



NOTICE OF MEETING

CABINET

TUESDAY, 21 MARCH 2023 AT 12.30 PM

COUNCIL CHAMBER - THE GUILDHALL, PORTSMOUTH

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Please note the public health requirements for attendees at the bottom of the agenda.

Membership

Councillor Gerald Vernon-Jackson CBE (Chair)	
Councillor Suzy Horton (Vice-Chair)	
Councillor Chris Attwell	Councillor Jason Fazackarley
Councillor Kimberly Barrett	Councillor Lee Hunt
Councillor Darren Sanders	Councillor Steve Pitt
Councillor Lynne Stagg	Councillor Matthew Winnington

(NB This agenda should be retained for future reference with the minutes of this meeting.)

Please note that the agenda, minutes and non-exempt reports are available to view online on the Portsmouth City Council website: www.portsmouth.gov.uk

Deputations by members of the public may be made on any item where a decision is going to be taken. The request should be made in writing to the contact officer (above) by 12 noon of the working day before the meeting, and must include the purpose of the deputation (for example, for or against the recommendations). Email requests are accepted.

AGENDA

3 Record of Previous Decision Meeting - 21 February 2023 and 7 March 2023 (Pages 3 - 10)

A copy of the record of the previous decisions taken at Cabinet on 21 February 2023 is attached. The record of the decision meeting on 7 March 2023 is to follow.

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Agenda Item 3

CABINET

RECORD OF DECISIONS of the meeting of the Cabinet held on Tuesday, 7 March 2023 at 12pm at the Guildhall, Portsmouth

Present

Councillor Gerald Vernon-Jackson CBE (in the Chair)
Suzy Horton
Chris Attwell
Kimberly Barrett
Darren Sanders
Lynne Stagg
Jason Fazackarley
Lee Hunt
Steve Pitt
Matthew Winnington

Councillor Suzy Horton chaired the meeting for agenda items 5, 10 and 12 as Councillor Vernon-Jackson had to leave at 1:15pm.

16. Apologies for Absence (AI 1)

No apologies had been received.

17. Declarations of Interests (AI 2)

No interests were declared.

18. Superzone Pilot (AI 3)

Dominique Le Touze, Assistant Director of Public Health introduced the report.

During the discussion, members noted that this was a cross-portfolio project, shaped by the views of the pupils at Arundel Court. The neighbouring schools will also benefit from the pilot.

DECISION:

The report was noted.

19. Bus Service Improvement Plan (AI 4)

Peter Shelley, Transport Development Manager introduced the report.

Members noted the importance of encouraging people to take public transport rather than using their cars with various measures including the free travel on Sundays during March. They were also pleased that over 60 buses would soon be electric.

DECISION

The report was noted.

20. Anaerobic Plant Digester Project (AI 5)

Colette Hill, Assistant Director for Neighbourhoods introduced the report.

Members were very pleased with this project, noting that it benefits residents, the environment and will provide an income.

DECISION

The report was noted.

21. Household Waste Recycling Centre booking system - Port Solent resident survey (AI 6)

David Emmett, Head of Waste Management Services introduced the report.

During their discussion, members noted that as this report had been requested by Full Council, it should be brought there.

DECISION

This report was noted.

22. Planting Trees in Disused Tree pits (AI 7)

Martin Lavers, Assistant Director for Regeneration introduced the report.

Members noted that:

- The council's aim is to double the amount of tree cover in the city.
- Street trees play a vital role in reducing air pollution.
- Some residents are understandably frustrated by buildouts with no trees in them or just stumps.
- Officers were instructed to look into planting trees at Ashby Place

DECISION

The report was noted.

23. Capital Strategy Report March 2023 (AI 8)

Chris Ward, Director of Finance and Resources introduced the report.

During their discussion, members noted the importance of having this overview of the big-ticket items that are likely to come forward so that directors can plan accordingly.

DECISIONS

- 1. That Part I of the Capital Strategy (Capital Expenditure and Aspirations) be approved including:**
 - a) The Short / Medium / Long-term Aspirations set out in Appendix 1.**
- 2. That Part II of the Capital Strategy (Borrowing and Investing) be approved including:**
 - a) The Minimum Revenue Provision (MRP) for Debt Repayment Policy (Part II, (paragraph 2.5)**
 - b) The investment indicators in Part II - Appendix 2 (Part II, paragraph 3.5)**

c) That the Director of Finance and Resources (Section 151 Officer) will bring a report to the next Cabinet and City Council if (Part II, paragraph 3.5):

- (i) The Council's gross General Fund (GF) debt exceeds 500% of GF net service expenditure or;**
- (ii) Overall investment income and long-term treasury management investments exceeds 15.4% of GF net service expenditure.**

24. Treasury Management Policy 2023/ 24 (AI 9)

Chris Ward, Director of Finance and Resources introduced the report and in response to a question confirmed that there is no surplus cash as such, just some funds that have been allocated to a project but have not yet been spent.

Cabinet recommended to Council:

- 1. That the upper limit for principal sums invested for longer than 365 days contained in paragraph 4.6 of the attached Treasury Management Policy Statement be approved;**
- 2. That the upper and lower limits on the maturity structure of borrowing contained in appendix 5.1 of the attached Treasury Management Policy Statement be approved;**
- 3. That the attached Treasury Management Policy Statement including the Treasury Management Strategy and Annual Investment Strategy for 2023/24 be approved;**
- 4. That the following changes compared to the previous Treasury Management Policy be noted:**
 - (i) the inclusion of a new treasury management indicator for 2023/24 known as the liability benchmark. This graphically compares the Council's net loans requirement against its existing loan debt, showing the amount of borrowing required in future years.**
 - (ii) medium and longer dated borrowing rates are high, but are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy. With this in mind, the Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement) has not been fully drawn with loan debt as cash from the Authority's reserves, balances and cash flows has been used as a temporary measure. This is a change of emphasis from the 2022/23 Treasury Management Strategy which was approved at a time of low interest rates which were expected to increase. The 2022/23 Treasury Management Strategy placed more emphasis on having a predictable revenue cost of borrowing in the long-term. Against this background and the risks within the economic forecast, caution will be adopted with the 2023/24 treasury operations. The Director of Finance and Resources (Section 151 Officer) will monitor interest rates in financial markets and adopt a pragmatic approach to changing**

circumstances, always seeking to balance risk, certainty and cost.

(iii) where state institutions own 50% or more of an entity and can exert significant influence over the counterparty through their shareholdings, the Council will in future avoid investments in such institutions where the state institution has a poor human rights record.

5. As set out in paragraph 1.5 of the Treasury Management Policy Statement, the Director of Finance and Resources (Section 151 Officer) and officers nominated by him have delegated authority to:

(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 £1,100m approved by the City Council on 28 February 2023;

(iii) reschedule debt to even the maturity profile or to achieve revenue savings;

(iv) 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

6. That the Director of Finance and Resources (Section 151 Officer) has the power to delegate treasury management operations to relevant staff;

7. 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 1.2 of the Treasury Management Policy Statement).

25. Civic Offices Regeneration (AI 10)

Natasha Edmund, Director of Corporate Services introduced the report.

In the discussion, the following points were raised:

- Councillor Pitt was recently appointed Chair of the cross-party working group.
- The over-riding consideration is to ensure that we deliver value for money for residents.
- The Civic Offices is a hugely inefficient building.
- This is an opportunity to apply leverage in the discussions regarding the regeneration of the city centre.
- It was agreed that this report should go to Full Council.

DECISION

The report was noted.

- 26. Council tax premiums on second homes and empty properties (AI 11)**
Chris Ward, Director of Finance and Resources introduced the report.

Members were concerned to note that there are approximately 1,600 homes empty or used as second homes and 2,000 families on the waiting list for a home.

DECISIONS

Cabinet recommended that Full Council declares its intention to implement and approve the following additional council tax premiums, to be applied from 01 April 2024, or as soon as possible thereafter, subject to the legislation being in place:

- i) A 100% premium for second homes;
- ii) A 100% premium for properties that have been empty and unfurnished for a period between 1 and 5 years - this will change the current policy of charging a 100% premium where a property is empty and unfurnished for a period between 2 and 5 years.

- 27. Forward Plan Omission Notice - Enabling Redevelopment of Debenhams Palmerston Road - Compulsory Purchase Order (AI 12)**

DECISIONS

The Cabinet noted:

1. The omission to the Forward Plan for 6 February to 5 May 2023.
2. The publication of the omission notice.

- 28. Exclusion of Press and Public (AI 13)**

DECISION

The confidentiality of the exempt appendix 4 was maintained without the need to exclude the press and public.

- 29. Enabling Redevelopment of Debenhams Palmerston Road - Compulsory Purchase Order (AI 14)**

This item was considered after the Superzone Pilot report.

Anne Cains, Head of Acquisitions and Disposal introduced the report and asked members to consider an amended recommendation which she read out.

Martin Northern made a deputation in favour of the recommendations. His deputation can be viewed at <https://livestream.com/accounts/14063785/cabinet-07mar2023/videos/235317616>

Members discussed the following points:

- Planning permission has already been granted for the development of a basement carpark, shops and a GP surgery on the ground floor and flats above. NHS funding is available for the GP surgery move.
- Residents are very frustrated about the detrimental effect that this empty site is having on the area.
- It is important that developers understand that if they sit on sites for long periods of time, they may face a Compulsory Purchase Order.
- The council cannot tolerate land banking for years at key strategic locations.

RESOLVED that Cabinet recommends that Full Council:

- 1. Approves the strategy to assemble the land required for the development of the former Debenhams Site in Palmerston Road, in line with the approved planning application for the site;**
- 2. Delegates authority to the Director of Regeneration and S151 Officer on the advice of the City Solicitor in consultation with the Leader to: -**
 - (i) Negotiate and complete acquisitions of legal interests subject to affordability, based on the statutory Compulsory Purchase Order (CPO) Compensation Code, in land required for the delivery of the former Debenhams planning consent;**
 - (ii) Procure and appoint specialist advisers as required for Land Referencing Agents and specialist compulsory purchase surveyors;**
 - (iii) Approve the progress of all work necessary to establish a case for compulsory purchase;**
 - (iv) Approve, in principle, the use of compulsory purchase powers for the acquisition of land to deliver the former Debenhams (Palmerston Road), regeneration scheme (indicatively shown in red on the attached plan at Appendix 2) and note that the making of any compulsory purchase order will be subject to a further report to cabinet and Full Council confirming that the criteria in paragraph 3.18 have been met.**
- 3. NOTES the red line area shown on the plan (Appendix 2) as currently drawn. Officers will take all reasonable measures to minimise the need to acquire third party interests in accordance with CPO Guidance and the existing design approach to the scheme.**

RESOLVED that Cabinet NOTES that:

- (i) Officers may need to seek a future resolution to grant the Director of Regeneration and the City Solicitor authority, in accordance with section 122 of the Local Government Act 1972, to declare that any land acquired or held and required for the delivery of the former Debenhams (Palmerston Road) Regeneration scheme, where they conclude that it is no longer needed for its present purpose, is appropriated for such statutory purpose as necessary to deliver the former Debenhams (Palmerston Road) Regeneration scheme, and to**

authorise the overriding of such easements, rights, or other adverse matters burdening the land, where that is needed to deliver the scheme, in reliance on section 203 of the Housing and Planning Act 2016.

The meeting concluded at 1:30pm

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Councillor Gerald Vernon-Jackson CBE
Leader of the Council

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