

Portsmouth City Council

A MEETING OF THE COUNCIL will be held at the Main Concert Hall / Council Chamber - The Guildhall on Tuesday, 3 June 2014 at **10.30 am** and all members of the council are hereby summoned to attend to consider and resolve upon the following business:-

Agenda

*Items 1 (Election of Lord Mayor) and 2 (Appointment of Deputy Lord Mayor) will take place in the **Main Concert Hall**.*

- 1 To elect the Lord Mayor for the ensuing Municipal Year.**
- 2 To appoint the Deputy Lord Mayor for the ensuing Municipal Year.**
*The Council will adjourn at approximately 11.45 am and deal with the remaining items, re-commencing in the **Council Chamber** no earlier than **2.45 pm**.*
- 3 Members' Interests**
- 4 To confirm the minutes of the meeting of the Council held on 18 March 2014 (Pages 1 - 14)**
- 5 To receive such communications as the Lord Mayor may desire to lay before the Council, including apologies for absence.**
- 6 Deputations from the Public under Standing Order No 24.**
- 7 Leader of the City Council**

The Leader will be a Councillor elected to the position of Leader of the Council. Under the Local Government Public Involvement in Health Act 2007, the current Leader of the City Council will remain in office until May 2015, unless;

- a) he resigns from the office;
- b) he is removed from office by resolution of the Council

The Lord Mayor to ascertain the intentions of the Leader and the Council.

8 Leader's Appointments

In accordance with the Local Government and Public Involvement in Health Act 2007, to receive details from the Leader of the Council regarding Cabinet members and portfolios for the ensuing Municipal Year.

The Council will also receive details of the appointments from the Leader (as it is within the Leader's gift) for the Health and Wellbeing Board, applying the following criteria;

- Portfolio holder responsible for Health & Social Care
- Portfolio holder responsible for Children's Services
- Two other members of the administration
- Two members of the opposition

Appointments for 2013/14 were; Cllrs L. Madden, R. Wood, M. Hancock, S. Stockdale, R. New and J. Patey.

Standing deputies were; Cllr D. Fuller, G. Vernon-Jackson and J. Fazackarley.

9 Proportional Representation on Panels and Committees

Under the Local Government and Housing Act 1989, the City Council is required at each Annual Meeting to review the representation of different political groups, to determine the allocation of seats to different political groups for the forthcoming Municipal Year and to appoint Members in accordance with the decisions of the Council as to allocation and according to the wishes of the groups as to the identities of the Members to be appointed. The appointment of Members is dealt with separately under Item 10 below.

Proposed allocation of Seats for 2014/15 (Table 1) will be circulated shortly

The representation of groups must be in accordance with the rules set out in the relevant legislation. Details of the proposed allocation of places on Panels and Committees will follow (set out below are the totals) -

Table 1.

1 Number of Cllrs	2 Total No of Cttee Seats	3 Places on Licensing cttee	4 Planning cttee	5 Governance & Audit & Standards, Employment , and 5 Themed Scrutiny Panels (6 Members)	6 Places on Scrutiny Management Panel (9* Members)
42	76	15	10	42	9

Principle 2 within Section 15 of the Local Government and Housing Act 1989 requires the majority of seats on Committees and Panels to be allocated to the group having the majority of seats on the City Council.

A group is defined in the regulations as comprising two or more persons.

* It is recommended that Scrutiny Management Panel shall comprise of members who shall be appointed as Chairs of the themed scrutiny panels.

2014/15 municipal appointments will be presented at the meeting

RECOMMENDED (1) that the total number of seats on Committees and Panels be divided amongst the political groups in accordance with Table 1 above (details to follow);

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

10 To appoint Members to the following Committees and Panels for the 2014/15 Municipal Year :-

Scrutiny Management Panel	- 9 members
Planning Committee	- 10 members
Licensing Committee	- 15 members
Governance & Audit & Standards Committee	- 6 members
Employment Committee	- 6 members
Health Overview & Scrutiny Panel	- 6 members
Education, Children & Young People Scrutiny Panel	- 6 members
Traffic, Environment & Community Safety Scrutiny Panel	- 6 members
Economic Development, Culture & Leisure Scrutiny Panel	- 6 members
Housing & Social Care Scrutiny Panel	- 6 members

- 11 **To appoint Standing Deputies (three named Members for each Group on each Committee or Panel, five in respect of the Planning Committee).**
- 12 **To appoint the Chairs and Vice-Chairs of Committees and the Scrutiny Management and themed Panels for the 2014/15 Municipal Year.**
- 13 **Appointments**

To appoint representatives, **who must be elected members**, to the following outside bodies. These appointments are reserved to the City Council in accordance with Paragraph 1.3 of Part 2 of the Council Constitution, information on the political proportionality of the bodies listed below will follow.

- (1) To appoint 3 members in political proportionality to serve on the **Hampshire Fire & Rescue Authority** for the 2014/15 municipal year.

(In 2013/14 the appointees were Councillors Phil Smith, Jason Fazackarley and Luke Stubbs)

- (2) **Police and Crime Panel (PCP)**

To appoint 1 member to serve on the Police and Crime Panel (Councillor Stagg was the Council's representative in 2013/14).

Note: Councils are asked to consider when appointing, whether a conflict of interest might occur for Leaders and Community Safety Portfolio holders, as they are likely to be in regular discussions with the Police and Crime Commissioner about local crime and disorder issues.

- (3) To appoint up to 4 members to serve on the **Local Government Association General Assembly** for the 2014/15 municipal year, who will be supported by the appropriate officers at the Annual Conference, **and to specify which of the elected members will hold the voting rights.**

Portsmouth City Council has up to 4 votes on the LGA, which are usually exercised by the party forming the City Council's political administration. Those having the right to vote should be identified.

In 2013/14 the representatives were Councillors Hugh Mason, Gerald Vernon-Jackson, Will Purvis and Donna Jones, who each exercised one vote.

- (4) To appoint 6 members to serve on the **Langstone Harbour Board** who must be an elected member.

Current members are; Councillors P. Eddis, L. Mason C, P. Smith, G. Vernon-Jackson, A. Windebank and M. Winnington were appointed for 2013/14.

Note the current Deputies are Councillors H Mason, S Wemyss, C. Scott and E Scott.

The current political balance applied to the Board is 4 Liberal Democrats and 2 Conservatives.

14 Other Appointments

6 members to the **Twinning Advisory Group** - currently chaired by the Resources Portfolio holder, with the Lord Mayor performing the deputy Chair role (the other 4 members in 2013/14 were Councillors Hall, Eddis, Jonas and L. Mason).

Therefore one vacancy is expected with Councillor Wylie replacing Councillor Stagg as the Lord Mayor as the vice chair.

15 To receive and consider any urgent and important business in accordance with Standing Order No 26.

16 Forward Plan Omission

To note in accordance with the Constitution that the report with respect to Agenda Item 17, it was not possible to include the item within the normal forward plan process and the usual omission procedure therefore had to be followed.

17 Revised Minimum Revenue Provision for Debt Repayment Policy (Pages 15 - 20)

To receive and consider the attached report from the Head of Financial Services.

18 Dates of future meetings of the full Council

To determine the following dates for meetings of the Council during the ensuing Municipal Year as required under Standing Order 6 and 10(k), to commence at 2.00 pm unless otherwise indicated –

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

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

To agree in principle subject to later ratification, the following provisional Council meeting dates for 2015/16

14 July 2015
13 October 2015
10 November 2015
8 December 2015

19 January 2016
9 February 2016
22 March 2016
17 May 2016 (Annual)*
(10.30 am)

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

David Williams
Chief Executive

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

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

Civic Offices
Guildhall Square
PORTSMOUTH
23 May 2014

Agenda Item 4

18 March 2014

23

MINUTES OF A MEETING OF THE COUNCIL held at the Guildhall
Portsmouth on Tuesday, 18 March 2014 at 2.00 pm

Council Members Present

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

Councillors

Councillor Margaret Adair	Councillor Mike Park
Councillor Michael Andrewes	Councillor Jim Patey
Councillor Simon Boshier	Councillor Darron Phillips
Councillor Peter Eddis	Councillor Will Purvis
Councillor Ken Ellcome	Councillor Darren Sanders
Councillor Jason Fazackarley	Councillor Caroline Scott
Councillor John Ferrett	Councillor Eleanor Scott
Councillor Ken Ferrett	Councillor Phil Smith
Councillor Margaret Foster	Councillor Les Stevens
Councillor David Fuller	Councillor Sandra Stockdale
Councillor Aiden Gray	Councillor Luke Stubbs
Councillor Terry Hall	Councillor Alistair Thompson
Councillor Jacqui Hancock	Councillor Gerald Vernon-Jackson
Councillor David Horne	Councillor Steve Wemyss
Councillor Lee Hunt	Councillor April Windebank
Councillor Frank Jonas	Councillor Matthew Winnington
Councillor Donna Jones	Councillor Rob Wood
Councillor Leo Madden	Councillor Steven Wylie
Councillor Hugh Mason	Councillor Neill Young
Councillor Lee Mason	

24. Members' Interests

Councillor Alistair Thompson declared a personal and prejudicial interest in item 16(d) in that his company has close links with the largest provider of local apprenticeships in the country and will leave the Chamber for that item.

25. Minutes of the Council Meeting held on 11 February 2014

It was

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

That the minutes of the meeting held on 11 February 2014 be confirmed and signed as a correct record subject

- (a) in respect of page 26 Appendix 3 relating to the substantive proposal to the inclusion of the number 9 in paragraph (l) so that it reads "Section 9";

and;

- (b) Minute 21, Cabinet Recommendations, on the Council Tax item, the correction to show that Councillors John Ferrett, Ken Ferrett, Aiden Gray and David Horne abstained from the vote rather than voted against the substantive proposal.

Upon being put to the vote this was CARRIED.

RESOLVED that the minutes of the meeting held on 11 February 2014 be confirmed and signed as a correct record subject to the amendments above.

26. To receive such communications as the Lord Mayor may desire to lay before the Council, including apologies for absence.

Apologies for absence were received from Councillor Mike Hancock and Councillor Rob New.

The Lord Mayor welcomed two groups of students who were observing part of the council meeting - one group was from Highbury College and one group was from the Portsmouth Grammar School.

The Lord Mayor said she wished to share some comments made by Vice-Admiral David Steel CBE, the Second Sea Lord in a recent letter to her. He said that there is something very special about the city of Portsmouth and perhaps in particular in its relationship with the Royal Navy. Each can be equally proud of the other and while there is little fanfare marking the relationship it is there in full measure and everyone knows it. Such a deep friendship and alliance does not exist in any other naval port, it is unique.

The Vice-Admiral wanted the Leader to know of his gratitude for the support and hospitality received.

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

One deputation was made by Mrs Paula Riches on agenda item 16(a) - in support of Off The Record.

28. Questions from the Public under Standing Order 25.

There was one question from the public from Mr Alan Burgess asking

"In the light of BAE systems departure, will the Council look at dockyard developments presented by B9 shipping and B9 energy, B9 shipping have flow tested a prototype ship with sails, this involves Rolls Royce technology, has the research backing of Manchester and Southampton Universities and was designed by Humphrey's Yachts of Lymington, in addition B9 energy are looking at plans to recycle ships and oil rigs using green energy?"

This and supplementary questions were answered by the Leader of the Council, Councillor Gerald Vernon-Jackson.

29. Appointments

There were no appointments.

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

There was no urgent business.

31. Cabinet Recommendations from its meeting on 3 March 2014

The following minutes were approved unopposed:-

Minute 32 - Local Transport Plan 3 - Implementation Plan 2014/15

Minute 33 - Treasury Management Policy for 2014/15

Minute 34 - Budget & Performance Monitoring 2013/14 (3rd Quarter)

It was

Proposed by Councillor Gerald Vernon-Jackson

Seconded by Councillor Hugh Mason

That the recommendations set out in Cabinet minute 34 be approved.

Following discussion upon being put to the vote the recommendations set out in Cabinet minute 34 was CARRIED.

RESOLVED that

- (i) **The contents of this report be noted, in particular (after further forecast transfers to Portfolio Specific Reserves of £449,600) the overall forecast overspend of £316,600 representing a variance of 0.16% against the City Council Revised Budget of £192,781,200. Before further forecast transfers to Portfolio Specific Reserves, there is a forecast underspend of £133,000 representing a variance of 0.07%.**
- (ii) **Members note that any actual overspend at year end will in the first instance be deducted from any Portfolio Reserve balance and once depleted then be deducted from the 2014/15 Cash Limit.**
- (iii) **A report in respect of the Children and Education Portfolio be prepared for the Cabinet in April 2014 setting out the options for significantly reducing or eliminating in future financial years the adverse budget position presently being forecast by the Portfolio, including the associated impact of doing so.**

- (iv) **Heads of Service, in consultation with the appropriate Cabinet Member, consider options that seek to minimise any forecast overspend presently being reported and prepare strategies outlining how any consequent reduction to the 2014/15 Portfolio cash limit will be managed to avoid further overspending during 2014/15.**

32. Governance & Audit & Standards Committee Recommendations from its meetings on 30 January 2014 and 13 March 2014

The following minute from the meeting held on 30 January 2014 was approved unopposed:-

Minute 12 - Probate Applications

The following minute from the meeting held on 13 March 2014 was approved unopposed:-

Minute 22 - School Transport Appeal Committee

33. Employment Committee Recommendation from its meeting on 10 March 2014

The following minute was approved unopposed:-

Minute 4 - Pay Policy Statement

34. Scrutiny Management Panel Recommendation from its meeting on 7 February - Response to Notice of Motion on Filming and Recording of Meetings

The following minute was approved unopposed:-

Minute 5 - Filming and Recording of Meetings by the Media and Public

The Lord Mayor said that her understanding was that the proposed working group of four councillors would be broadly politically proportionate and would comprise of two Liberal Democrats, one Conservative and one Labour group member and that the respective group leaders would notify the Local Democracy Manager of their representatives after this meeting.

35. Independent Remuneration Panel

The Lord Mayor explained that council was required to consider the report and recommendations of the Independent Remuneration Panel together with the overview report of the City Solicitor as already circulated. The Lord Mayor said that she would like the council to note that the Governance & Audit & Standards Committee had received this report at its meeting on 13 March 2014 and had confirmed that it was content with the process that had been followed by the panel.

As an alternative to the recommendations in the Independent Remuneration Panel's report it was

Proposed by Councillor Gerald Vernon-Jackson
Seconded by Councillor Hugh Mason

- (1) That the city council accepts the recommendation of the Independent Remuneration Panel as set out in the panel's report in respect of the dependent carers' allowance, but does not accept the recommendation in respect of an interest-free bus loan.
- (2) That the city council's constitution be amended as applicable and appropriate.
- (3) That members thank the Independent Remuneration Panel for their work in reviewing elements of the members' allowance scheme.

Upon being put to the vote this was CARRIED.

RESOLVED that council adopts the recommendations set out above.

The Leader of the Council added a comment that councillors were disappointed that central government had decided no longer to allow councillors to contribute to the Local Government Pension Scheme and suggested that a letter be sent to central government with cross-party support to this effect. This would be progressed with the other group leaders outside this meeting.

36. Notices of Motion

The Lord Mayor advised that there were four notices of motion before council today and that she proposed a variation in the order of the agenda so that notice of motion (c) is dealt with at the end of the meeting immediately after councillors' questions. This was agreed.

Notice of Motion (a) - Off the Record

It was

Proposed by Councillor Steve Wemyss
Seconded by Councillor Neill Young

That the notice of motion set out at agenda item 16(a) be debated today.

Upon being put to the vote this was CARRIED.

It was

Proposed by Councillor Steve Wemyss
Seconded by Councillor Neill Young

That notice of motion (a) as set out on the agenda be agreed. As an amendment it was

Proposed by Councillor Gerald Vernon-Jackson
Seconded by Councillor Hugh Mason

To replace the third sentence in the second paragraph with "Council notes that the provision of confidential counselling for young people meets an important need and prevents problems escalating with consequent high demands on other Council services."

Replace the third paragraph with

"Council welcomes the recent decision of the Clinical Commissioning Group to make a grant of £10,000 to Off The Record to support their work until September 2014. During this period Council hopes that Off The Record will work with Community Action Portsmouth to devise a strategy to develop new income streams and to bid for various sources of funding. The Council will also continue to identify funding streams for which Off The Record can bid."

Upon being put to the vote, the amendment was CARRIED.

Upon the substantive notice of motion as set out below being put to the vote this was CARRIED.

RESOLVED that this City Council place on record its thanks to the staff and volunteers of Off The Record who, over the years, have helped so many young people from all walks of life come to terms with their troubles and anxieties. Those problems can take many forms, be it mental health issues, criminal tendencies, family problems, or being bullied - especially in school. OTR provides a self-referral drop in centre where a trained volunteer will help that young person address their problems.

This financial year, ending 31 March, Portsmouth City Council will have given OTR a grant of £7000 towards the running of the service in the City, as have the local Care Commissioning Group. That works out to just under £2.50 per young person from each organisation for the almost 3000 young people who visited the centre. Council notes that the provision of confidential counselling for young people meets an important need and prevents problems escalating with consequent high demands on other Council services.

Council welcomes the recent decision of the Clinical Commissioning Group to make a grant of £10,000 to Off The Record to support their work until September 2014. During this period Council hopes that Off The Record will work with Community Action Portsmouth to devise a strategy to develop new income streams and to bid for various sources of funding. The Council will also continue to identify funding streams for which Off The Record can bid.

Notice of Motion (b) - Pyramids Centre

It was

Proposed by Councillor John Ferrett
Seconded by Councillor Aiden Gray

That the notice of motion set out at agenda item 16(b) - Pyramids Centre - be debated today and this was agreed.

It was

Proposed by Councillor John Ferrett
Seconded by Councillor Aiden Gray

That the notice of motion set out at agenda item 16(b) be adopted.

As an amendment it was

Proposed by Councillor Gerald Vernon-Jackson
Seconded by Councillor Hugh Mason

That the notice of motion be amended as follows:-

Paragraph 1

Delete second sentence from "It is understood" to "within the building".

Paragraph 2

Delete first sentence from "Moreover, the Council" to "in certain circumstances" and replace with "The city council provides a subsidy to the Pyramids along with the Mountbatten pool, The Guildhall, Eastney pool and other facilities where the city council remains responsible for the fabric of the building. All these buildings are insured. The City Council notes that usage of the Pyramids continues to grow and it is a very popular facility for local families and visitors."

The last sentence to remain unchanged.

The Leader of the Council read out a briefing paper that was also circulated in the chamber and is attached to these minutes.

Upon the amendment standing in the name of Councillor Gerald Vernon-Jackson being put to the vote this was CARRIED.

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

RESOLVED that this Council notes the damage caused to the Pyramids Centre by the severe overnight storm on 4/5th February.

The city council provides a subsidy to the Pyramids along with the Mountbatten pool, The Guildhall, Eastney pool and other facilities where the city council remains responsible for the fabric of the building. All these buildings are insured. The City Council notes that usage of the Pyramids continues to grow and it is a very popular facility for local families and visitors. Therefore, the council requests that the Cabinet Member for Culture and Leisure prepare an urgent report for members, outlining both the full extent of the damage and the council's resultant financial liabilities.

Notice of Motion (d) - apprenticeships

It was

Proposed by Councillor Ken Ferrett
Seconded by Councillor John Ferrett

That the notice of motion set out at agenda item 16(d) be debated today and this was agreed.

It was

Proposed by Councillor Ken Ferrett
Seconded by Councillor John Ferrett

That the notice of motion set out at agenda item 16(d) be adopted.

As an amendment it was

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

That the notice of motion be amended as follows:-

Replace Paragraph 2 with

Since then, there has been a massive rise in Apprenticeships in our city, thanks to the Coalition Government. In 2009/10, there were 680 apprenticeships in Portsmouth. In 2012/13, there were 1,970, a 290% increase on Labour's time in office. Nationally, there have been 1.6m new apprenticeships since the Coalition came in, the biggest expansion since the 1950s.

Amend Paragraph 3 to read:

Nationally, youth unemployment remains too high, although it is now 18,000 less than when Labour's left office.

Replace renumbered paragraphs 5 and 6 with:

More work must be done on generating more apprenticeships in the city.

Labour's suggestion that Intermediate Level Apprenticeships are “of no value to either employers or learners” and desire to 'rebrand' them is an insult to the 1,130 people in our city currently benefiting from them. Council opposes that plan.

Before Council resolves, insert:

Council welcomes the work it and partners are already doing to encourage apprenticeships, including:

- **Graduate Building Surveyors since 2012**
- **Trainee Building Surveyors since 2013**
- **Apprentices in the Clean and Green team**
- **Ensuring new apprenticeships as part of the contract for the redevelopment of Wilmcote House**
- **Apprentice gas engineers, plasterers, electricians, carpenters and plumbers, some of whom are at the Intermediate level Labour opposes**
- **Forcing officers at the Council to justify on each vacancy form why apprenticeships should not be given**
- **Providing money to support apprenticeships for care leavers**

Council also welcomes the work of the Economic Development, Culture and Leisure Scrutiny Panel, which has been reviewing youth unemployment, and urges adoption of its findings when it reports.

Insert the word to after Council resolves

Insert following bullet points under Council resolves to:

- **Take steps to increase the number of apprenticeships it adopts as part of a wider package of measures to create job opportunities for young people**
- **Encourage all local employers to take on, in particular, those with lower skills and qualifications and the longer-term unemployed**
- **Encourage even more young people to see apprenticeships as something to aspire to**
- **Expand apprenticeships across the Council and its contractors at all stages, including procurement**
- **Produce a paper for the April Cabinet outlining in more detail the steps it would take to increase apprenticeships**

In the section referring to writing letters, replace bullet point 1 with.

- ❖ **Ensure apprenticeships will continue to be delivered at all levels, including Intermediate**
- ❖ **That any successful bidders for the BAE Shipyard have, as part of their plan, a detailed, deliverable programme to guarantee young people from our city apprenticeships**

Replace bullet point 3 with

❖ **Support the one-year minimum for apprenticeships proposed by the Government**

Delete last paragraph

Upon the amendment standing in the name of Councillor Darren Sanders being put to the vote this was CARRIED.

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

RESOLVED that National Apprenticeship Week, which this year took place on March 6-10, was set up by the previous government in 2008 as part of its commitment to apprenticeships. Between 1996/97 and 2009/10 the number of apprenticeship starts rose dramatically from 65,000 to just under 280,000.

Since then, there has been a massive rise in Apprenticeships in our city, thanks to the Coalition Government. In 2009/10, there were 680 apprenticeships in Portsmouth. In 2012/13, there were 1,970, a 290% increase on Labour's time in office. Nationally, there have been 1.6m new apprenticeships since the Coalition came in, the biggest expansion since the 1950s.

Nationally, youth unemployment remains too high, although it is now 18,000 less than when Labour's left office.

This council believes:

More work must be done on generating more apprenticeships in the city.

Labour's suggestion that Intermediate Level Apprenticeships are “of no value to either employers or learners” and desire to 'rebrand' them is an insult to the 1,130 people in our city currently benefiting from them. Council opposes that plan.

Quality apprenticeships will be essential in providing the high-skilled and well-paid jobs that Portsmouth's economy will need for the years and decades ahead.

National and local government can introduce measures to boost the quantity and quality of apprenticeships on offer to young people.

Council welcomes the work it and partners are already doing to encourage apprenticeships, including:

- **Graduate Building Surveyors since 2012**
- **Trainee Building Surveyors since 2013**
- **Apprentices in the Clean and Green team**
- **Ensuring new apprenticeships as part of the contract for the redevelopment of Wilmcote House**

- **Apprentice gas engineers, plasterers, electricians, carpenters and plumbers, some of whom are at the Intermediate level Labour opposes**
- **Forcing officers at the Council to justify on each vacancy form why apprenticeships should not be given**
- **Providing money to support apprenticeships for care leavers**

Council also welcomes the work of the Economic Development, Culture and Leisure Scrutiny Panel, which has been reviewing youth unemployment, and urges adoption of its findings when it reports.

Council Resolves to:

- **Take steps to increase the number of apprenticeships it adopts as part of a wider package of measures to create job opportunities for young people**
- **Encourage all local employers to take on, in particular, those with lower skills and qualifications and the longer-term unemployed**
- **Encourage even more young people to see apprenticeships as something to aspire to**
- **Expand apprenticeships across the Council and its contractors at all stages, including procurement**
- **Produce a paper for the April Cabinet outlining in more detail the steps it would take to increase apprenticeships**

To write to Business Secretary Vince Cable and Minister for Portsmouth Michael Fallon outlining the following recommendations to strengthen, and encourage the spread of, quality apprenticeships:

- ❖ **Ensure apprenticeships will continue to be delivered at all levels, including Intermediate**
- ❖ **That any successful bidders for the BAE Shipyard have, as part of their plan, a detailed, deliverable programme to guarantee young people from our city apprenticeships**
- ❖ **Adopt the approach endorsed by the cross-party Business, Innovation and Skills Select Committee which requires all firms winning major Government contracts to provide apprenticeships as part of the deal. At least one new apprenticeship should be provided for every million pounds spent on these contracts.**
- ❖ **Support the one-year minimum for apprenticeships proposed by the Government**

37. Questions from Members under Standing Order No 17

There were five questions before council.

Question number 1 was from Councillor Simon Bosher to the Cabinet Member for Environment & Community Safety, Councillor Sandra Stockdale.

"Following the recent successful prosecution of a Chinese Takeaway, what further steps is the Cabinet Member taking to promote public confidence in takeaway establishment hygiene standards?"

This and supplementary questions were answered by the Cabinet Member for Environment & Community Safety, Councillor Sandra Stockdale.

The Cabinet Member agreed to arrange for an urgent investigation to be carried into those premises (including a school) that had been given the low hygiene rating for longer than six months and undertook to write to members about the findings of the investigation.

Question number 2 was from Councillor John Ferrett to the Leader of the Council, Councillor Gerald Vernon-Jackson.

"Could the Council Leader explain under what circumstances he feels it appropriate to charge parents when their children are taken into care by the Authority?"

This and supplementary questions were answered by the Leader of the Council, Councillor Gerald Vernon-Jackson.

Question number 3 was from Councillor Luke Stubbs to the Cabinet Member for Traffic & Transportation, Councillor Jason Fazackarley.

"Should a concession be offered to lifeboat volunteers granting them greater flexibility over where to park when on call?"

This and supplementary questions were answered by the Cabinet Member for Traffic & Transportation, Councillor Jason Fazackarley.

The Cabinet Member agreed to meet with those concerned.

Question number 4 was from Councillor John Ferrett to the Cabinet Member for Environment & Community Safety, Councillor Sandra Stockdale.

"What immediate steps are being taken to address the concerns raised in the HMI Probation investigation report into Youth Offending work in Portsmouth?"

This and supplementary questions were answered by the Cabinet Member for Environment & Community Safety, Councillor Sandra Stockdale.

The Cabinet Member agreed to provide a written response to members to include the details requested in a supplementary question about the comments in the executive summary of the HMI Probation report highlighting issues at strategic level concerning governance of the Youth Offending Team.

Question number 5 was from Councillor Luke Stubbs to the Cabinet Member for Culture, Leisure & Sport, Councillor Lee Hunt.

"Some people living by Canoe Lake find the noise from a small minority of the model boats that use the lake to be irritating and would like a restriction

placed on the engine size and speed permitted. Is this something the Cabinet member will consider?"

This and supplementary questions were answered by the Cabinet Member for Culture, Leisure & Sport, Councillor Lee Hunt.

The Lord Mayor advised that the time for questions had expired and that council would now move to consider notice of motion (c) that had been deferred from earlier in the meeting.

Notice of Motion (c)

It was

Proposed by Councillor John Ferrett
Seconded by Councillor Aiden Gray

That the notice of motion set out at agenda item 16(c) be debated today and this was agreed.

It was

Proposed by Councillor John Ferrett
Seconded by Councillor Aiden Gray

That the notice of motion set out at agenda item 16(c) be adopted.

As an amendment it was

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

That the notice of motion be amended as highlighted as follows:-

"Members will be aware that this is Councillors Jim Patey, **Mike Park, Caroline Scott, April Windebank and Darron Phillip's** final full council meeting. In view of Councillor Patey's 38 years, **Councillor Park's 23 years, Councillor Scott's 12 years, Councillor Windebank's 8 years and Councillor Phillip's 8 years** of loyal service to the people of Portsmouth the Council would like to place on record their thanks for **their** contribution to civic life in the City."

During debate, members paid tribute to Councillors Jim Patey, Mike Park, Caroline Scott, April Windebank and Darron Phillips for all the time and effort they had put in to their work as councillors for the city of Portsmouth.

Councillor Jim Patey and Councillor Mike Park each addressed council and expressed their thanks to all council members and staff for all the help and support they had given over the years.

Upon the amendment standing in the name of Councillor Gerald Vernon-Jackson being put to the vote, this was CARRIED.

Upon the substantive notice of motion being put to the vote, this was CARRIED.

RESOLVED that "Members will be aware that this is Councillors Jim Patey, Mike Park, Caroline Scott, April Windebank and Darron Phillips' final full council meeting. In view of Councillor Patey's 38 years, Councillor Park's 23 years, Councillor Scott's 12 years, Councillor Windebank's 8 years and Councillor Phillips' 8 years of loyal service to the people of Portsmouth the Council would like to place on record their thanks for their contribution to civic life in the City."

The Lord Mayor presented certificates to Councillor Jim Patey, Councillor Mike Park and Councillor Caroline Scott in recognition of their loyal, dedicated and sterling public service to the city council and the people of Portsmouth.

The Lord Mayor said that as this is the last council meeting before the local elections, she wished to thank colleagues for all their support during the year.

The meeting concluded at 7.25 pm.

Lord Mayor



Agenda item:

Title of meeting: City Council

Date of meeting: 3rd June 2014

Subject: Revised Minimum Revenue Provision for Debt Repayment Policy

Report by: Head of Financial Services and Section 151 Officer

Wards affected: All

Key decision: Yes

Full Council decision: Yes

1. Purpose of report

To amend the Council's policy on the minimum revenue provision (MRP) i.e. - the amount of money set aside annually from the revenue budget for the repayment of debt. The intent is to allow the use of part of the City Deal Capital Grant (amounting to £48.5m in total) to fund the MRP and to then utilise the revenue funding saved to establish an earmarked reserve to hold those sums for the City Deal. This will then allow the Council to better align funding for the City Deal with its expenditure and minimise the risk of any repayment of the City Deal Grant to Government which has time restrictions attached to it for its use.

To enable the City Council to use the City Deal Grant for the repayment of debt in 2013/14 and 2014/15, the recommendations contained within this report to amend the Minimum Revenue Provision for Debt Repayment Policy need to be approved by 30th June 2014. If approved, the effect of this policy will be reflected in the Council's Statement of Accounts. The Accounts and Audit Regulations 2011 require the Council's Statement of Accounts to be prepared and signed by the Section 151 Officer by 30 June.

2. Recommendations

- 1) That the revised MRP for debt repayment policy for 2013/14 and 2014/15 contained in the Appendix be approved
- 2) That a sum equal to the reduction in MRP under the new policy be transferred to an earmarked reserve to fund capital expenditure related to the City Deal

3. Background

On 25 February 2014 the Department for Communities and Local Government informed the Council that it would receive a £48.75m grant under the City Deal to spend on the same purposes that a capital receipt can be spent by June 2015. Any City Deal grant not spent by 30 June 2015 becomes repayable to the Government. The main purposes on which a capital receipt and therefore the City Deal grant can be spent are capital expenditure and the repayment of the principal of any amount borrowed.

Capital expenditure included in the City Deal will continue long after 30 June 2015. In order to help to ensure that this grant can be fully spent (and not returned), it is proposed to use it to fund any capital expenditure which is not financed by ring-fenced resources. This will "free up" those non ring-fenced resources which are not time restricted to be recycled and used for the City Deal. After 30 June 2015, any non-ring fenced capital resources that were substituted by City Deal grant will be used to fund capital expenditure related to the City Deal.

4. Reasons for recommendations

In order to further ensure that the City Deal grant is spent by 30 June 2015, it is proposed that the City Deal grant be used to repay the entire principal due on the Council's debts in 2013/14 and 2014/15. It is recommended that the MRP for the repayment of debt policy be amended so that the MRP is reduced by the amount of principal repaid using City Deal grant. It is also recommended that a sum equivalent to the reduction in MRP be transferred to an earmarked reserve to fund City Deal capital expenditure in the future. This will help to ensure that the City Deal grant is spent by the 30 June 2015 deadline and that funding is available to finance capital expenditure related to the City Deal long past June 2015.

The Local Authorities (Capital Finance and Accounting) Regulations 2003 require local authorities to make a prudent amount of minimum revenue provision (MRP) for the repayment of debt. The Secretary of State has issued statutory guidance on determining the "prudent" level of MRP to which authorities are required to have regard. The statutory guidance requires authorities to prepare an annual policy on MRP for the repayment of debt for submission to full Council for approval.

5. Equality impact assessment (EIA)

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

6. 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.

7. Finance Comments

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

.....
 Signed by the Head of Financial Services and Section 151 Officer

Appendices:

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

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

Title of document	Location
Treasury Management Files	Financial Services

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by the City Council on 3rd June 2014.

.....
 Signed by the Leader of the Council

APPENDIX

1 REVISED ANNUAL MINIMUM REVENUE PROVISION FOR DEBT REPAYMENT STATEMENT

- 1.1 The Local Authorities (Capital Finance and Accounting) (Amendment) Regulations 2003 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.
- 1.2 The guidance also requires the Council to adopt an Annual Minimum Revenue Provision (MRP) for Debt Repayment Statement. This is contained within paragraphs below.

2 GOVERNMENT- SUPPORTED BORROWING OTHER THAN FINANCE LEASES AND SERVICE CONCESSIONS INCLUDING PRIVATE FINANCE INITIATIVE SCHEMES

- 2.1 The Government has supported some local authority borrowing through the Formula Grant. Provision may be made for the repayment of existing and new government supported borrowing through the Capital Financing Requirement Method or the Regulatory Method.
- 2.2 For debt that is supported by Formula Grant, authorities are able to make revenue provision for the repayment by setting aside 4% of their Adjusted Non-Housing Capital Financing Requirement (CFR). The CFR represents the underlying requirement to borrow for capital expenditure. It takes the total value of the City Council’s fixed assets and determines the amount that has yet to be repaid or provided for within the Council’s accounts. The CFR is adjusted so that it excludes self-financed debt incurred after 1 April 2008. This is known as the CFR Method.
- 2.3 Alternatively, for debt that is supported by Formula Grant, authorities are able to continue to use the formulae in the previous regulations, since Formula Grant is calculated on that basis. This is known as the Regulatory Method. This method is also based on the CFR but is adjusted by the effect of the previous regulations. This method is more complex than the CFR method. However it is estimated that the MRP under this method will be £320k less per annum than under the CFR method. Therefore the Regulatory Method of calculating MRP will be applied to pre 1 April 2008 debt and new government supported debt.

3. SELF- FINANCED BORROWING OTHER THAN FINANCE LEASES, SERVICE CONCESSIONS INCLUDING PRIVATE FINANCE INITIATIVE SCHEMES, AND BORROWING TO FUND LONG TERM DEBTORS INCLUDING FINANCE LEASES

- 3.1 For new borrowing under the prudential system for which no Government support is being given and is therefore self-financed, there are three options offered by the guidance, the Asset Life (Equal Instalment) Method, the Asset Life (Annuity) Method and the Depreciation Method. The guidance suggests that the Asset Life (Annuity) Method is only appropriate for projects where income or savings will increase over time. Both the Asset Life (Equal Instalment) Method and the Depreciation Method should result in a similar MRP. Of these two methods the Asset Life method is the simplest to calculate and this method will be used. MRP will begin to be made in the year after the asset is completed.

4 FINANCE LEASES AND ON BALANCE SHEET SERVICE CONCESSIONS INCLUDING PRIVATE FINANCE INITIATIVE SCHEMES

- 4.1 The move to International Financial Reporting Standards has involved arrangements under the Private Finance Initiative (PFI) and service concessions coming onto the balance sheet. A part of the service charge or rent payable will be taken to reduce the balance sheet liability rather than being charged to the service revenue account. This accounting treatment is similar to that for finance leases. Under these leases the risks and rewards of asset ownership rest with the City Council and the assets are shown on the City Council's balance sheet. These leases are therefore in effect a form of borrowing. Statutory guidance allows, in the case of finance leases and on balance sheet service concessions including PFI contracts, the MRP requirement to be regarded as met by a charge equal to the element of the rent / charge that goes to write down the balance sheet liability. This methodology will be used to calculate the MRP on finance leases and service concessions including PFI arrangements.

5 SELF FINANCED BORROWING TO FUND LONG TERM DEBTORS INCLUDING FINANCE LEASES

- 5.1 The income received from long term debtors has an interest and a principal element. The interest element is credited to the revenue account. The principal part of the income receivable will be taken to reduce the loan asset on the balance sheet rather than being credited to the revenue account. This part of the rent receivable generates a capital receipt. Capital receipts can principally be used to finance new capital expenditure or repay debt. The Council's policy is that the principal element of the rent receivable will be set aside to repay the borrowing that financed these assets.
- 5.2 Under finance leases the risks and rewards of asset ownership rest with the lessee and the assets are not shown on the City Council's balance sheet. These leases are therefore in effect a form of lending. A part of the rent receivable will be taken to reduce the loan asset value on the balance sheet rather than being credited to the revenue account. This part of the rent receivable generates a capital receipt which

can principally be used to finance new capital expenditure or repay debt. The Council's policy is that the principal element of the rent receivable will be set aside to repay the borrowing that financed these assets.

6 USE OF CITY DEAL GRANT FOR PRINCIPAL REPAYMENTS OF DEBT

- 6.1 In order to ensure that the City Deal grant is spent by 30 June 2015, the City Deal grant will be used to repay the entire principal due on the Council's General Fund debts in 2013/14 and 2014/15. The MRP will be reduced by the amount of principal repaid using City Deal grant. The MRP exceeds the principal due on the Council's debts in both 2013/14 and 2015/16. The revised MRP will therefore be the amount set aside under the existing policy less the amount of principal on debt actually repaid using City Deal grant. This will enable a sum equivalent to the reduction in MRP be transferred to an earmarked reserve for funding City Deal capital expenditure. This will help to ensure that the City Deal grant is spent by the 30 June 2015 deadline and that funding is available to finance capital expenditure related to the City Deal.

7 HOUSING REVENUE ACCOUNT (HRA) BORROWING

- 7.1 There is no statutory requirement for the HRA to provide for the repayment of its debt. On 28 March 2012 the HRA was required to make a self-financing payment to the Government of £88.619m. The HRA will continue provide for the repayment of this debt over 30 years in line with the HRA Business Plan. The HRA will continue its practice of not providing for the repayment of its other debts.