

SCRUTINY MANAGEMENT PANEL

Minutes of the meeting of the Scrutiny Management Panel held on Friday, 6 February 2015 at 2.30 pm at the Guildhall, Portsmouth

Present

Councillor Simon Boshier (in the Chair)

Councillors Michael Andrewes
Alicia Denny
John Ferrett
Hannah Hockaday
Darren Sanders
Phil Smith
Alistair Thompson
Matthew Winnington

Councillor Ken Ellcome - Cabinet Member for Traffic & Transportation

Councillor Lee Hunt - Lead Call-in Member

Officers Present

Michael Lawther, City Solicitor and Monitoring Officer
Simon Moon, Head of Transport & Environment
Susan Aistrop, Finance Manager
Chris Ward, Section 151 Officer and Head of Finance

1. Apologies for absence (AI 1)

There were no apologies for absence.

2. Declarations of Members' interests (AI 2)

There were no declarations of members' interests. Several councillors said they may have to leave the meeting early owing to other commitments depending on how long this meeting lasted.

3. Call-in of decision on agenda item 3 "Residents' Parking - Permit Charges" taken by the Cabinet Member for Traffic and Transportation at his meeting on 8 January 2015 (AI 3)

The chair made following comments:

- The minutes from the meeting held on 29 August 2014 would be brought to the next meeting for formal approval but were available in draft form on the council's website.
- He reminded members that this meeting was to consider calling in a decision taken by the Cabinet Member for Traffic & Transportation and

that questions should be put to him. Officers in attendance were there to assist the Cabinet Member should he have any queries - not to answer queries from the panel generally.

- He confirmed that written representations received had been circulated to all members of the panel prior to the meeting and that deputation requests had been made by two members of the public both of whom opposed charging for parking permits.

The chair invited Mr Dave Ashmore to make his deputation. Mr Ashmore expressed his views opposing the introduction of parking charges which included his view that this was not justified, it had been done without consultation and was really just a revenue raising exercise.

The chair then invited Julia Pilkington to make her deputation. She expressed her views against parking charges which included comments about pay and display which she said had been introduced without consultation which she did not think was legal and was also in her view unfair.

The chair thanked those making deputations for their comments and the deputees thanked members of the panel for listening to their views.

Councillor Lee Hunt, lead call-in member was invited by the chair to present the case for calling in the decision.

Councillor Hunt outlined the reasons for the call-in as set out in Appendix 4 to the report to Scrutiny Management Panel. These were:

1. There was no clarity on what the charges outlined in the consultation would be or whether any specific charge would be included in the consultation.
2. It is not clear how this integrates with the wider parking review Full Council has asked the Cabinet Member, working with the Scrutiny Management Panel, to undertake. Before the decision meeting, the Cabinet Member was not aware that £200,000 of the saving the charge will provide will be spent on the year-on-year introduction of piecemeal parking zones, which may not be accepted by the review. Moreover the Council administration has said that no new zones will be introduced before 2017. The gap between stated policy and this review should be addressed.
3. The remaining £180,000 of the costs in in setting up and maintaining the parking charges is not accurate because
 - a. It does not include the surplus £86,000 from zones MC and MZ;
 - b. There was no estimate in the report of the expected proceeds from:
 - i. The other charges;
 - ii. The introduction of an online application process;
 - iii. 2 hour MC style zones.

4. There was no full breakdown of first permit charges in other areas. For example, areas that charge less than £40 or have a free first permit for all or some include Birmingham, Exeter, Reading, Lambeth and Richmond.
5. There was no detailed equality impact assessment, especially regarding blue badge holders.
6. There was no consideration of the Atkins report on residents parking.
7. There was no consideration of the displacement effects the charge will bring.
8. It was not clear whether the zones agreed to in the 2013/15 programme will be consulted on a charge or will be surveyed / implemented on the already agreed basis.

In summary Councillor Hunt said that in his view the report going to the Cabinet Member for decision on 8 January was thin and that for the reasons outlined above he asked that the Scrutiny Management Panel agree to refer the matter back for reconsideration on the grounds that the decision may be based on inaccurate or incorrect information and may have been taken without adequate information.

The chair then invited questions from the panel members. In response to queries the following matters were clarified:

- With regard to point 4 Councillor Hunt said that he was not aware if which of the five authorities mentioned are completely free and which of them had a low cost permit charge, but said that if the decision were referred back to the Cabinet Member that information could be included in a revised report.
- With regard to the amount in the original report of £380k per annum, the Chair said that 4.1 of the report explained how the cost of £380,000 per annum had been arrived at.
- Councillor Hunt said that the information before the Cabinet Member had been inadequate because zones that made money had been omitted from the initial report as the suspended MB and MC zones would have created a surplus but for their suspension. Councillor Hunt said that MB zone would have made a profit of £48,000 in a year and MC £38,000 in a year. This had not been reflected in the report and should have been.
- Councillor Boshier said that the original report had included comparative resident permit charges among local authorities in the Southern England region which did charge for first permits.

There was a general discussion around charges with a suggestion being made by Councillor Andrewes that rather than a cost of £380,000 per annum, the cost was nearer £11,000 per annum.

The chair then invited the Cabinet Member for Traffic & Transportation, Councillor Ken Ellcome to provide his response. Councillor Ellcome made the following points:

- The main thrust of the call-in appears to be that he had not had sufficient or adequate information before him when he made his decision. He said that he had a great deal of personal expertise in this field having been the parking manager at the city council for 13 years. He said he felt that the figures being put forward for enforcing and maintaining residents' parking zones amounted to creative accountancy in his view. He said that the previous administration had said in 2012 that parking zones could no longer be afforded as they were running at a deficit. In response to questions from the panel, Councillor Ellcome clarified the following matters:
- A full equality impact assessment had not been done at the time of the original report as that decision was to go out to consultation and the intention was to carry out a full equality impact assessment after that. He said that people were being given a choice.
- With regard to income generated by MB and MC zones, these had not run for a 12 month period so the income generated over a full year was not known. There was a surplus at the beginning but experience showed that this was often the case with new parking zones.
- With regard to a comment made about no more schemes being introduced until 2017, the Cabinet Member said that he had not said that. A review would be needed before any new zones were introduced and those with the highest priority would be progressed.
- With regard to the £200,000 per year annual budget allocation, this was the amount the previous administration had been prepared to pay to prop up residents' parking. If this money were not used to subsidise residents' parking, it could be used to provide other things such as one way streets.
- With regard to introducing pay and display areas, the Cabinet Member confirmed that it was not possible to introduce a pay and display area unless all those affected had been consulted and there was a requirement to advertise before its introduction.
- The Cabinet Member confirmed that the consultation would include those with existing schemes including those in a pay and display area. There was no point in his view in consulting residents in areas that had yet to be surveyed.

- With regard to a specific question about the earliest that the two Cosham areas would be included, the Cabinet Member said he could not give a definitive answer as there was a need first to carry out a review, then to carry out a survey. The principle would then need to be decided as to whether or not to charge. It was therefore unlikely that surveys would be done before June or July but that was an estimate.
- Councillor Ellcome said that his personal view was that people living in residential parking zones received a benefit that others not living in parking zones do not receive. He felt that residents who do have the benefit of a parking zone should pay for that privilege and should not be subsidised by other taxpayers not in receipt of that benefit.
- With regard to 1.2.2 of the City Solicitor's report, the Cabinet Member confirmed that a draft survey had been prepared and approved by the City Solicitor but that this had not been sent out yet as it was felt to be prudent to wait until this meeting concluded. He said that the amount charged for the first permit was likely to be less than £40 and may reduce to around £30 and the intention was not to increase the charge once introduced by more than the rate of inflation.
- With regard to additional displacement as a result of introducing a first permit charge, this was difficult to predict. He did not have a particular figure in mind as this would depend on how the schemes were devised or implemented.
- In response to a query asking what would happen if there was an exact 50% split in whether or not residents in a particular area wanted to have a zone introduced, the Cabinet Member said this was extremely unlikely to happen but if it did then he would take a decision at that time. It was possible that in such circumstances there would be a need to re-consult.
- In response to queries about why the original report had not drawn comparisons between Portsmouth and other areas in respect of how they brought in their schemes and whether these had been brought in for residents only or introduced with no charge and then bringing in a charge, the Cabinet Member said he did not consider how other authorities had brought in their parking zones to be relevant to Portsmouth. He said that the zones in Portsmouth were running at a deficit and that this could not continue.
- The Cabinet Member said that the Barnet case made it clear that parking charges money was only to be used for parking issues and not to subsidise other budgets.
- The Cabinet Member reiterated that an equality impact assessment was not of benefit at this time as there was no way of assessing whether a person had reached a decision based on affordability. He said that a full equalities impact assessment would be done following the consultation.

- In response to a query about how much savings could be made if residents carried out transactions online, the Cabinet Member said he had received estimates only which seemed to suggest that if everyone carried out transactions online, it could perhaps save £10,000. However this was purely hypothetical. In any event, the transactions would need to be processed.
- The Cabinet Member said that the procedure for carrying out a review had not yet been decided, but practical steps had been taken. The timeline had been started, the order of zones introduction had been drafted and beat surveys have been done.
- Every scheme would be reviewed starting with MB and MC zones.
- There was no money to introduce new schemes this year.

There followed a general discussion concerning the timing of the introduction of possible charges. It was confirmed that these would not come in with effect from 1 April this year and the Cabinet Member said he did not yet know when a charge would be introduced. In theory a decision could be taken in early May so a charge could be introduced with effect from June or July but this was dependent on a number of factors.

The City Solicitor said that a contentious decision such as this would be avoided during the purdah period.

The chair then invited Councillor Hunt to sum up his presentation. Councillor Hunt said that:

- The Cabinet Member had admitted that he had been confused about the £200,000 at the time of his decision meeting.
- He said he had no figure in mind about additional displacement caused by the effects of bringing in a charge.
- There was no detailed equality impact assessment.
- There was no estimate in the report of the expected proceeds from the introduction of an online application process.
- There was no option in the consultation asking whether residents wished to keep the scheme as it is.

For these reasons and those outlined in Appendix 4 to the report, he felt that the decision taken by the Cabinet Member on 8 January 2015 should be referred back to him for reconsideration.

The City Solicitor confirmed in response to a query that the equalities impact assessment requirement relates to protected characteristics. A full equalities

impact assessment was not required in respect of the report that had been before the Cabinet Member on 8 January.

The Cabinet Member summed up his case saying

- He was well aware of the Atkins Report on residents' parking as the parking strategy had gone to Cabinet in 2013 under the previous administration. He had read the Atkins Report at that time and had read it since then to refresh his knowledge of it. The previous administration did not take the difficult decision to introduce charging for parking permits and therefore the parking zones continued to run but with a deficit. The current administration had inherited a situation which was unsustainable in their view and therefore a difficult decision was needed now.
- With regard to the assertion that Mr Moon had said that no schemes would be introduced until at least 2017, the Cabinet Member reminded members that it was he who made the decisions - not Mr Moon - and he had not taken any such decision. He intended to move things forward as soon as possible.
- With regard to MB/MC zones, these had been implemented against officer advice at that time by the previous administration and five other areas suffered from the displacement effects.
- He agreed he should have known about the £200,000.

There followed a general debate among members of the Scrutiny Management Panel.

The City Solicitor further clarified the issue concerning equality impact assessment. The report before the Cabinet Member on 8 January 2015 proposed a consultation be undertaken and was not taking a decision on introducing charges. When the actual decision report comes before the Cabinet Member, a full equalities impact assessment would be undertaken but it would be premature until then.

Councillor Winnington felt that a full EIA was not premature and that those economically disadvantaged would be more likely to be against the introduction of charges so the mere fact of putting such a question to them would validate a full equalities impact assessment being carried out. He also felt there was not enough information in the original report on other authorities. He felt that the original report was inaccurate as there was nothing in it about other ways to make zones pay for themselves. There was not enough background information and for these reasons he felt the decision should be referred back to the Cabinet Member.

Councillor Thompson said that had the report been the final decision then he would accept the equalities impact assessment points as being valid. However what had been recommended in the report was to go out to consultation. He felt that adequate information had been before the Cabinet

Member and that it would be in his opinion strange to say that the Cabinet Member had not had enough information before him in order to decide to go out to consultation. He said that the original decision should in his view stand and the matter should not be referred back. In the meantime he felt it would be useful if Councillor Ellcome could circulate to all members of the panel details of all the parking schemes other local authorities had introduced.

Councillor Andrewes felt that referring the decision back to the Cabinet Member would give him the opportunity to defend residents from cost of living increases rather than by adding to them. He felt that parking zones could be introduced and run more cheaply. He said that the MB and MC zones had been running at a surplus before their suspension. He said that parking zones were not suitable for all areas of the city and that parking problems may affect people coming to certain areas of the city. He said that he felt that correct information had not been in front of the Cabinet Member at his decision meeting on 8 January, for example he did not have any information on potential savings that could have been made on the introduction of an online application process.

Councillor Boshier said that no decision had yet been made to introduce charges, the decision had just been to go out consultation. Councillor John Ferrett said that there was a need to make parking self-sustaining. Currently the parking zones are running at a deficit. He had no doubt that Councillor Ellcome's decision on 8 January had been taken in light of adequate information. On the basis of evidence received at this meeting, he felt the decision should not be referred back to the Cabinet Member.

Councillor Sanders said he felt the decision should be referred back. He said the figures do not ally with council policy and that a parking review should take place before any decision is taken on parking charges. Councillor Thompson said that for information one of the authorities mentioned in paragraph 4 of Appendix 4, Richmond actually charge £90 for a first vehicle and only Class A cars, which were numerically few, were free.

The chair of the panel said that the decision before members today was to determine whether the Cabinet Member's decision on 8 January had been based on inaccurate or incorrect information or had been taken without adequate information. He advised that the panel had received two oral deputations and had received written representations and that if the panel is satisfied in the light of everything that had been heard today that the decision had not been based on inaccurate or incorrect information or that it was not taken without adequate information, then no further action is required and the matter ends here.

It was proposed by Councillor Matthew Winnington and seconded by Councillor Darren Sanders that the decision taken by the Cabinet Member for Traffic & Transportation on item 3 at his meeting held on 8 January 2015 should be referred back to the Cabinet Member for reconsideration with the panel's reasons why.

Upon being put to the vote this was LOST.

RESOLVED that the panel considered the evidence and decided that the decision taken by the Cabinet Member for Traffic & Transportation on item 3 at his meeting held on 8 January 2015 be upheld.

Apologies were given by Councillors John Ferrett, Alistair Thompson, Matthew Winnington for having to leave at this point. Councillor Hockaday said it was likely she would have to leave part way through the following item.

4. Presentation by Head of Finance and S151 Officer on the Budget 2014/15 (AI 4)

(TAKE IN PRESENTATION)

Mr Chris Ward provided a presentation of the budget. He said that for local government, spending cuts would continue because of the savings that were required to be made. The strategy was to match in-year income with in-year expenditure. He advised members that government funding reductions were likely to continue until 2018/19 at which point central government funding would only amount to 47% of that which was received in 2011/12.

Mr Ward advised members of details of the revised budget that would be going to full council on 10 February 2015. These were set out on the second slide of page 5. He drew members' attention in particular to the reduced trading income from MMD and the Port.

With regard to the reduction in retained business rates, Mr Ward explained that PCC has to make a judgement about how many successful appeals against business rates there are likely to be. Any gains or losses are shared with central government. Central government allow local authorities to spread the impact of the losses over a five year period. However it is also open to the local authority to pay the entire loss in one single year and this might then result in the local authority receiving a safety net payment from central government. On this occasion PCC received £3m from central government which overall was better for the council. In order to pay the full amount owing in one year PCC has had to draw on its reserve, but this was a planned outlay.

With regard to 2015/16, the net budget amount to £168.4m which represented a big change from the net figure of £182.1m for 2014/15. Mr Ward outlined the expenditure and income changes which included new burdens such as the Care Act and SEND reforms, inflation, increase in contingency, improved trading income from MMD and Port. He outlined the funding changes which included government funding reduction of £14.3 million, additional council tax income of £2.7m and additional business rate income of £1 million.

He said that the reduction in expenditure amounted to £6 million, the reductions in funding amounted to £10.5 million and therefore the total increase in the use of general reserves amount to £4.5 million.

Mr Ward then outlined the capital programme 2013/14 to 2018/19 as set out on the slides on page 9. Mr Ward said that most of the capital had to be spent on meeting statutory responsibilities and that approximately 70% of the total capital resource went into schools.

With regard to capital investment proposals, Mr Ward explained that for the Limberline Road industrial units, the cost of buying the lease was smaller than the value of the freehold site.

He also explained that utility management and consumption reduction related to items such as the use of solar panels.

With regard to the demolition of the floating dock jetty and lengthening of berth 2, this did not include dredging. It was also dependent upon satisfactory new trade assurances and an approved financial appraisal. These were proposals only and the full council would be taking a decision on these matters on Tuesday.

Mr Ward drew members' attention to the summary on page 10 of the presentation including the proposed council tax freeze and the summary of the budget forecast 2015/16 to 2018/19 and the capital programme proposals outlined in the summary on page 11 of the presentation.

The chair thanked Mr Ward for his presentation.

The meeting concluded at 6.30 pm.

Councillor Simon Boshier