problem at a time, and so regularly and persistently 'fall between the cracks' that open up between services.

The inter-relationship of these individual issues is complex and efforts to improve outcomes for this cohort of people have been ongoing for many years across different agencies and agendas and across the UK a range of responses are being developed. This is not a new issue and Portsmouth is not unique in its experience. This group of people can have a disproportionate impact on those around them; their partners and the neighbourhoods in which they live - including businesses and visitors to the city - and most importantly, any children they may have.

Services have a range of processes, pathways, panels and interventions in place to support adults with a variety of complex needs. Services have in the main been commissioned or directly provided

to meet a defined individual need - often successfully - but generally not designed to address composite and compounding needs e.g. homeless/mental health/substance misuse/criminal justice.

Similarly, individual assessments of need by statutory services tend to focus on the presenting issue and there are different eligibility thresholds for accessing services that do not necessarily take into account complexity of needs and associated behaviour, the nature of 'recovery'.

As a result, customers with complex needs who are frequent (or inappropriate) service users may have contact with a range of services, have several "key workers", have a number of personal plans in place and be involved in a number of panels/pathways/case management processes simultaneously or sequentially.

It is clear from the case studies that valuable work is already being undertaken. There are some successes in supporting people to achieve positive outcomes, and there are examples of good practice in effective collaborative working. However, customers, advocates and professionals have questioned the consistency of the effectiveness, efficiency and value of current approaches, particularly for those service users present with the most complex needs.

Recent research has also shown that adverse childhood experiences (ACEs), including witnessing domestic abuse for example, increase the likelihood of 'health harming behaviours' in adulthood, so it's also important to act early when these risk factors are present to 'turn off the tap', reducing the numbers of people in this cohort in future years.

Alongside this work, organisations in the city are working together to take a strategic approach to the issues of street culture, including begging, and street sleeping to support people in these circumstances and tackle associated community safety issues. This includes ensuring that any enforcement activity is complemented by appropriate support.

### **Priority 3b: People in the armed forces community, including veterans**

#### **Why is this a priority?**

The armed forces community is made up of anyone who is or has served for at least 1 day in the armed forces (regular or reserve, including national service) as well as Merchant Navy Seafarers and fisherman who have served in a vessel that was operated to facilitate military operations by the armed forces. The armed forces community also includes spouses, civil partners and dependent children of those who currently are or have served for at least 1 day, even if the serving person is now deceased.

National estimates suggest 4.9% of adult population of England are Veterans. Pension data demonstrates more veterans live in the south east of England than anywhere else, however not all veterans get a pension, and the community is far larger than veterans. On 1<sup>st</sup> April 2016 140,450 Regular service personnel were stationed in the United Kingdom, the majority located in the South East and South West of England. Portsmouth's military significance makes it likely that a higher concentration of service personnel are based in the area. Locally, the Portsmouth Health and Lifestyle Survey 2015 found that there was an estimated 11% of the adult population aged 16+ years who are veterans (of the Armed Forces or Reserve Armed Forces) - roughly 17,000 residents, of

which approximately 84% are estimated to be aged 45 years or over. There is no way of fully knowing how many dependants, spouses and civil partners currently reside in Portsmouth.

National research suggests that the vast majority of this community have needs in line with the general population. However age, service undertaken and position within the Armed Forces community brings with it specific issues. For example Older Veterans are known to experience more hearing, skin and musculoskeletal issues than the general population, and a small yet significant number of people who leave service early experience mental health and substance misuse issues. Little is known about the health and wellbeing needs of reservists and their families, however the limited research that has been undertaken suggests family stress and mental health are emerging issues.

A needs assessment for the sub-Solent area is currently underway, and therefore a better picture of need and gaps in support will be available in Spring 2018.

### **Priority 3c: People with special educational need or disabilities , and their families**

#### **Why is this a priority?**

Portsmouth Children's Trust publishes a strategic children's needs assessment as part of the city's Joint Strategic Needs Assessment (JSNA) process. In 2016, a detailed Special Educational Needs and Disability Needs Analysis was undertaken as part of this process. The key findings are:

1. There is a wide range of potential disabilities or conditions which could start to affect someone from conception or during pregnancy, during labour, as a baby or as a child or young person. Understanding the cause of some disabilities is necessary to support multi-agency health promotion and early identification and intervention.
2. Overall prevalence of a child or young person having any special educational need has decreased by 38% since 2009 - mostly due to a fall in pupils identified as needing SEN Support (from 23.9% to 13.4%). Portsmouth has seen a steeper decrease than nationally with the overall percentage of SEN in Portsmouth now only 1 percentage point above national, having previously been much higher. This substantial decrease is considered to be due to the more accurate identification of those with SEN following implementation of the SEND reforms.
3. Between 2010 and 2015, there was a 13% increase in the number of children with statements of SEN or an Education, Health and Care Plan (EHCP) issued and maintained by Portsmouth LA. However, the proportion of the total population of young people identified as having a statement of SEN or EHCP has stayed fairly static throughout this time both nationally (2.8%) and within Portsmouth (3.1%).
4. There are gender differences in the prevalence of SEN, with twice the proportion of Portsmouth boys (17.4%) being SEN Support compared to girls (9.5%). Five per cent of boys have either a Statement of SEN or EHCP compared to 1.9% of girls. This reflects the national picture.

Compared to national outcomes for SEN pupils, Portsmouth has poorer education outcomes for children with SEN in the following areas:

- Attaining a Good Level of Development in the Early Years Foundation Stage Profile
  - Making progress between Key Stage 1 and Key Stage 2 in Reading, Writing and Maths
  - Key Stage 2 attainment of Reading, Writing and Maths (combined)
  - Making progress between Key Stage 2 and Key Stage 4 in English and Maths
  - 5+ GCSEs graded A\*-C, including English and Maths
  - Achievement of a Level 2 or Level 3 qualification by age 19
5. The local survey of children and young people aged 7 to 18 years found that children who say they are disabled, or who have difficulties with learning, had significantly lower than average wellbeing compared to other children. SEN is over-represented in groups including looked after children, and the care leaving population. 65% of the average Youth Offending Team (YOT) caseload have SEN. National prevalence rates predict that 60-90% of them will have a communication disorder.
  6. Overall, children with SEN are about four times as likely to be persistently absent from school than those without SEN. Nine per cent of all pupils with SEN Support were persistently absent; 11% of those with a statement of SEN or EHC plan were persistently absent.

7. Pupils with SEN were more than eight times as likely to receive fixed period exclusions than those without SEN. Compared to non-SEN pupils, higher percentages of children with SEN were excluded from school with no alternative provision for education being made.
8. The proportion of 16 and 17 year olds with SEN participating in education and training is slightly higher in Portsmouth than nationally and is lower for those with SEN than those without SEN, reflecting the national picture. However, the proportion of learners with SEN who progressed to education or employment/training is considerably lower in Portsmouth than nationally at the end of both Key Stage 4 and Key Stage 5.
9. Higher rates of disability prevalence are found in the most disadvantaged socio-economic groups nationally. Pupils with SEN in Portsmouth are twice as likely to be eligible for free school meals than those without SEN (26% compared to 13%). Children aged 0-15 years with a long-term health problem or disability, are almost twice as likely to be living in socially rented homes in Portsmouth than children with no limiting long-term health problem or disability.
10. The Dynamite Survey of young people with SEND found that Health and Employment were the areas that are most important to them, and that Employment was the area on which they found it most difficult to find out about choices and support.

The aim of the special educational needs and disability (SEND) strategy is to promote inclusion and improve the outcomes for Portsmouth children and young people aged 0-25 years with SEND and their families. Delivery of this strategy is overseen by the Children's Trust Board.

In order to improve outcomes, we aim to ensure that there are in place a range of high quality support services that contribute to removing the barriers to achievement for all Portsmouth children and young people, in particular those with special educational needs and disabilities. This includes enabling children and young people to lead healthy lives and achieve wellbeing; to benefit from education or training, with support, if necessary, to ensure that they can make progress in their learning; to build and maintain positive social and family relationships; to develop emotional resilience and make successful transitions to employment, higher education and independent living.

For adults living with disabilities and long-term conditions, we need to ensure that there are a range of support and opportunities in place, and that barriers to people living the life they want to live in the way that they want to live it are removed wherever possible. This means considering how we can ensure there is a range of accommodation available, how we ensure that there are opportunities for employment and meaningful activity, and support people in participating in the community.

Finally, we cannot forget the importance of supporting those who are providing care to people living with an additional need, illness or disability. The city has a Carers' Strategy, with four main priority areas:

1. Identification and recognition Carers will be respected as expert partners, and identified at an early stage to secure comprehensive, personalised services to support them in their caring role.
2. Realising and releasing potential - Making sure that a carer is not disadvantaged by their caring status.
3. A life alongside caring - Personalised support both for carers and those they support, enabling them to have a family and community life.
4. Supporting carers to stay healthy - Supporting carers to stay mentally and physically well.

The Strategy includes local commitments to ensure that we provide the best possible support for those people looking after a family member or friend.

### **Priority 3d: Looked after children and care leavers**

Children and young people are in care either by a court order or with the agreement of their parent(s) or guardian(s). A child or young person may come into care as a result of temporary or permanent problems facing their parents, as a result of abuse, neglect or some other difficulties.

Children and young people in care are individuals - they come from all walks of life and have different aspirations, ambitions and cultural identities. Many looked after children and care leavers are at greater risk of social exclusion than their peers, both because of their experiences prior to coming into care, and by virtue of the fact that they are in care.

At the end of March 2017, there were 358 children in the care of Portsmouth City Council, including 49 unaccompanied asylum seeking children. This is a slightly higher rate of care than our statistical neighbour group, and higher than the national average.

47% of the children in our care live in the local authority area, and 77% live with foster families. The majority of children who live out of the city are in our neighbouring authorities. A lower percentage of children live in children's homes than is found nationally.

The composition of the looked after children population has changed over the last year, and we now have a higher proportion of 14-17 year old children looked after. There are more boys than girls in local authority care.

We know that the educational attainment of looked after children needs to be improved, particularly at KS4. GCSE results improved slightly in 2016 with 30% of Portsmouth's looked after children achieving five or more GCSEs grade A\*-C including English and Maths. Only 78% of looked after 16 and 17 year olds are in education, employment and training, and among our over-18 care leavers, only 56% were in education, employment or training. These early outcomes have a massive impact on the life chances of these young people. If children and young people are to have a positive and supportive experience of being in care, and fulfil their potential as adults, these outcomes must get better.

A Corporate Parenting Strategy is in place to lead improvement, overseen by the Children's Trust Board. There are four main priorities:

- Increase placement stability
- Improved educational outcomes
- More care leavers in education, employment and training
- Improved emotional health and resilience.



## Theme 4: Improve access to health and social care support in the community.

### Priority 4a: Implement the Portsmouth Blueprint for Health and Care in Portsmouth

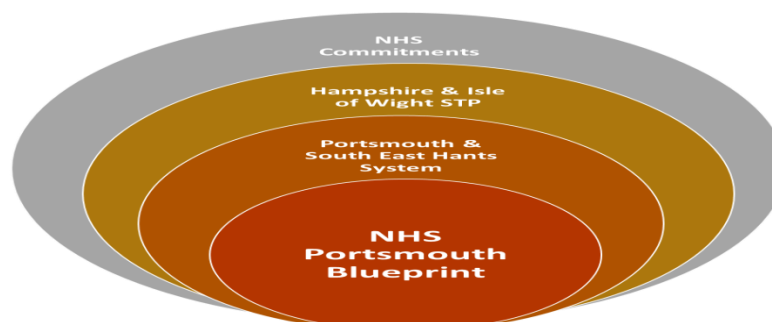
#### Why is this a priority?

208,900 people live in the City and 217,562 people are registered with a Portsmouth GP. We know there are significant health and care challenges in Portsmouth. Too many people have poorer health and wellbeing than in other similar cities. Demand for our health and care services is increasing and more people tell us that what matters to them is ease of access and joined up services. The Blueprint for Health and Care in Portsmouth is now well-established as the set of guiding principles that set out how the key health and care organisations in the city will work together, with an overarching goal *where everyone is supported to live healthy, safe and independent lives by health and social care services that are joined up around the needs of individuals and are provided in the right place at the right time.*

The Blueprint sets out a vision for the delivery of health and care services in the City that will be less fragmented and better able to support people to stay well and remain independent, through the delivery of 7 key commitments. The delivery of the Blueprint is integral to improving the long term health of the population.

There is a great deal of work underway in all organisations and services, as business as usual, in order to achieve savings and efficiencies, and in order to achieve more transformational change as envisaged in the Blueprint. This landscape is increasingly complex as work also develops across a wider Portsmouth and South East Hampshire geography around an accountable care system, as well as responding to the county-wide STP footprint. Portsmouth is also increasing links with Southampton via the public health agenda.

Health and care systems across Hampshire and Isle of Wight (HIOW) have come together in partnership to develop a strategic transformation plan (STP), setting out the strategic aims and objectives for transformation across the county. The key aims and objectives of the Portsmouth Blueprint are reflected within this wider system plan. It has been agreed that delivery of the STP needs to take place at local level, within local delivery systems. The City of Portsmouth forms part of the Portsmouth and South East Hampshire (PSEH) delivery system. Health and care partners in PSEH have come together to form an accountable care system (ACS) as a vehicle for delivering the New Models of Care set out in the NHS 5 Year Forward View publication. Once again the aims and objectives and key work programmes to deliver the Blueprint are reflected in the ACS plans.



This multi-layered planning approach enables system partners in the City to focus the delivery of the commitments through either local delivery or with wider system partners where it makes sense to do so and whereby incoming together maximum gains can be achieved. We are working on the principles across the wider system that transformation must be based on local needs and where possible delivered locally. However, effective partnership working across PSEH and HIOW allows us to work together in areas of commonality and shared aims to ensure alignment and ability to operate on a wider footprint to achieve efficiencies from a truly 'do it once' approach where it makes sense to do so.

Projects include:

- development of the Stronger Futures programme for integrating care services for children, and supporting earlier intervention through a restorative approach
- developing integrated locality teams for adults services
- developing a multi-speciality community provider model for services in the city
- developing a programme for workforce development across the city.



# Equality Impact Assessment

Preliminary assessment form v5 / 2013

[www.portsmouth.gov.uk](http://www.portsmouth.gov.uk)

The preliminary impact assessment is a quick and easy screening process. It should:

- identify those policies, projects, services, functions or strategies which require a full EIA by looking at:
  - negative, positive or no impact on any of the equality groups
  - opportunity to promote equality for the equality groups
  - data / feedback
- prioritise if and when a full EIA should be completed
- justify reasons for why a full EIA is not going to be completed

**Directorate:**

Director of Public health

**Function e.g. HR,  
IS, carers:**

Strategy

**Title of policy, service, function, project or strategy (new or old) :**

Health and Wellbeing Strategy refresh 2018-2021

**Type of policy, service, function, project or strategy:**

☐

Existing

☒

New / proposed

☐

Changed

### Q1 - What is the aim of your policy, service, function, project or strategy?

There is statutory duty on local Health and Wellbeing Boards to produce a strategy for the Health and Wellbeing of their population. Portsmouth's current strategy runs from 2014-2017, so it is now necessary to consider how this needs to be refreshed.

The next Health and Wellbeing Strategy needs to focus on the highest impact issues for the city, and the areas where the work of the Health and Wellbeing Board can add maximum value. The proposals above set out early suggestions that will be developed through the drafting process, and through wider consultation.

### Q2 - Who is this policy, service, function, project or strategy going to benefit or have a detrimental effect on and how?

The strategy should have a beneficial effect on the population of the city, by bringing about improved healthy life expectancy and reduced health inequality by improving the areas with lowest expectancy fastest. We do this by working to principles around:

- promoting prevention,
- supporting independence
- intervening earlier

We know we want to give people the best start in life, empower them to live healthy lives, and enjoy a healthy older age. In order to do this, we need to:

- o Empower people to take care of their physical health
- o Empower people to take care of their social, emotional and mental health
- o Work with marginalised groups to make improvements for them fastest (including income deprived households).

### Q3 - Thinking about each group below, does, or could the policy, service, function, project or strategy have a negative impact on members of the equality groups below?

Group	Negative	Positive / no impact	Unclear
Age	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Disability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Race	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Transgender	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sexual orientation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Religion or belief	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Pregnancy and maternity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other excluded groups	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

If the answer is "negative" or "unclear" consider doing a full EIA

**Q4 - Does, or could the policy, service, function, project or strategy help to promote equality for members of the equality groups?**

Group	Yes	No	Unclear
Age	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disability	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Race	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Gender	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Transgender	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Sexual orientation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Religion or belief	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Pregnancy or maternity	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other excluded groups	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If the answer is "no" or "unclear" consider doing a full EIA

**Q5 - Do you have any feedback data from the equality groups that influences, affects or shapes this policy, service, function, project or strategy?**

Group	Yes	No	Unclear
Age	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Disability	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Race	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Gender	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Transgender	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Sexual orientation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Religion or belief	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Pregnancy and maternity	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other excluded groups	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If the answer is "no" or "unclear" consider doing a full EIA

**Q6 - Using the assessments in questions 3, 4 and 5 should a full assessment be carried out on this policy, service, function or strategy?**

☐ yes ☒ No

**Q7 - How have you come to this decision?**

This is a high-level strategic framework. At this stage, there are no identified negative impacts for the protected groups, and a number of positive direct and indirect impacts, particularly around age, gender and income expected, given the purpose of the Health and Wellbeing Strategy. It is expected that as individual plans are developed in support of the strategy, these plans will be subject to individual equalities impacts assessments to ensure that there are no negative impacts, and indeed that positive impacts are maximised.

If you have to complete a full EIA please contact the Equalities and diversity team if you require help  
Tel: 023 9283 4789 or email: [equalities@portsmouthcc.gov.uk](mailto:equalities@portsmouthcc.gov.uk)

**Q8 - Who was involved in the EIA?**

Kelly Nash, Corporate Performance Manager, PCC

This EIA has been approved by: Jason Horsley

**Contact number:**

023 9243 7685

**Date:**

7th February 2018

Please email a copy of your completed EIA to the Equality and diversity team. We will contact you with any comments or queries about your preliminary EIA.

Telephone: 023 9283 4789

Email: [equalities@portsmouthcc.gov.uk](mailto:equalities@portsmouthcc.gov.uk)

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# Agenda Item 9



<b>Title of meeting:</b>	Governance and Audit and Standards Committee Cabinet City Council
<b>Date of meeting:</b>	9 March 2018 (Governance and Audit and Standards Committee) 16 March 2018 (Cabinet) 20 March 2018 (City Council)
<b>Subject:</b>	Treasury Management Policy 2018/19
<b>Report by:</b>	Chris Ward, Director of Finance and Information Technology (Section 151 Officer)
<b>Wards affected:</b>	All
<b>Key decision:</b>	Yes
<b>Full Council decision:</b>	Yes

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## 1. Executive Summary of the Treasury Management Policy Statement

### Treasury Management Policy

The attached Treasury Management Policy sets out the Council's policies on borrowing, providing for the repayment of debt and investing for 2018/19. The Treasury Management Policy also sets a number of treasury management indicators that will establish the boundaries within which treasury management activities will be undertaken. These are contained in Appendix D.

Appendix D also includes revised outturn prudential and treasury management indicators for 2016/17. The premium arising from the granting of a new head lease for land in White Hart Road occupied by Wightlink Ltd in 2016/17 was originally accounted for as a capital receipt and the treasury management outturn position was reported on this basis prior to the audit of the Council's accounts being completed. Following discussion with the auditors it was agreed that these transactions would be accounted for as borrowing rather than a capital receipt. As a consequence of this decision some of the outturn prudential and treasury management indicators for 2016/17 have been revised.

The Treasury Management Policy Statement contains a risk appetite statement similar to that adopted in 2017/18 that permits investments to be made in instruments that do not guarantee that the capital sum will not be diminished through movements in prices. In approving the Treasury Management Policy Statement members will be approving the risk appetite statement contained in paragraph 4.2 of the Treasury Management Policy Statement.

#### Policy For Providing For the Repayment of Debt

The Local Authorities (Capital Finance and Accounting) (Amendment) Regulations 2012 require the Council to adopt an Annual Minimum Revenue Provision (MRP) for Debt Repayment Statement. The recommended methodologies for calculating MRP are summarised in paragraph 8.3 of the Treasury Management Policy.

#### Annual Investment Strategy

The Treasury Management Policy includes the Annual Investment Strategy which establishes the types of investment, investment counter parties and investment durations that the Council will operate within. The 2018/19 Annual Investment Strategy is similar to the 2017/18 Annual Investment Strategy in most respects although there are some changes proposed for 2018/19.

Banks and building societies currently meeting the Council's credit criteria are listed in Appendix F. There are too many corporate bond, RSLs and universities to include in the appendix.

#### Summary of Proposed Changes to the Treasury Management Policy Statement

The following changes to the Treasury Management Policy Statement are proposed:

- That provision is not made for the repayment of borrowing to fund the HRA self-financing payment or any other HRA debt from 2017/18 to 2019/20;
- To change the maximum definition of specified and short term investments from 364 days to 365 days in line with the latest guidance from the Government intended to bring the treasury management definition of short term and long term investments into line with the financial accounting definition;
- To increase the maximum term of bonds that can purchased from Hampshire Community Bnk from 6 years to 10 years in line with the draft funding agreement with Hampshire Community Bnk

## **2. Purpose of report**

The purpose of this report is to obtain the Council's approval of the updated Treasury Management Policy Statement (attached) which includes:

- Annual Minimum Revenue Provision for Debt Repayment Statement
- Annual Investment Strategy

## **3. Recommendations**

### **3.1a that the following changes to the Treasury Management Policy Statement be approved:**

- (i) that provision is not made for the repayment of borrowing to fund the Housing Revenue Account (HRA) Self Financing payment or any other HRA debt from 2017/18 to 2019/20 (paragraph 8.4 of the Treasury Management Policy);
- (ii) that the maximum duration of specified investments be increased from 364 days to 365 days (paragraph 11.1 of the Treasury Management Policy);
- (iii) that the maximum duration of investment categories 11 (corporate bonds with a BBB+ credit rating) and 14 (unrated building societies that are in a strong financial condition) be increased from 364 days to 365 days (paragraph 12.2 of the Treasury Management Policy);
- (iv) that the maximum term of bonds purchased from Hampshire Community Bnk be increased from 6 years to 10 years (paragraph 12.2 of the Treasury Management Policy);

### **3.1b that the following risk appetite statement be approved:**

*To assist the achievement of the Council's service objectives by obtaining funding and managing the debt and treasury investments at a net cost which is as low as possible, consistent with a high degree of long term interest cost stability. Sums are invested with a diversified range of counter parties using the maximum range of instruments consistent with a low risk of the capital sum being diminished through movements in prices.*

- 3.1c that the prudential and treasury management indicators, including revisions to the 2016/17 outturn indicators contained in Appendix D be approved;**
- 3.1d that the attached Treasury Management Policy Statement including the Treasury Management Strategy, Annual Minimum Revenue Provision for Debt Repayment Statement and Annual Investment Strategy for 2018/19, and encompassing the amendments contained in recommendation 3.1a be approved;**
- 3.1e the Director of Finance and Information Technology (Section 151 Officer) and officers nominated by him have delegated authority to (paragraph 3.2 of Treasury Management Policy Statement):**
- (i) invest surplus funds in accordance with the approved Annual Investment Strategy;**
  - (ii) borrow to finance short term cash deficits and capital payments from any reputable source within the authorised limit for external debt of £660m approved by the City Council on 13 February 2018;**
  - (iii) reschedule debt in order to even the maturity profile or to achieve revenue savings;**
  - (iv) release the over provision of MRP back into General Fund balances over a prudent period by reducing the MRP in future years;**
  - (v) to buy and sell foreign currency, and to purchase hedging instruments including forward purchases, forward options and foreign exchange rate swaps to mitigate the foreign exchange risks associated with some contracts that are either priced in foreign currencies or where the price is indexed against foreign currency exchange rates.**
- 3.1f that the Chief Executive, the Leader of the City Council and the Chair of the Governance and Audit and Standards Committee be informed of any variances from the Treasury Management Policy when they become apparent, and that the Leader of the City Council be consulted on remedial action (paragraph 17.1 of Treasury Management Policy Statement)**

**3.2 that the Director of Finance and Information Technology (Section 151 Officer) submits the following (paragraph 19.1 of Treasury Management Policy Statement):**

- (i) an annual report on the Treasury Management outturn to the Cabinet and Council by 31 July of the succeeding financial year;**
- (ii) a Mid-Year Review Report to the Cabinet and Council;**
- (iii) the Annual Strategy Report to the Cabinet and Council in March 2019;**
- (iv) quarterly treasury management monitoring report to the Governance and Audit and Standards Committee.**

**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
- Hedging foreign exchange rate risks

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
- Exchange rate risk - the risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately.

- Inflation risk, ie. the chance that cash flows from an investment won't be worth as much in future because of changes in purchasing power due to inflation.
- 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 at 1 April 2018 are estimated to be £629m. The Council's investments at 1 April 2018 are estimated to be £369m. 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 £23.2m 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 while optimising costs and returns. The Council will monitor and measure its treasury management position against the indicators contained in the Treasury Management Policy.

The City Council has adopted the Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management in the Public Services Code of Practice. The Code of Practice requires the City Council to approve a Treasury Management Strategy before the start of the financial year.

In addition the Government has issued statutory guidance that requires the Council to approve an Annual Minimum Revenue Provision for Debt Repayment Statement and an Annual Investment Strategy before the start of the financial year.

The Treasury Management Strategy, the Annual Minimum Revenue Provision for Debt Repayment Statement and the Annual Investment Strategy are all contained within the attached Treasury Management Policy Statement.

## 5. Reasons for recommendations

The recommendations within the attached Treasury Management Policy Statement reflect the Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management Code of Practice and have regard to statutory guidance issued by the Government. These are designed to:

- Enable the Council to borrow funds as part of managing its cash flow or to fund capital expenditure in a way that minimises risk and costs
- Provide for the repayment of borrowing
- Ensure that the Council's investments are secure
- Ensure that the Council maintains sufficient liquidity
- Maximise the yield on investments in a way that is commensurate with maintaining the security and liquidity of the investment portfolio

There is no statutory requirement to provide for the repayment of Housing Revenue Account (HRA) debt although provision has been made to repay the £87m HRA self-financing payment over 30 years. Council dwelling rents are being reduced by 1% per annum until 2019/20 in line with government policy and this is placing the Housing Revenue Account (HRA) under financial pressure. It is therefore proposed that provision is not made for the repayment of borrowing to fund the HRA self-financing payment or any other HRA debt from 2017/18 to 2019/20 (**Recommendation 3.1a(i)**). This will generate a gross saving of £3m per annum. However, this will also increase the amount of interest payable by the HRA.

It is proposed to increase the maximum duration of specified investments that can be made with the minimum of procedural formalities from 364 days to 365 days in line with the latest guidance from the Government to bring the treasury management definition of long and short term into line with the financial accounting definition of long and short term (**Recommendation 3.1a(ii)**). To be consistent it is also proposed to increase the maximum duration of investment categories 11 (corporate bonds with a BBB+ credit rating) and 14 (unrated building societies that are in a strong financial condition) from 364 days to 365 days (**Recommendation 3.1a(iii)**).

The previous policy permitted the Council to purchase bonds from Hampshire Community Bnk with a term of up to 6 years. It is proposed to increase the maximum term of the bonds that can be purchased to 10 years in line with the draft funding agreement with Hampshire Community Bnk (**Recommendation 3.1a(iv)**).

The Council attaches a high priority to a stable and predictable revenue cost from treasury management activities in the long term. This reflects the fact that debt servicing represents a significant cost to the Council's net revenue budget. The Council's objectives (**Recommendation 3.1b**) in relation to debt and investment can accordingly be stated as follows:

*To assist the achievement of the Council's service objectives by obtaining funding and managing the debt and treasury investments at a net cost which is as low as possible, consistent with a high degree of long term interest cost stability. Sums are invested with a diversified range of counter parties using the maximum range of instruments consistent with a low risk of the capital sum being diminished through movements in prices.*

This means that the Council is not totally risk averse. Treasury management staff have the capability to actively manage treasury risks within the scope of the Council's treasury management policy and strategy.

In particular when investing surplus cash, the Council will not necessarily limit itself to making deposits with the UK Government and local authorities, but may invest in other bodies including unrated building societies, RSLs, universities and corporate bonds. The Council may invest surplus funds through tradable instruments such as treasury bills, gilts, certificates of deposit, corporate bonds, covered bonds and repos / reverse repos. The duration of such investments will be limited so that they do not have to be sold (although they may be) prior to maturity thus avoiding the risk of the capital sum being diminished through movements in prices.

The Council may invest in lower risk structured investment products that follow the developed equity markets where movements in prices may diminish the capital sum invested. These investments, and indeed any other investment, could also be diminished if the counter party defaults. Although the Council only invests in counter parties offering good credit quality, the credit quality of an investment counter party can decline during the life of the investment. This is particularly the case with long term investments.

The Treasury Management Policy also sets a number of treasury management indicators that will establish the boundaries within which treasury management activities will be undertaken. These are contained in Appendix D (**Recommendation 3.1c**).



Appendix D also includes revised outturn prudential and treasury management indicators for 2016/17. The premium arising from the granting of a new head lease for land in White Hart Road occupied by Wightlink Ltd in 2016/17 was originally accounted for as a capital receipt and the treasury management outturn position was reported on this basis prior to the audit of the Council's accounts being completed. The Council granted a new head lease to Canada Life for a premium subject to a lease back to the Council for an ongoing rent. Both transactions take the legal form of leases, however when taken together they are in substance a £72m loan from Canada Life. Following discussion with the auditors it was agreed that these transactions would be accounted for as borrowing rather than a capital receipt. As a consequence of this decision some of the outturn prudential and treasury management indicators for 2016/17 have been revised.

**Recommendation 3.1(d)** seeks the Council's approval to adopt the revised Treasury Management Policy Statement.

**Recommendation 3.1(e)** seeks delegated authority for the Director of Finance and Information Technology (Section 151 Officer) and officers nominated by him to execute the Council's Treasury Management Policy.

**Recommendation 3.1(f)** seeks the Council's approval for the proposed actions to report any variances from the Treasury Management Policy.

**Recommendation 3.2** seeks the Council's approval for the proposed reporting arrangements for the treasury management operation.

## **6. Equality impact assessment (EIA)**

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 2011 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 and Information Technology (Section 151 Officer)'s comments**

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

.....  
Signed by Director of Finance and Information Technology (Section 151 Officer)

**Appendix: Treasury Management Policy Statement, Annual Minimum Revenue Provision for Debt Repayment Statement and Annual Investment Strategy 2018/19**

**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:

<b>Title of document</b>		<b>Location</b>
1	Information pertaining to the Treasury Management Strategy	Financial Services

# **TREASURY MANAGEMENT POLICY STATEMENT INCLUDING:**

- **TREASURY MANAGEMENT STRATEGY**
- **ANNUAL MINIMUM REVENUE PROVISION FOR DEBT REPAYMENT STATEMENT**
- **ANNUAL INVESTMENT STRATEGY 2018/19**

**Portsmouth City Council  
Director of Finance and Information Technology (Section 151  
Officer)**

## TREASURY MANAGEMENT POLICY STATEMENT 2017/18

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## 1 BACKGROUND

- 1.1 This Council defines its Treasury Management activities as “the management of the organisation’s investments and cash flows, its banking, money market and capital market transactions, the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks.”
- 1.2 This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.
- 1.3 This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance management techniques, within the context of effective risk management.
- 1.4 The City Council’s treasury management activities are governed by various codes of practice and guidance that the Council must have regard to under the Local Government Act 2003. The main codes and guidance that the Council must have regard to are:
  - Treasury Management in the Public Services Code of Practice published by the Chartered Institute of Public Finance and Accountancy (CIPFA) which sets out the key principles and practices to be followed.
  - The Prudential Code for Capital Finance in Local Authorities published by CIPFA which governs borrowing by local authorities.
  - The Guidance on Local Government Investments published by the Ministry of Housing Communities and Local Government which governs local authorities investment activities and stipulates that investment priorities should be security (protecting the capital sum from loss) and liquidity (keeping money readily available for expenditure when needed), rather than yield.

## 2 BORROWING LIMITS AND THE PRUDENTIAL CODE

- 2.1 The Prudential Code requires the City Council to approve an authorised limit and an operational boundary for external debt together with other prudential indicators designed to ensure that the capital investment plans are affordable, prudent and sustainable. These were approved by the City Council on 13<sup>th</sup> February 2018.

### i) Authorised Limit

The authorised limit for external debt is the maximum amount of debt which the authority may legally have outstanding at any time. The Authorised Limit includes headroom to enable the Council to take advantage of unexpected movements in interest rates and to accommodate any short-term debt or unusual cash movements that could arise during the year

	£m
Borrowing	594
Other Long Term Credit Liabilities	<u>66</u>
	<u>660</u>

### ii) Operational Boundary

The Operational Boundary is based on the probable external debt during the course of the year. It is not a limit, but acts as a warning mechanism to prevent the authorised limit (above) being breached.

	£m
Borrowing	579
Other Long Term Credit Liabilities	<u>66</u>
	<u>645</u>

### iii) Other Prudential Indicators contained in the Prudential Code

The following indicators are also included in the Prudential Code:

- Ratio of financing costs to net revenue stream
- Capital financing requirement
- Housing Revenue Account (HRA) limit on indebtedness
- Incremental effect of capital investment decisions on council tax at band D
- Incremental effect of capital investment decisions on housing rents

These are contained in Appendix A.

### **3 TREASURY MANAGEMENT POLICY STATEMENT**

3.1 The prime objective of the Treasury Management function is the effective management and control of risk associated with the activities described in paragraph 1.1. The key risks associated with the Council's treasury management operations are:

- Credit risk – ie. that the local authority 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 – ie. that the authority 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 authority has budgeted.
- Inflation risk, ie. the chance that cash flows from an investment won't be worth as much in future because of changes in purchasing power due to inflation.
- Exchange rate risk - the risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately.
- Maturity (or refinancing risk) – This relates to the authority's borrowing or capital financing activities, and is the risk that the authority 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.

3.2 The Director of Finance and Information Technology (Section 151 Officer) and officers nominated by him have delegated authority to (**recommendation 3.1e** of the Treasury Management Policy Report considered by the Cabinet on 12 March 2018 and the City Council on 13 March 2018):

- (i) invest surplus funds in accordance with the approved Annual Investment Strategy;
- (ii) borrow to finance short term cash deficits and capital payments from any reputable source within the authorised limit for external debt of £660m approved by the City Council on 13 February 2018;
- (iii) to reschedule debt in order to even the maturity profile or to achieve revenue savings;
- (iii) Release the over provision of MRP back into General Fund balances over a prudent period by reducing the MRP in future years;
- (v) to buy and sell foreign currency, and to purchase hedging instruments including forward purchases, forward options and foreign exchange rate swaps to mitigate the foreign exchange risks associated with some contracts that are either priced in foreign currencies or where the price is indexed against foreign currency exchange rates.

## **4 TREASURY MANAGEMENT STRATEGY FOR 2018/19**

### **4.1 Objectives**

The budget for net interest and debt repayment costs for 2018/19 is £23.2m. The Treasury Management policy will therefore form a cornerstone of the Medium Term Resource Strategy. Specific objectives to be achieved in 2018/19 are:

#### **(a) Borrowing**

- To minimise the revenue costs of debt
- To manage the City Council's debt maturity profile to ensure that no single financial year exposes the authority to a substantial borrowing requirement when interest rates may be relatively high
- To match the City Council's debt maturity profile to the provision of funds to repay debt if this can be achieved without significant cost
- To effect funding in any one year at the cheapest long term cost commensurate with future risk



- To forecast future interest rates and borrow accordingly (i.e. short term and/or variable when rates are 'high', long term and fixed when rates are 'low').
- To monitor and review the level of variable interest rate loans in order to take greater advantage of interest rate movements
- To reschedule debt in order to take advantage of potential savings as interest rates change or to even the maturity profile.

(b) Lending

- To ensure the security of lending (the maximisation of returns remains a secondary consideration) by investing in:
  - the United Kingdom Government and institutions or projects guaranteed by the United Kingdom Government;
  - Other local authorities in England, Scotland and Wales
  - AA rated pooled funds including money market funds and enhanced money market funds;
  - British institutions including commercial companies, registered social landlords (RSLs) and universities that meet the City Council's investment criteria
  - Foreign institutions including commercial companies and universities that meet the City Council's investment criteria within the jurisdiction of a Aa government
- To maintain £10m in instant access accounts
- To make funds available to Council's subsidiaries
- To make funds available for the regeneration of Hampshire
- To optimise the return on surplus funds
- To manage the Council's investment maturity profile to ensure that no single month exposes the authority to a substantial re-investment requirement when interest rates may be relatively low to the extent that this can be managed without compromising the security of lending

## 4.2 Risk Appetite Statement

The Council attaches a high priority to a stable and predictable revenue cost from treasury management activities in the long term. This reflects the fact that debt servicing represents a significant cost to the Council's net revenue budget. The Council's objectives in relation to debt and investment can accordingly be stated as follows (**recommendation 3.1b** of the Treasury Management Policy Report considered by the Cabinet on 12 March 2018 and the City Council on 13 March 2018:

*To assist the achievement of the Council's service objectives by obtaining funding and managing the debt and treasury investments at a net cost which is as low as possible, consistent with a high degree of long term interest cost stability. Sums are invested with a diversified range of counter parties using the maximum range of instruments consistent with a low risk of the capital sum being diminished through movements in prices.*

This means that the Council is not totally risk averse. Treasury management staff have the capability to actively manage treasury risks within the scope of the Council's treasury management policy and strategy.

In particular when investing surplus cash, the Council will not necessarily limit itself to making deposits with the UK Government and local authorities, but may invest in other bodies including unrated building societies, RSLs, universities and corporate bonds. The Council may invest surplus funds through tradable instruments such as treasury bills, gilts, certificates of deposit, corporate bonds, covered bonds and repos / reverse repos. The duration of such investments will be limited so that they do not have to be sold (although they may be) prior to maturity thus avoiding the risk of the capital sum being diminished through movements in prices.

The Council may invest in lower risk structured investment products that follow the developed equity markets where movements in prices may diminish the capital sum invested. These investments, and indeed any other investment, could also be diminished if the counter party defaults. Although the Council only invests in counter parties offering good credit quality, the credit quality of an investment counter party can decline during the life of the investment. This is particularly the case with long term investments.

#### 4.3 Gross Debt and the Capital Financing Requirement

In order to ensure that over the medium term, debt will only be for a capital purpose, CIPFA's Prudential Code which the City Council is legally obliged to have regard to requires the City Council to ensure that debt does not, except in the short term, exceed the total of capital financing requirement (CFR). The CFR measures the Council's underlying need to borrow. If in any year there is a reduction in the capital financing requirement, this reduction is ignored in estimating the cumulative increase in the capital financing requirement which is used for the comparison with gross external debt. The Council's forecast gross debt is shown in the table below.

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Borrowing	559,911	551,924	543,927	535,919
Finance leases	877	871	869	869
Service Concessions (including Private Finance Initiative schemes)	68,463	65,280	61,508	56,282
<b>Total Gross debt</b>	<b><u>629,251</u></b>	<b><u>618,075</u></b>	<b><u>606,304</u></b>	<b><u>593,070</u></b>
<b>Capital Financing Requirement (CFR):</b>				
Opening CFR in 2017/18	526,938			
Change in CFR in 2017/18	49,779			
Closing CFR in 2017/18	576,717	576,717	576,717	576,717
Cumulative increase in CFR in future years		67,989	71,067	71,067
<b>Closing CFR</b>	<b><u>576,717</u></b>	<b><u>644,706</u></b>	<b><u>647,784</u></b>	<b><u>647,784</u></b>
<b>Borrowing Under / (Over) the CFR</b>	<b><u>(52,534)</u></b>	<b><u>26,631</u></b>	<b><u>41,480</u></b>	<b><u>54,714</u></b>

The Council's gross debt exceeds its estimated CFR, ie. it is over borrowed, in 2017/18. This is primarily due taking advantage of low interest rates in 2016/17 and also to less commercial property being acquired in 2016/17 than had been anticipated. It is planned to finance £73m of capital expenditure from borrowing in 2018/19 including the purchase of 53m of commercial property. This should leave the Council under borrowed by £27m at the end of 2018/19. The Council borrowed £167m in 2016/17 at an average rate of 1.62%. No borrowing is anticipated in 2017/18. The Council is currently earning 0.82% on its investments. Therefore in the short term there is a cost of carry of 0.80% until the money that was borrowed is used to fund capital expenditure.

#### 4.4 Gross and Net Debt

4.4.1 The borrowing and investment projections for the Council are as follows:

	<b>2017/18</b> £'000	<b>2018/19</b> £'000	<b>2019/20</b> £'000	<b>2020/21</b> £'000
Gross Debt at 31 March	629,251	618,075	606,304	593,070
Investments at 31 March	(368,597)	(238,000)	(204,000)	(179,000)
<b>Estimated Net Debt</b>	<b>260,654</b>	<b>380,075</b>	<b>402,304</b>	<b>414,070</b>

4.4.2 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. However the Council's treasury management investments are expected to decline in 2018/19 as funds are used to invest in commercial properties.

#### 4.5 Interest Rates

##### 4.5.1 Interest Rate Forecasts for 2018/19

No treasury consultants are currently employed by the City Council to advise on the borrowing strategy. However, the City Council does employ Link Asset Services to provide an economic and interest rate forecasting service and maintains daily contact with the London Money Market.

##### 4.5.2 Long Term Borrowing Interest Rates

The following table gives Link Asset Services central view.

	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Bank rate	0.50%	0.75%	0.75%	1.00%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%	1.50%	1.50%	1.50%
5yr PWLB rate	1.90%	2.00%	2.10%	2.10%	2.20%	2.30%	2.30%	2.40%	2.40%	2.50%	2.50%	2.60%	2.60%
10yr PWLB rate	2.50%	2.50%	2.60%	2.70%	2.70%	2.80%	2.80%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%
25yr PWLB rate	2.80%	2.90%	3.00%	3.10%	3.20%	3.20%	3.30%	3.30%	3.40%	3.50%	3.50%	3.60%	3.60%
50yr PWLB rate	2.60%	2.70%	2.80%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%	3.40%	3.40%

Background information relating to these forecasts and the risks to these interest rate forecasts is contained in Appendix B.

Until 2015, monetary policy was focused on providing stimulus to economic growth but has since started to refocus on countering the threat of rising inflationary pressures as stronger economic growth becomes more firmly established. Raising base rates, particularly in the US, will make holding government bonds less attractive. This will cause their prices to fall and therefore bond yields and PWLB rates to rise. However, the degree of that upward pressure is likely to be dampened by how strong or weak the prospects for economic growth and rising inflation are, and on the degree of progress towards the reversal of monetary policy away from quantitative easing and other credit stimulus measures.

There will remain a cost of carry to any new long-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost, ie. the difference between borrowing costs and investment returns.

#### 4.5.3 Short Term Investment Interest Rates

Investment returns are likely to remain relatively low during 2018/19 but be on a gently rising trend over the next few years.

#### 4.6 Volatility of Budgets

The budget for interest payments and receipts is based on both the level of cash balances available and the interest rate forecasts contained in paragraph 4.5. Any deviation of interest rates from these forecasts will give rise to budget variances.

The Council is exposed to interest rate fluctuations through the need to invest up to £238m of surplus cash in the short term.

The Council currently has substantial sums of cash invested in the short term, and if interest rates fall below the budget forecast, investment income will be less than that budgeted. For example, if short-term interest rates fall to 0.5% below the budget forecast, the income from the Council's investments will be £1.2m below budget in 2018/19. Conversely, if short-term interest rates rise to 0.5% above the budget forecast, income from the Council's investments will exceed the budget by £1.2m in 2018/19.

#### 4.7 Upper limits for fixed interest rate exposures

The CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes require local authorities to set upper limits for fixed interest rate exposures.

The City Council's maximum fixed interest rate exposure throughout each year is anticipated to be as follows:

	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Maximum Projected Gross Borrowing – Fixed Rate	487	481	474	468
Minimum Projected Gross Investments – Fixed Rate	(123)	(27)	(2)	(2)

The upper limits for fixed interest rate exposures will be set as follows:

2017/18      £364m

2018/19      £454m

2019/20      £472m

2020/21      £466m

The upper limits for fixed interest rate exposure are set to provide sufficient flexibility for the Director of Finance and Information Technology (Section 151 Officer) to take out fixed rate loans to finance capital expenditure if interest rates fall or are expected to rise significantly.

#### 4.8 Upper limits for variable interest rate exposures

The CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes require local authorities to set upper limits for variable interest rate exposures.

The City Council's maximum variable interest rate exposure throughout each year is anticipated to be as follows:

	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Minimum Projected Gross Borrowing – Variable Rate	72	71	70	68
Maximum Projected Gross Investments – Variable Rate	(309)	(360)	(236)	(202)

The Council's variable interest rate exposure is negative because it has no variable rate loans and a high proportion of its investments are either variable rate or will need to be reinvested within a year. The Council's requirement for cash varies considerably through the year. Therefore the Council needs to invest a proportion of its surplus cash either in instant access accounts or short term investments to avoid becoming overdrawn. The Council is exposed to an interest rate risk in that its investment income will fall if interest rates fall, whilst its borrowing costs will remain the same as all its loans are fixed at rates that will not fall with investment rates. Investment rates are currently very low and the scope for further reductions is very limited. The Council's maximum projected gross variable interest rate investments increases as existing long term fixed interest rate investments mature. Some of this risk may be mitigated through making further long term fixed rate investments. However, this will increase credit risk. It would also be prudent to maintain an even maturity profile so that the Council can benefit from rising interest rates in the future.

The upper limits for variable interest rate exposures will be set as follows:

2017/18	(£237m) – Investments up to £237m
2018/19	(£289m) – Investments up to £289m
2019/20	(£166m) – Investments up to £166m
2020/21	(£134m) – Investments up to £134m

#### 4.9 Limits on total principal sums invested for periods longer than 365 days

Under the Treasury Management Code it is necessary to specify limits on the amount of long term investments, ie. investments exceeding 365 days that have maturities beyond year end.

Investing long term at fixed rates provides certainty of income and reduces the risk of interest rates falling. However this benefit is significantly reduced at the moment as the interest rates on new investments are low, typically less than 1% which restricts how much further returns can fall. At the current time, investing long term allows higher yields to be obtained, although it would be prudent to maintain opportunities to invest when interest rates are higher. There are regular fluctuations in the Council's cash balances which can amount to £46m. In addition cash balances are expected to be at their lowest at the end of the financial year as tax receipts are lower in March. On this basis the following limits will be placed on total principal sums invested for periods longer than 365 days:

31/3/2018 = £192m
31/3/2019 = £158m
31/3/2020 = £133m
31/3/2021 = £110m

#### 4.10 Limits for the maturity structure of borrowing

The Government has issued guidance on making provision for the repayment of General Fund debt (see paragraph 8) which the Council is legally obliged to have regard to. The City Council is required to begin to make provision for the repayment of debt in advance of most of the Council's debt falling due for repayment. Therefore the City Council is required to provide for the repayment of debt well in advance of it becoming due. This is illustrated in the table below. This means that it is necessary to invest the funds set aside for the repayment of debt with its attendant credit and interest rate risks (see paragraph 3.1). The City Council could reschedule its debt, but unless certain market conditions exist at the time, premium payments have to be made to lenders (see paragraph 4.11).

CIPFA's Treasury Management in the Public Services Code of Practice which the City Council is legally obliged to have regard to requires local authorities to set upper and lower limits for the maturity structure of their borrowing.

It is recommended that the upper limit should be set high enough to allow for debt to be rescheduled into earlier years and for any new borrowing to mature over a shorter period than that taken out in the past. The high upper limit for debt maturing in over 40 years time reflects existing borrowing as the upper limit cannot be set lower than the existing maturity profile and is also necessary because no provision is being made for the repayment of debt incurred by the Housing Revenue Account.

It is recommended that the lower limit be set at 0%.

In order to ensure a reasonably even maturity profile (paragraph 4.1(a)), it is recommended that the council will set upper and lower limits for the maturity structure of its borrowings as follows.



Amount of fixed rate borrowing maturing in each period as a percentage of total projected borrowing that is fixed rate.

	<b>Loan Debt Maturity 31 March 2018</b>	<b>Underlying Loans Minimum Revenue Provision (MRP)</b>	<b>% By Which Loan Debt Maturity is Over / (Under) Loans MRP</b>	<b>Lower limit</b>	<b>Upper limit</b>
Under 12 months	4%	1%	3%	0%	10%
12 months and within 24 months	1%	1%	0%	0%	10%
24 months and within 5 years	4%	6%	(2%)	0%	10%
5 years and within 10 years	7%	12%	(5%)	0%	20%
10 years and within 20 years	24%	26%	(2%)	0%	30%
20 years and within 30 years	8%	28%	(20%)	0%	30%
30 years and within 40 years	25%	25%	0%	0%	30%
40 years and within 50 years	27%	1%	26%	0%	40%

Amount of variable rate borrowing maturing in each period as a percentage of total projected borrowing that is fixed rate.

	<b>Loan Debt Maturity at 31 March 2018</b>	<b>Underlying Loans Minimum Revenue Provision (MRP)</b>	<b>% By Which Loan Debt Maturity is Over / (Under) Loans MRP</b>	<b>Lower limit</b>	<b>Upper limit</b>
Under 12 months	2%	1%	1%	0%	10%
12 months and within 24 months	2%	1%	1%	0%	10%
24 months and within 5 years	7%	6%	1%	0%	10%
5 years and within 10 years	12%	12%	0%	0%	20%
10 years and within 20 years	24%	26%	(2%)	0%	30%
20 years and within 30 years	26%	28%	(2%)	0%	30%
30 years and within 40 years	27%	25%	2%	0%	30%
40 years and within 50 years	0%	1%	(1%)	0%	10%

The current maturity pattern contained in Appendix C is well within these limits.

#### 4.11 Debt Rescheduling

4.11.1 Most of the City Council's long term external debt has been borrowed at fixed interest rates ranging from 2.09% to 5.01%. 52% of the Council's fixed rate debt matures in over 30 years' time. Appendix C shows the long term loans maturity pattern. Therefore debt rescheduling could be beneficial in evening out the debt maturity profile.

- 4.11.2 In the event that it were decided to further reschedule debt, account will need to be taken of premium payments to the Public Works Loans Board (PWLB). These are payments to compensate the PWLB for any losses that they may incur.
- 4.11.3 The Housing Revenue Account (HRA) will be responsible for its proportion of the premium due for early redemption of debt, based on the percentage of debt attributable to the HRA at the start of the financial year. The premiums would be charged to the General Fund and the HRA. Regulations allow the City Council to spread the cost of the premiums over a number of years, during which the accounts would benefit from reduced external interest rates.
- 4.11.4 The Director of Finance and Information Technology (Section 151 Officer) will continue to monitor the Council's debt and will undertake further rescheduling if it would be beneficial.

#### 4.12 Treasury Management Indicators

The Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management in the Public Services Code of Practice requires the Council to approve a number of treasury management indicators which set the limits within which the Council's treasury management activities will be undertaken. These are contained in the Treasury Management Strategy above and are summarised in Appendix D (**Recommendation 3.1c** in the Treasury Management Policy Report considered by the Cabinet on 12 March 2018 and the City Council on 13 March 2018).

## 5 APPROVED METHODS OF RAISING CAPITAL FINANCE

- 5.1 The following list specifies the various types of borrowing instruments which are available: -

	Variable	Fixed
PWLB	Y	Y
Market Long-term	Y	Y
Municipal Bonds Agency		Y
Market Temporary	Y	Y
Overdraft	Y	
Negotiable Bonds	Y	
Internal (capital receipts & revenue balances)	Y	Y
Commercial Paper	Y	Y
Medium Term Notes	Y	Y
Leasing	Y	Y
Bills & Local Bonds	Y	Y

- 5.2 The main methods of raising capital finance used by the City Council are discussed in greater detail within Section 6 of this policy. Other methods are not generally used because of the perceived risk or because administrative costs are high, such as in the case of Local Bonds.

- 5.3 Local authorities are not required to conform to the Money Laundering Regulations stipulated in the Financial Services Acts. However, these principles where practical will be applied when arranging future money market borrowing to ensure that funds are not obtained from potentially unscrupulous sources.

## **6 APPROVED SOURCES OF BORROWING**

- 6.1 Further information on some of the main borrowing instruments used by the City Council is set out below: -

(a) Public Works Loans Board (PWLB)

The main source of longer term borrowing for the City Council for many years has been from the Government through the Public Works Loans Board. The PWLB offers fixed rate loans from 1 year to 50 years at varying rates with different methods of repayment.

Alternatively the PWLB offers variable rate loans for 1 to 10 years, where the interest rate varies at 1, 3 or 6 month intervals. These loans can be replaced by fixed rate loans before maturity at an opportune time to the authority.

(b) Money Market Loans – Long Term

Loans for 1 to 70 years are available through the London Money Market although, depending of the type of loan being arranged, the rates of interest offered may not match those available from the PWLB, especially for Equal Instalment of Principal loans (E.I.P. loans). Any loans to be taken are evaluated to ensure that the interest rate is the lowest the City Council could obtain.

Loans offered by the money market are often LOBO (Lenders Option, Borrowers Option) loans. This enables the authority to take advantage of low fixed interest for a number of years before an agreed variable rate comes into force. At the time when the interest rate becomes variable, the lender has the option to increase the rate charged every 6 months (or any other agreed review period). The borrower has the option to repay the loan with no penalties if the interest rate is increased on any of the review dates.

#### (c) Bonds

Bonds may be suitable for raising sums in excess of around £150m. The interest payable on bonds may be less than that charged by the PWLB, but considerable upfront fees would be incurred. To obtain the best interest rate, the Council would need to obtain a credit rating which would need to be maintained. This would incur a further upfront fee and an annual maintenance fee.

Because such a large amount needs to be borrowed to attract investors and also to reduce the upfront fees and negate the need for an individual credit rating a pooled issuance with other local authorities may be more viable.

#### (d) Municipal Bonds Agency (MBA)

A municipal bonds agency has been established by the Local Government Association (LGA) to enable local authorities to undertake long term borrowing at lower rates than those offered by the PWLB. The MBA is expected to issue its first bond and advance its first loans to local authorities. The MBA has yet to issue its first bond. Loans will be advanced on fixed dates determined by the municipal bonds agency. Loans will be repayable at maturity with the duration of the loan being fixed by the MBA.

#### (e) Money Market Loans – Temporary (Loans up to 365 days)

The use of temporary borrowing through the London Money Market forms an important part of the strategy. The authorised limit for external debt in 2018/19 of £660m set by the City Council on 13 February 2018 must not be exceeded. It is not anticipated that the City Council will need to use the temporary borrowing facility in 2018/19.

#### (f) Overdraft

An overdraft limit of £2m has been agreed with the Barclays Bank plc. Interest on the overdraft is charged at 1% above base rate. The City Council does not anticipate that short-term borrowing will generally be necessary during 2018/19 as it currently holds sufficient funds to enable the authority's cash flow to be managed without the need to borrow. However, the overdraft facility may be used when there are unforeseen payments and funds placed on temporary deposit cannot be called back in time.

#### (g) Internal Funds

Internal funds include all revenue reserves and other specific reserves maintained by the City Council, including the minimum revenue provision which is available to either repay debt or to be used instead of new borrowing. The cash held in respect of internal funds such as earmarked reserves can be borrowed in the short term to finance capital expenditure or the repayment of debt, thus delaying the need to borrow externally.

### **7. APPORTIONMENT OF BORROWING COSTS TO THE HOUSING REVENUE ACCOUNT (HRA)**

7.1 The Council will continue to operate with a single loans pool and apportion costs according to locally established principles. The principles upon which the apportionment of borrowing costs should be based are as follows:

- The apportionment is broadly equitable between the HRA and the General Fund, and is detrimental to neither;
- The loans portfolio is managed in the best interests of the whole authority;
- The costs and benefits of over and under borrowing above or below the capital financing requirement (CFR) are equitably shared between the General Fund and the HRA.

### **8 ANNUAL MINIMUM REVENUE PROVISION FOR DEBT REPAYMENT STATEMENT**

8.1 The Local Authorities (Capital Finance and Accounting) (Amendment) Regulations 2012 require the Council to make “prudent provision” for the repayment of General Fund debt from 2008/09 onwards. There is no requirement to make “prudent provision” for the repayment of Housing Revenue Account (Council Housing) debt. The Government has provided a definition of “prudent provision” which the Council is legally obliged to “have regard” to. The guidance aims to ensure that the provision for the repayment of borrowing which financed the acquisition of an asset should be made over a period bearing some relation to that over which the asset continues to provide a service.

8.2 The guidance also requires the Council to adopt an Annual Minimum Revenue Provision (MRP) for Debt Repayment Statement. This is contained within paragraphs 8.3 to 8.5 below.

8.3 The following methodologies will be applied to calculating the MRP:

<b>Borrowing</b>	<b>MRP Methodology</b>
<u>General Fund Borrowing:</u>	
Government supported borrowing other than finance leases and service concessions including private finance initiative schemes	50 year annuity
Finance leases and service concessions including private finance initiative schemes *	MRP equals the principal repayments made to lessors and PFI operators
Self - financed borrowing excluding borrowing to fund long term debtors (including finance leases), investment properties and equity shares purchased in pursuit of policy objectives	50 year annuity
Self - financed borrowing to fund long term debtors	The repayments of principal are set aside to repay the borrowing that financed the original advance
Self - financed borrowing to fund finance leases	The principal element of the rent receivable be set aside to repay the borrowing that financed these assets
Self - financed borrowing to fund investment properties	The repayment of unsupported borrowing will be provided for by setting aside the capital receipt when the property is disposed of
Self - financed borrowing to fund equity shares purchased in pursuit of policy objectives	No MRP is made unless the shares are sold in which case the capital receipt is set aside to repay debt
<u>Housing Revenue Account (HRA)</u>	MRP was being provided for the HRA Self Financing Payment in equal instalments over 30 years. An MRP holiday is being taken from 2017/18 to 2019/20. MRP is not provided for other HRA debt.

\* If transactions that take the legal form of finance leases but in substance amount to borrowing, the MRP policy relating to self - financed borrowing will be adopted. An example of when this could happen would be when the Council grants a head lease to an institution in return for an upfront premium and leases the asset back from the same institution in return for a rent.

8.4 Housing Revenue Account (HRA)

The Local Authorities (Capital Finance and Accounting) (Amendment) Regulations 2012 do not require provision to be made for the repayment of HRA debt. It has been the Council's policy to provide for the repayment of the £87m HRA Self Financing Payment in equal instalments over 30 years, but not to provide for the repayment of other HRA debt.

Dwelling rents are being reduced by 1% per annum until 2019/20 in line with government policy and this is putting the HRA under financial pressure. It is therefore recommended that provision is not made for the repayment of borrowing to fund the Self Financing payment or any other HRA debt from 2017/18 to 2019/20 (**recommendation 3.1a(i)** of the Treasury Management Policy Report considered by the Cabinet on 12 March 2018 and the City Council on 13 March 2018). This will generate a gross saving of £3m per annum in the provision for the repayment of debt. However, this will also increase the amount of interest payable by the HRA.

#### 8.5 Over Provision of Minimum Revenue Provision (MRP)

The Council reviewed how it provided for the repayment of its debt. It was felt that the previous methods used in the past have resulted in over provisions of MRP from 2008/09 to 2015/16 amounting to £31.3m. The Director of Finance and Information Technology (Section 151 Officer) will release the over provision of MRP back into General Fund balances over a prudent period by reducing the MRP in future years under delegated authority. It is not considered prudent to release the over provision directly to the General Fund balances in a single year.

### 9 **ANNUAL INVESTMENT STRATEGY**

9.1 The Government has also issued guidance on investments. The guidance requires the City Council to adopt an Annual Investment Strategy. This is contained within paragraphs 10 to 16 below. The requirements of the Ministry of Housing, Communities and Local Government are in addition to the requirements of the Chartered Institute of Public Finance and Accountancy's Treasury Management in Public Services: Code of Practice.

9.2 During the year the Council may be asked to approve a revised strategy if there are investment issues which the full Council might wish to have brought to their attention.

9.3 The guidance defines a prudent policy as having two objectives:

- achieving first of all security (protecting the capital sum from loss);
- liquidity (keeping the money readily available for expenditure when needed).

Only when proper levels of security and liquidity have been secured should yield be taken into account.

9.4 Investment strategies usually rely on credit ratings and both the current and recommended Investment Strategies are based on credit ratings. Although the recommended Investment Strategy is based on credit ratings other sources of information will be taken into account prior to placing deposits such as information in the quality financial press and credit default swaps (CDS) prices.

- 9.5 CDS are a financial instrument for swapping the risk of debt default. The buyer of a credit default swap pays a premium for effectively insuring against a debt default. He receives a lump sum payment if the debt instrument is defaulted. The seller of a credit default swap receives monthly payments from the buyer. If the debt instrument defaults they have to pay an agreed amount to the buyer of the credit default swap.

## **10. INVESTMENT CONSULTANTS**

- 10.1 The City Council currently employs consultants to provide the following information:

- Interest rate forecasts
- Credit ratings
- CDS prices

## **11. SPECIFIED INVESTMENTS**

- 11.1 The Government requires the Council to identify investments offering high security and high liquidity. These are the most secure investments and there is no overall limit on the amount that can be held. Specified investments will be made with the minimum of procedural formalities. They must be made in sterling. It is proposed to increase the maximum duration of specified investments from 364 days to 365 days in line with the latest guidance from the Government (**Recommendation 3.1a(ii)** of the Treasury Management Policy Report considered by the Cabinet on 12 March 2018 and the City Council on 13 March 2018). Specified investments must not involve the acquisition of share capital in any corporate body.
- 11.2 Credit rating information is available to the financial market through three main credit rating bodies ie. Moody's, Fitch, and Standard and Poor. Short and long term credit ratings are provided by all three agencies. Long term credit ratings are explained in Appendix F.



- 11.3 The grades of short and long term credit rating are as follows with the best credit ratings at the top. The credit ratings that meet the City Council's investment criteria for specified investments are shaded.

Fitch		Moody's		Standard & Poor's	
Short Term	Long Term	Short Term	Long Term	Short Term	Long Term
F1+	AAA	P-1	Aaa	A-1+	AAA
	AA+		Aa1		AA+
	AA		Aa2		AA
	AA-		Aa3		AA-
F1	A+		A1	A-1	A+
	A	P-2	A2		A
	A-		A3	A-2	A-
F2	BBB+	P-3	Baa1	A3	BBB+
	BBB		Baa2		BBB
F3	BBB-		Baa3		BBB-

- 11.4 It is recommended that specified investments should only be placed with institutions that have a long term credit rating of at least A- from at least two rating agencies except enhanced money market funds and registered social landlords for which a single credit rating will be required.
- 11.5 Industry practice is for enhanced money market funds to have a single credit rating, but such funds are well diversified. The Council will only invest in enhanced money market funds with a credit rating of at least AA-. These funds will be treated as category 6 (A+) (see paragraph 11.17) investments to reflect the increased risk of relying on a single credit rating (as opposed to category 4 if two ratings had been obtained).
- 11.6 Most registered social landlords (RSLs) are only rated by a single agency. However RSLs are regulated by the Homes and Communities Agency (HCA) which rates the financial viability of RSLs. Investments will only be placed with RSLs that have a financial viability rating of V1 from the HCA.
- 11.7 In addition to rating financial institutions the rating agencies also rate governments. These are known as sovereign credit ratings. The evolving regulatory environment, in tandem with the rating agencies' new methodologies also means that sovereign ratings are now of lesser importance in the assessment process with the new regulatory environment attempting to break the link between sovereign support and domestic financial institutions. However sovereign credit ratings are also dependent on a government's ability to raise taxes and thus also give an indication of the state of a nation's general economy. Investments will only be placed with institutions based in either the United Kingdom or states with an AA credit rating.

- 11.8 When an institution or state has differing ratings from different agencies, the average rating will be used to assess its suitability. Those institutions that have not been rated by a particular agency will not be discarded because of the lack of ratings.
- 11.9 It is proposed that investments be allowed in government bodies, banks including supranational banks, building societies, money market funds, enhanced money market funds, RSLs, universities and corporate bonds that meet the Council's investment criteria.
- 11.10 Money market funds are well diversified funds that invest in high quality very short term instruments enabling investors to have instant access to their funds. Enhanced money market funds, also known as short dated investment funds, are also well diversified funds investing in high quality counter parties, but for longer periods, and require a few days' notice of withdrawals. Industry practice is for enhanced money market funds to have a single credit rating.
- 11.11 Corporate bonds are tradable loan instruments issued by commercial companies. Credit ratings measure the risk of default, ie. the risk of not receiving principal and interest when it is due, across these institutions in a way that allows them to be compared. However, other measures of credit risk such as CDS prices are not available for all institutions including most building societies, RSLs, universities and commercial companies.
- 11.12 There are over 30 registered social landlords (RSLs) with a single or double A credit rating. RSLs often have a single credit rating from one agency, but are subject to Government regulation. The Homes and Communities Agency (HCA) assigns a viability rating to larger RSLs with in excess of 1,000 dwellings as follows:

V1 - the RSL meets the HCA's financial viability standard and has the capacity to mitigate its exposures effectively

V2 - the RSL meets the HCA's viability requirements but need to manage material financial exposures to support continued compliance

V3 - the RSL does not meet the HCA's viability requirements. There are issues of serious regulatory concern and in agreement with the HCA; the RSL is working to improve its position

V4 - the RSL does not meet the HCA's viability requirements. There are issues of serious regulatory concern and the RSL is subject to regulatory intervention or enforcement action

However an RSL's debts are not guaranteed by the Government.

- 11.13 Building societies also operate under a separate legal regime to banks, which limits the amount of lending not secured on residential property and limits the amount of wholesale funding. When a building society has got into financial difficulties in the past it has always been taken over by another building society without its creditors losing any of their money. For these reasons building societies are placed in a category one notch above other institutions with the same credit rating.
- 11.14 Lending to universities will be permitted. A number of universities have credit ratings and are as secure as a commercial company with a similar credit rating.
- 11.15 The Council's direct investments will be limited to senior debt. Subordinated corporate bonds are sometimes issued by financial institutions and commercial companies. Subordinated corporate bonds offer higher yields, but in the event of an institution defaulting, senior debtors are repaid before subordinated debtors. Because of this, subordinated bonds often have a lower credit rating than senior debt issued by the same institution.
- 11.16 There are structured investment products available that pay returns in excess of 4.5% per annum provided that neither of the specified stock market indices such as the FTSE 100 and Eurostoxx 50 decline by more than 50% over 6 years and repay the capital invested if the worst performing index does not fall by more than 60%. The Director of Finance and Information Technology (Section 151 Officer) may invest the Council's funds in structured investment products which follow the developed stock markets that do not fully protect the Council's capital invested. These products are effectively bank deposits where the return is determined by stock market performance. As such they are subject to credit risk if the issuer defaults.

11.17 The approved counter parties for specified investments are divided into eight categories as follows:

	Maximum Investment in a Single Organisation
<u>Category 1</u> United Kingdom Government including the Debt Management Office Deposit Facility	Unlimited investments for up to 6 years
<u>Category 2</u> Local authorities in England, Scotland and Wales	£30m for up to 6 years
<u>Category 3</u> RSLs with a single long term credit rating of Aa-	£30m for up to 10 years
<u>Category 4</u> Banks, corporate bonds and universities with a short term credit rating of F1+ and a long term rating of AA-. Building societies with a short term credit rating of F1 and a long term rating of A+. Aaa rated money market funds	£26m for up to 6 years
<u>Category 5</u> RSLs with a single long term credit rating of A-	£20m for up to 10 years
<u>Category 6</u> Banks, corporate bonds and universities with a short term credit rating of F1 and a long term rating of A+. Building societies with a short term credit rating of F1 and a long term rating of A. Enhanced money market funds with a single AA credit rating	£20m for up to 6 years.
<u>Category 7</u> Banks, corporate bonds and universities with a short term credit rating of F1 and a long term rating of A. Building societies with a short term credit rating of F1 and a long term rating of A-.	£15m for up to 6 years
<u>Category 8</u> Banks, corporate bonds and universities with a short term credit rating of F1 and a long term rating of A-.	£10m for up to 6 years

- 11.18 A list of financial institutions currently meeting the Council's investment criteria is contained in Appendix F. There are too many RSLs, universities and companies issuing corporate bonds to include in the list.
- 11.19 Investing in counter parties that do not meet the Council's credit criteria if the investment is secured against assets that do meet the Council's investment criteria will increase the number of counter parties the Council can invest in and may increase investment returns. Although this will increase the risk of defaults, it should not increase the risk of investment losses provided that the contracts are properly drawn up and the assets offered as security pass to the Council.
- 11.20 Sometimes institutions issue covered bonds which are secured against assets held by that institution. These assets may be loans that the institution has made to local authorities or loans made to other financial institutions that have a higher credit rating. If the institution that issued the covered bond defaults the specified assets will pass to the City Council. Investments will be permitted in covered bonds that are secured against local authority debt or covered bonds that have a credit rating that meets the Council's investment criteria even if the counter party itself does not meet the Council's credit criteria.
- 11.21 Repo / reverse repo is accepted as a form of collateralised lending and should be based on the GMRA 2000 (Global Master Repo Agreement). A repo is a form of secured borrowing where readily saleable collateral, normally gilts or treasury bills are placed with the lender. If the borrower fails to repay the loan the lender keeps the collateral that has been deposited. A reverse repo is the equivalent form of secured lending. Therefore whilst the borrower would have a repo, the Council would have a reverse repo. Should the counter party not meet our senior unsecured rating then a 102% collateralisation would be required. The acceptable collateral is as follows:
- Index linked gilts
  - Conventional gilts
  - UK treasury bills
- Investments in repos / reverse repos collateralised against index linked gilts, conventional gilts and UK treasury bills will be permitted, and should the counter party not meet our senior unsecured rating then a 102% collateralisation would be required.
- 11.22 Credit ratings be reviewed weekly and that any institution whose lowest credit rating falls below the criteria for category 8 in paragraph 11.16 be removed from the list of specified investments.
- 11.23 Institutions that are placed on negative watch or negative outlook by the credit rating agencies will be reassigned to a lower category.

## 12. NON-SPECIFIED INVESTMENTS

- 12.1 The Government's Guidance requires that other less secure types of investment be identified and that a limit be set on the overall amount that may be held in such investments at any time in the year. Non-specified investments are investments that are not secure, ie. do not have an "A" credit rating or are not liquid, ie. have a maturity in excess of 365 days (previously 364 days) (**Recommendation 3.1a(ii)** of the Treasury Management Policy Report considered by the Cabinet on 12 March 2018 and the City Council on 13 March 2018). Investments that are not denominated in sterling would also be non-specified investments due to exchange rate risks.
- 12.2 In order to reduce the risks associated with placing funds with a relatively small number of counter parties and to improve returns further investment categories have been established for non-specified investments that do not meet the criteria for specified investments. It is recommended that the maximum duration of investment categories 11 (corporate bonds with a BBB+ credit rating) and 14 (unrated building societies that are in a strong financial condition) be increased from 364 days to 365 days to match the new maximum duration of specified investments (**Recommendation 3.1a(iii)** of the Treasury Management Policy Report considered by the Cabinet on 12 March and the City Council on 13 March).

### Category 9 - £20m

Category 9 will consist of investments in subsidiary companies including but not restricted to MMD (Shipping Services) Ltd.

### Category 10 - £10m for 2 years

Short Term – F2 (or equivalent from Fitch, Moody's and Standard & Poor)  
Long Term – BBB or better (or equivalent from Fitch, Moody's and Standard and Poor)

Category 10 will consist of rated building societies that meet these criteria.

### Category 11 - £7m for 365 days (previously 364 days)

Short Term – F2 (or equivalent from Fitch, Moody's and Standard & Poor)  
Long Term – BBB+ or better (or equivalent from Fitch, Moody's and Standard and Poor)

Investing up to 365 days in investments with a long term credit rating of BBB+ / Baa1 and a short term credit rating of at least F2 / P-3 / A3 would diversify the portfolio by enabling investments to be made in more commercial companies such as British Telecom. The risk of an investment defaulting is driven by the credit quality of the investment counter party and the duration of the investment, ie. the amount of time that credit quality can deteriorate over. An investment counter party rated BBB+ is more likely to default than an investment counter party rated A-. However an 18 month investment is more likely to default than a 12 month investment. Therefore a 12 month investment rated BBB+ can offer a lower probability of default than an 18 month investment rated A-. Therefore investing up to 365 days in investments rated BBB+ would diversify the portfolio by enabling investments to be made in more commercial companies without increasing the risk of default. Such investments could also achieve investment returns in excess of 0.9%. Category 11 will consist of institutions that meet the above criteria.

#### Category 12 - £8m

Long Term – BBB or better (or equivalent from Fitch, Moody's and Standard and Poor)

Further diversification could be achieved by investment in a corporate bond fund. Investing in a corporate bond fund where the average credit rating of the underlying investments is BBB+. Such funds could include underlying investments with BBB- credit ratings although each investment would amount to no more than 4% of the fund. If one of the underlying investments did default the Council's holding in the fund could be worth less than what it paid into the fund, ie. the Council could make a loss. It is therefore recommended that total investments in such funds will be restricted to £8m.

Category 12 will consist of corporate bonds bought on the Council's behalf by professional fund managers who will target an average credit rating of at least BBB+ for the corporate bond fund. The average credit rating of the corporate bond fund may fall to BBB if there was a downgrade to a single issue or a broad downgrade. We would not want the fund manager to be a forced seller in this situation. If this situation arises a strategy will be agreed with the fund manager to return the average rating of the portfolio to BBB+.

#### Category 13 - £6m for 2 years

Many smaller building societies that have been more conservative in their lending approach do not have credit ratings. An analysis of building society accounts suggests that many of those without credit ratings are in a better financial position than some of the larger ones who do hold credit ratings.

Category 13 consists of the unrated building societies in the strongest financial position.

The limits on these building societies are less than £6m to take account of their small size in terms of assets.

<b>Stronger Unrated Building Societies</b>	
<b>Building Society</b>	<b>Limit</b>
Progressive	£6.0m
Saffron	£5.6m
Leek	£4.6m
Ipswich	£2.9m
Darlington	£2.7m
Market Harborough	£2.1m
Scottish	£2.0m
Manchester	£1.9m
Hanley Economic	£1.9m
Tipton & Coseley	£1.9m
Dudley	£1.8m

Category 14 - £6m for 365 days (previously 364 days)

Category 14 consists of the unrated building societies that are in a strong financial position.

The limits on some building societies are less than £6m to take account of their small size in terms of assets.



Unrated Building Societies in a Strong Financial Condition	
Building Society	Limit
Newcastle	£6.0m
Cumberland	£6.0m
National Counties	£6.0m
Monmouthshire	£5.3m
Newbury	£4.7m
Furness	£4.1m
Hinkley & Rugby	£3.2m
Marsden	£2.1m
Melton Mowbray	£2.1m

#### Category 15 - £10m for up to 10 years

Purchasing bonds in Hampshire Community Bnk (HCB) would contribute to the regeneration of Hampshire and offer interest of up to 3.5%. Investing in HCB carries greater risk than the other approved investments contained in the Council's Annual Investment Strategy as HCB is a new entity that is in the process of developing its business, and currently has neither a banking license nor a credit rating. However HCB will be able to offer assets as security to cover a corporate bond. These assets would consist of good performing loans secured against tangible assets. The loan assets offered as security would pass to the Council in the event of HCB defaulting.

Category 15 will consist of bonds issued by Hampshire Community Bnk secured against good quality assets owned by the bank.

The previous policy permitted the Council to purchase bonds from Hampshire Community Bnk with a term of up to 6 years. It is proposed to increase the maximum term of the bonds that can be purchased to 10 years in line with the draft funding agreement with Hampshire Community Bnk (**Recommendation 3.1a(iv)** of the Treasury Management Policy Report considered by the Cabinet on 12 March 2018 and the City Council on 13 March 2018).

### 12.3 Money Lodged with MMD (Shipping Services) Ltd

The Council's treasury management operation is exposed to the Council's subsidiary company MMD (Shipping Services) Ltd. The Council has £550,000 lodged with Lloyds Bank to guarantee MMD's banking limits.

### 12.4 Contracts Denominated in Foreign Currencies

The Council sometimes enters into contracts denominated in foreign currencies. Such contracts normally relate to civil engineering schemes at the port. It can be beneficial to buy Euros early to fund these projects and avoid the associated currency risk.

### 12.5 Limit on Non Specified Investments

Non-specified investments will in aggregate be limited to the following:

	£
Building societies with a BBB credit rating and unrated building societies	99m
Corporate bonds with a BBB+ credit rating	8m
Corporate bond funds with an average credit rating of BBB	8m
Investments in subsidiary companies including funds lodged to guarantee the banking limits of MMD (Shipping Services) Ltd.	20m
Long term investments	192m
Investments in foreign currencies to hedge against contracts priced or indexed against foreign currencies	4m
Hampshire Community Bnk bonds	10m
<b>Total</b>	<b>341m</b>

### 13. MAXIMUM LEVEL OF INVESTMENT IN INDIVIDUAL ORGANISATIONS

- 13.1 The Government's Guidance does not require a limit to be placed on the amount that can be placed in any one investment. However in order to minimise risk further, the total amount that can be directly invested with any organisation at any time will be limited as follows:

	Maximum Investment in Single Organisation
Category 1	Unlimited
Category 2	£30m for up to 6 years
Category 3	£30m for up to 10 years
Category 4	£26m for up to 6 years
Category 5	£20m for up to 10 years
Category 6	£20m for up to 6 years
Category 7	£15m for up to 6 years
Category 8	£10m for up to 6 years
Category 9	£20m with an indefinite duration
Category 10	£10m for up to 2 years
Category 11	£7m for up to 365 days
Category 12	£8m with an indefinite duration (although these investments may be sold)
Category 13	£6m for up to 2 years
Category 14	£6m for up to 365 days
Category 15	£10m for 10 years

- 13.2 AA money market funds offer security and same day access. By aggregating investments they can also invest in financial institutions that may not be interested in the relatively small sums that the Council can invest. Although AA money market funds are well diversified in their investments, there is a risk that more than one fund could have investments with the same bank or that the Council may also have invested funds in the same bank as a money market fund. Therefore it is proposed that the Council should aim to have no more than £80m invested in money market funds.
- 13.3 Most building society lending is secured against residential properties. If property prices fall there may be inadequate security to support building societies lending giving rise to a systemic risk.
- 13.4 As RSL's offer one principal service and their assets principally consist of residential properties, excessive investments in RSLs would also expose the Council to a systemic risk.
- 13.5 Excessive investments in investment products tracking equity markets could also expose the Council to a systemic risk.
- 13.6 In order to minimise systemic credit risk in any sector the following limits will be applied:

Money market funds	£80m
Building societies	£155m
Registered Social Landlords	£80m
Investments tracking the equity markets	£70m

- 13.7 In order to minimise systemic credit risk in any region it is recommended that the following limits be applied to the geographic areas where investments can be made in foreign countries.

13.8 The following limits be applied:

Asia & Australia	£80m
Americas	£80m
Eurozone	£60m
Continental Europe outside the Eurozone	£60m

13.9 The limits above only apply to direct investments. The City Council's exposure to any institution, sector or region may exceed the limits stated above through indirect investments via money market funds. Money market funds employ specialist staff to assess counter party risks and all investments made by money market funds are short-term.

#### **14. LIQUIDITY OF INVESTMENTS**

14.1 The Council's cash flow forecast for the current year is updated daily. In addition, the Council maintains a long term cash flow forecast that extends to 2023/24. These forecast are used to determine the maximum period for which funds may be prudently committed, ie. the City Council's core cash. The City Council maintains at least £10m invested on an instant access basis to ensure that unforeseen cash flows can be financed.

#### **15. INVESTMENT OF MONEY BORROWED IN ADVANCE OF NEED**

15.1 Section 12 of the Local Government Act 2003 gives a local authority the power to invest for "any purpose relevant to its functions under any enactment or for the prudent management of its financial affairs". While the speculative procedure of borrowing purely to invest at a profit is clearly unlawful, there is no legal obstacle to the temporary investment of funds borrowed for the purpose of funding capital expenditure incurred in the reasonably near future.

15.2 Borrowing in advance of need may enable the City Council to obtain cheaper loans than those available at the time when expenditure is incurred, although the consequent investment of funds borrowed in advance of need does expose the City Council to credit risk. The interest payable on funds borrowed in advance of need is likely to exceed the interest earned on the investment of those funds in the current economic climate.

- 15.3 The Council's gross debt is estimated to exceed its CFR by £52.5m at the end of 2017/18, ie. it is over borrowed, primarily because it borrowed funds when it could secure low interest rates and because less commercial property was acquired than had been anticipated in 2016/17.
- 15.4 The capital programme approved by the City Council on 13 February 2018 includes £72.6m of capital expenditure financed by borrowing in 2018/19. This is expected to cause the Council's CFR to rise above its gross debt, ie. it is expected to become under borrowed from 2018/19.

## **16. TRAINING OF INVESTMENT STAFF**

- 16.1 The Finance Manager (Technical & Financial Planning) manages the treasury function and is a qualified Chartered Public Finance Accountant and holds the Association of Corporate Treasurers Certificate in Treasury Management. The Finance Manager (Technical & Financial Planning) is assisted by the Treasury Manager who is a qualified Chartered Certified Accountant and also holds the Association of Corporate Treasurers Certificate in Treasury Management. The City Council is also a member of CIPFA's Treasury Management Network which provides training events throughout the year. Additional training for investment staff is provided as required.

## **17. DELEGATED POWERS**

- 17.1 Once the Treasury Policy has been approved, the Director of Finance and Information Technology (Section 151 Officer) has delegated powers under the constitution of the City Council, to make all executive decisions on borrowing, investments or financing.

It is recommended that Chief Executive, the Leader of the City Council and the Chair of the Governance and Audit and Standards Committee be informed of any variances from the Treasury Management Policy when they become apparent, and that the Leader of the City Council be consulted on remedial action (**recommendation 3.1(e)** of the Treasury Management Policy Report considered by the Cabinet on 12 March 2018 and the City Council on 13 March 2018).

## **18. TREASURY SYSTEMS AND DOCUMENTATION**

- 18.1 Once the Policy Statement has been approved by the Council, the documentation of the Treasury Systems will be updated so that all employees involved in Treasury Management are clear on the procedures to be followed and the limits applied to their particular activities.

- 18.2 The Treasury Management Practices document covers the following topics: -
- risk management
  - performance measurement
  - decision making and analysis
  - approved instruments, methods and techniques
  - organisation, clarity and segregation of responsibilities, and dealing arrangements
  - reporting requirements and management information arrangements
  - budgeting, accounting and audit arrangements
  - cash and cash flow management
  - money laundering
  - training and qualifications
  - use of external service providers
  - corporate governance

## **19. REVIEW AND REPORTING ARRANGEMENTS**

- 19.1 The Head of Financial Technology and Section 151 Officer will submit the following **(Recommendation 3.2)** of the Treasury Management Policy Report considered by the Cabinet on 12 March 2018 and the City Council on 13 March 2018):
- (i) an annual report on the treasury management outturn to the Cabinet and Council by 31 July of the succeeding financial year
  - (ii) a mid year review to the Cabinet and Council
  - (iii) the Annual Strategy Report to the Cabinet and Council in March 2019
  - (iv) quarterly treasury management monitoring reports to the Governance and Audit and Standards Committee

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## PRUDENTIAL INDICATORS

Ratio of Financing Costs to Net Revenue Stream						
	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
Non - HRA	12.0%	12.5%	13.0%	13.9%	13.9%	13.0%
HRA	4.1%	4.1%	4.0%	7.4%	7.0%	6.7%

Capital Financing Requirement						
	2017/18 Estimate £'000s	2018/19 Estimate £'000s	2019/20 Estimate £'000s	2020/21 Estimate £'000s	2021/22 Estimate £'000s	2022/23 Estimate £'000s
Non - HRA	405,337	467,446	470,077	464,172	456,647	449,426
HRA	171,380	177,260	177,707	179,047	176,093	173,139

HRA Limit on Indebtedness						
	2017/18 Estimate £'000s	2018/19 Estimate £'000s	2019/20 Estimate £'000s	2020/21 Estimate £'000s	2021/22 Estimate £'000s	2022/23 Estimate £'000s
HRA	181,701	181,701	181,701	181,701	181,701	181,701

Authorised Limit for External Debt						
	2017/18 Estimate £'000s	2018/19 Estimate £'000s	2019/20 Estimate £'000s	2020/21 Estimate £'000s	2021/22 Estimate £'000s	2022/23 Estimate £'000s
Borrowing	583,660	594,046	598,130	606,750	608,318	603,476
Other Long Term Liabilities (ie Credit Arrangements)	69,340	66,151	62,377	57,151	51,340	46,032
<b>Total</b>	<b>653,000</b>	<b>660,197</b>	<b>660,507</b>	<b>663,901</b>	<b>659,658</b>	<b>649,508</b>

Operational Boundary for External Debt						
	2017/18 Estimate £'000s	2018/19 Estimate £'000s	2019/20 Estimate £'000s	2020/21 Estimate £'000s	2021/22 Estimate £'000s	2022/23 Estimate £'000s
Borrowing	571,324	578,555	582,329	590,633	591,879	586,708
Other Long Term Liabilities (ie Credit Arrangements)	69,340	66,151	62,377	57,151	51,340	46,032
<b>Total</b>	<b>640,664</b>	<b>644,706</b>	<b>644,706</b>	<b>647,784</b>	<b>643,219</b>	<b>632,740</b>

Incremental Impact of Capital Investment Decisions on the Council Tax						
	2017/18 Estimate £'000s	2018/19 Estimate £'000s	2019/20 Estimate £'000s	2020/21 Estimate £'000s	2021/22 Estimate £'000s	2022/23 Estimate £'000s
Revenue effect of existing capital programme	579	3,020	5,988	6,430	6,605	6,605
Revenue effect of proposed capital programme	579	3,020	5,561	5,859	5,890	5,890
Increase in revenue effect	0	0	(427)	(571)	(715)	(715)
Increase in Council Tax Band D	£0.00	£0.00	(£7.64)	(£10.22)	(£12.80)	(£12.80)

Incremental Impact of Capital Investment Decisions on Housing Rents						
	2017/18 Estimate £'000s	2018/19 Estimate £'000s	2019/20 Estimate £'000s	2020/21 Estimate £'000s	2021/22 Estimate £'000s	2022/23 Estimate £'000s
Revenue effect of existing capital programme	714	621	185	1,861	1,360	478
Revenue effect of proposed capital programme	476	(1,362)	475	627	3,012	563
Increase in revenue effect	(238)	(1,983)	290	(1,234)	1,652	85
Effect on average weekly rent	(£0.31)	(£2.54)	£0.37	(£1.58)	£2.12	£0.11

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**BACKGROUND INFORMATION AND RISKS TO INTEREST RATE FORECASTS**

Global Outlook

World growth looks to be on an encouraging trend of stronger performance, rising earnings and falling levels of unemployment. In October 2017, the IMF upgraded its forecast for world growth from 3.2% to 3.6% for 2017 and 3.7% for 2018.

In addition, inflation prospects are generally muted and it is particularly notable that wage inflation has been subdued despite unemployment falling to historically very low levels in the UK and US. This has led to many comments by economists that there appears to have been a fundamental shift downwards in the Phillips curve (this plots the correlation between levels of unemployment and inflation e.g. if the former is low the latter tends to be high). This may be due to a combination of a shift towards flexible working, self-employment, falling union membership and a consequent reduction in union power and influence in the economy, and increasing globalisation and specialisation of individual countries, which has meant that labour in one country is in competition with labour in other countries which may be offering lower wage rates, increased productivity or a combination of the two. In addition, technology is probably also exerting downward pressure on wage rates and this is likely to grow with an accelerating movement towards automation, robots and artificial intelligence, leading to many repetitive tasks being taken over by machines or computers.

Looking back on nearly ten years since the financial crash of 2008 when liquidity suddenly dried up in financial markets, it can be assessed that central banks' monetary policy measures to counter the sharp world recession were successful. The key monetary policy measures they used were a combination of lowering central interest rates and flooding financial markets with liquidity, particularly through unconventional means such as Quantitative Easing (QE), where central banks bought large amounts of central government debt and smaller sums of other debt.

The key issue now is that the period of stimulating economic recovery and warding off the threat of deflation is coming towards its close and a new period has already started in the US, and more recently in the UK, on reversing those measures i.e. by raising central rates and (for the US) reducing central banks' holdings of government and other debt. These measures are now required in order to stop the trend of an on-going reduction in spare capacity in the economy, and of unemployment falling to such low levels that the re-emergence of inflation is viewed as a major risk. It is, therefore, crucial that central banks get their timing right and do not cause shocks to market expectations that could destabilise financial markets. In particular, a key risk is that because QE-driven purchases of bonds drove up the price of government debt, and therefore caused a sharp drop in income yields, this then also encouraged investors into a search for yield and into investing in riskier assets such as equities. This resulted in bond markets and equity market prices both rising to historically high valuation levels simultaneously. This, therefore, makes both asset categories vulnerable to a sharp correction. It is important, therefore, that central banks only gradually unwind their holdings of bonds in order to prevent destabilising the financial markets. It is also likely that the timeframe for central banks unwinding their holdings of QE debt purchases will be over several years. They need to balance their timing to neither squash economic recovery by taking too rapid and too strong action, or, alternatively, let inflation run away by taking action that was too slow and/or too weak. The potential for central banks to get this timing and strength of action wrong are now key risks.

There is also a potential key question over whether economic growth has become too dependent on strong central bank stimulus and whether it will maintain its momentum against a backdrop of rising interest rates and the reversal of QE. In the UK, a key vulnerability is the low level of productivity growth, which may be the main driver for increases in wages; and decreasing consumer disposable income, which is important in the context of consumer expenditure primarily underpinning UK GDP growth.

A further question that has come to the fore is whether an inflation target for central banks of 2%, is now realistic given the shift down in inflation pressures from internally generated inflation, (i.e. wage inflation feeding through into the national economy), given the above mentioned shift down in the Phillips curve.

- Some economists favour a shift to a lower inflation target of 1% to emphasise the need to keep the lid on inflation. Alternatively, it is possible that a central bank could simply 'look through' tepid wage inflation, (i.e. ignore the overall 2% inflation target), in order to take action in raising rates sooner than might otherwise be expected.
- However, other economists would argue for a shift up in the inflation target to 3% in order to ensure that central banks place the emphasis on maintaining economic growth through adopting a slower pace of withdrawal of stimulus.

- In addition, there is a strong argument that central banks should target financial market stability. As mentioned previously, bond markets and equity markets could be vulnerable to a sharp correction. There has been much commentary, that since 2008, QE has caused massive distortions, imbalances and bubbles in asset prices, both financial and non-financial. Consequently, there are widespread concerns at the potential for such bubbles to be burst by exuberant central bank action. On the other hand, too slow or weak action would allow these imbalances and distortions to continue or to even inflate them further.
- Consumer debt levels are also at historically high levels due to the prolonged period of low cost of borrowing since the financial crash. In turn, this cheap borrowing has meant that other non-financial asset prices, particularly house prices, have been driven up to very high levels, especially compared to income levels. Any sharp downturn in the availability of credit, or increase in the cost of credit, could potentially destabilise the housing market and generate a sharp downturn in house prices. This could then have a destabilising effect on consumer confidence, consumer expenditure and GDP growth. However, no central bank would accept that it ought to have responsibility for specifically targeting house prices.

### United Kingdom

After the UK surprised on the upside with strong economic growth in 2016, growth in 2017 has confounded pessimistic forecasts of weak growth by coming in at 1.8%, only marginally down on the 1.9% rate for 2016. In 2017, quarter 1 came in at only +0.3% (+1.8% y/y), quarter 2 +0.3% (+1.5% y/y), quarter 3 +0.4% (+1.5% y/y) and Q4 was +0.5% (+1.5% y/y). The outstanding performance came from the manufacturing sector which showed a 1.3% increase in Q4 and +3.1% y/y helped by an increase in exports due to the lower value of sterling over the last year and robust economic growth in our main trade partners, the EU and US. It is also notable that there has been a progressive acceleration in total GDP growth during the year which gives ground for optimism looking forward into 2018.

The Monetary Policy Committee, (MPC), of the Bank of England meeting on 14 September 2017 shocked financial markets and forecasters by suddenly switching to a much more aggressive tone in terms of its words around warning that Bank Rate will need to rise soon. The Bank of England Inflation Reports during 2017 have clearly flagged up that it expected CPI inflation to peak at just under 3% in 2017, before falling back to near to its target rate of 2% in two years' time. The Bank revised its forecast for the peak to just over 3% at the 14 September meeting. (Inflation actually came in at 3.1% in November so that may prove now to be the peak. Inflation fell to 3.0% in December.) This marginal revision in the Bank's forecast can hardly justify why the MPC became so aggressive with its wording; rather, the focus was on an emerging view that with unemployment having already fallen to only 4.3%, the lowest level since 1975, and improvements in productivity being so weak, that the amount of spare capacity in the economy was significantly diminishing towards a point at which they now needed to take action. In addition, the MPC took a more tolerant view of low wage inflation as this now looks like a common factor in nearly all western economies as a result of automation and globalisation. However, the Bank was also concerned that the withdrawal of the UK from the EU would effectively lead to a decrease in such globalisation pressures in the UK, and so this would cause additional inflationary pressure over the next few years.

At Its 2 November meeting, the MPC duly delivered a 0.25% increase in Bank Rate. It also gave forward guidance that they expected to increase Bank Rate only twice more in the next three years to reach 1.0% by 2020. This is, therefore, not quite the 'one and done' scenario but is, nevertheless, a very relaxed rate of increase prediction in Bank Rate in line with previous statements that Bank Rate would only go up very gradually and to a limited extent.

However, some forecasters are flagging up that they expect growth to accelerate significantly towards the end of 2017 and then into 2018. This view is based primarily on the coming fall in inflation, (as the effect of the effective devaluation of sterling after the EU referendum drops out of the CPI statistics), which will bring to an end the negative impact on consumer spending power. In addition, a strong export performance will compensate for weak services sector growth. If this scenario was indeed to materialise, then the MPC would be likely to accelerate its pace of increases in Bank Rate during 2018 and onwards.

It is also worth noting the contradiction within the Bank of England between action in 2016 and in 2017 by two of its committees. After the shock result of the EU referendum, the Monetary Policy Committee (MPC) voted in August 2016 for emergency action to cut Bank Rate from 0.50% to 0.25%, restarting £70bn of QE purchases, and also providing UK banks with £100bn of cheap financing. The aim of this was to lower borrowing costs, stimulate demand for borrowing and thereby increase expenditure and demand in the economy. The MPC felt this was necessary in order to ward off their expectation that there would be a sharp slowdown in economic growth. Instead, the economy grew robustly, although the Governor of the Bank of England strongly maintained that this was because the MPC took that action. However, other commentators regard this emergency action by the MPC as being proven by events to be a mistake. Then in 2017, we had the Financial Policy Committee (FPC) of the Bank of England taking action in June and September over its concerns that cheap borrowing rates, and easy availability of consumer credit, had resulted in too rapid a rate of growth in consumer borrowing and in the size of total borrowing, especially of unsecured borrowing. It, therefore, took punitive action to clamp down on the ability of the main banks to extend such credit. Indeed, a PWC report in October 2017 warned that credit card, car and personal loans and student debt will hit the equivalent of an average of £12,500 per household by 2020. However, averages belie wide variations in levels of debt with much higher exposure being biased towards younger people, especially the 25 -34 year old band, reflecting their lower levels of real income and asset ownership.

One key area of risk is that consumers may have become used to cheap rates since 2008 for borrowing, especially for mortgages. It is a major concern that some consumers may have over extended their borrowing and have become complacent about interest rates going up after Bank Rate had been unchanged at 0.50% since March 2009 until falling further to 0.25% in August 2016. This is why forward guidance from the Bank of England continues to emphasise slow and gradual increases in Bank Rate in the coming years. However, consumer borrowing is a particularly vulnerable area in terms of the Monetary Policy Committee getting the pace and strength of Bank Rate increases right - without causing a sudden shock to consumer demand, confidence and thereby to the pace of economic growth.

Moreover, while there is so much uncertainty around the Brexit negotiations, consumer confidence, and business confidence to spend on investing, it is far too early to be confident about how the next two to three years will actually pan out.

From time to time, gilt yields – and therefore PWLB rates - can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis and emerging market developments. Such volatility could occur at any time during the forecast period.

Economic and interest rate forecasting remains difficult with so many external influences weighing on the UK. Forecasts (and MPC decisions) will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Geopolitical developments, especially in the EU, could also have a major impact. Forecasts for average investment earnings beyond the three-year time horizon will be heavily dependent on economic and political developments.

The overall balance of risks to economic recovery in the UK is probably to the downside, particularly with the current level of uncertainty over the final terms of Brexit.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- The Bank of England takes action too quickly over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- Geopolitical risks, especially North Korea, but also in Europe and the Middle East, which could lead to increasing safe haven flows.
- A resurgence of the Eurozone sovereign debt crisis, possibly Italy, due to its high level of government debt, low rate of economic growth and vulnerable banking system.
- Weak capitalisation of some European banks.
- Germany is still without an effective government after the inconclusive result of the general election in October. In addition, Italy is to hold a general election on 4 March and the anti EU populist Five Star party is currently in the lead in the polls, although it is unlikely to get a working majority on its own. Both situations could pose major challenges to the overall leadership and direction of the EU as a whole and of the individual respective countries. Hungary will hold a general election in April 2018.
- The result of the October 2017 Austrian general election has now resulted in a strongly anti-immigrant coalition government. In addition, the Czech ANO party became the largest party in the October 2017 general election on a platform of being strongly against EU migrant quotas and refugee policies. Both developments could provide major impetus to other, particularly former Communist bloc countries, to coalesce to create a major block to progress on EU integration and centralisation of EU policy. This, in turn, could spill over into impacting the Euro, EU financial policy and financial markets.
- Rising protectionism under President Trump
- A sharp Chinese downturn and its impact on emerging market countries

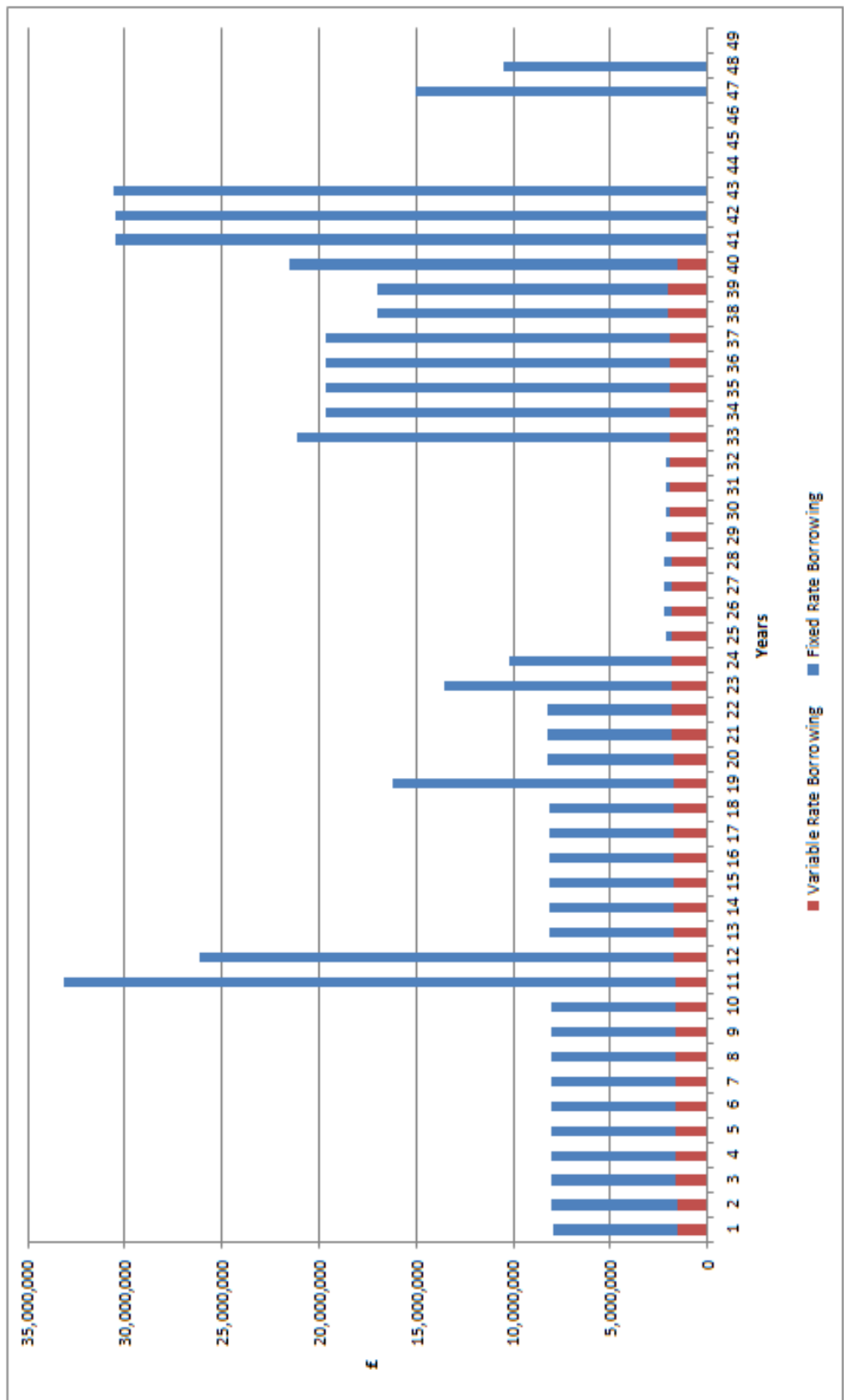


The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -

- The Fed causing a sudden shock in financial markets through misjudging the pace and strength of increases in its Fed. Funds Rate and in the pace and strength of reversal of Quantitative Easing, which then leads to a fundamental reassessment by investors of the relative risks of holding bonds, as opposed to equities. This could lead to a major flight from bonds to equities and a sharp increase in bond yields in the US, which could then spill over into impacting bond yields around the world.
- The Bank of England is too slow in its pace and strength of increases in Bank Rate and, therefore, allows inflation pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.
- UK inflation returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields.

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DEBT MATURITY PROFILE



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## REVISED PRUDENTIAL INDICATORS 2016/17

The premium arising from the granting of a new head lease for land in White Hart Road occupied by Wightlink Ltd in 2016/17 was originally accounted for as a capital receipt and the treasury management outturn position was reported on this basis prior to the audit of the Council's accounts being completed. The Council granted a new head lease to Canada Life for a premium subject to a lease back to the Council for an ongoing rent. Both transactions take the legal form of leases, however when taken together they are in substance a £72m variable rate loan from Canada Life. Following discussion with the auditors it was agreed that these transactions should be accounted for as borrowing rather than a capital receipt. Following this decision some of the outturn prudential and treasury management indicators for 2016/17 have been revised.

This has had the following effect on the Council's external debt:

	£m
Recognition of £72m borrowed from Canada Life under revised accounting treatment	72
Derecognition of new finance lease recognised for Wightlink Terminal building under original accounting treatment	(10)
<b>Net increase in external debt</b>	<b>62</b>

Following this decision some of the outturn prudential and treasury management indicators for 2016/17 have been revised.

	Indicators Stated in Treasury Management Outturn Report Based on Unaudited Accounts	Revised Indicators Based on Audited Accounts	Variance	
Ratio of non-Housing Revenue Account (HRA) financing costs to non HRA net revenue stream	9.9%	10.7%	0.8%	Expenditure that was previously classified as rent on an operating lease for the land that the Wightlink Terminal occupies is now accounted for interest on borrowing
Non HRA capital expenditure	£193,853,000	£183,834,581	-£10,018,419	The acquisition of a finance lease of the Wightlink Terminal building is no longer recognised as capital expenditure
Non HRA capital financing requirement at 31 March	£340,948,000	£375,158,000	£34,210,000	The Council's underlying need to borrow has increased because £45m of capital expenditure that was financed from capital receipts is now being financed from unsupported borrowing. This is partly offset by the £10m finance lease for the Wightlink Terminal building being derecognised and £1m being set aside to repay the newly recognised loan from Canada Life.
External debt at 31 March	£579,343,337	£641,396,454	£62,053,117	The increase in external debt arises from the recognition of a £72m loan partly off set by the derecognition of a £10m finance lease on the Wightlink Terminal building.

# TREASURY MANAGEMENT INDICATORS

Interest Rate Exposures (paragraphs 4.7 and 4.8 of Treasury Management Policy Statement)						
	Original Outturn 2016/17 £m	Revised Outturn 2016/17 £m	Revised Estimate 2017/18 £m	Original Estimate 2018/19 £m	Original Estimate 2019/20 £m	Original Estimate 2020/21 £m
Upper limit for fixed interest rate exposure (paragraph 4.7 of Treasury Management Policy Statement)	315	315	364	454	472	466
Upper limit for variable interest rate exposure (para 4.8 of Treasury Management Policy Statement)*	(257)	(185)	(237)	(289)	(166)	(134)

\* The 2016/17 outturn for variable interest rate exposure has been revised downwards following the recognition of a £72m loan from Canada Life which nets off the variable interest rate exposure arising from short term investments.

**TREASURY MANAGEMENT INDICATORS (Continued)**

<b>Total Sums Invested for Periods Longer than 365 Days (paragraph 4.9 of Treasury Management Policy Statement)</b>				
	<b>31/03/2018</b>	<b>31/03/2019</b>	<b>31/03/2020</b>	<b>31/03/2021</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Actual sums invested for periods longer than 365 days at 31 March 2017	103	10	10	10
Estimated sums invested for periods longer than 365 days at 31 March 2018	139	35	10	2
Limits on total sums invested for periods longer than 365 days at 31 March	192	158	133	110

<b>Limits on the Maturity Structure of Fixed Rate Borrowing (paragraph 4.10 of Treasury Management Policy Statement)</b>				
	<b>Actual at 31 March 2017</b>	<b>Estimated at 31 March 2018</b>	<b>Lower Limit</b>	<b>Upper Limit</b>
Under 12 months	1%	4%	0%	10%
12 months and within 24 months	4%	1%	0%	10%
24 months and within 5 years	4%	4%	0%	10%
5 years and within 10 years	6%	7%	0%	20%
10 years and within 20 years	22%	24%	0%	30%
20 years and within 30 years	11%	8%	0%	30%
30 years and within 40 years	21%	25%	0%	30%
40 years and within 50 years	31%	27%	0%	40%

<b>Limits on the Maturity Structure of Variable Rate Borrowing (paragraph 4.10 of Treasury Management Policy Statement)</b>				
	<b>Actual at 31 March 2017</b>	<b>Estimated at 31 March 2018</b>	<b>Lower Limit</b>	<b>Upper Limit</b>
Under 12 months	2%	2%	0%	10%
12 months and within 24 months	2%	2%	0%	10%
24 months and within 5 years	7%	7%	0%	10%
5 years and within 10 years	11%	12%	0%	20%
10 years and within 20 years	24%	24%	0%	30%
20 years and within 30 years	25%	26%	0%	30%
30 years and within 40 years	27%	27%	0%	30%
40 years and within 50 years	2%	0%	0%	10%

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## **APPENDIX E**

### **DEFINITIONS OF LONG TERM CREDIT RATINGS**

Credit ratings are issued by three main credit rating agencies, Fitch, Moody's and Standard & Poor. All three agencies use broadly the same scale. Fitch defines its long term ratings as follows:

**AAA: Highest credit quality**

"AAA" ratings denote the lowest expectation of default risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.

**AA: Very high credit quality**

"AA" ratings denote expectations of very low default risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

**A: High Credit Quality**

"A" ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than in the case of the higher ratings.

**BBB: Good credit quality**

"BBB" ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity.

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## INSTITUTIONS MEETING INVESTMENT CRITERIA

Category	Counter Party	Average Long Term Credit Rating *	Comments	Investment Limit £	Maximum Term
1	United Kingdom Government including investments explicitly guaranteed by the UK Government	AA+		Unlimited	6 years
2	All local authorities in England, Scotland & wales	n/a		30,000,000	6 years
3	Registered Social Landlords (RSLs)	AA-		30,000,000	10 years
4	Australia & New Zealand Banking Group	AA-		26,000,000	6 years
4	Commonwealth Bank of Australia	AA-		26,000,000	6 years
4	National Australia Bank	AA-		26,000,000	6 years
4	Westpac Banking Corporation	AA-		26,000,000	6 years
4	Toronto Dominion Bank	AA-		26,000,000	6 years
4	DZ Bank AG	AA		26,000,000	6 years
4	Landwirtschaftliche Rentenbank	AAA		26,000,000	6 years
4	NRW Bank	AA+		26,000,000	6 years
4	OP Corporate Bank Plc	AA-		26,000,000	6 years
4	Bank Nederlanden Gemeeten	AAA-		26,000,000	6 years
4	Nederlandse Waterschapsbank NV	AAA		26,000,000	6 years
4	Cooperative Rabobank UA	AA-		26,000,000	6 years
4	DBS Bank	AA		26,000,000	6 years
4	Overseas Chinese Banking Corp	AA		26,000,000	6 years
4	United Overseas Bank	AA		26,000,000	6 years
4	Nordia Bank AB	AA-		26,000,000	6 years
4	Skandinaviska Enskilda Banken (SEB)	AA-		26,000,000	6 years
4	Svenska Handelsbanken	AA		26,000,000	6 years
4	Swedbank AB	AA-		26,000,000	6 years
4	UBS AG	AA-	Upgraded from category 6	26,000,000	6 years
4	HSBC Bank plc	AA-		26,000,000	6 years
4	Nationwide Building Society	A+	Upgraded from category 6	26,000,000	6 years
4	Bank of New York Mellon	AA		26,000,000	6 years
4	JP Morgan Chase Bank NA	AA-		26,000,000	6 years
4	Morgan Stanley	AA-		26,000,000	6 years
4	Wells Fargo Bank NA	AA-		26,000,000	6 years
4	Nordic Investment Bank	AAA		26,000,000	6 years
4	Inter-American Development Bank	AAA		26,000,000	6 years
4	IBRD (World Bank)	AAA		26,000,000	6 years
4	Council of Europe Development Bank	AA+		26,000,000	6 years
4	European Bank for Reconstruction & Development	AAA		26,000,000	6 years
4	European Investment Bank	AA+		26,000,000	6 years

Category	Counter Party	Average Long Term Credit Rating *	Comments	Investment Limit £	Maximum Term
4	Global Treasury Funds Plc	AAA	Money Market Fund	26,000,000	Instant Access
4	Morgan Stanley Funds Plc	AAA	Money Market Fund	26,000,000	Instant Access
4	Short Term Investment Company (Global Series) Plc	AAA	Money Market Fund	26,000,000	Instant Access
4	Goldman Sachs Sterling Liquidity Reserve	AAA	Money Market Fund	26,000,000	Instant Access
4	Scottish Widows Investment Partnership Global Liquidity Sterling Fund	AAA	Money Market Fund	26,000,000	Instant Access
4	BNY Mellon Sterling Liquidity Fund	AAA	Money Market Fund	26,000,000	Instant Access
4	Deutsche Global Liquidity Series Plc	AAA	Money Market Fund	26,000,000	Instant Access
4	Morgan Stanley Funds Plc	AAA	Money Market Fund	26,000,000	Instant Access
4	Aberdeen Investment Cash OEIC Plc	AAA	Money Market Fund	26,000,000	Instant Access
4	Insight Investment	AAA	Money Market Fund	26,000,000	Instant Access
4	Federated Investors (UK) LLP	AAA	Money Market Fund	26,000,000	Instant Access
4	Royal London Asset Management	AAA	Money Market Fund	26,000,000	Instant Access
4	Standard Life Sterling Liquidity Fund	AAA	Money Market Fund	26,000,000	Instant Access
5	Registered Social Landlords (RSLs)	A-		20,000,000	10 years

Category	Counter Party	Average Long Term Credit Rating *	Comments	Investment Limit £	Maximum Term
6	Standard Chartered Bank	A+		20,000,000	6 years
6	Santander UK Plc	A+	Upgraded from category 7	20,000,000	6 years
6	Close Brothers Ltd	A+		20,000,000	6 years
6	Bank of Montreal	A+		20,000,000	6 years
6	Canadian Imperial Bank of Commerce	A+		20,000,000	6 years
6	Bank of Nova Scotia	A+		20,000,000	6 years
6	Lloyds Bank plc	A+	Upgraded from category 7	20,000,000	6 years
6	Royal Bank of Canada	A+		20,000,000	6 years
6	BNP Paribas	A+		20,000,000	6 years
6	Credit Agricole	A+	Upgraded from category 7	20,000,000	6 years
6	Credit Industriel et Commercial	A+		20,000,000	6 years
6	Landesbank Hessen - Thuringen	A+		20,000,000	6 years
6	ING Bank NV	A+		20,000,000	6 years
6	ABN Amro Bank NV	A+		20,000,000	6 years
6	Bank of America NA	A+		20,000,000	6 years
6	Citibank NA	A+		20,000,000	6 years
6	Goldman Sachs (including Goldman Sachs International Bank)	A+		20,000,000	6 years
6	Coventry Building Society	A	Upgraded from category 7	20,000,000	6 years
6	Standard Life Investments	AAA	Short Duration Cash Fund	20,000,000	3 working days notice
6	Aberdeen Investment Cash OEIC Plc	AAA	Cash Investment Fund	20,000,000	3 working days notice
6	Insight Investment	AAA	Liquidity Plus Fund	20,000,000	4 working days notice
6	Federated Investors (UK) LLP	AAA	Cash Plus Fund	20,000,000	2 working days notice
6	Aviva Investors Sterling Strategic Liquidity Fund	AAA	Cash Plus Fund	20,000,000	1 working days notice
6	Royal London Asset Management	AA	Cash Plus Fund	20,000,000	2 working days notice

Category	Counter Party	Average Long Term Credit Rating *	Comments	Investment Limit £	Maximum Term
7	Macquarie Bank	A	New counter party	15,000,000	6 years
7	Sumitomo Mitsui Banking Corporation Eurpoe Ltd	A		15,000,000	6 years
7	National Bank of Canada	A	Downgraded from category 6	15,000,000	6 years
7	Danske Bank	A		15,000,000	6 years
7	Societie Generale	A		15,000,000	6 years
7	Landesbank Baden Wurttemberg	A	Downgraded from category 6	15,000,000	6 years
7	Credit Suisse	A		15,000,000	6 years
7	Leeds Building Society	A-		15,000,000	6 years
7	Barclays Bank Plc	A	Upgraded from category 8	15,000,000	6 years
8	Bayern LB	A-	Downgraded from category 7	10,000,000	6 years
9	Subsidiary companies of the City Council	Unrated	New category to reflect the inclusion of these counter parties as non-specified investments at the Mid-Year Review	20,000,000	Unlimited
10	Yorkshire Building Society	A-	Short term rating P2	10,000,000	2 years
11	Corporate Bonds	BBB+		7,000,000	364 days
12	Corporate Bond Funds	BBB (average rating)		8,000,000	Instant access subject to underlying bonds being sold

Category	Counter Party	Average Long Term Credit Rating *	Comments	Investment Limit £	Maximum Term
13	Progressive Building Society	Unrated	Upgraded from category 13	6,000,000	2 years
13	Saffron	Unrated	New counter party	5,600,000	2 years
13	Leek United Building Society	Unrated	Upgraded from category 13	4,600,000	2 years
13	Ipswich	Unrated	New counter party	2,900,000	2 years
13	Darlington Building Society	Unrated	Upgraded from category 13	2,700,000	2 years
13	Market Harborough Building Society	Unrated	Upgraded from category 13	2,100,000	2 years
13	Scottish Building Society	Unrated	Upgraded from category 13	2,000,000	2 years
13	Manchester	Unrated	New counter party	1,900,000	2 years
13	Tipton & Coseley Building Society	Unrated		1,900,000	2 years
13	Hanley Economic Building Society	Unrated	Upgraded from category 13	1,900,000	2 years
13	Dudley Building Society	Unrated		1,800,000	2 years
14	Newcastle	Unrated	New counter party	6,000,000	365 days
14	Cumberland	Unrated	New counter party	6,000,000	365 days
14	National Counties	Unrated	New counter party	6,000,000	365 days
14	Monmouthshire	Unrated	New counter party	5,300,000	365 days
14	Newbury Building Society	Unrated		4,700,000	365 days
14	Furness Building Society	Unrated	Downgraded from category 12	4,100,000	365 days
14	Hinkley and Rugby Building Society	Unrated		3,200,000	365 days
14	Marsden Building Society	Unrated	Downgraded from category 12	2,100,000	365 days
14	Melton Mowbray Building Society	Unrated		2,100,000	365 days
15	Hampshire Community Bnk	Unrated	Maximum term extended from 6 years to 10 years	10,000,000	10 years

### Notes

There are a large number of corporate bonds, registered social landlords (RSLs) and universities and as a result they have not been individually included in the tables above.

\* The long term credit ratings shown are adjusted to take account of possible future actions resulting from negative watches & outlooks.





<b>Title of meeting:</b>	Governance & Audit & Standards Committee
<b>Date of meeting:</b>	9 March 2018
<b>Subject:</b>	Changes to the Standing Orders (Council Procedure Rules)
<b>Report by:</b>	City Solicitor
<b>Wards affected:</b>	N/A
<b>Key decision:</b>	No
<b>Full Council decision</b>	Yes

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## **1 Purpose of Report**

To ask members to consider a proposed revision to the content of the Standing Orders.

## **2 Recommendations**

It is recommended that the Committee:

- 2.1 Considers the proposed amendments to the Standing Orders in accordance with the revisions set out in Appendix 1 to this report.
- 2.2 Recommends to Council that the revised Standing Orders are adopted.
- 2.3 Agrees that the City Solicitor may make amendments to the standing orders to reflect any changes arising out of legislative changes, deal with typographical alterations or amend the layout of the document, none of which would change the material substance of the standing orders.

The Local Democracy Manager shall provide copies of the revised Standing Orders to all Councillors prior to the start of the next Council meeting following their approval.

## **3 Background**

- 3.1 Whilst changes to standing orders have been made from time to time over recent years, they were last fully reviewed by the then Standards Committee on 14 September 2009.
- 3.2 The views of the Standing Orders Working Party have been sought prior to the preparation of this report. Their views have been taken into account in the preparation of the proposed amendments.
- 3.3 It is important that the Standing Orders clearly and unambiguously set out how council meetings are to be regulated.
- 3.4 The proposed amendments are intended to bring the document up to date and promote orderly business in Council meetings.

## **4 Reasons for recommendations**

The following proposed amendments are made for consistency and clarity:

- 4.1 There are a number of minor amendments that relate to gender neutral language, syntax, officer / postholder titles and unnecessary duplications. These minor amendments are shown in the Appendix.

The following significant amendments have been made:

- 4.2 *Standing Order 13 (b)(vi)* - this clause has been amended so that a member is allowed to propose an adjournment of 10 minutes to allow (with the agreement of the Lord Mayor) the presentation of any amendment to a petition response.
- 4.3 *Standing Order 14* - the Six Month Rule has been amended to make it clear that it applies to both members of the public and Councillors.
- 4.4 *Standing Order 28* - this has been amended to make it clear that where there is questioned and objected business a Councillor may question or object.
- 4.5 *Standing Orders 32 and 41* - Notices of Motion order and Motions and Amendments order have each been amended to make it clear that submitted notices of motion are validly received by email service.
- 4.6 *Standing Order 60* - this has been amended to make it clear that the Chair has the authority to adjourn the meeting.

## 5 Equality Impact Assessment (EIA)

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

## 6 Legal implications

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

## 7 Director of Finance's comments

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

.....  
Signed by: City Solicitor

### Appendices:

Appendix 1 - Standing Orders (tracked copy)

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

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

Title of document	Location
None	N/A

From GOVERNANCE & AUDIT & STANDARDS COMMITTEE held on 9 March 2018

Council Agenda Item 10 (Minute No 25)

**Changes to Standing Orders (Council Procedure Rules)**

**RECOMMENDED to Council:**

- (1) that the revised Standing Orders, (attached as appendix 1), and which include the Committee's recommended changes, are adopted.**
- (2) that the City Solicitor, in consultation with the Chair of the Governance and Audit and Standards Committee, may make amendments to the standing orders to reflect any changes arising out of legislative changes, deal with typographical alterations or amend the layout of the document, none of which would change the material substance of the standing orders.**

Note - In respect of Standing Order 55 b), the City Solicitor will circulate an advisory note in due course regarding the respective timescales for Licensing Sub Committee deputations

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**STANDING ORDERS FOR THE REGULATION OF BUSINESS**

The Council Procedure Rules (known as Standing Orders) set out the rules of debate and procedure for the conduct of meetings of the Council, including where necessary their application to committees, sub-committees and other bodies.

The Standing Orders are:

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5.	Annual Meeting	3
6.	Ordinary Meetings	4
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Where the term "relevant body" is mentioned under the Standing Orders it relates to the Cabinet, committee, sub-committee or overview and scrutiny panel and this item shall be construed as appropriate.

The Council Procedure Rules contain some mandatory standing orders and other standing orders to reflect local custom and practice. Mandatory standing orders are also reflected in the other Procedure Rules set out in this Constitution.

Councillors and officers shall comply with these Standing Orders at all times.

These Standing Orders shall be subject to further review.

**Note: Flowcharts for Full Council meetings are included on pages 23 and 24.**

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## PART 3A

### A. Introduction

#### 1. Suspension of Standing Orders

Any Standing Order except No. 8, (Changes to Schedule of Meetings), 10 (Order of Business- Annual Meetings), 46 (Next Business, Closure and Adjournment) and 60 (Respect for Chair and Chair's Decision) may be suspended by a majority of the Councillors present, subject to the usual rules of debate.

#### 2. Interpretation

The words and phrases listed below have the meaning shown:

"Agenda": The notice for a meeting

"Chair": the person presiding at a meeting.

"Committee": means a Committee; a Sub Committee; joint Committee; overview and scrutiny panel

"Days": calendar days, including bank holidays.

"In writing" includes submission by email or fax

"Local Democracy Manager" the person in that role or the nominated substitute

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#### 3. The Lord Mayor

The Lord Mayor shall be Chair of all full Council meetings.

### B. Meetings of the Council

#### 4. Publicity, Notice and Access to Meetings

(a) The Agenda, Minutes and Reports for all Council and Committee Meetings will be made available at the Civic Offices Information Desk for inspection by the public as soon as practical following their publication.

(b) Public notice of the time and place of any meeting should be given at least 7 days before the date of the meeting, unless the Council meeting is held at shorter notice.

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(c) Meetings of the Council are open to the public.

(d) The Council may decide to exclude the public from a meeting during any item when considering exempt or confidential information.

(e) Notification of the meeting will be given by a "summons" (agenda) which should be provided to each councillor at least 7 days before the meeting, unless the Council meeting is held at shorter notice.

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#### 5. Annual Meeting

The annual meeting shall normally take place on the third Tuesday in May.

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## 6. Ordinary Meetings

In addition to the Annual Meeting normal meetings for the transaction of general business shall be held at least six times in each year.

## 7. Time of Meetings

Unless the Lord Mayor in consultation with the Leader decides otherwise, the Annual Meeting shall start at 10.00 am and other meetings of the Council shall start at 2.00 pm.

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## 8. Changes to Schedule of Meetings

At the Annual Meeting a programme of ordinary meetings of the council for the year will be agreed. No variation to this programme (including the cancellation of a meeting) will be allowed except at the request of the Lord Mayor and with the agreement of the Leader. The revised date shall be

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- a) within seven days of the original date;
- b) Notified to all councillors at least 7 days before the original date.

Note: that as a matter of best practice, the Lord Mayor should notify all Group Leaders of his/her intention to cancel a full council meeting before formal notice is communicated to all other Members and made known to the general public.

## 9. Extraordinary Meetings

An Extraordinary Meeting may be called by the Chief Executive at the request of:

- a) the Lord Mayor in consultation with the Leader and the Monitoring Officer
- b) the Council by resolution
- c) ten Councillors by notice which has been signed by those Councillors and specifies the business proposed to be transacted.
- d) the Monitoring Officer

The items to be included on an Extraordinary Council meeting agenda shall be approved by the Lord Mayor, in consultation with the Monitoring Officer, subject to Deputations being permitted on all open business before the Council for decision.

## 10. Order of Business – Annual Meeting

The order of business of the Annual Meeting of the Council shall normally be to:

- a) elect the Lord Mayor and Deputy Lord Mayor of the City;
- b) approve the minutes of the last meeting;
- c) receive any announcements from the Lord Mayor;
- d) elect the Leader of the Council

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## PART 3A

- e) appoint -
  - (i) a Governance and Audit and Standards Committee comprising six Councillors
  - (ii) a Planning Committee comprising nine Councillors
  - (iii) a Licensing Committee comprising fifteen Councillors
  - (iv) an Employment Committee comprising six Councillors
- f) appoint the following overview and scrutiny panels –
  - (i) Scrutiny Management Panel comprising nine Councillors
  - (ii) Health Overview & Scrutiny Panel comprising six Councillors
  - (iii) Housing & Social Care Scrutiny Panel comprising six Councillors
  - (iv) Education, Children & Young People Scrutiny Panel comprising six Councillors
  - (v) Traffic, Environment & Community Safety Scrutiny Panel comprising six Councillors
  - (vi) Economic Development Culture & Leisure Scrutiny Panel comprising six Councillors
- g) appoint Chairs and Vice-Chairs of all the listed committees and panels. No Councillor may be appointed as a chair or vice-chair of a committee or Cabinet during his or her term as Lord Mayor. No Cabinet Member shall be appointed to serve on the Governance and Audit and Standards Committee. Additionally, neither the Lord Mayor nor Deputy Lord Mayor may sit on the Cabinet.
- h) appoint Councillors and other Council representatives to Hampshire Fire and Rescue Authority, Hampshire Police Authority, Langstone Harbour Board and Local Government Association
- i) appoint to each committee or panel up to three named deputies (five in respect of the Planning Committee) from each political group such standing deputy to deputise at request of the councillor on the committee or panel
- j) consider any other business set out in the agenda
- k) approve a programme of ordinary meetings of the Council for the year

### 11. Casual Vacancies

Any vacancy on a committee, panel or other body must be filled by the Council at the next Council meeting after the vacancy has arisen. In respect of Cabinet, a vacancy may be filled at any time by the Leader of the Council.

**Deleted:** Note: Should the Council wish to depart from the above structure it would require prior consultation with the Governance and Audit and Standards Committee¶

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## 12. Contested Positions

If there are more than two people nominated for any one position to be filled and there is not a clear majority of votes in favour of one person, then the name of the person with the least number of votes will be taken off the list and a new vote taken. The process will continue until there is a majority of votes for one person. If there is a contest for more than one vacancy, those nominees receiving the highest number of votes will be appointed.

## 13. Order of Business and Time of Meetings – Council Meetings

(For Extraordinary meetings see Standing Order 9 above)

- a) Council meetings shall begin at 2.00pm. In the event that the Lord Mayor wishes the meeting to start at a different time notice must be given to Councillors at least 7 days before the date of the meeting.
- b) The order of business at every meeting of the Council shall normally be to:
  - i. choose a person to preside if the Lord Mayor and Deputy Lord Mayor are absent;
  - ii. where any councillor has a pecuniary interest in respect of an item at the meeting, he or she must declare this at the beginning of the meeting or as soon as practicable after arriving or when the interest becomes apparent. Where a Councillor has declared a pecuniary interest and has had to leave the room the business may not proceed after the discussion of the item until the Councillor has been asked to return to the room.;
  - iii. approve as a correct record and sign the Minutes of the last meeting of the Council. No motion or discussion shall be allowed on the Minutes except as to their accuracy;
  - iv. urgent business brought forward in accordance with Standing Order 26 Urgent Cabinet Business;
  - v. receive any Lord Mayor's announcements;
  - vi. receive and debate written petitions (submitted from the public at least 12 days before the meeting and which contain at least 500 signatures and are on issues either (a) within the power of Full Council or, (b) the petitioner has requested it be debated by Full Council even if Full Council is not the decision making body; this is on the basis that the Local Authority, through any part of its political management structure, has not previously considered the matter which is the subject of the petition within the preceding 24 months following submission.

That for petitions concerning issues which the Local Authority has already considered within the preceding 24 months following petition submission, at least 1000 signatures would be required to trigger a Council debate if the matter is within the powers of the Full Council, or the petitioner so requests.)

(Full Council debates will commence with the lead petitioner being given 6 minutes to present their petition, followed by the Administration proposing its response to the petition and the normal rules of debate applying and if proposed by any member an adjournment of up to 10 minutes may take place

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## PART 3A

with the agreement of the Lord Mayor to allow the presentation of any amendment to be considered).

- vii. deputations from the public in accordance with Standing Order 24
- viii. answer questions from the public submitted under Standing Order 25
- ix. receive and consider matters for decision referred by Cabinet, Overview & Scrutiny, Governance and Audit and Standards Committee Health and Wellbeing Board and Employment Committee or referred by the Chief Executive
- x. receive Reports submitted by the Overview and Scrutiny Panels
- xi. consider motions in the order in which notice has been received;
- xii. answer questions submitted by Councillors under Standing Order 17

### 14. Six Month Rule

No Councillor or member of the public may ask a further question under these Standing Orders, on the same matter, within 6 months of a Councillor or member of the public previously doing so. This provision does not apply in the event that the council is reconsidering a matter within this 6 month period.

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### 15. Variation of Order of Business

The order of business can only be varied by the consent of the Council.

### 16. Selection of New Lord Mayor and Deputy Lord Mayor

The Council at a meeting preceding the Annual Council meeting shall agree a Lord Mayor and Deputy Lord Mayor to be proposed at the Annual Council meeting. Following the appointment of the Lord Mayor at the Annual Meeting, the Lord Mayor shall preside over Council for the next municipal year and thereafter will normally be succeeded by the Deputy Lord Mayor.

## QUESTIONS BY COUNCILLORS

### 17. Questions for the Cabinet or Chair

(For Extraordinary meetings see Standing Order 9 above)

- a) At any meeting a Councillor may, subject to the six-month rule, ask
  - i. the relevant Cabinet Member or Committee Chair any question relating to the Council's powers or duties or which affects the City but which is not otherwise before the Council;
  - ii. any of the Council's representatives serving on the Hampshire Fire & Rescue Authority, Hampshire Police Authority, Langstone Harbour Board and the Joint Crematorium Board, to comment to the Council in relation to any matter arising from an answer submitted under this Standing Order .
- b) Questions in an acceptable form must be given to the Local Democracy Manager by 12 noon eleven days before the day of the meeting.

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- c) With the permission of the Cabinet Member or Committee Chair, a Councillor may ask any question relating to urgent business for which the usual notice has not been given.
- d) The Local Democracy Manager will circulate with the agenda questions to be asked under (a) above. Questions will be answered in the chronological order they are received, except that any Councillor who submits more than one question will not have their second or subsequent questions answered until all other Councillors' first round questions have been answered; the same procedure to be followed until all questions have been exhausted.
- e) The notice of the question under (a) above may indicate that a written answer may be given. Where the question is answered in writing, the written answer will be circulated at the meeting to Councillors.
- f) The Cabinet Member, committee chair or representative to whom the question is addressed may ask another Councillor to answer the question. The person answering the question shall provide a concise reply to the original or supplementary question(s). Whilst whomsoever is answering the question must make every endeavour to give a full oral answer, an original question may be the subject of a written reply if it is believed that a detailed reply is required that could best be provided in a written form because of the length and/or complexity of the answer to be given which would be circulated to all Councillors within 7 days.
- g) On any matter arising out of the reply -
  - i. The Councillor asking the original question may ask up to two supplementary questions that must arise directly out of the original question or the reply;
  - ii. Any other Councillor will be limited to one supplementary question that must arise directly out of the original question or the replies;
  - iii. No debate may take place on the reply to a question or any supplementary question.
- h) Every member of the Council may ask one question. If they wish to ask more than one question the questions shall be asked in rotation in the order in which they were received. Forty five minutes will be allowed for questions under this Standing Order. Where a question is begun an answer will be provided even if the 45 minutes period has been exceeded. If the question has not been put, a written reply will be provided within 14 days and circulated to all members.
- i) If a Councillor asking a question is not present when that question is reached, a written reply will be forwarded to the Councillor for information.

## **18. Adjourned Meetings**

- a) When a meeting is adjourned it will reconvene the following day at 4.00 pm, unless the Council decide otherwise.
- b) When a meeting is adjourned to any other day in the future, notice of the date of the adjourned meeting must be sent to each Councillor and must specify the

## PART 3A

business to be transacted. A second print of any reports or recommendations will not be sent with the notice.

### 19. Seating Plan

A seating plan for Council Meetings will be drawn up and amended from time to time by the Local Democracy Manager in consultation with the Leader of the Council and Leader of the Opposition. It will come into effect at the next Council Meeting after being approved by them.

### 20. Quorum

A quorum is one third of the Councillors. If a quorum is not present at the beginning of a meeting, the Chair must adjourn the meeting or bring it to an end.

### 21. Counting Out

Whenever the Chair believes or a Councillor or the Local Democracy Manager points out that less than one third are present, the Local Democracy Manager must call over the names of the Councillors. If less than one third are present the Chair must declare the meeting closed and the names of the Councillors who are present will be recorded in the minutes. Any business not disposed of must be considered at the next meeting.

### 22. "Confidential" and 'Exempt' Information

Councillors and Independent non-elected Members who receive –

- a) 'confidential' or 'exempt' information within the meaning of the Local Government Act 1972, or
- b) information in a draft copy of any report or document, or
- c) information in any report or document bearing an indication that its contents are to be treated as confidential or commercially sensitive, must not disclose that information except –
  - i. to another Councillor entitled to have that information;
  - ii. to an officer of the Council authorised to receive it; or
  - iii. where the Council has given permission to disclose it;

This Standing Order shall be construed as forming part of the Code of Conduct.

The unauthorised disclosure of 'business confidential' documents and information shall be considered a breach of this Standing Order.

### 23. Circulation of Minutes and Reports

- a) A printed copy of the minutes of every meeting shall be sent to each Councillor prior to the next ordinary meeting.

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- b) Where the next Council meeting is an extraordinary meeting the minutes will be submitted to the next ordinary meeting of the Council for confirmation and signing.

## 24. Deputations

The Council may receive deputations on a matter, where notice has been given, which is before that meeting of the Council for decision. The following rules will apply –

- a) Notice of the intended deputation stating which agenda item it refers to and its purpose must be received in writing by the Local Democracy Manager (or the Head of Planning Services in the case of a planning application) by 12 noon on the working day preceding the meeting.
- b) When the deputation is given it must relate to the agenda item in respect of which it is made
- c) In respect of a Planning Committee matter an objector, or a local ward Councillor, may ask for a matter to be considered by the committee rather than under the scheme of delegation in which case the following provisions will apply:-
  - i. In respect of a planning application which affects only one ward, only ward councillors may make a deputation on the matter once it has been referred to the planning committee for consideration. Where the application affects more than one ward any Councillor may address the Planning Committee with the consent of the Chair of Planning in consultation with the Monitoring Officer. Further with the consent of the Chair of Planning in consultation with the Monitoring Officer, if the Lord Mayor wishes to make a deputation that deputation may be made by another councillor.
- d) any member of the public who objects to the application may make a deputation subject to the provisions below
  - i. The Council may waive the giving of notice in any case it considers appropriate.
  - ii. No person may speak for more than 6 minutes per deputation.
  - iii. The total time for those in favour and against a proposal will be 12 minutes respectively. If more than 2 people wish to speak for or against a proposition, the time allocated to each will be reduced proportionately, unless they agree otherwise amongst themselves how to apportion the 12 minutes.
  - iv. Those attending may make a written or verbal presentation which may be supplemented by a modest visual aid such as a plan, photograph or video recording. This will be retained by the Council. Video recording presentations are included within the time allowed to deputations.
  - v. Questions to deputations will be permitted, but only to clarify a statement.

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### 25. Questions by the Public at Council Meetings

(For Extraordinary meetings see Standing Order 9 above)

A total of 15 minutes will be allowed at each meeting for questions from members of the public on matters relating to the functions of the City Council (*Generic term "City Council" covers "Cabinet"*)(except that no questions will be allowed at meetings to approve the Budget and the Annual Meeting).

- a) Notice of questions in an acceptable form must be given to the Local Democracy Manager by 12 noon eleven days before the day of the meeting.
- b) If the Local Democracy Manager believes the question does not relate to the functions of the City Council or is vexatious or frivolous, or relates solely or mainly to the interests of an individual (such as a planning application, an application for benefit or for housing accommodation), it may be disallowed after consultation with the Monitoring Officer.
- c) A question must be asked in person at the Council meeting by the questioner and will be answered orally by the relevant Cabinet Member or Committee Chair.
- d) The Local Democracy Manager will circulate to Councillors at the meeting the questions to be asked under this Standing Order. Questions will be answered in the chronological order they are received, except that any member of the public who submits more than one question will not have their second or subsequent questions answered until all the other members of the public 'first round' questions have been answered; the same procedure to be followed until all questions have been exhausted.
- e) The questioner may ask one supplementary question arising directly from the answer. No discussion or debate will take place on the question, but any Councillor may move that a matter raised by a question be referred to the Cabinet, Committee or Scrutiny Panel. Once seconded, such a motion will be voted on without discussion.

### 26. Urgent Council Business

- a) The Leader of the Council and any Cabinet Member may bring forward at any meeting of the Council or the Cabinet under the appropriate item on the agenda any urgent and important business, notice of and a written summary of which, shall have been given to the Local Democracy Manager and the appropriate group spokespersons not later than 5pm on the day preceding the meeting.
- b) Neither the Leader nor any other Cabinet Member shall speak for more than 6 minutes on the totality of the business each has brought forward under this Standing Order.
- c) Any matter brought forward by the Leader of the Council or appropriate Cabinet Member will be open to questioning –
  - i. by each of the other relevant group spokespersons, and

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- ii. If the matter that has been brought forward has a significant impact upon an individual ward, the ward councillors

each of whom may speak for not more than 6 minutes.

- d) In the event of any matter requiring a decision being brought forward, the normal rules of debate will apply.

## **27. Reports and Recommendations of the Cabinet, Governance and Audit and Standards Committee, Employment Committee, Health and Wellbeing Board and Scrutiny Panels**

The reports and recommendations of the Cabinet, Governance and Audit and Standards Committee, Employment Committee, Health and Wellbeing Board and Scrutiny Panels shall be put to the Council by the Chair one at a time. Those to which no objection is made will be deemed to have been approved and adopted.

## **28. Questioned and Objected Business**

- a) A Councillor has the right to "question" or "object" to any report or recommendation from the Cabinet, Governance and Audit and Standards Committee, Employment Committee, Health and Wellbeing Board, Scrutiny Panels and Licensing Committee. Where a Councillor asks a question, the Chair will establish whether any other Councillor has a question, and the nature of those questions. Any Councillor wishing to raise an objection must also indicate at this stage. All questions shall then be put and answered by the Leader of the Council, relevant Cabinet Member, or the committee or panel chair as appropriate. In the event that an objection has been raised the matter will be deferred to be debated after the question has been answered.
- b) Where a Councillor wishes to question or object they must stand and call out "question" or "object" when asked to indicate when they object by the Chair. If more than one Councillor objects, the Chair will take the objectors in the subsequent debate in the order in which they raised their objection.
- c) Any recommendation to which objection has been raised will be deferred until all of the reports and recommendations of the Cabinet, Committees and Panels have been put. Objected recommendations and reports beginning with those of the Cabinet will then be proposed, seconded and open for discussion.
- d) Any Councillor who has objected to any item and is not present at the time the item is due to be considered will be deemed to have withdrawn their objection. In that situation any other Councillor present at that time may then object to the item.
- e) Where a Councillor withdraws his/her objection before speaking, any other Councillor may object to the item in their place.
- f) Where a report of the Cabinet or a Panel is submitted for information, or where an item otherwise falls within the delegated powers of a Committee, no motion or amendment to it may be moved.

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### 29. Oral Questions by Members

At any meeting a Councillor may ask the appropriate Cabinet Member, Committee Chair or the Chair of any Panel any question upon their respective published reports and proceedings which are before the Council. The question must be asked before the Council has finished considering the item.

### 30. Presentations

If required by the Leader or relevant Cabinet Member or Chair of any Committee, Panel or leader of the opposition a presentation of up to a maximum of 15 minutes may be made, and subsequently questions may be put for a further 15 minutes thereby not exceeding 30 minutes in total, for the whole item relating to the presentation.

### 31. Plans to be Exhibited

Whenever any plan is referred to in any item submitted to the Council, a plan must be made available.

### 32. Notices of Motion

- a) Every Notice of Motion, including those submitted by email, must be in writing, signed by at least two Councillors and delivered by 12.00 noon 12 days before the meeting to the Local Democracy Manager. If such a notice is submitted by email, it must be sent separately by the individual members concerned. (These rules do not apply when a notice of motion is not disposed of and is deferred to the next meeting.)
- b) As long as the Notice of Motion is received before the 12 days it will be placed on the agenda unless
  - i. it is not a matter within the jurisdiction or interests of the Council;
  - ii. it is a matter which has within the previous 6 months been considered by the Council.

In the event that there is any dispute in relation to a proposed notice of motion the matter shall be referred to the Monitoring Officer who shall decide whether it may be presented to Council in consultation with the Lord Mayor where practicable.

- c) Notices of motion shall be entered in the agenda of the Council meeting in the order in which they were received.
- d) Motions included in the agenda must be formally moved and seconded. The mover (but not the seconder) has the right to address the Council for up to three minutes on the question only of whether the motion should be debated at that meeting. Other councillors may not speak nor move any amendment. The motion will then be referred without discussion to the Cabinet or relevant Committee unless the Council agrees to deal with the Motion at that meeting. In that case, the normal rules of debate will apply. Any motion referred to Cabinet or Committee (note this currently includes scrutiny panels) shall be reported back to Council within three scheduled council meetings unless Full Council expresses an earlier date at the time of the referral. When the matter is back before Council for consideration, the normal rules of debate will apply. The

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mover and seconder will have the right to attend and speak on the Motion at the meeting of the Cabinet or Committee to which it is referred.

- e) A Councillor may not propose a Motion under this Standing Order within six months of consideration by a full meeting of the City Council. Eligibility of such motions will be determined by the Local Democracy Manager following consultation with the Lord Mayor.

### **33. Motion not Moved**

If a motion is not moved, it will be treated as abandoned unless postponed by consent of the Council and may not be moved without fresh notice.

## **C Rules of Debate and Role of the Chair**

### **34. Conduct of Councillors and Members of the Public in Meetings**

- a) The Chair may within his or her absolute discretion direct any person
  - i. to withdraw any improper expression
  - ii. to stop any irrelevance, repetition, unbecoming language or breach of order
  - iii. to stop their speech or deputation or question or speaking further on an item.
  - iv. to withdraw any statement which is defamatory.
  - v. to remove any food from the Council Chamber.

- b) The Chair may order any further steps to restore order (see standing order 60).

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### **35. References to Employees of the Council**

- a) The Chair shall rule out of order any comments relating to the conduct or capability of any officer unless that officer's conduct or capability is the subject matter before the Council.
- b) If any such question arises it must be dealt with in exempt session.

### **36. Conduct - The Public**

- a) No member of the public may bring into any part of the room where a meeting has been convened any musical instrument or instrument for making noise or any flag, banner or placard. Any person who attempts to do so will be refused admission or asked to leave the meeting.
- b) In the case of general disturbance in any part of the room open to the public the Chair may order that part or the whole of the room to be cleared.
- c) The public and broadcasters are permitted to film or record meetings to which they are allowed access so long as they do so from areas specifically allocated to them and in a manner which does not disrupt the running of the meeting.

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

The filming or recording of members of the public is prohibited in circumstances where they are not making representations to the meeting.

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

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

### 37. Councillors' Right to Speak

- a) Councillors must stand when speaking and must address the Chair.
- b) Councillors may only question or object to a report or recommendation under Standing Order 28 or speak or cast a vote from their designated places in the Chamber.
- c) While a Councillor is speaking, all other Councillors must remain seated unless raising a point of order.
- d) When Councillors address the Chair or refer to the Lord Mayor, Deputy Lord Mayor or individual Councillors, they must use the titles 'Lord Mayor', 'Deputy Lord Mayor' and 'Councillor' or 'Chair' respectively.
- e) The Chair must call Councillors to speak strictly in the order in which each Councillor has indicated his/her intention to do so. If two or more Councillors rise to speak at the same moment, the Chair shall decide the order in which they are to speak.
- f) A Councillor's remarks must be confined to the question under discussion or to a point of order. No Councillor may address the meeting more than once on the same question, unless permitted to do so by the Council.

### 38. Time Allowed to Speakers

No Councillor may speak for more than 6 minutes on the question under discussion or in moving a motion or amendment, except this shall not apply at the Council Tax meeting when -

the Leader of the Council is moving or replying to the debate and any question arising on the Council Tax estimates and

the Leaders of each Group are speaking during the debate and any question arising on the Council Tax estimates.

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### **39. Points of Order and Points of Explanation**

- a) A Councillor may rise on a point of order and shall be entitled to be heard immediately. A point of order shall only relate to an alleged breach of a standing order and a Councillor shall begin by specifying the standing order and then state the way in which he or she considers it has been broken.
- b) A Member who has spoken on any question may make a short explanation of any point which may have been misunderstood or misinterpreted. The Member is entitled to be heard immediately but must begin by making a succinct statement of what is to be explained. Remarks must then be strictly confined to the explanation. The explanation must be a brief statement of fact and not further argument on the question before the meeting.

### **40. Motions and Amendments without Notice**

Any of the following proposals may be moved without notice:

- a) To appoint a Chair for the meeting or the remainder of the meeting.
- b) Motions relating to the accuracy of the minutes.
- c) To vary the order of the Agenda.
- d) Subject to Standing Order 45, a Motion or amendment arising out of consideration of an item on the Agenda.
- e) To refer or refer back an item to the Cabinet or a Committee, subject to a majority in the meeting, together with an explanation from the mover as to why the matter cannot be resolved.
- f) To appoint the Cabinet, a Committee, Sub-Committee, Panel or any other body, or a person to it.
- g) To adopt reports and recommendations before it.
- h) To receive, adopt or otherwise take action on any report of the Leader of the Council or a Cabinet Member under Standing Order 26.
- i) For the proposer to withdraw a Motion.
- j) To extend the time limit for speeches.
- k) To put the question to the vote immediately.
- l) To adjourn the debate.
- m) To adjourn the Meeting.
- n) To suspend one or more Standing Orders.
- o) To exclude the public from the Meeting.

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- p) Any other motion which arises directly or indirectly out of the business immediately under discussion.

### 41. Motions and Amendments

- a) A motion or amendment shall not be discussed unless it has been proposed and seconded.
- b) The terms of the motion (unless printed in the Agenda) or amendment must be disclosed before the conclusion of the speech by its mover. The Chair shall require it to be written down and given to the Chair and circulated in the Chamber (whether electronically or otherwise) immediately after being seconded and before it is discussed further or put to the meeting.
- c) An amendment must be relevant to and a modification of the proposition.
- d) An amendment shall be -
- e) to leave out words; or
- f) to leave out words and insert or add others; or
- g) to insert or add words.
- h) An amendment may not introduce a new proposal or simply negate the motion before the Council.
- i) After a motion or amendment has been moved and seconded, it may not be withdrawn except with the agreement of the Council. No debate will take place on whether to agree to its withdrawal.
- j) No motion or amendment which would have a financial effect on the Council may be moved unless it specifies the source of funding.

### 42. One Amendment at a Time (Not Applicable at Council Meetings)

- a. When an amendment has been moved and seconded, it must be voted upon before any further amendment is voted upon.
- b. A Councillor who has either moved or seconded an amendment on the original proposition or anything which has replaced it may neither move nor second any further amendment.

### 43. Notice of Further Amendment (Not Applicable at Council Meetings)

Notice of a second or subsequent amendment must be given and its terms disclosed before the beginning of the reply to the debate on the first amendment.

### 44. Amendments and Further Amendments (Not Applicable at Council Meetings)

When an amendment is carried it displaces the proposition and becomes the substantive proposition. Further amendments to the new substantive proposition may be moved, seconded and discussed. Once all the amendments are disposed of, the substantive proposition will be put to the vote without further debate.

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#### **45. Amendments and Further Amendments (Applicable at Council Meetings)**

In respect of Council Meetings only -

- a. After introduction by the relevant proposer notice of all amendments must be moved and seconded before the commencement of the debate on the original motion. Unless Councillors otherwise agree, no Councillor may move an amendment or further amendment during the course of debate on the original motion.
- b. Paragraph (a) will not apply to the Budget debate.
- c. A Councillor who has either moved or seconded a proposal may not move or second any amendment to that proposal, likewise any member who has proposed and seconded an amendment, cannot propose or second a further amendment.
- d. Before commencement of the debate the Chair will advise the Council of the sequence in which motions and amendments will be voted upon following the debate and the effect of certain proposals on others.

The original mover of the motion may choose to accept any amendment which has been put which may then become part of the substantive motion which then becomes the matter before them.

#### **46. Next Business, Closure and Adjournment**

- a) A Councillor who has not spoken may, at the conclusion of a speech of another Councillor, move without comment "that the question is put to the vote immediately" or "that the Council adjourn". If this motion is seconded and the Chair believes that the question has been sufficiently discussed, the motion will be put to the vote without amendment or discussion. If it is carried, the mover of the original motion may exercise the right to reply; the question will then be put to the vote, or the subject of debate will be deemed to be disposed of for that day, or the meeting will be adjourned, as the case may be.
- b) A Councillor who has spoken may not vote on the motion that the question is put to the vote or on a motion that the Council proceed to the next business.

#### **47. Right of Reply**

- a) The mover of the original motion giving rise to any question will have the right to reply to the debate on any question.
- b) The reply must not exceed 5 minutes in duration and must relate solely to points raised in the debate. After the reply has begun no other Councillor may speak on the question.
- c) Immediately after the reply -
  - i. the Chair will remind the Council of the sequence in which motions and amendments will be voted upon following the debate and which, if any, motions or amendments will fall if others are carried; and

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- ii. voting will then proceed without any further debate or question.

### 48. Voting

- a. Every decision must be determined by a show of hands (or a ballot in respect of appointments) unless a recorded vote is requested. To be present for a vote a Councillor must be in their designated seat. When a vote is taken the Chair will announce the decision.
- b. A recorded vote may be requested by 8 Councillors standing in their designated places before the vote is taken. A recorded vote will be required in any event in respect of budget and council tax items.
- c. A recorded vote will be taken by Councillors standing in their places and then sitting as their names are called. The recorded vote will show how each Councillor voted or abstained.
- d. Any Councillor who so wishes may have their opposition/abstention to a decision recorded in the minutes, provided that they have made this request clearly to the meeting and before the next item on the agenda is called.

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### D. Other Council Meetings including regulatory committees

#### 49. Application of Standing Orders to other Council meetings including Regulatory committees and Panels

The above standing orders apply to all meetings of the council including the regulatory committees and individual decision making meeting of Cabinet Members and panels with the following exceptions or alterations for meetings other than Council

- a) Councillors need not stand when speaking in meetings other than Council
- b) speaking from designated places does not apply
- c) a recorded vote may be requested by a majority of the Councillors present

### E. Continuation in Office, Quorum, Meetings & Committee Business

#### 50. The Cabinet and Committees - Continuation in Office

- a) The Cabinet and all Committees continue until the successor is appointed by Council.
- b) The Cabinet nor any Committee may not meet between the fourth day after the day of the ordinary election of Councillors and the date of the Annual Meeting of the Council in any year.
- c) No Cabinet nor Committee meetings (except Licensing Committee) shall be held during August except when the Chair considers it necessary for the transaction of urgent and important business.

#### 51. Quorum of Cabinet and Committees

- a) A quorum for a Committee is one third of the membership of the Committee.

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- b) A quorum for the Cabinet is 3 Councillors.
- c) If a quorum is not present at the beginning of a meeting, the Chair may adjourn the meeting or bring it to an end.

## 52. Absence of Chair

- a) If the Chair is absent from any part of a meeting, the Committee must appoint a Chair for that period. No Councillor may preside at their own election. If the Chair is present at the meeting the Chair must chair the meeting.
- b) If the Chair is absent from any part of the meeting if there is a vice-chair and they are present they will preside over the meeting for that period. If there is no vice-chair then the committee must appoint a Chair for that period.

## 53. Special Meetings

- a) The Chair may summon a special meeting of a Committee at any time.
- b) A special meeting must be summoned if a request is received in writing from one third of the total number of members of the Committee. The agenda for any special meeting must set out the business to be considered.
- c) The Local Democracy Manager or Monitoring Officer will arrange for a special meeting of the committee at any time in agreement with the Chair.

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## 54. Appointment and Quorum of Sub-Committees

- a) The Council or a Committee may appoint Sub-Committees from whichever Councillors they think appropriate and may refer or delegate to them whatever powers the Council or Committee has.
- b) All Sub-Committees must appoint a Chair if one is not appointed by the Council or a Committee. (Except in the case of a Licensing Sub Committee where each sub committee must appoint its own chair).
- c) A quorum of a sub-committee shall be -
  - i. For a membership of five or more - 3
  - ii. For a membership of less than five - 2
  - iii. Except in the case of a Licensing sub committee when it must be a quorum of 3
- d) In the case of Governance and Audit and Standards sub-committees the quorum shall be 2.
- e) If a quorum is not present at the beginning of a meeting, the chair must adjourn the meeting or bring it to an end.
- f) The Council or a Committee may appoint to each Sub-Committee one named Member of each Group to act as standing deputy. The standing deputy may deputise at the request of the Member of the Sub-Committee. Attendance as

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deputy will be in accordance with rules issued from time to time by the Local Democracy Manager after consultation with the Group Leaders.

### 55. Councillors speaking at meetings where they are not members of the committee

All Councillors are entitled to attend meetings of the Cabinet and of Individual Portfolio Members and address the meeting on items on the agenda.

A Councillor is entitled to attend and speak at any council meeting for up to 6 minutes subject to the following provisions:-

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- a) Panel:- a councillor may only speak at the invitation of the panel;
- b) Licensing sub committee:- a councillor may make a deputation at Licensing Sub Committee as long as they have given the required statutory notice within the prescribed timescales
- c) Planning Committee:- a councillor may only speak at the committee when making a deputation in accordance with Standing Order 24 above
- d) Employment sub- committee:- a councillor may only speak when requested to do so by the sub committee chair, otherwise the advice of the Monitoring Officer should be sought before attending any such sub committee.

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### 56. Councillor's request for additional items to be added to agenda

- a) A Councillor may require additional items to be added to the agenda of Council, Cabinet or committee meetings. The Council, Cabinet or committee may decide not to consider the item if the Councillor does not attend
- b) In respect of a Cabinet meeting a Councillor must obtain the permission of the Leader to add an item to the agenda.
- c) No Councillor may require an item of business to be included on an agenda if the subject matter has been considered by the City Council, the Cabinet, or a Committee within the preceding six months.

### 57. Addition of Urgent Items to the Agenda

The committee chair may agree to add additional items to the agenda if the committee chair on the advice of the local democracy manager considers the matter to be urgent and that the decision must be made before the next meeting of that committee.

### 58. Urgent Decisions by Chief Executive

- a) Decisions may be taken as a matter of urgency by the Chief Executive if he/she considers it necessary to do so in the interests of the efficient administration of the council's services to exercise any of the powers of the Council.
- b) Prior to exercising this provision the Chief Executive must consult with and take into account the views of:

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- i. the Leader, Leader of the Opposition and Chair of the Governance and Audit and Standards Committee in respect of Council decisions;
- ii. the Leader and relevant portfolio holder, if appropriate, Leader of the Opposition and relevant Group Spokesperson, if appropriate in respect of Cabinet decisions;
- iii. the Chair and Vice-Chair in respect of Employment Committee decisions.

In the event that the appropriate consultees referred to above are unavailable before making the decision then the Chief Executive shall consult with their respective Deputies or Vice Chairs; or another Member of the Employment Committee in respect of Employment Committee decisions

All such decisions shall be reported to the relevant decision making body at its next meeting.

## **59. Informal Meetings**

Informal meetings may be called by the Leader of the Council in consultation with the Chief Executive and Monitoring Officer to discuss any business e.g. revision of Standing Orders and the City Plan and that such meetings be held in closed session.

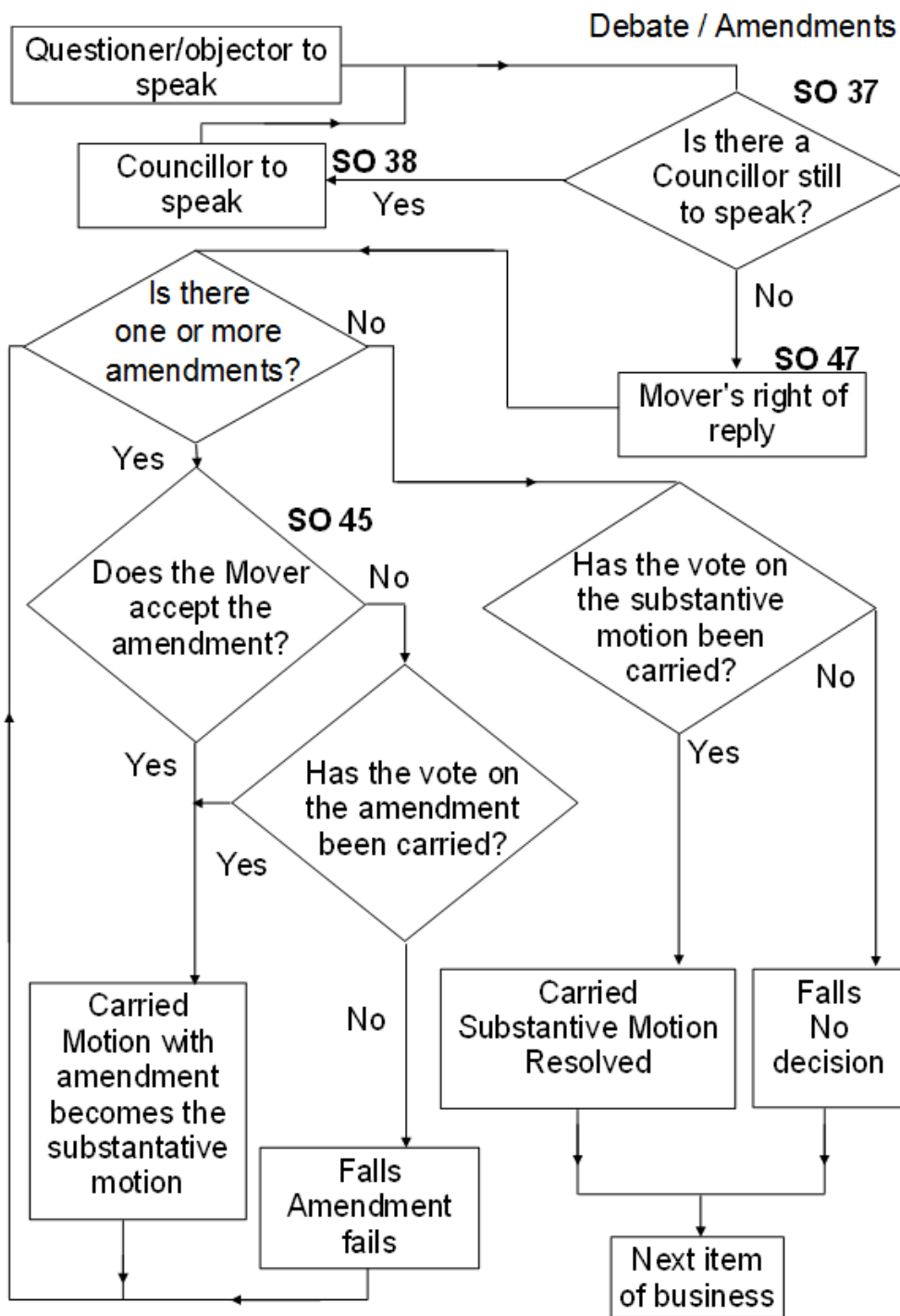
## **60. Respect for Chair and Chair's Decision**

- a) The Chair's ruling on any matter in relation to the interpretation or application of these standing orders shall be final and not open to discussion.
- b) Councillors must respect the authority of the Chair and address him or her accordingly.
- c) When the Chair stands up during a debate, any Councillor then standing must immediately stop speaking and sit down.
- d) The Chair may adjourn the meeting.



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<b>Title of meeting:</b>	Governance and Audit and Standards Committee
<b>Date of meeting:</b>	9 March 2018
<b>Subject:</b>	Proposed amendments to the Council's constitution Part 2, Decision Making
<b>Report by:</b>	City Solicitor
<b>Wards affected:</b>	N/A
<b>Key decision:</b>	No
<b>Full Council decision:</b>	Yes

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**1. Purpose of report**

To consider the attached revised Part 2 Decision Making and its adoption as part of the Council's constitution.

**2. Recommendations**

Members are asked to

1. Approve the proposed amendments to Part 2 Decision Making of the Council's constitution at Appendix 1 to this report and recommend adoption by Full Council on 20 March 2018, subject to paragraph 2.4 below.
2. Agree that the City Solicitor may make amendments to the scheme of delegation which reflect changes in legislation, structure within the Council or typographical amendments, none of which would result in changes in extent of delegations to officers.
3. Agree that the City Solicitor may make amendments to the constitution to reflect any changes arising out of legislative changes, deal with typographical alterations or amend the layout of the document, none of which would change the material substance of constitution.
4. Note the amendments to Part 2 Section 3 Responsibility for Cabinet Functions as these responsibilities are within the gift of the Leader.

**3. Background**

The Constitution Working Group, being comprised of cross party membership of Governance and Audit and Standards Committee have agreed amendments to Part 2 Decision Making of the constitution. The proposed amendments are now brought before Governance and Audit and Standards Committee for consideration and approval.

#### **4. Reasons for recommendations**

- 4.1. The Council's constitution is a working document and is reviewed to ensure it is up to date in terms of legislation and to maintain best practice in efficient and accountable decision making, scrutiny and ethical standards.
- 4.2. The Council's constitution includes a range of codes, rules and protocols that together with the Standing Orders form part of the Authority's ethical and decision making framework.
- 4.3. During the past year, the Constitutional Working Group have reviewed Part 2 Decision Making of the constitution and suggested a number of amendments, together with officer proposals.
- 4.4. The Governance and Audit and Standards Committee has responsibility for advising the Council on the Constitution, codes, rules and protocols that form the Authority's ethical framework.
- 4.5. To assist in ensuring that the scheme of delegation is kept up to date, it is proposed that the City Solicitor is given authority to make amendments to the scheme which reflect changes in legislation, structure within the Council or typographical amendments, none of which would result in changes in extent of delegations to officers.
- 4.6. Further it is proposed that the City Solicitor is also given similar authority to amend all aspect of Constitution to reflect any changes arising out of legislative changes or deal with typographical alterations. None of which would be intended to change the material substance of constitution.

#### **5. Equality impact assessment**

The contents of this report do not have any effect on the protected characteristics and therefore an equalities assessment is not required.

#### **6. Legal implications**

- 6.1. As this involves a change in the Council's constitution, the changes must be referred to the Governance and Audit and Standards Committee for recommendation for approval by the Council.
- 6.2. The Committee has authority by virtue of the Council's constitution under Part 1 Article 15 to make recommendations to Council for amendments to the constitution.

#### **7. Director of Finance's comments**

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

.....  
Signed by:

## Appendices

Appendix 1: Part 2 Decision making of the Constitution - track change copy

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

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

Title of document	Location

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

.....  
Signed by:

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From GOVERNANCE & AUDIT & STANDARDS COMMITTEE held on 9 March 2018

Council Agenda Item 11 (Minute No 26)

**Proposed amendments to the Council's constitution (Part 2 Decision Making)**

**RECOMMENDED to Council that**

- (1) It approves the proposed amendments to Part 2 Decision Making of the Council's constitution, (attached as appendix 2) and which include the Committee's recommend change, and be adopted by Full Council on 20 March 2018, subject to 4 below.**
- (2) It agrees that the City Solicitor, in consultation with the Chair of the Governance and Audit and Standards Committee, may make amendments to the scheme of delegation which reflect changes in legislation, structure within the Council or typographical amendments, none of which would result in changes in extent of delegations to officers.**
- (3) It agrees that the City Solicitor, in consultation with the Chair of the Governance and Audit and Standards Committee, may make amendments to the constitution to reflect any changes arising out of legislative changes, deal with typographical alterations or amend the layout of the document, none of which would change the material substance of constitution.**
- (4) It notes the amendments to Part 2 Section 3 Responsibility for Cabinet Functions as these responsibilities are within the gift of the Leader.**

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## Part 2

### Decision Making

## **PART 2 - AREAS OF RESPONSIBILITY**

### **Section 1 - Purpose**

One of the primary purposes of the Constitution is to make it clear where responsibility for particular functions lies and which person or body (council or committee, cabinet) makes the decision.

All decisions will be made in accordance with the principles set out in Chapter 13 of the Constitution.

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## Section 2 - Committee responsibilities

The responsibilities of the following committees (and sub-committees where appropriate) are set out below

Planning Committee

*Licensing Committee*

*Governance & Audit & Standards Committee*

*Employment Committee*

Deleted: Development Control

### Planning Committee (10 members)

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Functions relating to town and country planning and development control, as specified in Schedule 1 to the Local Authorities (Functions & Responsibilities) (England) Regulations 2000 (the functions regulations), and which are set out below for ease of reference -

#### Planning matters:-

1. Power to determine application for planning permission.
2. Power to determine applications to develop land without compliance with conditions previously attached.
3. Power to grant planning permission for development already carried out.
4. Power to decline to determine application for planning permission.
5. Duties relating to the making of determinations of planning application.
6. Power to determine application for planning permission made by a local authority, alone or jointly with another person.
7. Power to make determinations, give approvals and agree certain other matters relating to the exercise of permitted development rights.
8. Power to enter into agreement regulating development or use of land.
9. Power to issue a certificate of existing or proposed lawful use or development
10. Power to serve a completion notice.
11. Power to grant consent for the display of advertisements.
12. Power to authorise entry onto land.
13. Power to require the discontinuance of a use of land.
14. Power to serve a planning contravention notice, breach of condition notice or stop notice.
15. Power to issue an enforcement notice.
16. Power to apply for an injunction restraining a breach of planning control.
17. Power to determine applications for hazardous substances consent, and related powers.
18. Duty to determine conditions to which old mining permissions, relevant planning permissions relating to dormant sites or active Phase I or II sites, or mineral permissions relating to mining sites, as the case may be, are to be subject.
19. Power to require proper maintenance of land.
20. Power to determine application for listed building consent, and related powers.
21. Power to determine applications for conservation area consent.
22. Duties relating to applications for listed building consent and conservation area consent.
23. Power to serve a building preservation notice, and related powers.

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24. Power to issue enforcement notice in relation to demolition of unlisted building in conservation area.
25. Powers to acquire a listed building in need of repair and to serve a repairs notice.
26. Power to apply for an injunction in relation to a listed building.
27. Power to execute urgent works.

### **Common land**

1. Power to register common land or town or village greens, except where the power is exercisable solely for the purpose of giving effect to -
  - a. an exchange of lands effected by an order under section 19(3) of, or paragraph 6(4) of Schedule 3 to, the Acquisition of Land Act 1981; or
  - b. an order under section 147 of the Enclosure Act
2. Power to register variation of rights of common.

### **Other consents and licences**

1. Power to permit deposit of builder's skip on highway.
2. Power to license planting, retention and maintenance of trees etc in part of highway.
3. Power to authorise erection of stiles etc on footpaths or bridleways.
4. Power to license works in relation to buildings etc. which obstruct the highway.
5. Power to consent to temporary deposits or excavations in streets.
6. Power to dispense with obligation to erect hoarding or fence.
7. Power to restrict the placing of rails, beams etc. over highways.
8. Power to consent to construction of cellars etc. under street.
9. Power to consent to the making of openings into cellars etc. under streets, and pavement lights and ventilators.

### **Highways**

Functions relating to public rights of way as set out in the schedule to the Functions and Responsibilities (Amendment) Regulations 2001, which are set out below for ease of reference –

1. Power to create footpath or bridleway by agreement.
2. Power to create footpaths and bridleways.
3. Duty to keep register of information with respect to maps, statements and declarations.
4. Power to stop up footpaths and bridleways.
5. Power to determine application for a public path extinguishment order.
6. Power to make a rail crossing extinguishment order.
7. Power to make a special extinguishment order.
8. Power to divert footpaths and bridleways.
9. Power to make a public path diversion order.
10. Power to make a rail crossing diversion order.
11. Power to make a special diversion order.
12. Power to require applicant for an order to enter into an agreement.

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13. Power to make an SSSI diversion order.
14. Duty to keep register with respect to applications under sections 118ZA, 118C, 119ZA and 119C of the Highways Act 1980.
15. Power to decline to determine certain applications under section 121C of the Highways Act 1980.
16. Duty to assert and protect the rights of the public to use and enjoyment of highways.
17. Duty to serve notice of proposed action in relation to an obstruction on the highway.
18. Power to apply for variation order under section 130B of the Highways Act 1980.
19. Power to authorise temporary disturbance of surface of footpath or bridleway.
20. Power temporarily to divert footpath or bridleway.
21. Functions relating to the making good of damage and the removal of obstructions.
22. Powers relating to the removal of things so deposited on highways as to be a nuisance.
23. Power to extinguish certain public rights of way.
24. Duty to keep Wildlife and Countryside Act 1981 definitive map and statement under review.
25. Power to include modifications in other orders, under section 53A of the Wildlife and Countryside Act 1981.
26. Duty to keep register of prescribed information with respect to applications under section 53 (5) of the Wildlife and Countryside Act 1981.
27. Duty to reclassify roads used as public paths.
28. Power to prepare map and statement by way of consolidation of definitive map and statement.
29. Power to designate footpath as cycletrack.
30. Power to extinguish public right of way over land acquired for clearance.
31. Power to authorise stopping up or diversion of footpath or bridleway.
32. Power to extinguish public rights of way over land held for planning purposes.
33. Power to enter into agreements with respect to means of access.
34. Power to provide access in absence of agreement under section 37 of the Countryside and Rights of Way Act 2000.
35. Power to make limestone pavement order under the Wildlife and Countryside Act 1980.

**Other miscellaneous functions set out in the schedule to the Functions and Responsibilities (Amendment) Regulations 2001, as follows -**

1. Powers relating to the preservation of trees.
2. Powers relating to the protection of important hedgerows.

**Other Powers:**

Powers within Part 8 of the Anti-Social Behaviour Act 2003 relating to high hedges.

**Licensing Committee (15 members)**

**Licensing matters:**

Functions relating to licensing and registration as set out in Schedule 1 to the functions regulations, which are set out below for ease of reference -

1. Power to issue licences authorising the use of land as a caravan site ("site licences").
2. Power to license the use of moveable dwellings and camping sites.
3. Power to license hackney carriages and private hire vehicles.
4. Power to license drivers of hackney carriages and private hire vehicles.
5. Power to license operators of hackney carriages and private hire vehicles.
6. Power to register pool promoters.
7. Power to grant track betting licences.
8. Power to license inter-track betting schemes.
9. Power to grant permits in respect of premises with amusement machines.
10. Power to register societies wishing to promote lotteries.
11. Power to grant permits in respect of premises where amusements with prizes are provided.
12. Power to issue cinema and cinema club licences.
13. Power to issue theatre licences.
14. Power to issue entertainments licences.
15. Power to license sex shops and sex cinemas.
16. Power to license performances of hypnotism.
17. Power to license premises for acupuncture, tattooing, ear-piercing and electrolysis.
18. Power to license pleasure boats and pleasure vessels.
19. Power to register door staff.
20. Power to license market and street trading.
21. Power to license night cafés and take-away food shops.
22. Duty to keep list of persons entitled to sell non-medical poisons.
23. Power to license dealers in game and the killing and selling of game.
24. Power to register and license premises for the preparation of food.
25. Power to license scrap yards.
26. Power to issue, cancel, amend or replace safety certificates (whether general or special) for sports grounds, and to issue prohibition notices.
27. Power to issue, cancel, amend or replace safety certificates for regulated stands at sports grounds.
28. Power to issue fire certificates.
29. Power to license premises for the breeding of dogs.
30. Power to license pet shops and other establishments where animals are bred or kept for the purposes of carrying on a business.
31. Power to register animal trainers and exhibitors.
32. Power to license zoos.
33. Power to license dangerous wild animals.
34. Power to license knackers' yards.
35. Power to license the employment of children.
36. Power to license persons to collect for charitable and other causes.
37. Power to grant consent for the operation of a loudspeaker.
38. Power to grant a street works licence.
39. Power to license agencies for the supply of nurses.
40. Power to issue licences for the movement of pigs.
41. Power to license the sale of pigs.
42. Power to license collecting centres for the movement of pigs.
43. Power to issue a licence to move cattle from a market.
44. Power to sanction use of parts of buildings for storage of celluloid.

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45. Power to approve meat product premises.
46. Power to approve premises for the production of minced meat or meat preparations.
47. Power to approve dairy establishments.
48. Power to approve egg product establishments.
49. Power to issue licences to retail butchers' shops carrying out commercial operations in relation to unwrapped raw meat and selling or supplying both raw meat and ready-to-eat foods.
50. Power to approve fish products premises.
51. Power to approve dispatch or purification centres.
52. Power to register fishing vessels on board where shrimps or molluscs are cooked.
53. Power to approve factory vessels and fishery product establishments.
54. Power to register auction and wholesale markets.
55. Duty to keep register of food business premises.
56. Power to register food business premises.
57. Power to issue near beer licence.
58. Power to register premises or stalls for the sale of goods by way of competitive bidding.
59. Power to make closing order with respect to take-away food shops.
60. Power to approve premises for the solemnisation of marriages and civil partnerships.

### **Other powers (licensing)**

Powers to deal with matters under the Licensing Act 2003

**Licensing Sub committees A, B, C, D & E, each comprising three members of the Licensing committee, and two named alternate members.**

Functions and Powers to deal with the following licensing matters:-

1. determination of application for premises licence where representations have been made,
2. section 31(3) (determination of application for provisional statement where representations have been made),
3. section 35(3) (determination of application for variation of premises licence where representations have been made),
4. section 39(3) (determination of application to vary designated premises supervisor following police objection),
5. section 44(5) (determination of application for transfer of premises licence following police objection),
6. section 48(3) (consideration of police objection made to interim authority notice)
7. section 72(3) (determination of application for club premises certificate where representations have been made),
8. section 85(3) (determination of application to vary club premises certificate where representations have been made),
9. section 105(2) (decision to give counter notice following police objection to temporary event notice),
10. section 120(7) (determination of application for grant of personal licence following police objection),

11. section 121(6) (determination of application for renewal of personal licence following police objection), or
12. section 124(4) (revocation of licence where convictions come to light after grant etc),
13. any function under section 52(2) or (3) (determination of application for review of premises licence) in a case where relevant representations (within the meaning of section 52(7)) have been made,
14. any function under section 88(2) or (3) (determination of application for review of club premises certificate) in a case where relevant representations (within the meaning of section 88(7)) have been made, or
15. any function under section 167(5) (review following closure order), in a case where relevant representations (within the meaning of section 167(9)) have been made.

### **Governance and Audit and Standards Committee (6 members)**

The Governance and Audit and Standards Committee shall have the following roles and functions:

#### **Audit Activity**

1. To consider, approve or otherwise deal with:
  - a. The ~~Chief Internal Auditor~~'s annual report and opinion, and a summary of Internal Audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements.
  - b. Summaries of specific internal audit reports as requested.
  - c. Reports dealing with the management and performance of the providers of Internal Audit services.
  - d. Reports from Internal Audit on agreed recommendations not implemented within a reasonable timescale.
  - e. The External Auditor's annual letter, relevant reports, and the reports to those charged with governance.
  - f. Specific reports as agreed with the external auditor.
2. To receive and comment upon the Audit Charter together with its Terms of Reference and Audit Strategy.
3. To comment on the scope and depth of external audit work and to ensure it gives value for money.

**Deleted:** Internal Audit Manager

4. To commission work from Internal Audit in accordance with the agreed Audit Strategy, and External Audit.

**Deleted:** <#>To liaise with the Audit Commission over the appointment of the Council's external auditor. ¶

#### **Regulatory Framework**

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## APPENDIX 2 TO THE MINUTES

## PART 2 - SECTION 5A

1. To consider amendments to the Council's Constitution and to make such recommendations to the Council as may be necessary.
2. To review any issue referred to it by the Chief Executive or a Director, or any Council committee.
3. To monitor and take decisions in respect of the effective development and operation of risk management and corporate governance in the Council.
4. To monitor and take decisions in respect of the Council policies on the anti-fraud and anti-corruption strategy
5. To oversee and take decisions in respect of the authority's Annual Governance Statement.
6. To consider and take decisions in respect of the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.
7. To consider the Council's compliance with its own and other published standards and controls, including the Annual Governance Statement.
8. To monitor call in and urgency arrangements set out in Part 3 of the Constitution and submit a report to the City Council if the Committee considers it necessary.

### Accounts

1. To review the Annual Statement of Accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.
2. To consider the External Auditor's report to those charged with governance on issues arising from the audit of the accounts.

### Other functions

1. Power to make standing orders.
2. Duty to approve the authority's statement of accounts, income, and expenditure and balance sheet or record of receipts and payments (as the case may be).

### Standards

**Deleted: School Transport & Student Awards Appeals (3 members of Governance, Audit and Standards)¶**

¶  
Councillors no longer sit on appeal panels (Council minute 32/2014 - 18<sup>th</sup> March 2014). ¶

**Deleted: 04/15**

In respect of standards matters the Committee will have the following roles and functions:

1. promoting and maintaining high standards of conduct by Councillors,
2. assisting councillors to observe the Code of Conduct
3. monitoring the operation of the Code of Conduct
4. advising, training or arranging to train Councillors on matters relating to the Code of Conduct;
5. granting dispensations to Councillors from requirements relating to interests set out in the Members' Code of Conduct;
6. complaints about the conduct of the City Council or any of its committees, sub-committees, members (whether or not they relate to maladministration) including the power to investigate any complaint against any member of the City Council, and any facts brought to the attention of the Committee by the Council's Monitoring Officer
7. to review complaints handling and Ombudsman investigations
8. to keep under review the Council's "whistle blowing" policy
9. to be responsible for member training and development

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**Deleted:** <#>subject to 5 and 6 to resolve what further action should be taken (if any), including the administering of any warning or reprimand to the Councillor concerned¶  
<#>to make recommendations to the Council on any changes to the Council's procedures, guidelines or standing orders relating to the conduct of members¶  
¶  
<#>to make recommendations that a member be removed from a committee, sub-committee or any other body¶  
¶  
<#>to determine the procedure to be adopted in each case including, if appropriate, an initial meeting to examine papers to establish whether a prima facie case exists¶

### **Employment Committee (6 members)**

Functions relating to the following matters as set out in Schedule I to the functions regulations -

(To be read in conjunction with the officer employment procedure rules)

### **Functions relating to pensions**

1. Power to appoint staff, and to determine the terms and conditions on which they hold office (including procedures for their dismissal)
2. To be the committee of Portsmouth City Council responsible for the strategic overview of workforce/employment matters to ensure the delivery of good quality services to the people of Portsmouth.
3. To approve key strategies as the basis for people management within Portsmouth City Council, including:
  - a. People management strategy
  - b. Pay strategy
  - c. Learning and development strategy

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## APPENDIX 2 TO THE MINUTES

## PART 2 - SECTION 5A

- d. Workforce development strategy
- e. Health and safety strategy
- f. members learning and development strategy

4. To be responsible for the recruitment of directors.

5. In respect of the following posts, to be responsible for their recruitment, which will be subject to Full Council approval:

- a. Section 151 Officer;
- b. Monitoring Officer;
- c. Director of Public Health
- d. Head of Paid Service

6. The following bodies will report to this committee

- a. Joint health and safety forum
- b. Staff Joint Committee
- c. Joint Officer and Staff Forum

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**Deleted:** who do not also hold the following statutory posts

**Deleted:** to be responsible for their recruitment, discipline and dismissal including redundancy.¶

**Deleted:** <#>In respect of the Section 151 Officer and Monitoring Officer, to be responsible for their recruitment, the appointment of which will be subject to Full Council approval¶

**Deleted:** <#>In respect of the Chief Executive, the recruitment is reserved to Full Council and in relation to Chief Executive, Monitoring Officer and Section 151 Officer, any matters in relation to their discipline, dismissal for a reason other than redundancy. These powers are reserved to Full Council¶

**Deleted:** Joint staff

**Deleted:** committee

**Deleted:** staff/officer forum

**Deleted:** Senior Officer Appeals (3 members)¶

¶ The role and function to hear personnel appeals against grievances, dismissals, performance, retirements on the grounds of ill-health and redundancy, from senior officers to include Head of Paid Service, Monitoring Officer, Section 151 Officer and directors subject to the provisions for appointment and dismissal of Head of Paid Service, Monitoring Officer and Section 151 Officer as set out in officer employment procedure rules.¶

**Deleted:** <#>Disciplinary, Ill-health and Performance¶

¶ The committee may:-¶

¶ <#>confirm the action of the manager¶  
 <#>quash the action of the manager¶  
 <#>substitute for the decision of the manager any other management action¶

¶ which is permitted by the city council's employment policies¶

¶ <#>Redundancy¶

¶ The committee may:-¶

¶ <#>allow the appeal¶  
 <#>dismiss the appeal¶  
 <#>instruct the manager to implement an alternative solution ¶

¶ as permitted by the city council's employment policies¶

**Deleted:** <#>Grievances¶

¶ The committee may:-¶

¶

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### Section 3 - Responsibility for Cabinet Functions

The following pages set out the allocation of responsibilities within the Cabinet. The portfolios are expressed in broad terms and may be varied only by the Leader.

The principles of responsibility are:

1. The Cabinet comprises a Leader with Cabinet Members and will carry out all of the City Council's functions which are not the responsibility of any other part of the City Council, whether by law or under this constitution.
2. The Leader appoints the Cabinet and allocates roles to them.
3. The Cabinet will be responsible collectively.
4. All decisions will be recorded, with reasons.

Although the Cabinet is collectively responsible operational and day to day management of the Council has been delegated to officers in accordance with the Scheme of Delegation set out below.

The constitution provides for individual decision making to be made by Cabinet Members in the areas of responsibility set out below.

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**The Leader**

Responsible for:-

1. Over-arching responsibility for the performance of the council.
2. Principal spokesperson for the council.
3. Overall responsibility for style priorities and strategic policy and strategic management of the council.
4. To take lead responsibility for the council's corporate priority to achieve less poverty.
5. Responsible for championing social inclusion.
6. Chairing of the Cabinet.
7. Final arbiter between Cabinet Members
8. Overall responsibility for the finances of the council.
9. Responsibility for public relations.
10. Corporate, economic and financial policies, plans and programmes, including the revenue estimates and capital estimates.

**Cabinet Member for Adult Social Care and Public Health**

Deleted: Health and Social Care

Responsible for:-

1. The council's corporate priority to achieve good health for all and safe independent lives for vulnerable people.
2. Social Services, including commissioning, providing and planning services for older people and in the areas of; physical disability; mental health; learning disability; and ancillary facilities.
3. City health plan.
4. Community care plan.
5. All matters relating to the city council's functions in relation to promoting healthy living and preventing ill health.

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**Cabinet Member for Housing**

Responsible for:-

1. The council's corporate priority to achieve decent affordable homes.
2. Local authority and social housing.
3. Council rents for housing and ancillary facilities.
4. Private housing conditions and housing defects.
5. Relations between private landlords and their tenants.
6. Residential caravan site.
7. Any other functions conferred on the city council as a housing authority.
8. Community development.
9. Grants and loans to housing associations and voluntary organisations for housing purposes, and for community purposes.
10. Liaison with and responsibility for relations with external bodies in relation to housing priorities.

## Cabinet Member for Children and Families

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Responsible for:-

### *General*

1. The Lead Member for Children and Families is politically accountable for ensuring the Local Authority fulfils its legal responsibilities for safeguarding and promoting the welfare of children and young people.
2. The Lead Member for Children and Families has a strategic political role as a member of the Council in respect of decisions on Local Authority Children's Services.
3. Only one person can be the statutory Lead Member for Children and Families, but the role and responsibilities are broad. The Lead Member may therefore need to be supported by one or more other selected Members. The remit of the support roles can be as wide as the Local Authority wishes, as long as the Lead Member maintains an effective overview of all services for children and retains overall political accountability.

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### *Children and Young People*

To take the lead responsibility for the Council's statutory responsibilities, functions and accountabilities in respect of children and young people, to include:

1. Safeguarding and promoting the welfare of children and young people including the Local Children's Safeguarding Board (participant observer)
2. Promoting outcomes for Looked After Children (LA), protecting the interests of those children and young people and chairing the Corporate Parenting Board
3. Lead Member for the Portsmouth Children's Trust and the development and implementation of the Children's Trust Plan
4. Ensuring that children and young people, parents and carers are able to make a contribution to the development of services
5. Ensuring effective governance and monitoring frameworks are in place within the Local Authority and key partnerships
6. Championing effective integration in Children's Services, working in partnership with the Children's Trust
7. Promoting better outcomes for children and young people Grants and loans to appropriate voluntary organisations
8. Responsibility for aligning with the Portfolio holders for Health and Social Care, Community Safety and Housing in respect of the delivery of those services and how children and young people are impacted upon by those services
9. Children's Centres
10. Children's Social Care services for children and families Youth services and facilities

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Overall performance

1. Overall performance of the Directorate for Children's Services in respect of these functions.
2. Holding the Director of Children's Services to account in respect of these functions.

**Deleted:** Education¶

**Deleted:** To take lead responsibility for the Council's corporate priority to achieve improved education standards and first class learning opportunities. The Council's¶ functions in respect of education, includes (but is not limited to):¶

¶

<#>Allocation of resources and commissioning of services¶

<#>Attendance on the Schools Forum¶

<#>School governance¶

<#>School improvement and intervention (chairing the Schools Standards Improvement Group)¶

<#>Admissions¶

<#>Pupil Place Planning¶

<#>School Attendance, Exclusions and Reintegration Education Welfare Service¶

<#>Special Education Needs and behavioural issues¶

<#>Education Psychology, Portage, Sensory Impairment and Specialist Teacher Advisor Services¶

<#>Music Service Nursery Education Early Years¶

¶

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### **Cabinet Member for Education**

To take lead responsibility for the Council's corporate priority to achieve improved education standards and first class learning opportunities. The Council's functions in respect of education, includes (but is not limited to):

1. Allocation of resources and commissioning of services
2. Attendance on the Schools Forum
3. School governance
4. School improvement and intervention (chairing the Education Advisory Board)
5. Admissions
6. Pupil Place Planning
7. School Attendance, Exclusions and Reintegration Education Welfare Service
8. Special Education Needs and behavioural issues
9. Education Psychology, Portage, Sensory Impairment and Specialist Teacher Advisor Services
10. Music Service Nursery Education Early Years

#### Overall performance:

1. Overall performance of the Directorate for Children's Services in respect of these functions.
2. Holding the Director of Children's Services and to account in respect of these functions.

**Cabinet Member for Planning, Regeneration & Economic Development**

Responsible for:-

1. The council's corporate priority to achieve good prospects and a better environment.
2. The built environment including:
  - a. Structure and local planning
  - b. Conservation areas and schemes
  - c. Buildings of architectural and historic interest
3. Economic Development, including tourism
4. Encouraging the development of land outside the city council's ownership for industrial and commercial uses in accordance with the provisions of the city plan.
5. Marketing the city for inward investment and to attract visitors and provide support for further diversification of the economic base.
6. Developing and protecting employment opportunities in partnership with other authorities both in the Portsmouth Travel to Work Area and elsewhere, and with business, government, voluntary organisations and the University of Portsmouth.
7. Managing the city council's international economic relations and regional economic work in the UK, but excluding twinning and other forms of friendship or association with other cities and communities.
8. The exercise of any other powers and functions of the city council in relation to economic development.
9. Formulating and implementing proposals for each of the district shopping centres.
10. Entertainments and conferences.
11. Seafront illuminations.
12. The city council's functions as harbour authority, in respect of pilotage, and the development, operation, maintenance and control of the Commercial Port, including the continental ferry port, the Camber Docks, Flathouse and Albert Johnson Quays and ancillary facilities, and including all land and property held for port operational purposes.
13. Street trading amenities policy within the highway (excluding licensing provisions).
14. Building regulations and control.
15. Land and property assets of the city council including advising the council on changes to the approved policies on those matters including compulsory purchase orders.
16. Local legislation and other parliamentary proceedings, including Harbour Revision Orders and Transport Works Act orders.
17. Management of the city council's administrative buildings
18. Camping and non-residential sites.

## Cabinet Member for Traffic and Transportation

Responsible for:

1. The council's corporate priority to *improved public transport*.
2. Traffic and transportation issues, including:
  - a. Transportation policies and programmes
  - b. Transport engineering, tendered bus/ferry services
  - c. Public transport co-ordination and publicity
  - d. Subsidies to local passenger transport services and concessionary fares schemes
  - e. Construction and maintenance of highways and bridges, traffic management and road safety, street lighting, signposting, other street furniture, road naming and house numbering
  - f. Traffic engineering including road safety, accident investigation, safety audit and urban traffic control.
  - g. On and off-street vehicle parking
  - h. Such other activities as may contribute to the actual and effective movement of people and goods to, from or within the City of Portsmouth
  - i. Such other functions as may contribute to managing, maintaining and improving the transport infrastructure of the City.
3. Dangerous trees on or adjacent to the highway.

**Cabinet Member for Culture, Leisure and Sport**

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Responsible for:

1. Museums, art galleries and their collections.
2. Promotion of arts within the City.
3. Libraries.
4. Historical publications of the city council.
5. Maintenance of City records and archives, (excluding the Modern Records Service).
6. To liaise and be responsible for relations with cultural organisations.
7. Indoor and outdoor recreation, including sports.
8. Community Services and facilities, including community centres.
9. Parks and open spaces.
10. Allotments.
11. Grants to appropriate voluntary organisations.

Deleted: 04/15

## Cabinet Member for Environment and Community Safety

Responsible for:-

1. Emergency Planning
2. Crime prevention and reduction, including:
  - a. Preparing and recommending a strategy for crime prevention in Portsmouth;
  - b. Monitoring its implementation and making recommendations from time to time to amend it.
  - c. To promote, consider and approve schemes for crime prevention in Portsmouth; including publicity projects and campaigns, and the making of grants or loans for the purpose of promoting crime prevention in Portsmouth.
  - d. Closed circuit television (CCTV) systems.
  - e. Anti-Social Behaviour Unit and related initiatives.
  - f. Community Wardens.
3. Youth Justice
4. To liaise and be responsible for relations with external bodies carrying out duties related to the Council's functions including the following:
  - a. Police and Crime Panel
  - b. Hampshire Fire and Rescue Service
  - c. Hampshire Magistrates' Courts Committees
5. Sports Ground Safety (excluding licensing provisions).
6. Public Protection matters including the enforcement of legislation relation to:
  - a. Trading Standards and associated matters
  - b. Health & Safety at work.
  - c. Food Safety and Food Hygiene.
  - d. Smoke free Premises and Vehicles
  - e. Infectious Disease Control
  - f. Port Health
  - g. Animal Health & Welfare
  - h. Miscellaneous Matters including Sunday Trading and specific licensing and registrations, welfare burials and compulsory removal of persons to care.

Deleted: <#>Coroner's Service¶



7. Such other functions as may contribute towards the assessment and fulfilment of present and future needs in the field of public protection.
8. Grants and loans to voluntary bodies in respect of any of the functions listed above
9. Waste Management, Refuse collection and disposal (including the recycling of waste, the functions of the City Council as Waste Collection Authority and Waste Disposal Authority).
10. Street and beach cleansing.
11. Public conveniences.
12. Litter.
13. Dog fouling.
14. Stray dogs
15. Maritime oil pollution and its consequences.
16. Coast protection, sea defences and land drainage.
17. Environmental protection including noise, air quality, smoke control, contaminated land, other pollution matters and pest control
18. Dangerous land, buildings and other structures (minimal involvement but responsible for securing of dangerous land and buildings in order to prevent public access.)
19. To liaise and be responsible for relations with external bodies carrying out duties related to the Council's functions including the following:
  - a. Langstone Harbour Board
  - b. Portchester Crematorium

**Deleted:** <#>Cemeteries.¶

**Deleted:** <#>Portsmouth and Gosport Joint Board¶

**Deleted:** Joint Committee. Carbon reduction/sustainability/renewable energy

## Cabinet Member for Resources

Responsible for:-

1. Financial, Information Technology and other resources of the city council (other than property) and advising the city council on changes to its approved policies on those matters.
2. Internal audit and relations with external audit.
3. Management of the support services of the city council
4. Local taxation (including the city council's functions relating to funds) and rating (including business rates).
5. Modern Records
6. Grants to voluntary organisations.
7. Twinning and other forms of friendship or association with other cities and communities.
8. Coroner's Service
9. Cemeteries

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Section 4 - Joint Arrangements
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The following joint arrangements, referred to in Part 1 Chapter 11, have created the formal body(ies) described, to discharge the functions and responsibilities referred to

-

1. *Portchester Crematorium Joint committee*

This is an executive function, discharged jointly between the councils of Portsmouth, Gosport, Fareham and Havant under the terms of a formal agreement.

The joint committee is responsible for the management and operation of the crematorium, and the employment of the crematorium staff, which includes a registrar and manager, clerk, treasurer, engineer, and horticultural consultant. The day to day management and operation is delegated to the registrar and manager.

The joint committee is subject to a separate financial regime from the 4 authorities, and has separately audited accounts.

2. *Project Integra Management Board*

Project Integra's mission is to manage waste generated by households in Hampshire, gaining benefits from integration, scale, synergy and influence.

This Board comprises 15 members, appointed by each partner authority (Hampshire County Council; Southampton City Council; Portsmouth City Council and the Hampshire district councils) and one co-opted member representing Hampshire Waste Services.

The Board is responsible, amongst other things, under the terms of a formal agreement, for –

- a. developing a strategic policy framework within which the partner authorities can each discharge their functions as waste disposal authority/waste collection authority, as appropriate;
- b. discharging functions in respect of making arrangements for the recycling of waste;
- c. producing and implementing an approved annual business plan.

The formal agreement also provides for the appointment of a joint policy review and scrutiny committee.

## Section 5 - Chief Officers' Delegated Authority

The City Council, the Cabinet, and Regulatory committees have delegated various functions, powers, and responsibilities to chief officers.

In discharging these, chief officers are required, in certain circumstances, to give all members of the council advance notice of a proposed decision, using the Member Information Service (MIS). Any member of the council can, before the decision is taken, request that the matter is remitted back to the person or body responsible for the function so that it (and not the chief officer) can take the decision.

The list of delegations subject to the MIS rules is set out in Section 5A.

In all other cases, chief officers are empowered to act without giving notice to members of the council, and the list of such delegations is set out in Section 5B.

Both lists contain details of -

1. any limitations or conditions attaching to the use of any delegation;
2. whether the function or power is the responsibility of the City Council; the Cabinet, or a regulatory committee;

All chief officers and managers are authorised to take all necessary actions to implement decisions of the City Council, the Cabinet and committees of the council, including -

1. commitment of resources within approved budgets and in accordance with financial regulations;
2. the service, placing or publication of any necessary statutory or other notices.

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**City of Portsmouth Member Information Service (M.I.S.)**

1. The following powers, duties and functions of the city council, cabinet and regulatory committees shall be delegated to the officers indicated below (or an officer within their department nominated by them for that purpose), subject to the rules in the following paragraphs.
2. An officer may choose to publish an intended decision in MIS before exercising the delegated power.
3. The proposals shall be identified by a heading, must be summarised, must identify any ward or wards affected by the proposal, and must name the officer or officers who can be contacted for further information about the proposal (with their telephone extensions).
4. A member may require that any proposed decision within MIS shall be referred to the relevant Cabinet / Member or committee for decisions within the time period specified within the MIS. No decision shall be made under delegated powers should an item be 'called in'.
5. Those powers delegated may be amended from time to time by the City Solicitor to remove anomalies and ambiguities to reflect structural and legislative changes.
6. Any regulatory committee or the Cabinet, may vary the powers which they have delegated.

The following powers are delegated subject to M.I.S. provisions above:-

**1. TO CHIEF EXECUTIVE, DEPUTY CHIEF EXECUTIVE AND DIRECTORS:-**

a. In consultation with the **Director of Finance and IS:-**

- i. The incurring of capital expenditure of more than £100,000 up to a limit of £500,000.
- ii. Subject to (b) below, to approve additional capital expenditure or overspending above £50,000 when the additional expenditure has not been provided in the estimates, when equivalent savings can be identified within the approved estimates.
- iii. Subject to (b) below, to approve additional revenue expenditure or overspending of £50,000 or more when the additional expenditure has not been provided in the estimates, when equivalent savings can be identified within the approved estimates.
- iv. Determining the level of any fee or charge (including a new fee or charge or reduction in an existing fee or charge), where first any fee or charge is otherwise than in accordance with RPI or secondly where the Director of Finance and IS believes there are corporate policy implications in the proposal.

b. In consultation with the **Director of Finance and IS:-**

- i. Overspending on an approved contract sum above the greater of £1,500 or 0.5% (capital) or 5% (revenue) up to the greater of a limit of £5,000 or 0.5% (capital) or 5% (revenue).
- ii. Payments of grants to voluntary bodies including clubs and societies above £5,000.

c. In consultation with the **Director of Finance and IS:-**

The purchase or leasing of any computer hardware or software, or other similar equipment above £100,000.

d. Consultation

To finalise the city council's comments on any matter where the city council is a consultee.

2. | **TO THE DIRECTOR OF REGENERATION :-**

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Deleted: DEVELOPMENT CONTROL MANAGER

a. Except in respect of applications where the Development Control Manager has outright delegation, to grant or refuse all applications for planning permission or other consents under the town and country planning legislation (including for hazardous substances), which are not a departure from the Development Plan or do not have implications for the council's general policies. For the avoidance of doubt, this includes the granting of operative, planning resolutions for city council development and when the decision would be contrary to views expressed by statutory consultees or material planning representations received as a result of publicity given to the proposals.

b. Approve minor changes to conservation area boundaries.

c. To determine complaints received in respect of high hedges and to take such other action under Part 8 of the Anti-Social Behaviour Act 2003 as may be appropriate.

d. To grant or refuse applications for telecommunications code operator proposals under part 24 of the Town and Country Planning General Development Order. This power is subject to consultation with the chair, vice-chair and opposition spokesperson (or their nominees) of the Planning Committee when the proposed decision would be contrary to views expressed by statutory consultees or representations received as a result of publicity given to the proposal.

Deleted: development control committee

e. The closure or restriction of rights over any highway, other than closures under Section 14 or 16A of the Road Traffic Regulation Act 1984.

f. Except in respect of traffic regulation orders where there is outright delegation, to approve, vary or otherwise deal with traffic regulation orders where objections have been received and have not been subsequently withdrawn.

g.

3. | **TO THE DIRECTOR OF HOUSING AND PROPERTY SERVICES ,**

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In respect of proposals affecting property held under the Housing Revenue Account:-

a. To approve the principle of disposal of land and premises;

b. To grant leases or licenses to occupy land or buildings for up to seven years at less than the best rents reasonably obtainable;

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- c. The appropriation of land and property between holding powers, subject to consultation with the relevant chief officer and the Director of Finance and IS.
- d. To agree offers for or exchanges of land.
- e. In consultation with the Director of Regeneration to give permission for installation of communications services and services equipment, electricity sub-stations and other minor works or wayleaves in or on any council premises or land under their management.
- f. To agree terms for the variation of covenants for land and property previously sold by the council.

**Deleted:** Development Control Manager and the Director of Transport, Environment and Business Support

**Deleted:** his

#### 4. TO THE MONITORING OFFICER

- a. To settle claims made against the council up to £50,000 and in respect of industrial injuries, up to £250,000.
- b. To prepare and complete deeds of release in respect of covenants which are no longer applicable.

**Deleted:** <#>TO THE DIRECTOR OF TRANSPORT, ENVIRONMENT AND BUSINESS SUPPORT AND ASSISTANT DIRECTOR OF CULTURE AND CITY DEVELOPMENT (PLANNING) IN CONSULTATION WITH EACH OTHER¶

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#### 5. TO THE LOCAL DEMOCRACY MANAGER

To make member and officer level appointments to outside bodies and organisations on those occasions when time does not permit the appointment to be made at a council meeting or by the appropriate portfolio holder.

#### 6. TO THE DIRECTOR OF HR, AUDIT AND PERFORMANCE

To approve the harmonisation of corporate personnel and related policies in force in PCC and HCC, and to approve any review of existing (or introduction of new) human resources policies, after appropriate consultative procedures have been followed.

**Deleted:** LEGAL

**Deleted:** PROCUREMENT

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The powers, duties and functions were revised under council Minute 71/07.

Delegation of decision making to officers

1	Chief Executive	
2	City Solicitor <u>and Deputy Chief Executive</u>	
3	Director for Finance and IS	
4	Director of HR, <u>Audit</u> and <u>Performance</u>	Deleted: Legal
5	Director of Property	Deleted: Procurement
6	<u>Director of Regeneration</u>	Deleted: 6
7	Director of Culture	Deleted: and City Development
9	Director of Community and Communication	Deleted: 8
10	Director of Adult Social Care	
11	Director of Children's Services	
12	Director of Public Health	
14	<u>Director of the Port</u>	Deleted: 13
		Deleted: The Port Manager



Scheme of delegation to officers
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The Chief Executive and Deputy Chief Executive with responsibility for the directorates have concurrent powers to act in respect of the delegations set out below.

The delegated powers are subject to the terms of the following general conditions:

1. All delegated functions shall be deemed to be exercised on behalf of and in the name of the council, or the Cabinet, as the case may be.
2. The exercise of a delegated power shall:
  - a. be in accordance with the city council's adopted policies
  - b. not amount to a new policy or extension ~~or amendment of an existing policy~~
  - c. be subject to the requirements of standing orders, financial rules, contract procedure rules and HR policies
3. An officer to whom a power is delegated may nominate or authorise another officer of the council to exercise that power. The term director and officer includes the chief executive and deputy chief executive, as appropriate.
4. Any reference to any act of parliament includes reference to regulations or subordinate regulations made under that Act.
5. References to any sum shall be increased annually by reference to such inflation index as the Director of Finance and IS considers appropriate. The Director of Finance and ~~JS~~ shall notify the directors annually of the relevant sums.
6. Where the exercise of powers is to be subject to prior consultation with another officer, that officer may give his or her views in general terms in advance to apply to any particular circumstance, to remove the need for consultation for each proposal.
7. Delegation to officers is subject to -
  - a. the right of the council, the Cabinet or any committee to decide any matter in any particular case (the officer may in any case in lieu of exercising his/her delegated power refer to the Cabinet or a committee for decision)
  - b. any restrictions, conditions or directions of the Cabinet or a committee

**Deleted:** of an

**Deleted:** Information Service

**Delegation to Directors**

**General**

These powers may be delegated by the directors to another officer.

**Financial Management**

1. To incur routine revenue expenditure. (For the avoidance of doubt 'routine' expenditure includes items of a repetitive and largely unvarying nature such as purchase of minor office equipment and materials).
2. To incur non-routine revenue expenditure within the budget.

**Staffing within Directorate**

1. To appoint staff.
2. To approve contractual arrangements for staff.
3. To apply the Council's HR policy with regard to staff employed within the directorate remit with regard to appointments, dismissal and redundancy.
4. Confirmation of appointments on completion of probationary period.
5.

**Deleted:** planned overtime.

**Deleted:** To approve flexible working arrangements in accordance with the Council's policies.

**Deleted:** <#>¶

**Miscellaneous**

1. Where appropriate, to submit tenders and quotations and to undertake the supply of goods and services to other Local Authorities and public bodies in so far as such goods and services can be provided within the existing resources of their departments, subject to consultation with the city solicitor on the terms of any proposed contract.
2. To exercise the council's statutory powers of entry, of requisitioning information, and of executing work in default and recovering costs where appropriate, in connection with or for the purpose of carrying out any function delegated to an officer (including enforcement of any decision of the council taken under delegated powers or otherwise).
3. To apply for planning permission and any other necessary planning consents for development by the council in connection with or for the purpose of carrying out any function delegated to an officer.
4. To sell surplus vehicles, stores and other equipment for the best price obtainable and to write-off any such items which have become unfit for use and of no value, in accordance with agreed Council policy.
5. Following an investigation into a complaint, to make an ex-gratia/ compensation payment up to a limit of £2,000 for any one case, or in agreement with the Monitoring Officer for an amount in excess of £2,000, and to advise the relevant Cabinet Member or Chair of any such payment.
6. To award contracts within agreed budgets and in accordance with Council policies.

**Emergencies**

If the Council needs to act urgently in any matter including, without limitation, complying with the Emergency Response Plan and other council response plans or taking any action under new legislation of powers, the Chief Executive may authorise any action taken or expenditure occurred as necessary. A Director may act in the place of the Chief Executive where the Chief Executive is unwell, unobtainable or where there is no Chief Executive in post. The Chief Executive, or Director as appropriate, may delegate responsibility to another nominated Officer where it is considered appropriate.

**TO THE DIRECTOR CONCERNED AFTER CONSULTATION WITH THE DIRECTOR RESPONSIBLE FOR HR, AUDIT AND PERFORMANCE**

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1. To appoint and dismiss staff below Chief Officer level.
2. To act as the authorising officer for the use of covert surveillance under the Regulation of Investigatory Powers Act 2000.
3. To refer cases of suspected dishonesty on the part of council employees to the police for investigation after consultation where necessary with the City Solicitor.

**TO THE DIRECTOR CONCERNED IN CONSULTATION WITH THE DIRECTOR RESPONSIBLE FOR FINANCE AND INFORMATION SERVICE**

Deleted: <#>Following the completion of an IT salary benchmarking exercise, authority for resolving changes in the remuneration of IT staff in the computer services unit and information systems unit be delegated to the Director of Finance and Information Service and the Director of HR, Legal and Performance in consultation with the Chair, vice chair and opposition spokespersons of the employment committee.¶

1. To approve extensions of sick pay up to a maximum of 6 months.
2. To dispense with or relax the requirements for contracts to provide for liquidated damages and for indemnities.
3. To approve overspending on a contract sum up to the greater of £1500 or 0.5% (capital scheme) or 5% (revenue scheme). For amounts above this refer to MIS.
4. Subject to the following paragraph, to incur additional revenue expenditure or overspending up to the sum of £50,000 where estimate provision has not been made, but where equivalent savings can be found within the relevant budget heading.
5. To incur capital expenditure up to a limit of £100,000.
6. Subject to paragraph 3 above, to approve additional capital expenditure or overspending up to £50,000 when the additional expenditure has not been provided in the estimates, when equivalent savings can be identified within the approved estimates for the relevant portfolio or committee.
7. To determine the increase in any existing fee or charge where increases are proposed in line with RPI, subject to any rounding.
8. To add any supplementary credit approval (SCA) to the approved budget and to authorise its expenditure for the purpose allocated, subject to a report for information on the MIS on the receipt of the SCA and the subsequent action taken.

9. To purchase, lease or otherwise acquire Information Technology hardware, software or communications products or services up to a value of £100,000.

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## CHIEF EXECUTIVE

**The Chief Executive is also the Council's Head of Paid Service, which is a statutory function. For further details regarding this function, please refer to Section 4F of the Constitution**

1.
  - a. In the absence of the Chief Executive and Deputy Chief Executive, to nominate a director to exercise all or any of the functions of the Chief Executive during any absence of the Chief Executive, and to advise all councillors accordingly.
  - b. In the event of a vacancy in the office of a director, the Chief Executive is authorised to appoint another director or **senior** officer to act temporarily in his or her place and with the full delegated authority of the officer concerned, and to advise all councillors accordingly.
2. To appoint any officer as the proper officer, **where allowed by statute.**
3.
  - a. To authorise directors who wish to undertake lectures or write articles on issues arising solely or mainly from their employment, position and experience with the city council, to undertake the work associated with the preparation and delivery of such activities in normal working hours, subject to all fees being paid to the city council;
  - b. To authorise directors to lecture at a College or other establishment throughout a collegiate year.
4. **Pursuant to the statutory appointment of Electoral Registration Officer to appoint any officer(s) as Deputy Electoral Registration Officer with full or partial powers in accordance with Section 52 (2) of the Representation of the People Act 1983.**

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**Deleted:** <#>Other than the appointment of the s.151 officer or Monitoring Officer, appoint another officer to conduct disciplinary proceedings in any general or specific case where the Chief Executive considers it inappropriate for a director to conduct those proceedings.¶

**Deleted:** , authorised officer or appointed officer under any provision in a statute or statutory instrument

## CITY SOLICITOR AND DEPUTY CHIEF EXECUTIVE

The City Solicitor is also the Council's statutory Monitoring Officer. For details of this function please refer to Section 4F of the Constitution

1. To take the opinion of counsel or instruct counsel.
2. To be responsible for the conduct and investigation into complaints against councillors under the arrangements approved by Council.
3. To institute and conduct any prosecution or any other legal proceedings on behalf of the council.
4. To defend any proceedings against the council and to counterclaim for damages or other relief
5. To settle claims made against the council up to a limit of £50,000, or to seek damages or other relief for any amount, and in the event of claims arising out of industrial injury to settle claims up to £250,000 and the relevant cabinet member or chair to be advised periodically of claims that have been settled. In the event of a financial settlement of termination of employment, to agree this jointly with the Director of Finance and IS.
6. To represent the council at any meeting of creditors and to take any action that may be necessary to protect the council's interests in connection with company insolvency or personal bankruptcy.
7. To secure legal advice to, or to act in appropriate cases for, employees assaulted by members of the public in the course of their duties, where criminal proceedings might be justified and the police are not taking action.
8. To consider and take action including the service, variation or withdrawal of any statutory notice.
9. Subject to the above, to complete legal agreements on behalf of the Council.
10. To undertake the council's functions under the Commons Registration Act 1965, and where applications are well founded to apportion rights of common and to amend the commons register.
11. To secure the provision of and to manage a local land charges service, and to execute the council's functions under the Local Land Charges Act 1975.
12. To attest the council's seal.
13. To appear and to authorise any other officer to appear on behalf of the council, in the magistrates court, county court, or other appropriate court or tribunal.
14. To take such steps as shall be necessary in respect of any breach of any licensing requirements.
15. To make such consequential changes to the constitution as may be required to reflect legislative changes, council decisions or where required typographical alterations, in consultation with the Chair of Governance & Audit & Standards Committee.
16. To approve applications to fly flags.
17. To convene a special panel and appoint three members (in political proportionality) from the Governance & Audit & Standards Committee, as and when necessary, to deal with matters arising from a particular registration where individuals exercise their right to make representations under the Registered Homes Act 1984.

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**DIRECTOR OF HR, AUDIT AND PERFORMANCE**

1. Exercise of the discretion contained within the National Conditions for sick payment entitlements.
2. Extension of industrial accident pay (in consultation with the Director of Finance and IS).
3. Arrange insurance cover for the Council.
4. To implement the Council's disciplinary and grievance procedures in accordance with Council's Conditions of Service.
5. To make ex-gratia payments in respect of claims not exceeding £1,000 in respect of damage or injury resulting from the actions of clients looked after by the Council both in relation to young people and adults.
6. To approve compensation and other payments to all current and former employees of the Council (other than employees in maintained schools) by way of a settlement agreement in consultation with the relevant director to an amount not exceeding £50,000.
7. Honoraria
  - a. If honoraria payments of £1000 or over or paid to 5 or more staff for the same reason, then must be authorised by Director of HR, Audit and Performance. Director for HR, Audit and Performance must be consulted in advance and authorise the payment.
8. Acting up allowance
  - a. For periods of less than 4 weeks must be agreed in advance by the Director of HR, Audit and Performance.
9. Career Break Scheme
  - a. Consideration to be made initially by manager and then in conjunction with Director of HR, Audit and Performance.
10. Early termination of employment payments
  - a. Decisions on redundancy or early retirement in the interests of efficiency of the service of any member of staff other than those employed under JNC Conditions of Service will be taken by the relevant Director in consultation with the Director of HR, Audit and Performance and the Director of Finance and IS.
11. Emergency Management guidelines
  - a. The decision to implement this policy will be undertaken by the Director of HR, Audit and Performance liaising with the Chief Executive or Deputy Chief Executive.
  - b. The decision to deactivate this policy will be taken by the Director of HR, Audit and Performance in consultation with the Chief Executive and subsequently communicated to managers.
12. Exit interviews
  - a. The Director of HR, Audit and Performance, the Deputy Chief Executive or Chief Executive will conduct the exit interview where an employee is on JNC for chief officer grade.
13. Flexible retirement
  - a. Staff on JNC Terms and Conditions of Employment

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**Deleted:** <#>To agree temporary posts provided costs are contained within service staffing budgets (in accordance with Council's Conditions of Service). ¶

<#>Employment of consultants to advise on specialist aspects of work within the relevant Service Area.¶

<#>Advertisement of staff vacancies within establishment (in accordance with the Council's recruitment procedures). ¶

<#>To fill a post without advertisement (in consultation with the relevant Director and appropriate Trade Unions). ¶

<#>Appointment of staff to posts below second tier. ¶

<#>Determination of starting point within grade. ¶

<#>To sign job offers and/or contract of employment for: ¶

¶

<#>Corporate Director appointments;¶

<#>Director appointments (by Chief Executive or responsible Director) ¶

¶

<#>To agree flexible contracts, homeworking and term-time working (in consultation with relevant Director and appropriate Trade Unions). ¶

**Deleted:** <#>Approval of car purchases and car leases in accordance with Council's Conditions of Service and the Council's relevant policies (in consultation with the Director of Finance and IS). ¶

**Deleted:** <#>Approval of application of Council Service Related Additional Payments Scheme. ¶

<#>Approval of variations to Council payment schemes (in consultation with employee representatives). ¶

**Deleted:** <#>To sign contracts for external employment services within approved budgets (with agreement of Corporate Director or Officer delegated by one of these). ¶

**Deleted:** <#>General organisation of services within policy laid down by Council. ¶

**Deleted:** who are covered by section 37 of the Education Act 2002)

**Deleted:** Head of Service**Deleted:** 10

**Deleted:** For amounts over £10,000 to approve compensation in consultation with the relevant Director and appropriate Trade Unions). ¶

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- i. Where flexible retirement results in a pension strain cost or the reduction in salary following 'retirement' is less than 20%, approval will be required by the Employment Committee. The Director responsible for HR or his / her representative will present a report to the committee detailing the facts of the case.
- b. All other staff
  - i. For approval where there is no pension strain and the reduction is met - line manager and relevant director.
  - ii. For approval where there is a pension strain and /or the reduction is not met - Director and Director of Finance and IS.

#### 14. Grading

- a. Grades for posts will be assessed under the JESS job evaluation scheme.
- b. There will be a delegation to directors in consultation or with the agreement of the Director of HR, Audit and Performance to ensure equity of treatment and effective process.

#### 15.

#### 16. Policies

To manage and approve any deviation from the following policies:

- a. Ill health retirement;
- b. Job share
- c. Recruitment and retention
- d. Relocation
- e. Special leave

#### 17. Staff Joint Committee consultation

- a. On the employer's side, the Director of HR, Audit and Performance (or nominated deputy) shall attend.

#### Audit Function

- 1. To refer cases of suspected dishonesty on the part of council employees to the police for investigation after consultation where necessary with the City Solicitor.

**Deleted:** Legal and Procurement

**Deleted:** Ill health retirement¶  
 <#>Employees have two routes of appeal against the initial decision:¶  
 <#>Appeal against the decision of PCC to dismiss;¶  
 <#>Appeal against the ill health retirement pension decision which is made using the Internal Dispute Resolution Procedure (IDRP).¶  
 <#>Final decision should be made in consultation and agreement with the Director of HR, Legal and Procurement.¶  
 ¶  
 <#>Job share¶  
 <#>All posts are open to job sharing unless a case for their exemption is made and accepted by the Director of HR, Legal and Procurement. Exceptions are rare and will only be granted in exceptional circumstances.¶  
 ¶  
 <#>Recruitment and Retention¶  
 <#>All proposed solutions for recruitment and retention will be consulted and agreed with the Director of HR, Legal and Procurement.¶  
 ¶  
 <#>Relocation scheme¶  
 <#>Employees to whom this benefit applies will normally be expected to move within 26 weeks of taking up their appointment. This period may be extended by a further 26 weeks with the approval of the relevant director and the Director of HR, Legal and Procurement.¶  
 ¶  
 <#>In exceptional circumstances the 26 weeks separation allowance may be extended to a maximum of 52 weeks at the discretion of the service manager in consultation with the Director of HR, Legal and Procurement.¶  
 ¶  
 <#>Special leave¶  
 <#>Up to 4 weeks unpaid leave may be authorised by the line manager. ¶  
 Over 4 weeks unpaid leave must be discussed with the relevant senior manager in HR and authorised by the relevant director.

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**DIRECTOR OF FINANCE AND IS****Deleted:** NFORMATION SERVICE

**The Director of Finance and IS is also the Council's statutory Section 151 Officer and for his functions in that capacity see Section 4F of the constitution.**

**Finance Function**

2. To write off debts above £500 which are considered to be irrecoverable or not economically recoverable.
3. To approve the payment of pension costs.
4. To pay all increases in salaries, wages, fees or allowances approved in national negotiations where these are mandatory or which have otherwise been approved by the city council.
5. To grant rate relief.
6. Council Tax and NDR Rates
  - a. The power formally to request information from and to identify persons liable to pay Community Charge council Tax or national non-domestic rate.
  - b. The powers to impose and quash penalties for failure to supply information or for supplying inaccurate information or for similar acts or omissions.
  - c. Power to reduce or remit the National Non-Domestic Rate in cases of hardship and to determine applications for discretionary charitable rate relief.
7. To pay members remuneration allowance **and** travelling allowances as approved by Council.
8. To make deductions from employees' pay on behalf of approved bodies or trade unions in return for a suitable service charge.
9. Where an employee is absent from work as a result of personal injury, to make payments of sick pay for a period not exceeding the sickness allowance to which the employee is entitled under the national sick pay arrangements, subject to the employee signing an appropriate undertaking with regard to possible third party claims, and completing an accident report.
10. To make deductions from employees pay for salary sacrifice schemes.
11. To **approve** applications for the transfer of mortgaged properties.
12. To **recover** sums due to the city council.
13. **I**.
14. To collect all income due to the city council.
15. To raise loans and issue bonds as required, which have been authorised by the council to meet capital and revenue requirements by such methods and on such terms as considered necessary.
16. To approve or refuse applications for repayment of bonds and mortgage loans.
17. To **manage the Insurance Fund**.
18. To release funds from the contingency provision within the limits set out in the financial rules.
19. The powers and duties of the city council with regard to the demand, collection and recovery of community charges, council tax and the national non-domestic rate, and all other income due to the city council.
20. To lend surplus funds.
21. To approve changes in the interest rate of mortgaged properties and give notice of changes.
- 22.** To authorise jointly with the **City Solicitor** financial settlements on termination of employment.

**Deleted:** ,**Deleted:** and subsistence**Deleted:** deal with**Deleted:** act on instructions from directors to

**Deleted:** S151 Officer to authorise, from time to time, in accordance with Regulation 24 of the Valuation and Community Charges Tribunals Regulations 1989 any proceedings before such a Tribunal and in accordance with Section 223 Local Government Act 1972 to initiate or appear on behalf of the council in any proceedings before the Magistrates Court in connection with the Community Charge, council Tax or National Non-Domestic Rate, for officers of the Council to represent the Council in such proceedings.

**Deleted:** arrange insurance cover for the council.**Deleted:** city**Deleted:** solicitor

### Internal Audit

In accordance with the Local Government Act 1972, the Accounts and Audit Regulation 2015 specifically requires that a relevant authority must have an effective internal audit function excluding the Annual Internal Audit Opinion, this being specifically delegated to the Chief Internal Auditor.

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### IS Function

23. To ensure that the following arrangements meet the required security standards and that the intended systems are compatible with the Council's technical standards and infrastructure:-

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- a. to authorise where data is to be hosted external to the PCC infrastructure (i.e. in the Cloud);
- b. to authorise the purchase of systems that are to be hosted on the PCC infrastructure

24. The Director of Finance and IS, or his delegated representative, to authorise any departure from standards regarding point 25 above. The determination and interpretation of adherence to standards is at the sole discretion of the Director of Finance and IS or his delegated representative.

### Procurement Function

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### 25. Tenders / Contracts

General supervision and progressing of contracts.

Execution of work and invitation for and acceptance of tenders for recurring or non-recurring items provided for in the approved annual revenue estimates and estimates for the General Housing Repairs Fund, except items reserved by the Cabinet for further approval.

Acceptance of tenders for demolition works approved by the Cabinet or Full Council.

Acceptance, renewal and variation of maintenance contracts for installed equipment within the approved estimates.

To determine the selling prices of goods and services in relation to trading activities.

26.

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**DIRECTOR OF PROPERTY AND HOUSING**General

1. To manage the repair and maintenance of all council property and land enabling the council to maintain and improve its properties as appropriate in accordance with the council's asset management strategy including but not limited to response repairs, void repairs, planned and cyclical maintenance.
2. To be responsible for the management and development of council assets, included but not limited to lease management, adaptation, acquisition, the direct construction of assets and disposal to third parties.
3. To manage the council's housing estates and the dwellings on them, including the allocation of accommodation and exercise the council's powers as a housing authority
4. To approve the appropriation of assets between the Housing Revenue Account and the General Revenue Account.
5. To dispose of vacant or tenanted properties where the market value is greater than £250,000 by way of private treaty or public auction, where the principle of disposal has been agreed by the city council.
6. To agree terms for the variation of covenants for land and property previously sold by the council.

Management of corporate assets

1. To agree leases up to a term of 150 years and licence non-residential properties including land at the best rents obtainable.
2. To grant, building agreements, licences, easements and wayleaves.
3. To serve notices under the Landlord and Tenant Act 1954 to determine leases with a view to renewal on fresh terms.
4. To serve notices under Part II of the Landlord and Tenant Act 1954 where the council wishes to oppose the grant of new tenancies or wishes to protect future interests as a tenant of leased property.
5. To agree surrender and lease renewal transactions including leases of up to 150 years.
6. To service Section 146 notices under the Law of Property Act 1925, in situations where breach of covenants of commercial leases occur and where appropriate to regain possession by means of peaceable re-entry.

**Deleted:** Acquisition, disposal, investment and development

¶  
 <#>To identify and assess opportunities for asset development and investment including the management and chair of the asset development board ¶  
 ¶  
 <#>To provide market advice (including tenant demand, price, availability, type of transaction) to inform wider development decisions ¶  
 ¶  
 <#>To provide all valuation advice regarding development and investment (including assessments of existing use) ¶  
 ¶  
 <#>To undertake asset acquisitions and disposals ¶  
 ¶  
 <#>To carry out all functions required to manage the Council's property investment fund including but not limited to acquisition and disposal of assets in and out of the fund, management, appointment of consultants and annual performance reporting. ¶  
 ¶  
 <#>To assist the Property & Housing Finance Manager in modelling and assessing financial appraisals ¶  
 ¶  
 <#>To maintain and update the Asset Development Programme plan ¶  
 ¶  
 <#>To provide relationship management of key public sector ...

**Deleted:** <#>In consultation with the city solicitor, to accept blight notices which s/he considers to be valid and which are served in respect of properties affected by city council proposals. ¶

¶  
 <#>Where the council has resolved to make a compulsory purchase order, to settle terms for the purchase of property within the relevant approved budget. ¶

¶  
 <#>To make payments on account of up to 90% of estimated compensation for compensation in relation to claims for the value of interests in property and claims for disturbance, where the council have resolved to make a compulsory purchase order. ¶

¶  
 <#>In conjunction with other officers concerned, to settle claims not exceeding £5,000 for compensation under Section 596 of the Housing Act 1985 and under the provisions of the Land Compensation Act 1973. ¶

¶  
 <#>To agree terms for the acquisition of freehold or leasehold interest, where funding has been approved. ¶

¶  
 <#>In consultation with the Director of City Development and Culture and the Director of Transport, Environment and Business Support to give permission for installation of communications services and services equipment, electricity sub-stations a ...

7. To approve the lettings of any premises under the control of the council to approved, non-profit making organisations, including charities at less than market value, after consultation with the appropriate chief officer.
8. To undertake all functions appropriate to the management of property held under trust by the city council including authority to agree with and submit to the Charity Commissioners 'schemes' relating to the future management or disposal of such property.
9. To authorise the termination of any lease, licence, easement, or wayleave to use or occupy non-residential land and property.
10. To grant service tenancies of council owned land and buildings.
11. To place orders for reactive maintenance and emergency works to council owned buildings and structures.
12. To settle claims and requests for ex-gratia payments not exceeding £1,500 subject to the city solicitor being satisfied that the council are likely to be legally liable.
13. To represent the council in proceedings before the courts including but not limited to:
  - a) To make proposals for the alteration of the valuation list.
  - b) To serve notices of objection concerning proposed assessments of hereditaments.
  - c) To enter into agreements as to the proposed assessments of hereditaments.
  - d) To secure alteration, inclusion or deletion of any rating assessment of property owned or occupied by the council.
  - e) The power to appeal (if such be given to the council) against any valuation banding.
14. Recovery of costs - Where services are provided externally to the Council, the power to recover the full cost of the provision of those services.
15. Work on behalf of other public bodies - Power to carry on work on behalf of other public bodies.
16. To determine the selling prices of goods and services in relation to trading activities.
17. To agree terms of disposal for areas of land and vehicular access rights to owners or tenants who are in the process of purchasing their council house.

#### Mortgages

1. After consultation with the City Solicitor and Director of Finance and Information Service, to approve lettings of property in mortgage to the city council on terms that do not adversely affect the council's interests as mortgagee.
2. Where a mortgagor of the council fails to comply with any covenants in his legal charge (other than those relating to payment of principal and interest) after written warning of the default, to authorise the city solicitor to institute proceedings for

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possession of the mortgaged security; and where appropriate jointly with the Director of Finance and Information Services, and city solicitor to exercise the council's power of sale under the legal charge.

3. To instruct the City Solicitor where a property is in mortgage with the city council and an order for possession has been granted for mortgage arrears:
  - a) To arrange for re-possession of the property,
  - b) To arrange for disposal on the open market at the best price reasonably obtainable, and
  - c) To complete the disposal

#### Housing Property Management

1. To grant or refuse requests for the inclusion of other land with premises where the secure tenant is exercising the right to buy and to serve appropriate notices, under Section 184 of the Housing Act 1985.
2. To grant or refuse requests received from tenants purporting to exercise the right to exchange under Section 92 of the Housing Act 1985.
3. To prepare and serve all appropriate notices under Part IV of the Housing Act 1988 in respect of land held for Housing purposes.
4. To serve notices of seeking possession or notices to quit on tenants of council dwellings in rent arrears or otherwise in breach of their tenancy agreements or on the President of the Probate Division where the tenant has died and subject to any right of succession.
5. In consultation with the city solicitor to take legal proceedings for the possession of council dwellings and/or for the recovery of rent arrears.
6. To decide when to grant tenancies where no statutory right of succession applies.
7. To deal with tenants' requests to carry out improvements to their dwellings under the Housing Act 1985.
8. To settle unpaid accounts with utility companies under Section 33 Local Government (Miscellaneous Provisions) Act 1976.
9. Authority to approve where reasonable or refuse assignments and offer secure tenancies to the assignees under the Housing Act 1985, Section 91.
10. To supply indemnities, under Section 442 of the Housing Act, 1985 to building societies and other recognised bodies in appropriate cases.
11. To make all payments to tenants of city council accommodation for home loss, disturbance, removal and allied expenditure involved in either temporary or permanent moves.
12. In respect of the under-occupation of houses to make payments to city council tenants in accordance with the council's approved scheme.

13. To manage the council's housing estates and the dwellings on them, including the allocation of accommodation and exercise the council's powers as a housing authority for that purpose.
14. To administer the sale of council dwellings under the 'right to buy' provisions, including the determination of applications for the waiver of any requirement to repay discount.
15. To repurchase suitable ex-council properties, including leasehold flats.
16. To agree nomination rights under schemes to be carried out by social housing landlords.
17. To enter into contract for tenancy related support services.
18. To enter into contracts or leases to provide temporary homelessness accommodation.
19. To serve Notices under Section 146 Law and Property Act 1925 on its long leaseholders who are in breach of the lease.
20. In respect of tenancy relation issues:
  - a) To take action, including the service of notices, in respect of the unlawful eviction of tenants and the harassment of occupiers of tenanted property.
  - b) To take action, including the service of notices, to obtain information, rent books, insurance arrangements and other documents relating to tenanted property.
  - c) To take action under the rent acts to recover from landlords sums paid in excess of recoverable rents.

#### Housing Standards

1. Where the council have approved the repair, refurbishment or improvement of an asset and the relevant expenditure, to enter into contract and discharge the functions required to complete the work to the asset.
2. In his discretion authorise repairs which the city council does not have a statutory obligation to carry out.
3. To exercise the council's powers and duties in respect of the following:
  - a) sanitation, sanitary conveniences and appliances in buildings and workplaces, drains, sewers, water closets cleansing, decorating or cleaning filthy or verminous premises, cleansing or destruction of filthy or verminous articles, accumulation of rubbish, neglected sites, prevention of damage by pests, food storage accommodation, defective premises, ruinous and dilapidated buildings, protection of unoccupied buildings and structures, and statutory nuisances.
  - b) repairs notices, deferred action notices, closing orders, demolition orders, standards of amenity provision, overcrowding of dwellings, management and

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means of escape from fire in houses in multiple occupation, including enforcement, determination and variation of any notices, orders and directions, and the power to execute work.

4. To approve or refuse grants for improvements and repairs, applications for improvement loans, and home insulation grants and loans.
5. Recovery of costs - where services are provided externally to the council, the power to recover the full cost of the provision of these services.
6. Work on behalf of other public bodies - power to carry on work on behalf of the public bodies.
7. To agree terms for rights of light and air affecting council property.
8. To exercise the council's powers and duties in respect of the following:
  - a) sanitation, sanitary conveniences and appliances in buildings and workplaces, drains, sewers, water closets cleansing or destruction of filthy or verminous articles, accumulation of rubbish, neglected sites, prevention of damage by pests, food storage accommodation, defective premises, ruinous and dilapidated buildings, protection of unoccupied buildings and structures, and statutory nuisances.
  - b) All relevant parts of the Housing Act 2004 including, enforcement, notice of entry, determination of works and variation of any notices, orders and directions, and the power to execute the work, with or without the permission of the homeowner. Power to set amenity provision and space standards for houses in multiple occupation. And subject to consultation with the appropriate executive member over the level of fees to be charged for any aspects of cost recovery available within the Housing Act 2004.
  - c) To license any mobile home site as required and in consultation with the appropriate Executive Member, set a reasonable fee for doing so.
  - d) Maintain a list of and sample any private water suppliers within the area, as required by the Private Water supply regulations. In consultation with the appropriate Executive Member, set a fee for undertaking this work.
  - e) Supply of public utility services to tenanted dwellings including in consultation with the City Solicitor the recovery of costs incurred.
9. In respect of tenancy relation issues:
  - a) To take action, including the service of notices, to obtain information, rent books, insurance arrangements and other documents relating to tenanted property.

- b) To take action under the rent acts to recover from landlords sums paid in excess of recoverable rents.

10. In respect of private sector housing policy -

- a) To establish (in consultation with the executive member) a waiting list with suitable criteria for grant applications outside action areas; and to report this for information on MIS
- b) To extend the agency service to householders wishing to improve their properties but who are not eligible for grant aid initially within the proposed Action Area)
- c) To initiate action in any of the areas listed in housing minute 50/97 in a sequence which will best maintain approved levels of annual expenditure, following consultation with the appropriate executive Member. To develop an approved builders scheme
- d) To consider and determine -
  - a. Applications for mandatory disabled facilities grants;
  - b. Applications for renovation grants; HMO grants; common parts grants; and home repair grants.
- e) To approve, in consultation with the appropriate executive Member, changes to the weighting of the criteria used for the assessment of renovation grants where the application is made by a landlord.

11. To exercise the council's powers and duties to appoint authorised officers and authorised persons for any purpose within the responsibilities of the Director.

12. As part of the private sector housing strategy to operate and manage a home improvement service;

Repair and Maintenance of Council Assets and Land

- 1. To carry out the right repair at the right time to Council assets within the appropriate scope of service that ensures the Council meets customer demand for the repairs and maintenance service.
- 2. To undertake all of the Council's statutory asset repairs and maintenance obligations and maintain appropriate records including but not limited to the following:
  - a. Gas safety inspection and servicing in accordance with the Gas Safety (Installation & Use) Regulations 1998
  - b. Electrical inspection in accordance with the Landlord and Tenant Act 1985

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- c. Legionella testing in accordance with the Approved Code of Practice L8 (The Control of Legionella Bacteria in Water Systems) of all communal water systems and large water storage tanks
  - d. Passenger lifts and stairlifts servicing in accordance with general health and safety legislation including the Lifting Operations and Lifting Equipment Regulations 1998 (LOLER)
  - e. Fire risk assessments and prevention in accordance with the Housing Act 2004 and the Regulatory Reform (Fire Safety) Order 2005
  - f. Asbestos management in accordance with the Control of Asbestos Regulations 2012
  - g. Housing health and safety rating in accordance with the Housing Act 2004
- 3. To maintain and regularly review an asset management strategy and business plan for all Council assets.
  - 4. To assess the condition of the Council's assets, develop asset management plans and undertake schemes to meet demands to maintain and improve Council assets.
  - 5. To maintain and update asset management plans for Council assets including but not limited to planned maintenance of assets, structural work to non-traditional properties, energy performance of assets, environmental improvements, mechanical and electrical services to installations and sites suitable for potential development.
  - 6. To continually assess and utilise all Council assets to provide suitable assets to meet customer demand when needed including but not limited to refurbishment, change of use, reconfiguring layouts, disabled adaptations, improving energy performance, area regeneration and environmental improvements..
  - 7. To maintain a bespoke repairs and maintenance stock database that will capture all the relevant data required to enable measures to support the management of the repairs and maintenance service.
  - 8. To evaluate all Council assets and assess the financial benefits to the Council including vacant dwellings, this can include but not limited to the development of land including garage and parking sites, the conversion of existing buildings, the sale and acquisition of properties.
  - 9. To recruit, train, support and develop the skills of the repairs and maintenance teams to meet the demands they receive and provide a complete in-house surveying service.
  - 10. To assess the most appropriate procurement route that will enable a contractor to be appointed that provides value for money for the specific project or service required to include but not limited to using existing service providers, gaining quotes, utilising an agreed select list or tenders utilising a framework contract or tendering a specific one off contract.

11. To enter into contract with a contractor to provide a repairs and maintenance service or undertake a specific project in accordance with the Council financial rules and standing orders.
12. To accept the surrender of contracts for a repairs and maintenance service or specific project and seek novation, assignment or procurement of work elsewhere for completion as appropriate.
13. To enter into contract with a consultant to provide specialist surveying services and advice as appropriate where it is not proportionate to provide the service in-house or there is insufficient capacity including but not limited to building surveys, architect and design services, measured surveys, structural surveys, mechanical and electrical design, asbestos surveys and energy surveys.

#### Clean City

1. Cleansing or destruction of filthy or verminous articles, accumulation of rubbish, neglected sites, prevention of damage by pests, food storage accommodation, defective premises, ruinous and dilapidated buildings, protection of unoccupied buildings and structures, and statutory nuisances.
2. To exercise the council's powers and duties including serving notices and taking appropriate action in respect of the following:  
Collection, disposal and treatment of controlled waste; receptacles for housing hold waste; commercial or industrial waste; disposal of waste collected; payments for recycling and disposal of waste; powers for recycling waste; powers to require removal of waste unlawfully deposited; removal and disposal of abandoned vehicles.
3. To exercise the council's powers and duties including:
  - a. The power to appoint inspectors and authorised persons.
  - b. (subject to consultation with the city solicitor, to institute legal proceedings and to represent the council in appropriate cases).
4. To grant or refuse consents, to serve notices and take any necessary action including recovery of costs in respect of the following:
  - a. Assertion and protection of public rights to use of highways.
  - b. Unlawful damage or disturbance to highways and footways, unauthorised marks on highways.
  - c. Control of deposit and removal of builders' skips.
  - d. Planting trees in or near the highway.
  - e. Removal of deposits on the highway.
  - f. Snow clearance.
  - g. Prevention of soil or refuse being washed out in the street.
  - h. Removal of projections from buildings.
  - i. Trees, shrubs, hedges overhanging the highway, or which are dangerous.

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- j. Prevention of water falling on or flowing on to the highway.
  - k. Barbed wire fences.
  - l. Dangerous land adjoining street.
  - m. Control of deposit of building materials.
  - n. Making of excavations in streets.
  - o. Construction of fence/hoarding, or other structure in connection with erection or demolition of building.
  - p. Privately owned bridges.
  - q. Construction of buildings over highways.
  - r. Erection of apparatus across a highway.
  - s. Construction of cellars under a carriageway of a street.
  - t. Cellars and opening under streets and pavement lights and ventilation.
  - u. Vehicle crossings over footways and verges.
  - v. Repairs to private streets.
  - w. Encroachments in, on or over the public highway.
5. To exercise the council's powers and duties including serving notices and taking appropriate action in respect of the following:
- a. Offence of leaving litter; summary proceedings by litter authority; Duty to keep public registers; Powers in relation to abandoned shopping and luggage trolleys including the power to authorise officers to carry out functions under Section 99 and schedule 4 of the EPA 1990; restrictions on the importation etc of waste; seizure, detention and disposal of stray dogs.
  - b. To enforce and otherwise deal with the offence of dog fouling, including authority to appoint 'authorised officers' (not necessarily under his direct managerial control of city council employees) to enforce the Portsmouth Dogs (Fouling of Land) Act Designation Order 1997 (as may be amended from time to time by Clean Neighbourhoods & Environment Act 2005 sec 59 and the Anti-social Behaviour, Police & Crime Act 2014 with regard to Community Protection Notices and Public Space Protection Orders).

Environment Enforcement Team Delegated Authority

Offence Type	FPN AMOUNT SET BY PCC or REPORTED FOR PROSECUTION ONLY
Littering	£75
Number of Dogs a person may have under their Control	<b>Not currently in force in Portsmouth and would require a change to the current control order</b>
Dog Fouling	£75
Dogs in Prohibited areas, off lead etc.	£75
Dog issues, off lead on designated highways.	<b>No FPN reported for prosecution only</b>
Aggressive Dog issues or without name tags	<b>No FPN reported for prosecution only</b>

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Dog issues on private land.	No FPN reported for prosecution only
Exposing Vehicles for sale on the road	Enforcement under taken by parking, (£100)
Repairing vehicles on the road	Enforcement under taken by parking <u>only</u> , (£100)
Fly Posting or affixing things on highways structures	<u>£75.00</u>
Presentation of Domestic Waste	£60 Civil Debit <u>+ costs</u>
Presentation of trade waste	£100
All Highways Issues affecting the PFI Contract (skips, building materials, damage to the highway, fly posting etc.)	No FPN available for any Highways Act 1980 offences but they must be reported for prosecution only
Obstructions of the Highway	No FPN available for this offence must be reported for prosecution only
Fly Tipping	<u>£400</u>
Duty of care Waste transfer documentation	£300
Waste Carriers Licence	£300
Sec 108 Investigation	No FPN available for this offence must be reported for prosecution only
Fly Posting (Private Land issues)	<u>£75</u>
Fly Posting (Highways)	<u>£75</u>
Graffiti	£75
Private Land and buildings issues which are detrimental to the amenity of an area. E.g. dumped waste on private land	No FPN available for this offence Issuing of notices requiring actions to be undertaken as laid out if not complied with must be reported for prosecution.
Prevention of Pests/vermin	No FPN available for this offence Issuing of notices requiring actions to be undertaken as laid out if not complied with must be reported for prosecution
Removal of waste from jointly owned private land	No FPN available for this offence Issuing of notices requiring actions to be undertaken as laid out if not complied with must be reported for prosecution
Sealing up of Dangerous Building/Land	No FPN available for this offence Issuing of notices requiring actions to be undertaken as laid out if not complied with must be reported for prosecution
Unauthorised Distribution of Literature.	£75
Litter abatement notice for statutory undertakers	No FPN available for this offence must be reported for prosecution only
Vehicles being used for advertising	No FPN available for this offence must be reported for prosecution only

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APPENDIX 2 TO THE MINUTES

PART 2 - SECTION 5A

People living in vehicles on the highway overnight	<b>No FPN available for this offence must be reported for prosecution only</b>
Community Protection Notices for Environmental & ASB issues	<b>£100</b>
Public Space Protection Orders	<b>£100</b>
<u>Householders Duty of Care</u>	<b><u>No FPN available for this offence at this time so must be reported for prosecution only, but FPN will be introduced in 2018</u></b> <b><u>£400</u></b>

## DIRECTOR OF REGENERATION

1. To grant or refuse consents, to serve notices and take any necessary action including recovery of costs in respect of the following -
  - a. Assertion and protection of public rights to use of highways
  - b. Unlawful damage or disturbance to highways and footways; unauthorised marks on highways
  - c. Control of deposit and removal of builders' skips;
  - d. Planting trees in or near the highway;
  - e. Removal of deposits on the highway;
  - f. Snow clearance;
  - g. Prevention of soil or refuse being washed into street;
  - h. Removal of projections from buildings;
  - i. Trees, shrubs, hedges overhanging the highway, or which are dangerous;
  - j. Prevention of water falling on or flowing on to highway;
  - k. Barbed wire fences;
  - l. Dangerous land adjoining street;
  - m. Control of deposit of building materials;
  - n. Making of excavations in streets;
  - o. Construction of fence/hoarding, or other structure in connection with erection or demolition of building;
  - p. Privately owned bridges;
  - q. Construction of buildings over highways;
  - r. Erection of apparatus across a highway;
  - s. Construction of cellars under a carriageway of a street;
  - t. Cellars, and openings under streets and pavement lights and ventilation;
  - u. Vehicle crossings over footways and verges;
  - v. Repairs to private streets
  - w. Licences for street works and new road
  - x. Encroachments in, on, or over the public highway.
  - y. The erection of Direction Signs by private individuals or outside bodies.
2. To take such action as is considered necessary to secure compliance with the provisions of the Rights of Way Act 1990.
3. To accept offers of land for dedication for highway purposes, and to carry out works or pay costs and expenses in adopting the land, up to a total of £5,000.
4. To approve the marking of the word "Entrance" or "Disabled" on the carriageway where requested by the occupants of premises, and to ask in the case of "Entrance" the occupant to meet its cost.
5. To decide any request for a disabled parking space where a car is not available but the applicant is clearly in need of assistance.
6. To object to the proposed naming of a street by developers or any other person.
7. To allocate street numbers to small infill developments in the city, and to allocate street names and building names.
8. Temporary restrictions:-
  - a. To authorise any necessary action in respect of temporary traffic restrictions for all purposes.
  - b. Power to set the level of fees payable by outside bodies for temporary restrictions undertaken on their behalf.

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9. Powers and duties in respect of traffic regulation orders where no objections are received to a proposed order or where an objection is received but subsequently withdrawn.
10. To agree terms for agreements with developers under Section 38 of the Highways Act 1980.
11. To agree terms for agreements under Section 278 of the Highways Act 1980 (contributions towards off-site highway infrastructure).

**Transport**

12. To operate and manage the city council's off street car parking.
13. To operate and manage on street pay and display schemes.
14. To exercise the council's powers and duties in respect of:-
  - a. the enforcement of traffic regulation orders, including the power to appoint civil enforcement officers
  - b. residents' parking schemes
15. The powers and duties under the Reservoirs Act 1975 including authorising the issue of statutory notices, entry upon land, and exceptionally, the taking of emergency action to protect persons or property.
16. To exercise the council's powers and duties as highway authority.

**17. Trading**

- a. To trade services within the directorate.
- b. To determine the selling prices of goods and services in relation to trading activities.

**18. Recovery of costs**

- a. Where services are provided externally to the Council, the power to recover the full cost of the provision of those services.

**19. Work on behalf of other public bodies**

- a. Power to carry out work on behalf of other public bodies.

**20. Coastal Flood and Erosion Risk Management / Drainage**

The council's functions in respect of coastal protection

- a. to exercise the Council's powers and duties in respect of the Flood and Water Management Act 2010 and Coast Protection Act 1949;
- b. to negotiate and authorise all necessary work with Government departments, statutory and non-statutory agencies and organisations to manage flood risk and drainage.

**21. Economic Development and Business Support**

**Deleted:** <#>to provide technical, professional and financial support to businesses and training / employment / learning organisations who are either operating, or wish to operate within the city and the sub-region;¶

- a. to enable activity by the Council or its agents to assist businesses and thereby stimulate economic growth, improve the city's skills base and individual and community prosperity.

### **Property Investment**

22. To take such steps as shall be considered necessary to protect the council's interest in land and property.
23. Acquire properties that provide long term investment in accordance with corporate objectives. To carry out all transactions required to manage the councils investment fund in line with the property investment strategy

### **Acquisition, disposal, investment and development**

24. To identify and assess opportunities for asset development and investment including the management and chair of the asset development board
25. To provide market advice (including tenant demand, price, availability, type of transaction) to inform wider development decisions
26. To provide all valuation advice regarding development and investment (including assessments of existing use)
27. To carry out all functions required to manage the Council's property investment fund including but not limited to acquisition and disposal of assets in and out of the fund, management, appointment of consultants and annual performance reporting.
28. To assist the Directorate Finance Manager in modelling and assessing financial appraisals
29. To maintain and update the asset development programme plan
30. To provide relationship management of key public sector partners in relation to property.
31. To provide property lead and support to all corporate projects and service reviews
32. Where the city council have approved a purchase and the relevant expenditure, to settle terms up to the approved figure.
33. Where the council have approved the direct construction of an asset and the relevant expenditure, to enter into contract and discharge the functions required to complete the development of the asset.
34. In consultation with the City Solicitor, to accept blight notices which s/he considers to be valid and which are served in respect of properties affected by city council proposals.

Deleted: <#>To undertake asset acquisitions and disposals ¶

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35. Where the council has resolved to make a compulsory purchase order, to settle terms for the purchase of property within the relevant approved budget.
36. To make payments for compensation in relation to claims for the value of interests in property and claims for disturbance, where the council have resolved to make a compulsory purchase order.
37. In conjunction with other officers concerned, to settle claims not exceeding £50,000 for land compensation.
38. To agree terms for the acquisition of freehold or leasehold interest, where funding has been approved.
39. To give permission for installation of communications services and services equipment, electricity sub-stations and other minor works or wayleaves in or on any council premises or land under his management.

**Deleted:** on account of up to 90% of estimated compensation

**Deleted:** £5,000

40. To dispose of freehold interests where the market value does not exceed £150,000.
41. To accept offers and to agree terms and conditions for the sale of land and property.

**Deleted:** <#>To agree terms for the disposal of land and premises (including disposal on a freehold or leasehold basis) where the council have approved the principle of disposal.¶

### Planning

42. To prepare and submit the local planning authority's views to,
  - a. internal parties within Portsmouth City Council, and
  - b. external parties responsible for policy formulation, including but not limited to commenting on consultation papers and assisting the policy formulation associated with government departments (except formal responses to draft and final versions of regional planning guidance).
43. To prepare and submit the local planning authority's views to working parties on implementation work related to statutory development plan issues affecting the whole or part of the local planning authority's area, to review any statutory development plan, to conduct the consultation, arrange the deposit of drafts, to consider proposed modifications and ultimately secure the adoption of required statutory development plans.
44. To prepare and submit the local planning authority's views to working parties, and policy formulation related to the preparation of minerals and waste policy (except resolutions to review the plan, the consultation and deposit drafts, proposed modifications and adoption of the plan).
45. To publish -
  - a. new planning advice or guidance notes and amend existing notes and to repeal the same where appropriate;
  - b. future heritage guideline documents.
46. To make, confirm or otherwise deal with Directions to create local restrictions on permitted development rights made under the Town & Country Planning legislation

**Deleted:** working parties, policy formulation and implementation work review the plan, the consultation and deposit drafts, proposed modifications and adoption of the plan

**Deleted:** and policy formulation related to the preparation of minerals and waste policy (except resolutions to review the plan, the consultation and deposit drafts, proposed modifications and adoption of the plan).

**Deleted:** comment on consultation papers and assist the policy formulation associated with government departments (except formal responses to draft and final versions of regional planning guidance).

relating to General Permitted Development, taking into account any representations received.

## **General Matters**

47. To determine -

- a. whether development would fundamentally conflict with or prejudice the implementation of any statutory development plan;
- b. whether development would materially conflict with or prejudice the implementation of any of the policies or general proposals of the NPPF or with a fundamental provision of a statutory development plan.
- c. all planning applications where they do not involve a departure from the development plan and where -
  - i. no adverse representations are received from statutory consultees;
  - ii. other representations are not based on material planning considerations; and
  - iii. no request has been received to attend committee as a deputation

d. whether any representations made are based on material planning grounds **in consultation with Highways:**

- i. whether a highway diversion and/or stopping-up order under the Town and Country Planning legislation should be made and subsequently confirmed where unopposed, or
- ii. whether a highways diversion and/or stopping-up order under the Town and Country Planning legislation should be referred to the appropriate appellate body for determination where opposed.

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48. Applications to register land on the Council's Assets of Community Value Register

49. Applications to register land as [Town and Village Green]

50. To prepare and submit -

a. Recommendations on any items before the Planning Committee

- b. the local planning authority's observations on development proposals within other local authority areas and proposals by government;
- c. observations on applications and consultations not covered by the Town & Country Planning legislation which seek the council's views as local planning authority.

51. To determine whether an environmental assessment statement is required for relevant development projects under the Town and Country Planning legislation and environmental legislation

Deleted: (Assessment of Environmental Effects) Regulations 2011.

52. To determine whether an environmental impact assessment is required for relevant development projects.

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53. In consultation with the City Solicitor, to approve or refuse applications for certificates of lawfulness of existing or proposed use or development under Sections 191 and 192 of the Town and Country Planning Act 1990 and any successor legislation.
54. To advertise as statutorily required or publicise in such way he considered necessary any planning application under Town and Country Planning legislation.
55. To serve statutory notices in respect of listed buildings and conservation areas.
56. To deal with conservation area tree notices including considering objections and representations, and to take such action as considered appropriate.
- To authorise variation of conditions attached to planning consents where such variation does not require a formal application.
57. To authorise the making of and to confirm or otherwise deal with tree preservation orders, taking into account any objections and representations received.
58. To administer and monitor the enforcement, collection and spend of all planning obligations under Section 106 of the Town and Country Planning Act and the Community Infrastructure Levy Regulations
59. To grant or refuse consent, in respect of building plans and the Building Regulations.
60. To grant or refuse applications for advertisement consent.

### Contentious Matters

61. To decide whether to issue a contaminated land notice/remediation notice under environmental protection legislation and to take any preparatory and/or consequent steps to such an action
62. To take enforcement action and prosecution or other appropriate disposal in relation to listed buildings and conservation areas
63. To recommend appropriate breaches of tree preservation orders for prosecution or other disposal to the City Solicitor
64. In relation to breaches of planning control, to serve enforcement notices, breach of condition notices, planning contravention notices and to take any other action including but not limited to serving statutory notices, making an application to court or making statutory demands for information in consultation with the City Solicitor and to recommend breaches of planning control for prosecution or other disposal to the City Solicitor where appropriate.
65. In relation to anticipated breaches of planning control, to seek the City Solicitor's advice on seeking an injunction.
66. To serve statutory notices relating to land having a detrimental effect upon the amenity of an area under all enabling legislation.

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**Deleted:** <#>Subject to the MIS rules, to grant or refuse applications for telecommunications code operator proposals under the Town and Country Planning (Permitted Development) (Telecommunications) Order 2013. This power is subject to consultation with the chair, vice-chair and opposition spokesperson (or their nominees) of the Planning committee when the proposed decision would be contrary to views expressed by statutory consultees or representations received as a result of publicity given to the proposal. Deal with all other Prior Notification applications under the same mechanism.¶

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<#>¶

<#>Authority to vary conditions attached to planning consents where such variation does not require a formal application.¶

**Deleted:** <#>To make, confirm or otherwise deal with Directions made under Article 4(2) of the Town & Country Planning (General Permitted Development) Order 1995?, taking into account any representations received.¶

**Deleted:** <#>To serve enforcement notices and pursue prosecutions.¶

¶<#>To serve notices under Section 215 of the Town and Country Planning Act.¶

¶<#>To administer and monitor the collection and spend of all obligations under Section 106 of the Town and Country Planning Act and the Community Infrastructure Levy Regulations.¶

¶<#>The closure or restriction of rights of any highway.¶

**Deleted:** to serve notices and to take other necessary action

**Deleted:** <#>In the case of Sports Grounds to which the Safety of Sports Grounds Act 1975, the Fire Safety and Safety of Places of Sport Act 1987, and the Football Spectators Act 1989 apply:¶

¶

...

67. To serve notices and to take other necessary action, including the recommendation of prosecution or other disposal to the City Solicitor, in respect of building plans and the Building Regulations.

68. In planning appeals and inquiries, to either:

- a. Present the Council's case in appropriate matters; or,
- b. Act as expert witness and seek the advice of the City Solicitor to procure advocacy services in appropriate matters.

### **Environmental Matters**

69. To administer public registers of land which may be contaminated, and to appoint inspectors and authorised persons for the purposes of establishing whether land is contaminated in accordance with all enabling environmental legislation.

70. To administer hazardous substance registers in accordance with all enabling environmental legislation

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71.

**DIRECTOR OF CULTURE**

1. To trade services within the directorate.
2. Where services are provided externally to the Council, the power to recover the full cost of the provision of those services.
3. Power to carry on work on behalf of other public bodies.
4. To manage the arts, libraries, museums and art galleries, records, archives, and the other properties and facilities which are the responsibility of the Director of Culture.
5. To determine requests to hold special events on land and premises under the control of the Director of Culture.
6. To approve applications for the granting of minor trading concessions, promotions and similar events.
7. To allow charitable organisations a reduction of the normal hiring charge.
8. To make the necessary arrangements for special events.
9. To book orchestras, bands and artists for concerts and other events.
10. To determine the selling prices of goods and services in relation to trading activities.
11. To accept (or refuse) loans or donations of works of art, museum specimens and library material.
12. To apply money bequests towards the purchase of works of art, museum specimens and library material in consultation with the Cabinet Member.
13. To arrange exhibitions and public lectures.
14. To approve reproductions of works of art and museum specimens from the collections and library material.
15. To restrict access to or prevent the availability of archives when their condition is such as to render them unfit for handling by the public.
16. To accept donations and deposits of collections or archival material of local interest.
17. To apply donations and bequests towards the purchase of archives.
18. To approve reproductions of archives and maps from the collections.
19. To manage the parks and open spaces, allotments, cemeteries, community centres and the other properties and facilities which are the responsibility of the

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Director of Culture.

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20. To regulate the use of recreational facilities (outdoor and indoor) by organisations.

21. To grant reduced charges for facilities including allotments to persons of pensionable age in accordance with the approved scale.

22. To accept (or refuse) the donation of seats, plants and livestock.

23.

**Deleted:** To determine requests to hold special events on land and premises under the control of the Director of Culture and City Development subject to the conditions laid down under council minutes 5/85 and 85/93.

24. To enforce the power to seize and impound horses, notify owners, arrange sale or other disposal.

25. To let allotments, caravan plots and camping sites and other ancillary facilities on an annual basis.

**Deleted:** under Section 9, Hampshire Act 1983

26. To approve applications for the granting of minor trading concessions and for holding of caravan rallies, promotions and similar events.

27. To allow charitable organisations a reduction of the normal hiring charge.

28. To vary, in consultation with the Cabinet Member, the rate of hire charges for leisure facilities and equipment.

29. To regulate the use of sun huts and sun chalets.

30. To grant, approve or refuse -

- a. applications for the sale and repurchase of rights of burial.
- b. the assignment and devolution of rights of burial.
- c. plans for memorials on purchased grave spaces.
- d. agreements for extended maintenance.
- e. to approve applications for exhumation.
- f. permission for a burial to take place or for ashes to be scattered in any of the council's cemeteries.

31. To exercise local authority powers and duties concerning the maintenance of burial grounds.

32. To manage leisure facilities

33. Powers and duties in relation of environmental health, including the:

- appointment of inspectors, authorised persons and agents

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- authorisation to grant and/or revoke permissions associated with the service of notices, registrations, licenses and permits and/or other enforcement or regulatory documentation
- powers necessary to implement appropriate and proportionate interventions and formal proceedings in relation to non-conforming and/or illegal practices - including the demand for information

in respect to the following:

- a. Animal feed
- b. Animal health and welfare
- c. Bathing water and compliance
- d. Clean air / control of dark smoke - including emissions from chimneys/vehicles and within smoke control areas
- e. Community funerals - including cost recovery and disposal of dead bodies
- f. Control of noxious materials
- g. Control of vermin and other pests - including prevention of damage by pests
- h. Determination and assessment of chimney heights
- i. Determination of applications in relation to environmental impact and associated mitigation
- j. Drainage and sanitation
- k. Environmental permitting - including pollution, prevention and control
- l. Filthy and/or verminous premises and land
- m. Fisheries and shellfish - including associated water sampling
- n. Food hygiene, food safety and food standards - including food supplements, food sampling, control of approved premises, seizure of food and control of foods, temperature controls, content and movement restrictions, import regulations, labelling and public health assurance measures
- o. Health, safety and welfare including dangerous substances
- p. Infectious disease, control and reporting of notifiable diseases
- q. Licensing and prevention of public nuisance
- r. Noise control and investigation - including use of anti-social behaviour legislation
- s. Port health functions - including the ship sanitation, water quality, control of infected persons and the examination of vessels.
- t. Public health agendas - including delivering clearer air and water, smoking enforcement, mandatory display of public information, healthy eating, sustainable development and food production/content
- u. Review, assessment and publication of pollution levels
- v. Statutory nuisance regime

34. The power to appoint Duty Executives.

35. To exercise the council's powers under the Road Traffic (Vehicle Emissions) (Fixed Penalty) Regulations 2002

## DIRECTOR OF COMMUNITY & COMMUNICATION

### Democratic Service

The Monitoring Officer has concurrent powers to act in respect of the delegations set out regarding Democratic Service.

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**Deleted:** Note: the power to delegate to officers is contained in section 67 of the Local Government Finance Act 1992 as amended.)

1. In consultation with the Chair of the Employment committee, to appoint members to serve on senior officer appeals and sub-committees under the authority's disciplinary code for teachers and disciplinary boards established in accordance with the disciplinary code adopted by the Diocesan Schools Commission of the Arch-Diocese of Portsmouth for teachers in Voluntary Aided Roman Catholic Schools.
2. Authorised to establish and maintain lists of persons -
  - a. eligible to serve as lay members of education appeals committees; and
  - b. with experience in education.
3. Authorised to appoint individual education appeals panels from amongst the members and persons set out below -
  - a. persons on the list maintained by the democratic services manager who have experience in education, are acquainted with the educational conditions of the City or are parents of registered pupils at schools; and
  - b. persons on the list maintained by the democratic services manager who are eligible to serve as lay members.
4. To approve applications to use the city crest, coat of arms, badge or logo.

**Deleted:** , acquainted with educational conditions in the city or who are parents of registered pupils at a school but are not employees of the local education authority other than teachers

### Freedom of Information

1. To ensure all requests made under the Freedom of Information Act (FOI) / Environmental Information Regulations (EIR) are responded to in accordance with the relevant legislation.
2. To ensure the Council remains up to date with changes in the legislation.
3. To develop and disseminate corporate policies and procedures in relation to FOI / EIR.
4. To provide advice to all areas of the Council on FOI / EIR matters.

### Data Protection

1. To handle all Data Subject Access requests (excluding requests for Social Care information) and requests for personal data from third parties (e.g. the Police)).
2. To ensure the Council remains up to date with changes in the legislation.
3. To develop and disseminate corporate policies and procedures in relation to Information Governance and Data Protection.
4. To provide advice to all areas of the Council relating to Information Governance and Data Protection to ensure its obligations under the Data Protection Act are met.

### Corporate Complaints

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1. To monitor and manage complaints to ensure Council and Local Government Ombudsman (LGO) timescales are adhered to.
2. To investigate complaints, ascertain the facts and assess whether maladministration exists.
3. To decide on suitable local settlements and ensure that measures are in place to improve service areas and prevent reoccurrence.
4. To manage information regarding complaints figures and escalate any identified trends accordingly.
5. To ensure the Council remains up to date with changes in the legislation.
6. To develop and disseminate corporate policies and procedures relating to complaints.
7. To provide advice to all areas of the Council.

#### Council tax

1. To approve or otherwise deal with applications for Council Tax Benefit under the following regulations -
  - a. *Council Tax (Administration and Enforcement) Regulations 1992*  

All Local Authority powers/duties contained within regulations except those within Sections 25 and 26 (discounts).
  - b. *Council Tax (Administration and Enforcement) Regulations 1992 and Schedule 4 Local Government Finance Act 1992*
    - i. Representing the Council at all proceedings in connection with the collection of Council Tax
    - ii. All Local Authority powers/duties contained within the Regulations.
  - c. *Council Tax (Situation and Valuation of Dwellings) Regulations 1992*  

All Local Authority powers/duties contained within the Regulations.
  - d. *Council Tax (Reductions for Disabilities) Regulations 1992*  

All Local Authority powers/duties contained within the Regulations.
  - e. *Local Authorities (Calculation of Council Tax Base) Regulations 1992*
    - i. Regulations 3 to 5 - calculation of the amount of a billing authority's council tax base for the purposes of the calculation of its council tax.
    - ii. Regulation 6 calculation of a billing authority's council tax base for a part of its area for the purposes of the calculation of its council tax similarly to the way in which the council tax base is to be calculated for the whole of a billing authority's area under regulations 3 to 5.
    - iii. Regulation 7 the calculation of the council tax base of the area or part of the area of a billing authority for the purposes of the calculation of a major precepting authority's council tax and the amount payable by a billing authority to a major precepting authority, based on the rules set out in regulations 3 to 6.

### Revenues and benefits

1. To implement and operate the housing benefit scheme.
2. To approve or otherwise deal with applications for Council Tax Benefit.
3. Under the powers given to the Authority by section 223 of the Local Government Act 1992, all permissions for the granting, varying reviewing and revocation of discretionary relief under the Local Government finance Act 1988, the Local Government and Rating Act 1997 the Local Government Act 2003 and the localism Act 2011 (and any other relevant legislation).

### Elections Consultation and Community Engagement

1. To support the Returning Officer in undertaking all functions and responsibilities for local, national, European and any other elections and referenda, in accordance with UK and European legislation and regulations.
2. To support the Electoral Registration Officer in undertaking the electoral registration functions and duties in accordance with legislation.
3. To oversee the corporate consultation process accepting, revising or declining proposals submitted and placing all approved consultations on the web.
4. To support neighbourhood forums by way of advice, venue hire, publicity and staff attendance.

### Trading

| To trade services within the directorate.

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### Recovery of costs

Where services are provided externally to the Council, the power to recover the full cost of the provision of those services.

### Work on behalf of other public bodies

Power to carry on work on behalf of other public bodies.

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**DIRECTOR OF ADULT SOCIAL CARE**1. Commissioning of Services

To approve expenditure on the following matters:

- a. contributions to the funds of voluntary organisations providing social care services for vulnerable adults, including grants and purchases.
- b. the provision of aids, appliances and special equipment and the adaptation of dwelling houses to assist meet the needs of vulnerable adults to live independently people with physical disability;
- c. The commissioning of care and support services for vulnerable adults and carers, either through individual packages of care or through contractual arrangements with care providers
- d. Personal Budgets including Direct Payments to service users to meet the agreed costs of social care arranged by the service user within agreed criteria and procedures.

Deleted: of

2. Charges for Services

To reduce or waive any charge in any particular case which the director regards as being one of exceptional hardship.

Deleted: head of service

3. The Mental Health Act, 2007 (MHA)

- a. To ensure sufficient Approved Mental Health Professionals trained to cover 24 hour rota.
- b. To issue warrants on behalf of the Council in respect of Approved Mental Health Professionals (AMHP) under the Mental Health Act 1983.
- c. To act as nearest relative under MHA if appointed to do so by County Courts.
- d. To consider for acceptance all guardianship applications made by Social Care professionals.
- e. To deal with the renewal and discharge of guardianship applications under the Mental Health Act 1983.

4. Directly Provided Services

To implement the council's policies with regard to responsibilities for provision of directly provided services, and authority to exercise discretion in applying the council's standards in cases which the director regards as exceptional.

Deleted: head of service

5. Proceedings

To institute proceedings and to appear in any legal proceedings on behalf of the council, where the director considers such proceedings necessary, in order to safeguard the well-being of any vulnerable adult.

Deleted: Director

6. Deputyship

To prepare and submit recommendations to the Court of Protection, under the Mental Health Act 1983, for the appointment of a Deputy and to administer and comply with Orders of the Court.

7. Deprivation of Liberty

- a. To authorise deprivation of liberty in accordance with Schedule A1 of the Mental Capacity Act 2005.
- b. To authorise applications to the Court of Protection in conjunction with the City Solicitor for those being deprived of their liberty falling outside of Schedule A1 of the Mental Capacity Act 2005.

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**DIRECTOR OF CHILDREN'S SERVICES**

The Director of Children's Services has concurrent powers to act in respect of the delegations set out below.

1. Financial Assistance

To approve expenditure on the following matters:-

- a. contributions to the funds of voluntary organisations providing social care services for disadvantaged, deprived, or disabled adults, children and families, including initial grants to newly formed clubs and centres, annual grants and contributions towards running costs;
- b. to provide financial assistance in exceptional circumstances to support children and families in severe hardship, and to prevent children from being accommodated by the city council.
- c. direct payments to service users to cover the agreed costs of social care arranged by the service user within the Direct Payments Scheme criteria and procedures.

2. Charges for services

To reduce or waive any charge in any particular case which the director regards as being one of exceptional hardship.

Deleted: head of service

3. Social Workers and Social Care staff

To authorise on behalf of the city council applications by social workers and social care staff for registration by the Health and Care Professions Council (HCPC).

4. Registered Homes

To take all action necessary to implement the council's policies with regard to the council's responsibilities for registered homes, and authority to exercise discretion in applying the council's standards in cases which the director regards as exceptional.

Deleted: head of service

5. Inspection of Residential Homes Advisory Panel

To accept nominations for co-opted members of an inspection of residential homes advisory panel, to serve for a fixed term.

Deleted: Inspection

6. Nurseries, Child Minders and Day Care for Children

To implement and take any appropriate action in respect of nurseries, child minders and day care for children.

7. Receivership

To prepare and submit recommendations to the Court of Protection under the Mental Health Act 1983 for the appointment of a receiver and to administer and monitor orders of the court.

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Deleted: protection

8. Children's Guardians

To implement and take any appropriate action in respect of the children's guardian and reporting officers (panel) regulations.

9. Adoption

- a. To implement and take any appropriate action in respect of adoption agencies regulations.
- b. To approve the reimbursement of or a contribution towards the legal expenses of prospective adopters reasonably incurred during the course of applications to adopt children in the care of the council.

10. Protection of Children

To implement and take any appropriate action in respect of the care, supervision and protection of children.

11. Proceedings

To institute proceedings and to appear in any legal proceedings on behalf of the council where the **director** considers such proceedings necessary in order to safeguard the well-being of any child, young person, or adult.

Deleted: head of service

12. Allowances to Foster Parents

To pay allowances in respect of children and young persons accommodated by the council in accordance with the scheme approved for the time being by the **Cabinet**.

Deleted: executive

13. Authority to exercise the following functions of the local authority in respect of education:

- a. To **arrange** teaching staff establishments other than those for which school governing bodies are responsible and to appoint teaching staff;
- b. To grant financial assistance to students and pupils, scales of provision of equipment for educational establishments and hospitality allowances;
- c. To agree terms for and sign licences for the use of spare classroom accommodation by playgroups;
- d. To write off and replace equipment lost owing to fire or theft up to a limit of £1,000;
- e. **The** power to dismiss an employee in **city** or controlled schools who is the subject of a determination by the governing body that he or she should no longer work at school as the case may be or fails probation
- f. In connection with the dual use of schools and other educational premises, subject to the provisions of **statute**, to let buildings and schools and grounds of schools and other educational establishments
- g. To administer school transport schemes approved by the **Cabinet**, including the use of buses and private cars; the appointment of supervisors; application of distance limits; arrangements for disabled children or those with Special Needs
- h. To secure the provision of a school meals service and in consultation with the **Director of Finance and IS** to fix charges;

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## APPENDIX 2 TO THE MINUTES

## PART 2 - SECTION 5A

- i. To determine, in consultation with the ~~Director of Finance and IS~~, fees and charges payable (including granting discounts) for any course, service or activity, for which a specific fee has not been determined by the ~~Cabinet~~.
  - j. To conclude negotiations on and make new instruments of government required by the School Standards and Framework Act 1998.
14. The holders for the time being of the following posts or such other posts as may be designated by the Director of Children's Services be authorised for the purposes of Section 40(3)(b) of the Local Government (Miscellaneous Provisions) Act 1982 (nuisance and disturbance on educational premises) to exercise the power of removal contained in Section 40(3) in respect of the premises at which they are based:
- a. Headteacher
  - b. Deputy Headteacher
  - c. Adult Education Centre Manager
15. Authority to exercise the following functions of the local authority:
- a. The approval of statements of special educational needs
  - b. Attendance and representation of the local authority at education tribunals
  - c. The giving of directions to governing bodies to reinstate pupils following exclusions
  - d. The power to give any notice, to issue any direction and to institute any legal proceedings on behalf of the council under the relevant provisions of any act, regulations or bye law relating to:
    - i. compulsory attendance at school and the duty of parents to secure regular attendance at school;
    - ii. the employment of children and young persons
    - iii. the statementing of children with special educational needs;
    - iv. the power to ensure cleanliness of pupils;

**Deleted:** strategic director for corporate resources and services

**Deleted:** executive

**Deleted:** <#>Authority to manage, control and administer the children, families & learning directorate and the teaching and support staff, subject to standing orders, financial and staffing regulations of the city council.¶

## DIRECTOR OF PUBLIC HEALTH

### 1. General

- a. The Director of Public Health (DPH) is a statutory chief officer of the Council who is accountable for the delivery of the authority's public health duties. The DPH is the principal adviser on all health matters to elected members and officers, with a leadership role spanning all three domains of public health - health improvement, health protection and healthcare public health.
- b. In general the statutory responsibilities of the DPH are designed to match exactly the corporate public health duties of the Local Authority. The DPH has delegated authority for those matters which they are required to be responsible for under the National Health Service Act 2006 (as amended by the Health and Social care Act 2012).

### 2. Functions

Section 73A(1) of the National Health Service Act 2006 Act, gives the Director of Public Health responsibility for:

- a. all of the Local Authority's duties to take steps to improve public health
- b. any of the Secretary of State's public health protection or health improvement functions that s/he delegates to local authorities, either by arrangement or under regulations – these include services mandated by regulations made under section 6C of the 2006 Act, inserted by section 18 of the 2012 Act, including:
  - i. appropriate access to sexual health services
  - ii. plans in place to protect the health of the population
  - iii. ensure NHS Commissioners received the public health advice they need
  - iv. The National Child Measurement Programme
  - v. The NHS Health Check Assessment
  - vi. Elements of the Healthy Child Programme
  - vii. Duty to produce an annual report on the health of the population.
  - viii. exercising their local authority's functions in planning for, and responding to, emergencies that present a risk to public health
  - ix. co-operating with the police, the probation service and the prison service to assess the risks posed by violent or sexual offenders such other public health functions as the Secretary of State specifies

3. As well as the core functions described above, the Acts and regulations give the DPH other specific responsibilities:
  - a. for the local authority's public health response as a responsible authority under the Licensing Act 2003, such as making representations about licensing applications;

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- b. if the local authority provides or commissions a maternity or child health clinic, then regulations made under section 73A(1) will also give the DPH responsibility for providing Healthy Start vitamins (a function conferred on local authorities by the Healthy Start and Welfare Food Regulations 2005 as amended)
  - c. To be a member of the local health and wellbeing board
4. The Director of Public Health will also:
- a. be the person who elected members and senior officers look to for leadership, expertise and advice on a range of issues, from outbreaks of disease and emergency preparedness through to improving local people's health and concerns around access to health services.
  - b. know how to improve the population's health by understanding the factors that determine health and ill health, how to change behaviour and promote both health and wellbeing in ways that reduce inequalities in health.
  - c. provide the public with expert, objective advice on health matters which promote action across the life course, working together with local authority colleagues such as the director of children's services and the director of adult social services, and with NHS colleagues.
  - d. work through local resilience fora to ensure effective and tested plans are in place for the wider health sector to protect the local population from risks to public health work with local criminal justice partners and police and crime commissioners to promote safer communities.
  - e. work with wider civil society to engage local partners in fostering improved health and wellbeing.
  - f. be an active member of the health and wellbeing board, advising on and contributing to the development of joint strategic needs assessments and joint health and wellbeing strategies, and commission appropriate services accordingly
  - g. take responsibility for the management of their authority's public health services, with professional responsibility and accountability for their effectiveness, availability and value for money
  - h. play a full part in their authority's action to meet the needs of vulnerable children, for example by linking effectively with the Local Safeguarding Children Board
  - i. contribute to and influence the work of NHS commissioners, ensuring a whole system approach across the public sector.
5. The Director of Public Health is also responsible for non-mandatory public health services which allow for commissioning and delivery at a local level:
- a. Tobacco Control
  - b. Increasing physical activity
  - c. Dental public health services
  - d. Behavioural and lifestyle campaigns to prevent cancer and long term conditions

- e. Comprehensive sexual health services
- f. Promotion of community safety, violence prevention and response
- g. Alcohol and drug misuse services
- h. Assessment and lifestyle interventions as part of the NHS Health Checks programme
- i. Accidental injury prevention
- j. Local initiatives for workplace health
- k. Local initiatives to reduce excess deaths due to seasonal mortality
- l. Local initiatives to tackle social exclusion
- m. Obesity and community nutrition
- n. Public mental health services
- o. Population level interventions to reduce birth defects
- p. Supporting, reviewing and challenging key public health funded services e.g. immunization programmes
- q. Health protection, incidents and emergencies

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INTEGRATED COMMISSIONING  
UNIT¶

Deleted: <#>Managing secondments  
of CCG staff to Portsmouth City  
Council.¶

¶  
<#>Budgetary control inclusive of CCG  
monies under Section 256 of the NHS  
Act 2006 and the Continuing  
Healthcare budget.¶

¶  
<#>Execution of contracts for Council  
service and CCG services under  
delegation to the Council.¶

¶  
<#>Signing off Section 75 agreements  
with CCG responsibility for Pooled  
Budgets.¶

¶  
<#>Management of the Solent contract  
for CCG.¶

## **DIRECTOR OF THE PORT**

1. Authority to discharge the Council's policies, duties and obligations as a Statutory Harbour Authority and Competent Harbour Authority.
2. Authority to manage the Port including leadership, health and safety, quality control and assurance.
3. Authority to negotiate and enter into commercial arrangements.
4. To agree charges for "common user" use of Port facilities
5. Charges -
  - a. To vary charges on demurrage/parking charges at the ferry port and quay storage charges at Flathouse Quay and Camber Quays, using discretionary power with regard to the raising of accounts where special circumstances apply.
  - b. To negotiate charges for quay space, demurrage and parking in all areas of Port operational land.
6. To ensure that operations of established shipping are not unreasonably impeded by hovercraft and hydrofoil vessels under Sections 70 and 71, Hampshire Act 1983.
7. In consultation with the Director of HR, Audit and Performance to conclude agreements with port staff relating to payment for attendance required outside of their contractual hours of work.
8. To negotiate and agree with ferry companies slot time allocations, including variations to slot times during the year.

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"Proper Officer" / Statutory appointments

The following Proper officer/Statutory appointments were re-confirmed by the city council under Minute 83/02. The authority for subsequent changes is set out as a footnote.

<u>Provision of Local Government Act 1972</u>	<u>Function</u>	<u>Officer</u>
83(1) to (4)	Witness and receipt of declarations of office.	CS
84	Receipt of declaration of resignation of office.	CS
88(2)	Convening of meeting of council to fill casual vacancy in the office of chairman.	CS
89(1)(b)	Receipt of notice of casual vacancy from 2 local government electors.	CX
96(1)	Receipt of notices of pecuniary interest.	CS
96(2)	Keeping record of disclosures of pecuniary interest under Section 94, and of notices under Section 96(1).	CS
115(2)	Receipt of money due from officers.	DF
146(1)(a)&(b)	Declarations and certificates with regard to securities.	DF
151	Proper administration of financial affairs.	DF
<b>191</b>	Functions with respect to ordnance survey.	CS
204(3)	Receipt of application for licence under Sch 2, Licensing Act, 1964.	CX
210(6) & (7)	Charity functions of holders of offices with existing authorities transferred to Proper officer where no equivalent office exists.	CS
225(1)	Deposit of documents.	CS
229(5)	Certification of photographic copies of documents.	CS
234 (1)& (2)	Authentication of documents.	CS
238	Certification of bye-laws.	CS
248	Keeping of roll of freemen.	CS
Schedule 12 Para 4(2)(b)	Signature of summonses to council meetings.	CS
Schedule 12 Para 4(3)	Receipt of notices regarding address to which summons to meetings is to be sent.	CS
Schedule 14 Para 25(7)	Certification of resolutions under para 25 of Schedule 14.	CS
	Any reference in any local statutory provision to the Clerk of the council.	CX

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<u>Provision</u>	<u>Function</u>	<u>officer</u>
<b><u>Proper officer Resolutions or Statutory Appointments arising from subsequent enactments</u></b>		
S100B(2) Local Government Act 1972 (as amended)	Designation of Reports "Not for Publication".	All officers (in respect of reports in their name)
S100B(7)	Supply of copies of documents.	CS
S100C(2)	Duty to summarise proceedings where press and public excluded.	CS
S100D(1)	Preparation of list of background papers.	All officers (re: their reports)
(NB The following 3 duties on the city council do not require "Proper officer" resolutions):		
S100G(1)	Register of elected members.	CS
S100G(2)	List of delegated powers of officers.	CS
S100G(3)	Written summary of rights to attend meetings and to inspect and copy documents.	CS
Representation of the People Act 1983	) Registration officer	CX
	) Returning officer	CX
	) Proper officer	CX
Public Health (Control of Infectious Diseases) Act 1984		<b>DC</b>
S114 Local Government Finance Act 1988 Unlawful expenditure		CS
S2 Local Government and Housing Act 1989	Deposit of statutory list of "politically restricted" posts with the Proper officer	DHR
S4 1989 Act	Designation as Head of the Paid Service	CX
S5 1989 Act	Designation as Monitoring officer	CS
S37 1989 Act (inserting S137A Local Government Act 1972)	Deposit of a statement or report or accounts from a voluntary body in receipt of financial assistance above the relevant minimum.	CS
Local Government (Contracts) Act 1997	Certifying Contracts under the legislation.	CS
CX = chief executive CS = city solicitor DHR = director of human resources <b>DC</b> = director of <b>culture</b> <b>DF</b> = <b>director of finance</b>		

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Deleted: regulatory services

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**Absence of Proper officer, or the non appointment of a Proper officer**

- (i) Chief officers are authorised to appoint the holder(s) of a senior post(s) to exercise all the functions of their respective chief officers, in the event of absence of the relevant chief officer, including such functions as may be conferred on the chief officer by resolution as the proper officer of the city council.
- (ii) Where in any enactment or instrument whatsoever reference is made to a Proper officer of the authority and no officer has been appointed by the council to act for that purpose, then the chief executive will be deemed to be the Proper officer until a resolution is passed by the council appointing a particular officer as Proper officer of the authority for that purpose.

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**Title of meeting:** Governance and Audit and Standards Committee

**Date of meeting:** 9 March 2018

**Subject:** Appointment of Independent Persons

**Report by:** City Solicitor

**Wards affected:** N/A

**Key decision:** No

**Full Council decision:** Yes

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## 1. Purpose of report

To outline the requirements for and consider the appointment of up to four Independent Persons, pursuant to the provisions of Section 28 of the Localism Act 2011.

## 2. Recommendations

**That Governance & Audit & Standards Committee recommend that Council appoints the following Independent Persons for three years through to May 2021:**

- 2.1. Mr Bill Bailey
- 2.2. Ms Carole Damper
- 2.3. Ms Diana Turner

## 3. Background

- 3.1. Following consideration by Governance and Audit and Standards Committee and Council in March 2013, the Council agreed to the appointment of up to 4 Independent Persons for a period of 3 years. Following advertisement and interview, two Independent Persons were appointed. The appointments of the two Independent Persons were renewed on recommendation to Council in July 2016 for a further term.
- 3.2. In February 2018 an advertisement was made for applications to be submitted for the role of Independent Person and following interviews the above appointments are recommended by the Member Panel.

## 4. Reasons for recommendations

Independent Persons are required under the Arrangements for Assessment, Investigation and Determination of Complaints made against Councillors. It is

hoped that the appointment of up to four Independent Persons will assist with the complaints process.

## **5. Role of the Independent Person**

- 5.1. The Council is required to appoint at least one Independent Person. These are persons who must have no connection with the Council.
- 5.2. They do not have decision making powers and their role is purely to advise.
- 5.3. Their functions are:-
  - 5.3.1. To be consulted by the Council before it makes a finding as to whether a member has failed to comply with the Code of Conduct or decides what action is to be taken in respect of that Member;
  - 5.3.2. To be consulted by the Council in respect of a Code of Conduct complaint at any other stage if required; and
  - 5.3.3. To be consulted by a Member or co-opted Member of the Authority against whom a complaint has been made if required.

## **6. Procedure for appointment**

The following procedure was followed for the appointment of the independent Persons:

- 6.1. The role was advertised on the Council's website.
- 6.2. An interview panel was drawn up from a cross party group of three councillors drawn from the Governance and Audit and Standards Committee to consider short-listed applicants.
- 6.3. The successful candidates to be recommended by Governance and Audit and Standards Committee to Council for formal appointment.

## **7. Remuneration**

At present, expenses may be claimed by the Independent Persons and it is proposed that this provision continues.

## **8. Equality impact assessment**

This report does not require an Equality Impact Assessment as it does not propose any new or changed services, policies or strategies.

## **9. Legal implications**

The legal implications are embodied within this report.

**10. Director of Finance's comments**

There are no financial implications arising from the recommendations set out 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:

<b>Title of document</b>	<b>Location</b>

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From GOVERNANCE & AUDIT & STANDARDS COMMITTEE held on 9 March 2018

Council Agenda Item 12 (Minute No 27)

**Appointment of Independent Persons**

**RECOMMENDED that Council appoints the following Independent Persons for three years through to May 2021:**

- (1) Mr Bill Bailey**
- (2) Ms Carole Damper**
- (3) Ms Diana Turner**

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# Agenda Item 13

From EMPLOYMENT COMMITTEE held on 27 February 2018

Council Agenda Item 13 (Minute No 5)

## **Pay Policy Statement**

The Employment Committee agreed the draft Pay Policy Statement attached as Appendix 1 to the report to go forward for approval by the Full Council by 31 March 2018.

Councillor Donna Jones  
Chair

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<b>Decision maker:</b>	Employment Committee
<b>Subject:</b>	Pay Policy Statement
<b>Date of decision:</b>	27 <sup>th</sup> February 2018
<b>Report by:</b>	Jon Bell - Director of HR, Legal and Performance
<b>Wards affected:</b>	n/a
<b>Key decision (over £250k):</b>	n/a
<b>Full Council Decision:</b>	Yes

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## **1. Purpose of report**

The Council is required by section 38(1) of the Localism Act 2011 (openness and accountability in local pay) to prepare a Pay Policy Statement.

The Local Government Transparency Code 2014 further clarifies and describes the information and data local authorities are required to publish to increase democratic accountability.

A Pay Policy Statement must articulate the Council's policies towards a range of issues relating to the pay of its workforce, particularly its senior staff, Chief Officers and its lowest paid employees.

A Pay Policy Statement must be prepared for each financial year, approved by Full Council no later than 31<sup>st</sup> March of each financial year and published on the council's website. Following the presentation of the Pay Policy Statement in March 2016, the Employment Committee requested that, in order to increase transparency and public accountability, a draft Pay Policy Statement be presented at an earlier stage of the financial year forecasting the pay policy for that year. This is now the final Pay Policy Statement for publication.

## **2. Recommendations**

2.1 That the Employment Committee agrees the draft Pay Policy Statement attached as Appendix 1 to go forward for approval by the Full Council by 31 March 2018.

## **3. Background**

3.1 Increased transparency about how taxpayers' money is used, including the pay and reward of public sector staff is now a legislative requirement under section 38(1) of the Localism Act 2011. The Department for Communities and Local Government published a revised Local Government Transparency Code on 3<sup>rd</sup> October 2014. The code enshrines the principles of transparency and asks relevant authorities to follow these three principles when publishing the data they hold. These are as follows:

- Responding to public demand
- Releasing data in open format available for re-use; and
- Releasing data in a timely way

This includes data on senior salaries and how they relate to the rest of the workforce (pay multiple).

- 3.2 The Council must have regard to the Secretary of State's guidance "Openness and accountability in local pay: Draft guidance under section 40 of the Localism Act". It is now essential that an authority's approach to pay, as set out in a Pay Policy Statement, is accessible for citizens and enables taxpayers to take an informed view of whether local decisions on all aspects of remuneration are fair and make the best use of public funds.

Approved statements must be published on the authority's website and in any other manner that the authority thinks appropriate, as soon as reasonably practical after they have been approved by Full Council.

- 3.3 The Act also requires that authorities include in their pay policy statement, their approach to the publication of and access to information relating to the remuneration of chief officers. Remuneration includes salary, expenses, bonuses, performance related pay as well as severance payments.
- 3.4 The definition of a chief officer as set out in the Act is not limited to Heads of Paid Service or statutory chief officers. It also includes those who report directly to them.
- 3.5 The Portsmouth Pay Policy statement is attached as **Appendix 1**.
- 3.6 Whilst the Pay Policy Statement relates to the year 2017/18, Members' attention is drawn to the changing shape of the council and the environment in which it operates, and the impact this may have in future on its pay structure. In particular:
- The need for officers to operate across organisational boundaries, e.g. with the health sector and other local authorities
  - The increased commercialisation of the council and the need to recruit and retain suitably skilled staff (who may expect alternative reward packages)
  - The council's role as accountable body for commercial or quasi-commercial bodies
  - The increased specialisation of skills in some employment markets, driving pay inflation that the council's pay structure is not well suited to meet

Members approval will be sought for any significant changes to the Council's pay structure resulting from these, or other factors.

#### **4. Conclusions**

The Council is required by the Localism Act 2011, section 38(1) to publish a Pay Policy Statement on a yearly basis which is approved by Full Council.

#### **5. Equality Impact Assessment (EIA)**

An equality impact assessment is not required as the recommendation doesn't have a negative impact on any of the protected characteristics as described in the Equality Act 2010.

#### **6. Legal Comments**

- 6.1 The Director of HR, Legal and Performance is satisfied the Pay Policy Statement at Appendix 1 meets the legislative requirements under Section 38 Pay Accountability, of the Localism Act 2011 and is in line with the Local Government Transparency Code 2014.
- 6.2 The Council is required to prepare a Pay Policy Statement for the financial year 2017/18 and each subsequent year, which sets out the policies, remuneration and other benefits of its chief officers and lowest paid employees and the relationship between its chief officers and every other officer.
- 6.3 The Pay Policy Statement must be approved by Full Council before 31<sup>st</sup> March 2018 and can only be amended thereafter by resolution to Full Council.

## **7. Finance Comments**

There are no financial implications arising from the recommendations contained within this report.

.....  
Signed by: Jon Bell - Director of HR, Legal & Performance

19<sup>th</sup> February 2018

## **Appendices: Pay Policy Statement 2017/18**

### **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:

<b>Title of document</b>	<b>Location</b>

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## **PAY POLICY STATEMENT FOR THE FINANCIAL YEAR 2017/18**

### **INTRODUCTION**

This policy statement has been produced in accordance with Sections 38 to 43 of the Localism Act 2011 (the Act), and is compliant with the Local Government Transparency Code 2014.

The pay policy statement will be reviewed on an annual basis, and a new version of the policy will be approved before the start of each subsequent financial year, which will need to be complied with during that year.

### **SECTION 1: REMUNERATION OF STATUTORY AND NON-STATUTORY CHIEF OFFICERS, DEPUTY CHIEF OFFICERS, AND MONITORING OFFICER**

#### **1.1 REMUNERATION COVERED IN THIS SECTION OF THE POLICY**

This section covers the Council's policies in relation to the remuneration of its senior employees, including:

- Its Chief Executive (who is its Head of Paid Service);
- Its Deputy Chief Executive (and Monitoring Officer);
- The Directors, who report to and are directly accountable to the Chief Executive or Deputy Chief Executive. These Directors fulfil the roles of statutory Chief Officers, Section 151 Officer, and non-statutory Chief Officers;
- The Port Director;
- The managers who report to and are directly accountable to the Port Director.

#### **1.2 OVERALL POLICY ON REMUNERATION FOR SENIOR ROLES**

The Council's remuneration policy complies with all equal pay, discrimination and other relevant legislation.

The Council's Job Evaluation Support Scheme (JESS) is used when setting pay levels for all posts within the Council. This system is a factor-based analytical job evaluation scheme designed to measure the relative responsibilities of all jobs fairly and accurately.

#### **1.3 THE REMUNERATION OFFERED TO SENIOR EMPLOYEES**

At Chief Executive, Deputy Chief Executive and Director level (and for the Port Director and his direct reports), the Council offers only an annual salary, access to the Local Government Pension Scheme, and the payment of a small number of allowances, details of which are set out below. No other cash benefits or benefits in kind are offered. The Council does not offer performance related payments or bonuses to its senior employees.

All are employed on PAYE taxation arrangements. However in exceptional circumstances e.g. interim appointments, an alternative form of engagement/employment may if appropriate be used.

### **Annual salaries**

Annual salary levels for senior employees are set in accordance with the overall principles set out in section 1.3, above. At Chief Executive and Director level, they consist of a grade range which is determined locally by the Council. This grade range consists of a number of incremental salary points, through which employees may progress until the top of the grade is reached.

The current pay ranges are:

Chief Executive	£137,413 to £151,878
Deputy Chief Executive	£103,017 to £111,629
Port Manager	£103,017 to £111,629
Director (upper band)	£103,017 to £111,629
Director (mid band)	£88,300 to £97,598
Director (lower band)	£75,686 to £83,654
Senior Managers	£68,787 to £75,521

The Council has entered into shared working arrangements with Gosport Borough and Isle of Wight Councils to share senior management and their related statutory functions. All Councils have retained their clear identities as individual councils under this arrangement. Gosport Borough and Isle of Wight Council pay a contribution under this arrangement to Portsmouth City Council. Additional payments are made to these Chief Officers for carrying out the statutory functions under this shared working arrangement. These payments are separate to the level of pay received for performing their duties within Portsmouth City Council - see Section 4 - Honoraria payments.

### **Remuneration of senior employees on recruitment**

The Council's policy is that any newly appointed senior employee will commence employment at the lowest pay point in the pay range for their job, other than in circumstances where it is necessary to pay at a higher point within the range in order to match the salary of their previous post with another organisation. Any decision to appoint a senior employee on a higher pay point within the relevant pay range would be made by the Members Appointment Committee.

### **Pay progression**

Pay progression is by annual increment, payable from 1<sup>st</sup> April. Pay progression is based on the period of time the employee has served in that grade.

There is no scope for accelerated progression beyond one increment per annum, or for progression beyond the top of the grade's pay range.

### **Pay awards**

The salaries of Directors will be increased in line with any pay increase agreed nationally in line with the Joint National Councils (JNCs) for Chief Executives and Chief Officers. Senior Managers pay will be increased with any pay increase agreed nationally in line with the National Joint Council (NJC).

### **Bonuses**

The Council does not pay bonuses to any of its employees.

### **Other Allowances and Payments**

Other payments and allowances that the Chief Officers may be eligible for are detailed in Section 4 – **POLICIES COMMON TO ALL EMPLOYEES**. This includes Market Supplements, Local Government Pension Scheme (LGPS), Payments on Termination of Employment, Allowances.

### **Election fees**

Returning Officer fees will be paid where there is a statutory entitlement available. This is usually available for General and European Elections, but not local elections. Where a Director acts as the Deputy Returning Officer the appropriate fee at that time is paid.

## **SECTION 2: REMUNERATION OF LOWEST PAID EMPLOYEES**

### **2.1 DEFINITION OF LOWEST PAID EMPLOYEES**

The definition of the “lowest-paid employees” adopted by the Council for the purposes of this statement is as follows:

The lowest paid employees within the Council are those employees who are paid on the minimum salary point of the Council’s substantive pay structure, i.e. spinal column point 1, within Band 1 of its salary scales.

However, with effect from 1<sup>st</sup> November 2014, the Employment Committee made the commitment to Portsmouth City Council Employees (subject to agreement by governing bodies of schools) to pay the Portsmouth City Council Living Wage rate as a supplement to base pay. Therefore, all employees\* from SCP1 to SCP4 will receive a minimum hourly rate of £7.85 per hour.

The current annual full-time equivalent value of this pay level, based on a 37-hour standard working week at £7.85 per hour, for the financial year 2017/18 is £15,144.

(\*This excludes Apprentices and temporary staff employed via Portsmouth City Council's temporary staff agency).

## **SECTION 3: PAY RELATIONSHIPS**

Under the provisions of the Code of Recommended Practice for Local Authorities on Data Transparency, issued by the Department for Communities and Local Government under Section 2 of the Local Government Planning and Land Act 1980, the Council is expected to publish its “pay multiple”, i.e. the ratio between the highest paid salary and the median salary of the whole of the local authority’s workforce. This multiple, for the financial year ending 01 April 2017 is 6.5 with a median salary of £23,398.

(The median salary figure is the salary value at which 50% of the salaries which apply to the whole of the local authority’s workforce are below that value and 50% are above it. The lowest pay point in the overall salary range which has been used by the Council in calculating the median salary is that which applies to its lowest paid employees, as defined in section 2 of this pay policy statement.)

The Council considers that the current pay multiple, as identified above, represents an appropriate, fair and equitable internal pay relationship between the highest salary and the pay levels which apply to the rest of the workforce. It will therefore seek to ensure that, as far as possible, the multiple remains at its current level.

The Council also considers that the relationship between the base salaries of its highest and lowest paid employees, which is currently a ratio of 10.1, represents an appropriate, fair and equitable internal pay relationship.

## **SECTION 4: POLICIES COMMON TO ALL EMPLOYEES**

The following elements of remuneration are determined by corporate policies or arrangements which apply to all permanent employees of the Council (including its Chief Executive, Deputy Chief Executive, Directors and the lowest paid employees as defined above), regardless of their pay level, status or grading within the Council:

### **Market Supplements**

A Market Supplement payment may be made if there is a clear business need, supported by effective market data, where a post is difficult to recruit to or to retain key members of staff, in addition to the normal reward package.

The supplement payment will be made in strict accordance with the Recruitment and Retention Policy and will be reviewed biennially. The full Recruitment and Retention Policy will be provided on request.

#### **Payments on Termination of Employment**

Other than payments made under the LGPS, the Council's payments to any employee whose employment is terminated on grounds of redundancy or in the interests of the efficiency of the service will be in accordance with the policy the Council has adopted for all its employees in relation to the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006. This policy (Early Termination of Employment Payments) has been published in accordance with the requirements of Regulation 7 of these regulations and is available on request.

#### **Reimbursement of removal/relocation costs on appointment**

The Council's relocation scheme is to enable financial assistance (within pre-defined limits) to be given to any employee who is required to relocate to the Portsmouth area to take up an appointment in a post deemed 'hard to fill' by the appropriate Director. Full details of the policy can be provided on request.

#### **Honoraria**

The Council pays honoraria to any employee only in accordance with its corporate scheme for such payments. This scheme provides that honoraria payments may be made to any employee who undertakes exceptional additional duties unrelated to those of a higher post, for example a special project. Such payments must be approved by the Director for HR where payments will exceed £1,000 per annum.

#### **Acting-up/additional responsibility payments**

Where employees are required to "act-up" into a higher-graded post and take on additional responsibilities beyond those of their substantive post, for a temporary/time-limited period (which must exceed 4 weeks), they may receive an additional payment in accordance with the terms of the Council's policy. The payment will be based on the percentage of the higher duties and responsibilities undertaken and on the salary that would apply were the employee promoted to the higher post. (i.e. the lowest spinal column point of the higher grade).

#### **Standby and call out allowances**

Any employee who is required to undertake standby and call-out duties will be paid at the appropriate rate and in accordance with the policy. A full copy of the policy can be provided on request.

#### **Mileage rates**

The Council compensates employees who are authorised to use their own car, motorcycle or bicycle on Council business, in accordance with the mileage rates set out by HMRC.

#### **Subsistence allowance**

The Council reimburses expenditure on meals and accommodation and any other expenses necessarily incurred by employees who have to be away from home on Council business on the basis of actual expenditure incurred. These allowance rates are set out by HMRC.

#### **Child care (salary sacrifice scheme)**

Childcare is available to all employees via the HMRC-approved salary sacrifice scheme. There is no direct subsidy towards childcare costs by the Council.

## **SECTION 5: DECISION MAKING ON PAY**

The provisions of this pay policy statement will apply to any determination made by the Council in the relevant financial year in relation to the remuneration, or other terms and conditions, of a Chief Officer of the Authority and of its lowest paid employees, as defined in



this statement, The Council will ensure that the provisions of this pay policy statement are properly applied and fully complied with in making any such determination.

Any proposal to offer a new chief officer appointment on terms and conditions which include a total remuneration package of £100,000 or more, which would routinely be payable to the appointee and any benefits in kind to which the officer would be entitled as a result of their employment (but excluding employer's pension contributions), will be referred to the Full Council for approval before any such offer is made to a particular candidate.

Additionally, any severance payments over £100,000 are referred to Full Council for approval.

## **SECTION 6: AMENDMENTS TO THIS PAY POLICY STATEMENT**

This pay policy statement is a prediction for the financial year 2017/18.

The Council may agree any amendments to this pay policy statement after it has been approved, but only by a resolution of the full Council.

The finalised Pay Policy Statement will be agreed by the Council in March 2018 for the financial year 2017/18.

## **SECTION 7: PUBLICATION OF AND ACCESS TO INFORMATION**

The Council will publish this pay policy statement on its website as soon as is reasonably practicable after it has been approved by the Council. Any subsequent amendments to this pay policy statement made during the financial year to which it relates will also be similarly published.

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# Agenda Item 15



**Portsmouth**  
CITY COUNCIL

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

**CITY COUNCIL MEETING – 20 MARCH 2018**

## **QUESTION NO 1**

**FROM: COUNCILLOR IAN LYON**

**TO REPLY: CABINET MEMBER FOR TRAFFIC &  
TRANSPORTATION  
COUNCILLOR SIMON BOSHER**

“Does the Cabinet Member for Traffic and Transportation agree that officers and staff of the Council were exemplary in their execution of the administration’s contingency plan that came into effect during the recent wintry weather in Portsmouth?”

## **QUESTION NO 2**

**FROM: COUNCILLOR ALICIA DENNY**

**TO REPLY: CABINET MEMBER FOR CULTURE, LEISURE &  
SPORT  
COUNCILLOR LINDA SYMES**

In view of this summer's 50th anniversary of the return to Portsmouth of our round-the-world sailor Sir Alec Rose, could the Cabinet Member for Leisure and Culture tell us if any plans have been made to celebrate this fantastic achievement by a Southsea resident, who this council honoured by making him a Freeman of the City?

### **QUESTION NO 3**

FROM: COUNCILLOR GERALD VERNON-JACKSON

TO REPLY: CABINET MEMBER FOR EDUCATION  
COUNCILLOR HANNAH HOCKADAY

Could the cabinet member for education tell me how many employees of Academy Trusts running publicly funded schools in Portsmouth employ people with salaries above £150,000 a year and how many people on these salaries are employed in each Academy Trust?