



Agenda & minutes

Full Council meeting of
Tuesday, 17 March 2020

Portsmouth City Council

A MEETING OF THE COUNCIL will be held at the Council Chamber - The Guildhall on Tuesday, 17 March 2020 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 Deputy Lord Mayor

- a) To thank the former Deputy Lord Mayor and Deputy Lady Mayoress
- b) To appoint a Deputy Lord Mayor for the remainder of the current Municipal Year to fill the vacancy that has arisen

2 Declaration of Members' Interests

3 To approve as a correct record the Minutes of the Ordinary Council meeting held on 11 February 2020 (Pages 9 - 56)

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

5 Deputations from the Public under Standing Order No 24 for all items excluding those in respect of item 8, which are dealt with separately on the agenda

6 Questions from the Public under Standing Order 25.

7 Appointments (Pages 57 - 58)

A Council representative is sought on the Shadow Fire and Rescue Authority (see attached note for background detail).

8 Petition - Title "Accessible Beach 4 Pompey"

Statement "Improve Eastney Beach by making it fully and easily accessible to people of all ages and abilities"

The Council's rules state that if the petition contains more than 1000 signatures (as it does) it will be debated by the Full Council (if the lead petitioner so requests and they do) even if the issue has been considered by the Council within the last 24 months, (which it has not). Consequently 500 signatures was the requisite threshold on this occasion.

1. The petition organiser, Mr John Cullen, will be given six minutes to present the petition at the meeting,

2. Followed by any public deputations received on this item.
3. The Administration, via a proposer and seconder, will then present its response to the petition
4. The petition will then be discussed by councillors and the normal rules of debate will apply,

Note - As an Executive (Cabinet) matter, the Full Council is precluded from determining the issues raised in the Petition, although of course the petition can still be debated at the Full Council meeting.

- 9 Urgent Business - To receive and consider any urgent and important business from Members of the Cabinet in accordance with Standing Order No 26.**
- 10 Annual Capital Strategy 2020/21 - 2029/30** (Pages 59 - 90)
To receive and consider the attached report from Cabinet held on 10 March (recommendation to follow)
- 11 Treasury Management Policy for 2020/21** (Pages 91 - 128)
To receive and consider the attached report from Cabinet held on 10 March (recommendation to follow).
- 12 Appointment of Independent Persons** (Pages 129 - 134)
To receive and consider the attached report and recommendation from Governance and Audit and Standards Committee held on 3 March.
- 13 Employees Code of conduct - Personal Use of Social Media** (Pages 135 - 154)
To receive and consider the attached report and recommendation from Governance and Audit and Standards Committee held on 3 March.
- 14 Constitution Amendments Concerning Part 2 Section 5 - Chief Officers' Delegated Authority** (Pages 155 - 234)
To receive and consider the attached report and recommendation from Governance and Audit and Standards Committee held on 3 March.
- 15 Proposed Revision to Standing Order 32 - Referral of Motions to other bodies of the Council** (Pages 235 - 238)
To receive and consider the attached report and recommendation from Governance and Audit and Standards Committee held on 3 March.
- 16 Pay Policy Statement 2020/21** (Pages 239 - 250)
To receive and consider the attached report and recommendation from Employment Committee held on 6 March.

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.

17 Notices of Motion

(a) **Markings on Private Hire Vehicles**

Proposed by Councillor Donna Jones
Seconded by Councillor Luke Stubbs

Over the last 12 months there has been an increase in the number of criminal damage incidents committed on taxis registered in Portsmouth. The council is concerned about the spate of attacks on private hire vehicles in the city and the losses imposed on drivers from being off the road. In some cases losses can run into the thousands of pounds. The council shares the concern of the taxi trade that the council's policy requiring vehicles to display multiple identifying marks that cannot be removed when not in use, is assisting criminals in identifying taxis from privately owned cars.

It notes that some neighbouring authorities have adopted much less prescriptive rules such as Havant and Fareham, who allow a single magnetic licence plate which can be removed when the vehicle is not being operated as a taxi.

The council therefore calls on the Licensing Committee to review the policy surrounding signage to simplify the regulations so that Portsmouth registered vehicles are not placed at a disadvantage.

(b) **Central Police Station**

Proposed by Councillor Hugh Mason
Seconded by Councillor Matthew Winnington

Central Police Station in Winston Churchill Avenue is earmarked for closure & disposal. The Council calls on Hampshire Police & Crime Commissioner to reopen Central Police station with its public counter; if this proves not to be possible, then to open a police public counter in the vicinity of this current location.

(c) **Stop The Knock: local authority debt collection practices**

Proposed by Councillor Cal Corkery
Seconded by Councillor George Fielding

Too many Portsmouth households live in constant fear of bailiffs knocking their door. The poorest and most vulnerable suffer disproportionately from debt issues and the local authority should not be actively adding to their woes.

One in two adults with debts has a mental health problem. One in four people with a mental health problem is also in debt. Debt can cause - and be caused by - mental health problems.

Those on the lowest incomes in our city used to be eligible for

Council Tax Support for up to 100% of their liability. However this level of support was cut in 2016 so now even the poorest have to pay at least 20% of their total Council Tax bill.

Despite their public service remit, local authorities have some of the most stringent debt collection practices of all creditors. Debts owed to councils often end up in court and Council Tax is the only debt where a debtor can be sentenced to a custodial sentence for non-payment.

In 2018/19, Portsmouth City Council instructed bailiffs to collect debts from individuals and businesses on 17,534 occasions - an increase of 77% since 2016/17. Of these bailiff referrals 6,011 related to Council Tax debts.

There is divergence between local authorities regarding how affordability is assessed and appropriate repayment plans calculated. The Standard Financial Statement (SFS), produced by the Money and Pensions Service, provides a consistent, fair and industry-recognised method of working out affordable repayments, for residents in financial difficulty.

Full Council supports the Money Advice Trust's campaign 'Stop The Knock' and calls on Cabinet to:

1. Make a clear public commitment to reduce the council's use of bailiffs over time.
2. Review the council's signposting to free debt advice, including phone/online channels.
3. Adopt the Standard Financial Statement (SFS) to objectively assess affordability.
4. Review the formal policy covering indebted residents in vulnerable circumstances.
5. Exempt Council Tax Support recipients from bailiff action.
6. Sign the Citizens Advice/LGA 'Council Tax Protocol' and review the authority's current practice against the Money and Pensions Service's 'Supportive Council Tax Recovery' Toolkit.

(d) **Road Safety**

Proposed by Councillor Matthew Atkins
Seconded by Councillor Simon Boshier

"There have been several serious accidents across Drayton, Cosham, Wymering and Paulsgrove in recent months, including one outside Portsdown Primary School and two on the same junction adjacent to a nursery school and within walking distance of the Court Lane schools.

This Council recognises the urgent need to address road safety in North Portsmouth and calls on the cabinet member for Traffic and transportation to conduct an urgent review into road safety and

potential traffic calming measures in areas of high traffic intensity and in roads near to schools in North Portsmouth."

18 Questions from Members under Standing Order No 17. (Pages 251 - 256)

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.Agland@portsmouthcc.gov.uk.

Civic Offices
Guildhall Square
PORTSMOUTH
9 March 2020

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Agenda Item 3

11 February 2020 1

MINUTES OF A MEETING OF THE COUNCIL held at the Guildhall
Portsmouth on Tuesday, 11 February 2020 at 2.00 pm
<https://livestream.com/accounts/14063785/council-11feb2020>

Council Members Present

The Right Worshipful The Lord Mayor
Councillor David Fuller (in the Chair)

Councillors

Dave Ashmore	Terry Norton
Matthew Atkins	Stephen Morgan MP
Chris Attwell	Gemma New
Simon Boshier	Robert New
Tom Coles	Steve Pitt
Cal Corkery	Will Purvis
Ben Dowling	Darren Sanders
Jason Fazackarley	Jeanette Smith
George Fielding	Lynne Stagg
Scott Payter-Harris	Judith Smyth
Graham Heaney	Luke Stubbs
Hannah Hockaday	Benedict Swann
Jo Hooper	Linda Symes
Suzy Horton	Claire Udy
Lee Hunt	Gerald Vernon-Jackson CBE
Frank Jonas BEM	Steve Wemyss
Donna Jones	Matthew Winnington
Leo Madden	Neill Young
Hugh Mason	Rob Wood
Lee Mason	Tom Wood

11. Declarations of Members' Interests under Standing Order 13(2)(b)

Councillor Donna Jones declared a personal and pecuniary interest in agenda item 6 and would leave the chamber for that item.

Councillor Linda Symes declared an interest in agenda item 6.

12. Minutes of the Council meeting held on 14 January 2020

It was

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

That the minutes of the council meeting held on 14 January 2020 be confirmed and signed as a correct record.

RESOLVED that the minutes of the council meeting held on 14 January 2020 be confirmed and signed as a correct record.

13. Communications and apologies for absence

Apologies for absence were received on behalf of Councillor John Ferrett. Councillor Donna Jones advised that apologies had been received on behalf of Councillors Hannah Hockaday and Jo Hooper that they would be arriving at the meeting a little late. Councillor Tom Coles thanked all members for their good wishes during his recent bout of ill-health.

The Lord Mayor advised that a briefing for all members on the coronavirus situation is being arranged.

The Lord Mayor then announced the sad news of the recent passing of two former councillors, Ken Ellcome and Dr Caroline Scott and a former council officer, Colonel Bill Stevens OBE.

The Lord Mayor said that Ken Ellcome's funeral would take place on 24 February at St Mary's Church. Ken Ellcome had been Lord Mayor in 2017-18 and also served as councillor for Drayton & Farlington ward from 2011-2019. He had also been the Cabinet Member for Traffic & Transportation from 2014-2016. Before becoming a councillor he served with the Hampshire Constabulary for around 30 years and then worked as the Council's parking operations manager.

Councillor Donna Jones added that it was the wish of Jo Ellcome, Ken Ellcome's widow, that there is a full civic funeral for Ken which will take place at 1.30 pm in St Mary's and everyone is welcome to attend.

The Lord Mayor then spoke about former councillor Honorary Alderman Dr Caroline Scott who served as a councillor from 2002 to 2014 for Milton ward. He advised that she chaired the Planning Committee for four years and then the Traffic, Environment & Community Safety Scrutiny Panel for her last years in office. The Lord Mayor advised that her funeral had taken place on Friday 7 February. Councillor Gerald Vernon-Jackson then added a few words saying that Dr Scott had been a committed environmentalist and had made a big difference in the Milton area of the city. He said that she would be much missed.

Finally the Lord Mayor said that Colonel Bill Stevens OBE was a former Chief Administration Officer for the city of Portsmouth for ten years. He also served in the army and was the Queen's Messenger for six years. Councillor Leo Madden then added a few words saying that Colonel Stevens had been a wonderful organiser and everything he did was done with precision and professionalism.

The Lord Mayor expressed sincere condolences on behalf of the council at this difficult time and asked for a minute's silence as a mark of respect.

The Lord Mayor then gave detailed information concerning filming in the chamber and reiterated the council's rules. He advised that in order to assist

online viewers a webcast camera will take an overview of members in the chamber when any voting takes place.

The Lord Mayor then gave details of the evacuation procedure.

Finally, the Lord Mayor advised that there may be some background noise during the meeting as Dance Live (the successor to Rock Challenge) is taking place in the Guildhall this week.

14. Deputations from the Public under Standing Order No 24

The City Solicitor advised that two deputations had been received for this meeting, one in respect of item 8 and one in respect of item 9.

Mr Chris Pickett of Unison made a deputation on agenda 8 - Portsmouth City Council Budget and Council Tax 2020/21 and Medium Term Budget Forecast 2021/22 to 2023/24.

Mr Steve Bonner made a deputation on agenda item 9 - Capital Programme 2019/20 to 2024/25.

The City Solicitor thanked them for their deputations.

15. Appointments

The Lord Mayor advised that there were no appointments.

16. Petition - Save Hanway Medical Practice

At the City Solicitor's invitation, the lead petitioner, Mr Baldev Laly, presented the petition as set out on the agenda.

The administration's response to the petition was

Proposed by Councillor Matthew Winnington
Seconded by Councillor Gerald Vernon-Jackson

"The City Council welcomes the petition and shares the concern that local residents have about the loss of the Hanway Rd Surgery.

The Leader of the City Council, the Cabinet Member for Health, Wellbeing and Social Care and representatives from the Clinical Commissioning Group and the City Council Property Team have met with the current partners at Hanway Rd and with a partner from the Portsdown Practice.

Two of the current Hanway Road partners are retiring, leaving just 1.5 GPs for this practice. They have attempted to recruit additional partners for several years, but they have been unsuccessful. Running the practice with just 1.5 GPs is not considered safe by the practice or the CCG. Because they have not been successful in recruiting new GPs the current system cannot continue.

The City Council has offered to try to help by purchasing the current surgery. While the Portsdown Group have said that they would not continue the use of Hanway Road they have, at Cllr Matthew Winnington's suggestion, indicated that they are willing to provide some primary healthcare services close to the current surgery. The City Council will work with them on this.

Over the next 10 years there is a looming problem of GPs working in Portsmouth. Many are coming up to retirement age, and as the Hanway Practice has shown it is difficult to recruit new GPs to come to work in some parts of the city.

Therefore the City Council will organise a three way conference between the CCG (on behalf of the NHS), GPs and the City Council to come up with a strategy to make sure GP services are provided across the city, especially in areas of deprivation.

One thing is clear, NHS Property is seen by GPs as an obstacle to providing good health services. The City Council Property Team will therefore work with GPs and the CCG to see if the City Council can help preserve health provision in areas of the City. The first test of this will be establishing the right property ownership model at the John Pounds Centre Surgery in Portsea to ensure the continued provision of community health services from this location and we are testing out how a joint approach with the CCG and a more direct relationship between practices and the council will work."

Following debate, upon being put to the vote, the administration's response was CARRIED.

RESOLVED that the administration's response as set out above was approved.

17. 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.

18. Recommendations from the Cabinet Meeting held on 4 February 2020

The Lord Mayor said that as previously advised to members, the Capital Programme and the Budget and Tax Setting reports and recommendations would be taken and debated together on the basis that each item impacts on the other and on the understanding that the tax setting item would be voted on first followed by the capital programme.

Minute 13 - Portsmouth City Council - Budget and Council Tax 2020/21 and Medium Term Budget Forecast 2021/22 to 2023/24

This was opposed.

The Lord Mayor reminded members that all votes on the budget would be by recorded votes to comply with regulations.

The Leader of the Council said that he had written to all councillors seeking their ideas on the budget. He thanked Councillor Claire Udy for her Group's response and said that he was able to take some of her Group's suggestions on board as follows:-

Under the Revenue budget the Leader gave an undertaking to fund:

Community Safety Portfolio:

The Creation of a Domestic Violence Officer Post (£28,000) for two years funded from the Leader Portfolio Reserve

Resources Portfolio:

The Re-instatement of Trade Union support (£37,500) for two years funded from the Leader Portfolio Reserve

Children's and Families Portfolio:

An Expansion of the 4U Project by one Full Time Equivalent Member of Staff with the objective of providing a safe, secure and supportive environment to the adult LGBT+ community - £33,000

In addition, the Leader advised that in respect of the

Health, Wellbeing & Social Care Portfolio:

To Reinstatement a cap (set at £250 per week) on client contributions in respect of Day Care, Community Support and Health & Independence services** - £16,000

** Re-instatement of the care cap is conditional upon legal opinion confirming that the implementation of such a cap is not discriminatory in law and that clients with a protected characteristic will not be determined to be treated unfairly."

It was

Proposed by Councillor Gerald Vernon-Jackson

Seconded by Councillor Steve Pitt

That the Cabinet recommendations contained in Minute 13 be approved.

Councillor Gerald Vernon-Jackson spoke on the budget proposals which had been produced by the Liberal Democrat group and he commended them to council. He placed on record his thanks to Chris Ward and his team and to all staff in the city council.

As an amendment it was

Proposed by Councillor Donna Jones

Seconded by Councillor Luke Stubbs

That the recommendations set out in **Appendix 1** attached to these minutes (Conservative Revenue Budget amendment) be adopted.

Councillor Donna Jones then spoke to her group's proposed budget amendment. She wished to place on record her thanks to the Conservative government for the £6.3 million in special care grants. She also placed on record her thanks to Chris Ward and the finance team and to Conservative group members.

As an amendment it was

Proposed by Councillor Stephen Morgan
Seconded by Councillor Tom Coles

That the recommendations set out in **Appendix 2** attached to these minutes (Labour Revenue Budget amendment) be adopted.

Councillor Stephen Morgan (Labour group leader) then spoke to his group's proposed budget amendment. He commended the Labour group's proposed budget amendments to council.

As an amendment it was

Proposed by Councillor Claire Udy
Seconded by Councillor Jeanette Smith

That the recommendations set out in **Appendix 3** attached to these minutes (Progressive Portsmouth People revenue amendment) be adopted.

Councillor Claire Udy (Progressive Portsmouth People group leader) then spoke to her group's proposed budget amendment. She thanked the leader of the Liberal Democrat group for his undertaking to look at adopting some of the suggested amendments. She also placed on record her thanks to Chris Ward and Julian Pike of the finance team and also to Councillor Jeanette Smith and staff working at the Hive for their assistance with the proposed budget amendment. She commended the Progressive Portsmouth People group's proposed budget amendments to council.

Council adjourned at 5.00 pm.

Council resumed at 5.15 pm.

Following debate, the Lord Mayor called upon the Leader of the Council, Councillor Vernon-Jackson to sum up which he then did.

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

Upon the Conservative amendment standing in the name of Councillor Donna Jones on the Portsmouth City Council Budget and Council Tax 2020/21 and Medium Term Budget Forecast 2021/22 to 2023/24 being put to the vote the following members voted in favour.

Councillor Matthew Atkins
 Simon Boshier
 Hannah Hockaday
 Jo Hooper
 Frank Jonas
 Donna Jones
 Lee Mason
 Gemma New

Councillor Robert New
 Terry Norton
 Scott Payter-Harris
 Luke Stubbs
 Benedict Swann
 Linda Symes
 Steve Wemyss
 Neill Young

The following members voted against.

Councillor Dave Ashmore
 Chris Attwell
 Tom Coles
 Cal Corkery
 Ben Dowling
 Jason Fazackarley
 George Fielding
 Graham Heaney
 Suzy Horton
 Lee Hunt
 Leo Madden
 Hugh Mason

Councillor Stephen Morgan
 Steve Pitt
 Will Purvis
 Darren Sanders
 Jeanette Smith
 Judith Smyth
 Lynne Stagg
 Claire Udy
 Gerald Vernon-Jackson
 Matthew Winnington
 Rob Wood
 Tom Wood

There were no abstentions.

The Conservative group revenue amendment was therefore LOST.

Upon the Labour group amendment standing in the name of Councillor Stephen Morgan on the Budget and Council Tax 2020/21 and Medium Term Budget Forecast 2021/22 to 2023/24 being put to the vote the following members voted in favour.

Councillor Tom Coles
 Cal Corkery
 George Fielding
 Graham Heaney

Councillor Stephen Morgan
 Jeanette Smith
 Judith Smyth
 Claire Udy

The following members voted against.

Councillor Dave Ashmore
 Matthew Atkins
 Chris Attwell
 Simon Boshier
 Ben Dowling
 Jason Fazackarley
 Hannah Hockaday
 Jo Hooper
 Suzy Horton
 Lee Hunt

Councillor Robert New
 Terry Norton
 Scott Payter-Harris
 Steve Pitt
 Will Purvis
 Darren Sanders
 Lynne Stagg
 Luke Stubbs
 Benedict Swann
 Linda Symes

Frank Jonas
Donna Jones
Leo Madden
Hugh Mason
Lee Mason
Gemma New

Gerald Vernon-Jackson
Steve Wemyss
Matthew Winnington
Rob Wood
Tom Wood
Neill Young

There were no abstentions.

The Labour group Revenue amendment was therefore LOST.

Upon the Progressive Portsmouth People group's amendment standing in the name of Councillor Claire Udy on the Budget and Council Tax 2020/21 and Medium Term Budget Forecast 2021/22 to 2023/24 being put to the vote the following members voted in favour.

Councillor Jeanette Smith

Councillor Claire Udy

The following members voted against.

Councillor Matthew Atkins

Chris Attwell
Simon Boshier
Ben Dowling
Jason Fazackarley
Hannah Hockaday
Jo Hooper
Suzy Horton
Lee Hunt
Frank Jonas
Donna Jones
Leo Madden
Hugh Mason
Lee Mason
Gemma New

Councillor Robert New

Terry Norton
Scott Payter-Harris
Steve Pitt
Darren Sanders
Lynne Stagg
Luke Stubbs
Benedict Swann
Linda Symes
Gerald Vernon-Jackson
Steve Wemyss
Matthew Winnington
Rob Wood
Tom Wood
Neill Young

The following members abstained.

Councillor Dave Ashmore

Tom Coles
Cal Corkery
George Fielding

Councillor Graham Heaney

Stephen Morgan
Will Purvis
Judith Smyth

The Progressive Portsmouth People group's revenue amendment was therefore LOST.

Upon the recommendations in Cabinet minute 13 - Portsmouth City Council - Budget and Council Tax 2020/21 and Medium Term Budget Forecast 2021/22 to 2023/24 being put to the vote the following members voted in favour.

Councillor Dave Ashmore
Chris Attwell

Councillor Stephen Morgan
Steve Pitt

Tom Coles
 Cal Corkery
 Ben Dowling
 Jason Fazackerley
 George Fielding
 Graham Heaney
 Suzy Horton
 Lee Hunt
 Leo Madden
 Hugh Mason

Will Purvis
 Darren Sanders
 Jeanette Smith
 Judith Smyth
 Lynne Stagg
 Claire Udy
 Gerald Vernon-Jackson
 Matthew Winnington
 Rob Wood
 Tom Wood

The following members voted against.

Councillor Matthew Atkins
 Simon Boshier
 Hannah Hockaday
 Jo Hooper
 Frank Jonas
 Donna Jones
 Lee Mason
 Gemma New

Councillor Robert New
 Terry Norton
 Scott Payter-Harris
 Luke Stubbs
 Benedict Swann
 Linda Symes
 Steve Wemyss
 Neill Young

There were no abstentions.

This was CARRIED.

The Cabinet recommendations in Cabinet minute 13 were APPROVED.

RESOLVED

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

- 1) The revised Revenue Estimates for the financial year 2019/20 and the Revenue Estimates for the financial year 2020/21 as set out in the General Fund Summary (Appendix A)
- 2) The Portfolio Cash Limits for the Revised Budget for 2019/20 and the Budget 2020/21 incorporating the savings amounts for each Portfolio and amounting to £2.5m as set out in Sections 7 and 11, respectively
- 3) Any underspendings for 2019/20 arising at the year-end outside of those made by Portfolios be transferred to Capital Resources in order to provide funding for known and potential future commitments in future years such as Special Educational Need (SEN) School Places, Sea Defences (enhancements to core scheme), Environmental Improvements, Transport Improvements, Affordable Housing, City Wide Regeneration, Digital Infrastructure and the maintenance of the Council's Core Operational Assets, for which there is currently insufficient funding

- 4) That the Council's share of the additional £1.0bn national allocation for Adults and Children's Social Care (but confirmed for 2020/21 only) and amounting to £3.9m is allocated as follows:
 - Adult Social Care (to meet the costs of the underlying budget deficit caused by increasing demographic pressures and to contribute towards the cost of the increase in the National Living Wage (6.2%) for care providers) - £1.0m
 - Children's Social Care (to meet the underlying budget deficit in Children's Social Care caused by the costs of rising numbers of Looked After Children) - £2.9m
- 5) 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
- 6) The S.151 Officer be given delegated authority to make any necessary adjustments to Cash Limits within the overall approved Budget and Budget Forecasts
- 7) That the level of Council Tax be increased by 1.99% for general purposes in accordance with the referendum threshold¹ for 2020/21 announced by Government (as calculated in recommendation 4(d))
- 8) That the level of Council Tax be increased by a further 2.0% 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 £1,612,800 is passported direct to Adult Social Care
- 9) That a transfer from the MTRS Reserve of £5,978,000 be made in 2020/21 to fund Spend to Save and Spend to Avoid Costs schemes described in the Capital Programme 2019/20 to 2024/25 report considered elsewhere on this Agenda
- 10) That a transfer to the MTRS Reserve be made in 2020/21 for the sum of £3.5m in order to replenish the reserves to levels sufficient to be able to continue as a primary vehicle to generate future savings and enable cost avoidance
- 11) Managers be authorised to incur routine expenditure against the Cash Limits for 2020/21 as set out in Section 11
- 12) That the savings requirement for 2021/22 be set at a minimum on-going sum of £1.0m
- 13) That the S.151 Officer be given delegated authority to make transfers to and from reserves in order to ensure that they are maintained as necessary and in particular, adjusted when reserves are no longer required or need to be replenished

¹ Council Tax increases beyond the referendum threshold can only be implemented following a "Yes" vote in a local referendum

- 14) Directors be instructed to start planning how the City Council will achieve the savings requirements shown in Section 12 and that this be incorporated into Service Business Plans
- 15) The minimum level of General Reserves as at 31 March 2021 be maintained at £8.0m to reflect the known and expected budget and financial risks to the Council
- 16) 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 15.

2 That the following be **noted** in respect of the Council's Budget:

- 1) The Revenue Estimates 2020/21 as set out in Appendix A have been prepared on the basis of a 2.0% tax increase for the "Social Care Precept" (amounting to £1,612,800) 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
- 2) 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 2.0% tax increase (amounting to £806,400 for each 1%) is not taken, then equivalent savings will need to be made in Adult Social Care in 2020/21
- 3) In general, any reduction to the proposed increase in the level of Council Tax for 2020/21 will require equivalent offsetting saving to be made in order for the Budget 2020/21 to be approved. Each 1% reduction requires additional savings of £806,400 to be made.
- 4) The indicative savings proposals set out in Appendix C which are provided for the purpose of demonstrating to the Council that the Portfolio savings as recommended in recommendation 1.2) above are robust and deliverable
- 5) The likely impact of savings as set out in Appendix C
- 6) 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 within those Portfolios / Committees
- 7) That it is the responsibility of the individual Portfolio Holders (not Full Council) to approve the individual savings proposals and the Portfolio Holder can therefore, in response to any consultation, alter, amend or substitute any of the indicative savings proposal(s) set out in Appendix C with alternative proposal(s) amounting to the same value within their Portfolio

- 8) Managers will commence the implementation of the approved savings required and any necessary consultation process or notice process
- 9) The Revenue Forecast for 2021/22 to 2023/24 as set out in Section 12 and Appendix B
- 10) The estimated Savings Requirement of £3.0m for the 3 year period 2021/22 to 2023/24, for financial and service planning purposes, be phased as follows:

Financial Year	In Year Savings Requirement £m	Cumulative Saving £m
2021/22	1.0	1.0
2022/23	1.0	2.0
2023/24	1.0	3.0

- 11) In accordance with the approved financial framework, it is the responsibility of the Portfolio Holder, in consultation with the Director of Finance & Resources (S.151 Officer), to release funds from the Portfolio Reserve in accordance with the provisions set out in Paragraph 8.45
 - 12) 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 £8.1m² 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
 - 13) The Council's share of the Council Tax element of the Collection Fund surplus for 2019/20 is estimated to be £545,672
 - 14) The Council's share of the Business Rate element of the Collection Fund surplus for 2019/20 is estimated to be £1,286,772
 - 15) The Retained Business Rate income³ for 2020/21 is based on the estimated Business Rate element of the Collection Fund surplus as at March 2020, the Non Domestic Rates poundage for 2020/21 and estimated rateable values for 2020/21 and has been determined at £55,391,749
- 3 That the S.151 Officer has determined that the Council Tax base for the financial year 2020/21 will be **57,735.2** [item T in the formula in Section 31 B(1) of the Local Government Finance Act 1992, as amended (the "Act")].

² Including the net transfers from the reserve of £2.478m contained with the recommendations of the Capital Programme 2019/20 to 2024/25 report elsewhere on this agenda

³ Includes Retained Business Rates £41,679,307, "Top Up" £6,952,434, a surplus on the Collection Fund of £1,286,772 plus S.31 Grants of £5,473,326 for compensation due to national Government business rate relief initiatives

- 4 That the following amounts be now calculated by the Council for the financial year 2020/21 in accordance with Section 31 and Sections 34 to 36 of the Local Government Finance Act 1992:

(a)	£478,744,767	Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
(b)	£394,890,163	Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
(c)	£83,854,604	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)	£1,452.40	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.

(e) Valuation Bands (Portsmouth City Council)

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
968.27	1,129.64	1,291.02	1,452.40	1,775.16	2,097.91	2,420.67	2,904.80

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 2020/21 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
£	£	£	£	£	£	£	£
140.97	164.47	187.96	211.46	258.45	305.44	352.43	422.92

- 6 That it be noted that for the financial year 2020/21 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
£	£	£	£	£	£	£	£
46.04	53.71	61.39	69.06	84.41	99.75	115.10	138.12

- 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 2020/21 for each of the categories of dwellings shown below:

Valuation Bands (Total Council Tax)

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
1,155.28	1,347.82	1,540.37	1,732.92	2,118.02	2,503.10	2,888.20	3,465.84

- 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 2020/21, which represents a 3.99% 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 3.99% increase includes a 2.0% 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 2020/21 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.

Minute 14 - Capital Programme 2019/20 to 2024/25

This was opposed.

It was

Proposed by Councillor Gerald Vernon-Jackson
Seconded by Councillor Steve Pitt

That the Cabinet recommendations referred to in minute 14 be approved.

As an amendment it was

Proposed by Councillor Donna Jones
Seconded by Councillor Luke Stubbs

That the Conservative amendment to Capital attached as **Appendix 4** to the minutes be approved.

As an amendment it was

Proposed by Councillor Stephen Morgan
Seconded by Councillor Tom Coles

That the Labour amendment to Capital attached as **Appendix 5** to the minutes be approved.

Upon the Conservative group Capital amendment being put to the vote the following members voted in favour.

Councillor Matthew Atkins
Simon Boshier
Hannah Hockaday
Jo Hooper
Frank Jonas
Donna Jones
Lee Mason
Gemma New

Councillor Robert New
Terry Norton
Scott Payter-Harris
Luke Stubbs
Benedict Swann
Linda Symes
Steve Wemyss
Neill Young

The following members voted against.

Councillor Dave Ashmore
Chris Attwell
Tom Coles
Cal Corkery
Ben Dowling
Jason Fazackerley
George Fielding
Graham Heaney
Suzy Horton
Lee Hunt

Councillor Stephen Morgan
Steve Pitt
Will Purvis
Darren Sanders
Jeanette Smith
Judith Smyth
Lynne Stagg
Claire Udy
Gerald Vernon-Jackson
Matthew Winnington

Leo Madden
Hugh Mason

Rob Wood
Tom Wood

There were no abstentions.

The Conservative group Capital amendment was therefore LOST.

Upon the Labour group Capital amendment being put to the vote the following members voted in favour.

Councillor Tom Coles
Cal Corkery
George Fielding
Graham Heaney

Councillor Stephen Morgan
Jeanette Smith
Judith Smyth
Claire Udy

The following members voted against.

Councillor Dave Ashmore
Matthew Atkins
Chris Attwell
Simon Boshier
Ben Dowling
Jason Fazackarley
Hannah Hockaday
Jo Hooper
Suzy Horton
Lee Hunt
Frank Jonas
Donna Jones
Leo Madden
Hugh Mason
Lee Mason
Gemma New

Councillor Robert New
Terry Norton
Scott Payter-Harris
Steve Pitt
Will Purvis
Darren Sanders
Lynne Stagg
Luke Stubbs
Benedict Swann
Linda Symes
Gerald Vernon-Jackson
Steve Wemyss
Matthew Winnington
Rob Wood
Tom Wood
Neill Young

There were no abstentions.

The Labour group Capital amendment was therefore LOST.

Upon the recommendations from Cabinet Minute 14 being put to the vote the following members voted in favour.

Councillor Dave Ashmore
Matthew Atkins
Chris Attwell
Simon Boshier
Tom Coles
Cal Corkery
Ben Dowling
Jason Fazackarley
George Fielding
Graham Heaney
Hannah Hockaday

Councillor Gemma New
Robert New
Terry Norton
Scott Payter-Harris
Steve Pitt
Will Purvis
Darren Sanders
Jeanette Smith
Judith Smyth
Lynne Stagg
Luke Stubbs

Jo Hooper
 Suzy Horton
 Lee Hunt
 Frank Jonas
 Donna Jones
 Leo Madden
 Hugh Mason
 Lee Mason
 Stephen Morgan

Benedict Swann
 Linda Symes
 Claire Udy
 Gerald Vernon-Jackson
 Steve Wemyss
 Matthew Winnington
 Rob Wood
 Tom Wood
 Neill Young

No members voted against and there were no abstentions. This was therefore CARRIED.

The Cabinet recommendations in Cabinet minute 14 were APPROVED.

RESOLVED that the following be approved in respect of the Council's Capital Programme:

- 1) The Revised Capital Programme 2019/20 to 2024/25 attached as Appendix 1 which includes all additions, deletions and amendments for slippage and rephrasing described in Sections 6 and 8 be approved
- 2) The Section 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 Section 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) Subject to a satisfactory financial appraisal approved by the Director of Finance and Resources & Section 151 Officer, the following schemes as described in Section 9 and Appendix 2 be reflected within the recommended Capital Programme 2019/20 to 2024/25 and be financed from the available corporate capital resources:

Recommended New Capital Schemes		Corporate Resources Required £	Total Scheme Value £
Community Safety			
	Redeployable CCTV Cameras	50,000	50,000
Culture & City Development			
	CCTV - Portsmouth Museum & Cumberland House	50,000	50,000
	City Museum	195,000	195,000

Recommended New Capital Schemes		Corporate Resources Required £	Total Scheme Value £
	Farlington Pavilion	170,000	240,000
	Portsmouth Watersports Centre	90,000	90,000
	Southsea Castle	100,000	100,000
	Kings Theatre Regeneration	350,000	4,650,000
	Bransbury Park Pavilion	150,000	150,000
	Kings Theatre Landlord's Backlog Maintenance Obligations	300,000	300,000
	Southsea Common & Town Centres Litter Management	50,000	50,000
	New Eastney Swimming Pool - Feasibility / Outline Plan	100,000	100,000
Education			
	School Places SEND - Phase 1 & Phase 2	2,000,000	4,768,000
Environment & Climate Change			
	Greening the City	100,000	100,000
	Anaerobic Digestion Plant	200,000	22,200,000
	Food Waste Collection (Recycling) - expand by a further round	221,000	221,000
	Southsea Sea Defences - Public Realm Enhancements Phase 1	200,000	200,000
Health, Wellbeing & Social Care			
	Medina House Heating & Cooling System	110,000	110,000
Housing			
	Landlord's Maintenance - Repairs across the whole City Council Estate	2,140,000	2,140,000
	Transitional Accommodation for Homeless - Adaptations to General Fund Property	700,000	700,000
Leader			
	Electrification of Light Goods Vehicles	80,000	100,000
	Living Walls Phase 1	20,000	20,000
	Wind turbines at the Port	800,000	2,700,000
	The Camber Quay - Structural Investigations	50,000	50,000
	Shore to Ship Electric "Plug In" Facility (Feasibility / Design)	75,000	75,000
Resources			
	LAN Access Switches	528,000	528,000
	CISCO Data Centre Switches	60,000	60,000
	Replacement Servers & Storage	945,000	945,000
	Upgrade to Planet Press	650,000	650,000
	Checkpoint Internal Firewall	142,000	142,000
	Enterprise Voice (CISCO IPT)	630,000	630,000
Traffic & Transportation			
	Local Transport Plan 3	835,000	835,000
	Air Quality Improvement	220,000	10,220,000
	Electric Vehicle Charging Infrastructure	76,000	306,000
	Local Cycling and Walking Investment Plan	100,000	100,000
	Continuous Improvements to Neighbourhood	100,000	240,000

Recommended New Capital Schemes	Corporate Resources Required £	Total Scheme Value £
Living and Street Environment		
Cycle Parking Across the City	25,000	25,000
One-way Streets and Low Traffic Neighbourhoods	120,000	120,000
Full Business Case For Extension to Tipner Park & Ride Multi Storey Car Park	500,000	500,000
Non-PFI Asset Management Register/Plan	100,000	100,000
Total Recommended Sum To Be Approved	13,332,000	54,760,000

- 5) Subject to a satisfactory financial appraisal approved by the Director of Finance and Resources & Section 151 Officer the following schemes as described in Section 10 be funded from Prudential Borrowing up to the amounts shown

	Total Prudential Borrowing £
Anaerobic Digestion Plant	22,000,000
Port - Floating Dock Jetty Dredge	2,000,000
Wind turbines at Port	1,900,000
City Centre Co-working space	450,000
Kings Theatre Regeneration	3,000,000
Guildhall Regeneration	1,700,000
Acquisition of New Council Housing	1,700,000
Transitional Accommodation for Homeless (Adaptations to HRA Property)	800,000
Development of Cruise and Ferry Port	4,714,000
Total Recommended Sum To Be Approved	38,264,000

- 6) Subject to a satisfactory financial appraisal approved by the Director of Finance and Resources & Section 151 Officer the following schemes as described in Section 11 be funded from the MTRS Reserve

Scheme	Total MTRS Funding £
Port - Floating Dock Jetty Dredge	1,000,000
City Centre Co-working space	450,000
Adaptions to Carers' Homes	1,000,000
Applications Upgrade linked to Software Modernisation	250,000
Office 365	820,000
Implementation of Northgate Citizen Access Suite	110,000
Migration to Azure (Cloud Servers)	2,348,000
Total Recommended Sum To Be Approved	5,978,000

- 7) The following Schemes as described in Section 13 be included within the “Reserve List” of Capital Schemes to be considered once additional capital resources are identified

Future Priority Capital Schemes – Not in Priority Order
Additional School Places - Primary & Secondary
Anti-Poverty Projects
Digital Strategy (incl. modernisation of Information Technology systems)
Landlord's Repairs and Maintenance
Local Transport Plan - Road safety and traffic improvement schemes
Local Football Facilities (Park Life)
Sea Defences
Berth 4 Replacement & Jetty Repairs at The Camber Quay
Cathodic Protection at the Hard
Design and Build of 2,000 Space Multi Storey Car Park at the Existing Park & Ride Site

- 8) The Prudential Indicators described in Section 14 and set out in revised Appendix 3 (**attached to these minutes as Appendix 6**) 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 12 and Appendix 2 the release of £229,000 from the Culture & City Development Portfolio Reserve to fund the following schemes Canoe lake de-silting (£25,000); Parks & Open Spaces Boundary Protection Measures (£10,000); Burrfields Road Barns - Demolition (£162,000), Hotwalls Paving Maintenance (£32,000)
- 4) As outlined in Section 12 and Appendix 2 the release of £20,000 from the Leader (Port) Portfolio Reserve towards a £100,000 scheme for the Electrification of Light Goods Vehicles
- 5) 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 Sections 8 and 14

Minute 12 - Treasury Management Mid-Year Review

This was approved unopposed.

19. Questions from Members under Standing Order No 17

There was one question before council.

Question 1 was from Councillor Cal Corkery

"Can the Leader provide an update as to what progress has been achieved regarding the regeneration of the former Tricorn site by the Delancey-PCC joint venture since Cabinet agreed to its formation in February 2019?"

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

The meeting concluded at 7.30 pm.

Lord Mayor

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Amendment proposed by the Conservative Group

Portsmouth City Council - Budget & Council Tax 2020/21 & Medium Term Budget Forecast 2021/22 to 2023/24

That the recommendations of the Cabinet of 4th February 2020 (Minute 13/20) on "Portsmouth City Council - Budget & Council Tax 2020/21 & Medium Term Budget Forecast 2021/22 to 2023/24" be amended as follows:-

Recommendation 1 be amended to:

- 1) The revised Revenue Estimates for the financial year 2019/20 and the Revenue Estimates for the financial year 2020/21 as set out in the General Fund Summary (Appendix A amended) including the changes described in paragraph 17 below:-

- 17) The following changes be made to Cash Limits for 2020/21 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	2020/21	2021/22 & Future Years
		£	£
Housing Portfolio			
Reduction in Landlords Maintenance undertaken at the Guildhall	The reduction will delay completion of maintenance works scheduled over the coming 5 years and limit the ability to undertake any further reactive repairs that arise over the intervening period. Note that this reduction in funding has the effect of deleting the "Guildhall Regeneration" scheme of £1.7m contained within the "Capital Programme 2019/20 to 2024/25" report considered elsewhere on this agenda	200,000	200,000
Resources Portfolio			
Reduce Human Resources Staffing	<ul style="list-style-type: none"> • Reduced capacity to manage / avoid Employment Tribunal claims and potential additional cost • Reduced ability to support organisational / legislative change (e.g. Brexit - EU workers, discrimination, bullying, employment legislation, in sourcing - e.g. Harry Sotnick House staff etc.) 	98,000	98,000
Move to "All Out" Elections*		0*	0*
Other Expenditure			
Reduction in Transfer to MTRS Reserve	Reduced scope to fund 'invest to save' or 'invest to avoid cost' initiatives	500,000	0
Total		798,000	298,000

*** 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 2021)**
- 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 2021 and the saving is estimated to be £56,000 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	2020/21	2021/22 & Future Years
		£	£
Community Safety			
New	Project to tackle bike thefts across the City - 2 Year contribution to the Police	60,000	60,000
Culture and City Development			
New	High Street events	120,000	
Environment & Climate Change			
New	Provision of additional dog waste bins across the City	12,000	8,000
Health, Wellbeing & Social Care Portfolio			
New	Reinstate a cap (set at £200 per week) on client contributions in respect of Day Care, Community Support and Health & Independence services**	25,000	25,000
Housing			
New	Homes in Multiple Occupation - 2 x Enforcement Officers (2 Year project) and on-going licence costs	66,000	76,000
Traffic & Transportation Portfolio			
New	On island parking zone referendum	100,000	
New	City Wide Review of double yellow lines and unused disabled parking bays	20,000	
Other Expenditure			
New	Remove Residents Parking First Permit Charge (Currently £30)	255,000	255,000
Total		658,000	424,000

Notes:

In aggregate, total savings exceed total expenditure by £14,000 over the 2 year period 2020/21 and 2021/22 (see table below). There are surplus savings in 2020/21 of £140,000 funding the excess costs in 2021/22 of £126,000.

The "steady state" ongoing costs of the spending proposals beyond 2021/22 amount to £298,000 and are equivalent to the amount of ongoing savings.

**** Re-instatement of the care cap is conditional upon legal opinion confirming that the implementation of such a cap is not discriminatory in law and that clients with a protected characteristic will not be determined to be treated unfairly.**

Recommendation 2 be amended to:-

2) The Portfolio Cash Limits for the Revised Budget for 2019/20 and Budget for 2020/21 incorporating the savings amounts for each Portfolio and amounting to £2.5m as set out in Sections 7 and 11, respectively as amended by paragraph 18 below:-

18) The following changes be made to Cash Limits for 2020/21 and future years

Portfolio / Committee	2020/21 £	Future Years £
Community Safety	60,000	60,000
Culture & City Development	120,000	0
Environment & Climate Change	12,000	8,000
Health Wellbeing & Social Care	25,000	25,000
Housing	(134,000)	(124,000)
Resources	(98,000)	(98,000)
Traffic & Transportation	120,000	0
Other Expenditure	(245,000)	255,000
Total	(140,000)	126,000

SECTION 151 OFFICER'S COMMENTS

Under Recommendation 16, 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 15 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.

GENERAL FUND SUMMARY - 2019/20 to 2023/24

APPENDIX A (amended)

Original Budget 2019/20 £	NET REQUIREMENTS OF PORTFOLIOS	Revised Budget 2019/20 £	Original Budget 2020/21 £	Forecast 2021/22 £	Forecast 2022/23 £	Forecast 2023/24 £
29,428,800	Children & Families	29,650,500	36,049,800	38,889,000	39,136,600	40,071,900
2,085,700	Community Safety	2,084,100	2,718,900	2,738,200	2,709,100	2,789,900
9,732,460	Culture Leisure & City Development	9,906,860	11,624,900	12,197,900	12,551,800	12,681,300
24,283,257	Education	24,580,357	21,047,200	21,321,400	21,577,100	21,840,700
14,283,513	Environment & Climate Change	14,349,713	14,092,100	14,513,500	15,129,800	14,096,100
47,682,279	Health, Wellbeing & Social Care	47,882,379	51,038,400	53,815,300	56,029,000	58,217,200
11,105,728	Housing	11,135,528	8,335,500	8,492,400	8,983,300	9,154,800
(9,681,818)	Leader	(11,999,818)	(24,229,200)	(25,641,400)	(27,377,200)	(28,082,900)
21,408,334	Resources	22,677,834	25,361,700	26,935,800	27,571,600	27,981,200
17,012,607	Traffic & Transportation	18,068,307	21,326,100	22,316,800	23,425,400	25,438,100
(228,095)	Licensing Committee	(223,495)	(129,000)	(133,100)	(137,300)	(141,600)
167,112,765	Portfolio Expenditure	168,112,265	167,236,400	175,445,800	179,599,200	184,046,700
	<u>Other Expenditure</u>					
8,018,900	Pension Costs	7,803,800	1,470,700	1,506,200	1,542,600	5,579,900
9,489,000	Contingency Provision	8,534,500	10,345,500	4,631,000	4,631,000	4,631,000
6,600,000	Revenue Contributions to Capital Reserve	11,379,900	10,000,000	3,000,000	3,000,000	0
(570,600)	Transfer to / (from) Other Reserves	(7,630,400)	2,681,500	1,660,500	2,291,200	291,200
(28,643,765)	Treasury Management	(27,068,765)	(19,983,600)	(18,372,200)	(18,488,200)	(19,053,900)
2,995,700	Other Expenditure	4,780,700	2,697,900	2,621,400	3,145,000	3,145,000
(2,110,765)	Other Expenditure	(2,200,265)	7,212,000	(4,953,100)	(3,878,400)	(5,406,800)
165,002,000	TOTAL NET EXPENDITURE	165,912,000	174,448,400	170,492,700	175,720,800	178,639,900
	FINANCED BY:					
(42,690)	Contribution (to) from Balances and Reserves	20,238	2,439,937	2,291,650	3,843,153	3,036,470
0	Revenue Support Grant	0	11,669,696	0	0	0
66,700,841	Business Rates Retention	66,834,896	55,391,749	62,276,977	64,422,667	66,629,273
17,054,314	Other General Grants	17,767,331	20,546,742	20,400,921	20,229,795	20,013,451
81,289,535	Council Tax	81,289,535	84,400,276	85,523,152	87,225,185	88,960,706
165,002,000		165,912,000	174,448,400	170,492,700	175,720,800	178,639,900
	BALANCES & RESERVES					
23,022,170	Balance brought forward at 1 April	23,022,156	23,001,918	20,561,981	18,270,331	14,427,178
42,690	Deduct (Deficit) / Add Surplus for Year	(20,238)	(2,439,937)	(2,291,650)	(3,843,153)	(3,036,470)
23,064,860	Balance carried forward at 31 March	23,001,918	20,561,981	18,270,331	14,427,178	11,390,708
8,000,000	Minimum Level of Balances	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
(42,690)	Underlying Budget Deficit / (Surplus)	20,238	2,439,937	2,291,650	3,843,153	3,036,470

Amendment proposed by the Labour Group

Portsmouth City Council - Budget & Council Tax 2020/21 & Medium Term Budget Forecast 2021/22 to 2023/24

That the recommendations of the Cabinet of 4th February 2020 (Minute 13/20) on "Portsmouth City Council - Budget & Council Tax 2020/21 & Medium Term Budget Forecast 2021/22 to 2023/24" be amended as follows:-

Recommendation 1 be amended to:

- 1) The revised Revenue Estimates for the financial year 2019/20 and the Revenue Estimates for the financial year 2020/21 as set out in the General Fund Summary (Appendix A amended) including the changes described in paragraph 17 below:-

- 17) The following changes be made to Cash Limits for 2020/21 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	2020/21	2021/22 & Future Years
		£	£
Leader Portfolio			
Reduction in Leader's Initiative budget	Fewer opportunities to celebrate success, engage and network with partner organisations and prospective investors in the City	(10,000)	(10,000)
Resources Portfolio			
Reduction in Management - reduction where the balance of management oversight is greatest and risk is lowest	A reduction in management will potentially reduce the Council's ability to manage performance and deliver change.	(60,000)	(60,000)
Move to "All Out" Elections*		0*	0*
A reduction in Cabinet Members from 10 to 6**		0**	0**
Total		(70,000)	(70,000)

* 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 2021)

- 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 2021 and the saving is estimated to be £56,000 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)

**** 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 £23,000.**

ii) Additions to Revenue Estimates

Saving No.	Increases to Portfolio Cash Limits	2020/21	2021/22 & Future Years
		£	£
Resources			
New	Community Engagement and Consultation - to consult on environmental and recycling initiatives that are important to the community and undertake associated project work	50,000	50,000
New	Trade Union support	20,000	20,000
Total		70,000	70,000

Recommendation 2 be amended to:-

- 2) The Portfolio Cash Limits for the Revised Budget for 2019/20 and Budget for 2020/21 incorporating the savings amounts for each Portfolio and amounting to £2.5m as set out in Sections 7 and 11, respectively as amended by paragraph 18 below:-
- 18) The following changes be made to Cash Limits for 2020/21 and future years

Portfolio / Committee	2020/21 £	Future Years £
Leader Resources	(10,000) 10,000	(10,000) 10,000
Total	0	0

SECTION 151 OFFICER'S COMMENTS

Under Recommendation 16, 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 15 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.

GENERAL FUND SUMMARY - 2019/20 to 2023/24

APPENDIX A (amended)

Original Budget 2019/20 £	NET REQUIREMENTS OF PORTFOLIOS	Revised Budget 2019/20 £	Original Budget 2020/21 £	Forecast 2021/22 £	Forecast 2022/23 £	Forecast 2023/24 £
29,428,800	Children & Families	29,650,500	36,049,800	38,889,000	39,136,600	40,071,900
2,085,700	Community Safety	2,084,100	2,658,900	2,676,300	2,705,200	2,785,900
9,732,460	Culture Leisure & City Development	9,906,860	11,504,900	12,193,100	12,546,800	12,540,800
24,283,257	Education	24,580,357	21,047,200	21,321,400	21,577,100	21,840,700
14,283,513	Environment & Climate Change	14,349,713	14,080,100	14,505,100	15,121,100	14,087,100
47,682,279	Health, Wellbeing & Social Care	47,882,379	51,013,400	53,789,400	56,002,200	58,189,500
11,105,728	Housing	11,135,528	8,469,500	8,620,500	9,181,300	9,358,800
(9,681,818)	Leader	(11,999,818)	(24,239,200)	(25,651,700)	(27,387,800)	(28,093,800)
21,408,334	Resources	22,677,834	25,469,700	27,051,400	27,687,100	28,092,600
17,012,607	Traffic & Transportation	18,068,307	21,206,100	22,313,400	23,421,900	25,434,500
(228,095)	Licensing Committee	(223,495)	(129,000)	(133,100)	(137,300)	(141,600)
167,112,765	Portfolio Expenditure	168,112,265	167,131,400	175,574,800	179,854,200	184,166,400
	<u>Other Expenditure</u>					
8,018,900	Pension Costs	7,803,800	1,470,700	1,506,200	1,542,600	5,579,900
9,489,000	Contingency Provision	8,534,500	10,345,500	4,631,000	4,631,000	4,631,000
6,600,000	Revenue Contributions to Capital Reserve	11,379,900	10,000,000	3,000,000	3,000,000	0
(570,600)	Transfer to / (from) Other Reserves	(7,630,400)	2,926,500	1,405,500	2,036,200	36,200
(28,643,765)	Treasury Management	(27,068,765)	(19,983,600)	(18,372,200)	(18,488,200)	(18,918,600)
2,995,700	Other Expenditure	4,780,700	2,697,900	2,621,400	3,145,000	3,145,000
(2,110,765)	Other Expenditure	(2,200,265)	7,457,000	(5,208,100)	(4,133,400)	(5,526,500)
165,002,000	TOTAL NET EXPENDITURE	165,912,000	174,588,400	170,366,700	175,720,800	178,639,900
	FINANCED BY:					
(42,690)	Contribution (to) from Balances and Reserves	20,238	2,579,937	2,165,650	3,843,153	3,036,470
0	Revenue Support Grant	0	11,669,696	0	0	0
66,700,841	Business Rates Retention	66,834,896	55,391,749	62,276,977	64,422,667	66,629,273
17,054,314	Other General Grants	17,767,331	20,546,742	20,400,921	20,229,795	20,013,451
81,289,535	Council Tax	81,289,535	84,400,276	85,523,152	87,225,185	88,960,706
165,002,000		165,912,000	174,588,400	170,366,700	175,720,800	178,639,900
	BALANCES & RESERVES					
23,022,170	Balance brought forward at 1 April	23,022,156	23,001,918	20,421,981	18,256,331	14,413,178
42,690	Deduct (Deficit) / Add Surplus for Year	(20,238)	(2,579,937)	(2,165,650)	(3,843,153)	(3,036,470)
23,064,860	Balance carried forward at 31 March	23,001,918	20,421,981	18,256,331	14,413,178	11,376,708
8,000,000	Minimum Level of Balances	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
(42,690)	Underlying Budget Deficit / (Surplus)	20,238	2,579,937	2,165,650	3,843,153	3,036,470

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Amendment proposed by the Progressive Portsmouth People Group

Portsmouth City Council - Budget & Council Tax 2020/21 & Medium Term Budget Forecast 2021/22 to 2023/24

That the recommendations of the Cabinet of 4th February 2020 (Minute 13/20) on "Portsmouth City Council - Budget & Council Tax 2020/21 & Medium Term Budget Forecast 2021/22 to 2023/24" be amended as follows:-

Recommendation 1 be amended to:

- 1) The revised Revenue Estimates for the financial year 2019/20 and the Revenue Estimates 2020/21 as set out in the General Fund Summary (Appendix A amended) including the changes described in paragraph 17 below:-

- 17) The following changes be made to Cash Limits for 2020/21 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	2020/21	2021/22 & Future Years
		£	£
Resources Portfolio			
Reduce management level staffing within Human Resources	Existing management span of control is already high at 1 Manager to 16 staff. Further reduction in management capacity would result in: <ul style="list-style-type: none"> • The transfer of work to front line services • Reduced capacity to manage / avoid Employment Tribunal claims and potential additional cost • Reduced ability to support organisational / legislative change (e.g. Brexit - EU workers, discrimination, bullying, employment legislation, in sourcing - e.g. Harry Sotnick House staff etc.) 	159,000	159,000
Total		159,000	159,000

ii) Additions to Revenue Estimates

Saving No.	Increases to Portfolio Cash Limits	2020/21	2021/22 & Future Years
		£	£
Children & Families Portfolio			
New	Additional funding for Child and Adolescent Mental Health Services (CAMHS) to co-ordinate, signpost and support families to appropriate mental health services	35,000	35,000
New	Expansion of the 4U Project by one Full Time Equivalent Member of Staff with the objective of providing a safe, secure and supportive environment to the adult LGBT+ community	33,000	33,000
Community Safety Portfolio			
New	Create Domestic Violence Officer Post	28,000	28,000
Resources Portfolio			
New	Create Town Twinning Officer Post	25,000	25,000
New	Re-instate Trade Union support	38,000	38,000
Total		159,000	159,000

Recommendation 2 be amended to:-

- 2) The Portfolio Cash Limits for the Revised Budget for 2019/20 and Budget for 2020/21 incorporating the savings amounts for each Portfolio and amounting to £2.5m as set out in Sections 7 and 11, respectively as amended by paragraph 18 below:-
- 18) The following changes be made to Cash Limits for 2020/21 and future years

Portfolio / Committee	2020/21 £	Future Years £
Children & Families Portfolio	68,000	68,000
Community Safety Portfolio	28,000	28,000
Resources Portfolio	(96,000)	(96,000)
Total	0	0

SECTION 151 OFFICER'S COMMENTS

Under Recommendation 16, 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 15 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.

GENERAL FUND SUMMARY - 2019/20 to 2023/24

APPENDIX A (amended)

Original Budget 2019/20 £	NET REQUIREMENTS OF PORTFOLIOS	Revised Budget 2019/20 £	Original Budget 2020/21 £	Forecast 2021/22 £	Forecast 2022/23 £	Forecast 2023/24 £
29,428,800	Children & Families	29,650,500	36,117,800	38,958,800	39,208,200	40,145,300
2,085,700	Community Safety	2,084,100	2,686,900	2,705,100	2,734,900	2,816,500
9,732,460	Culture Leisure & City Development	9,906,860	11,504,900	12,193,100	12,546,800	12,540,800
24,283,257	Education	24,580,357	21,047,200	21,321,400	21,577,100	21,840,700
14,283,513	Environment & Climate Change	14,349,713	14,080,100	14,505,100	15,121,100	14,087,100
47,682,279	Health, Wellbeing & Social Care	47,882,379	51,013,400	53,789,400	56,002,200	58,189,500
11,105,728	Housing	11,135,528	8,469,500	8,620,500	9,181,300	9,358,800
(9,681,818)	Leader	(11,999,818)	(24,229,200)	(25,641,400)	(27,377,200)	(28,082,900)
21,408,334	Resources	22,677,834	25,363,700	26,942,500	27,575,200	27,977,700
17,012,607	Traffic & Transportation	18,068,307	21,206,100	22,313,400	23,421,900	25,434,500
(228,095)	Licensing Committee	(223,495)	(129,000)	(133,100)	(137,300)	(141,600)
167,112,765	Portfolio Expenditure	168,112,265	167,131,400	175,574,800	179,854,200	184,166,400
	<u>Other Expenditure</u>					
8,018,900	Pension Costs	7,803,800	1,470,700	1,506,200	1,542,600	5,579,900
9,489,000	Contingency Provision	8,534,500	10,345,500	4,631,000	4,631,000	4,631,000
6,600,000	Revenue Contributions to Capital Reserve	11,379,900	10,000,000	3,000,000	3,000,000	0
(570,600)	Transfer to / (from) Other Reserves	(7,630,400)	2,926,500	1,405,500	2,036,200	36,200
(28,643,765)	Treasury Management	(27,068,765)	(19,983,600)	(18,372,200)	(18,488,200)	(18,918,600)
2,995,700	Other Expenditure	4,780,700	2,697,900	2,621,400	3,145,000	3,145,000
(2,110,765)	Other Expenditure	(2,200,265)	7,457,000	(5,208,100)	(4,133,400)	(5,526,500)
165,002,000	TOTAL NET EXPENDITURE	165,912,000	174,588,400	170,366,700	175,720,800	178,639,900
	FINANCED BY:					
(42,690)	Contribution (to) from Balances and Reserves	20,238	2,579,937	2,165,650	3,843,153	3,036,470
0	Revenue Support Grant	0	11,669,696	0	0	0
66,700,841	Business Rates Retention	66,834,896	55,391,749	62,276,977	64,422,667	66,629,273
17,054,314	Other General Grants	17,767,331	20,546,742	20,400,921	20,229,795	20,013,451
81,289,535	Council Tax	81,289,535	84,400,276	85,523,152	87,225,185	88,960,706
165,002,000		165,912,000	174,588,400	170,366,700	175,720,800	178,639,900
	BALANCES & RESERVES					
23,022,170	Balance brought forward at 1 April	23,022,156	23,001,918	20,421,981	18,256,331	14,413,178
42,690	Deduct (Deficit) / Add Surplus for Year	(20,238)	(2,579,937)	(2,165,650)	(3,843,153)	(3,036,470)
23,064,860	Balance carried forward at 31 March	23,001,918	20,421,981	18,256,331	14,413,178	11,376,708
8,000,000	Minimum Level of Balances	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
(42,690)	Underlying Budget Deficit / (Surplus)	20,238	2,579,937	2,165,650	3,843,153	3,036,470

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Amendment proposed by the Conservative Group

Capital Programme 2019/20 to 2024/25

That the recommendations of the Cabinet of 4th February 2020 (Minute 14/20) on "Capital Programme 2019/20 to 2024/25" be amended as follows:-

Recommendation 4 be amended to:

Subject to a satisfactory financial appraisal by the Director of Finance and Resources & Section 151 Officer, the schemes as described in Section 9 and Appendix 2 be amended to include the following changes and be reflected within the recommended Capital Programme 2019/20 to 2024/25 (attached at Appendix 1) and be financed from the available capital resources:

Scheme Description - Deletions		(Decrease) in Corporate Resources	Reduction in / Deletion of Total Scheme Value
		£	£
Deletion of Proposed Capital Schemes:			
	Transitional Accommodation for Homeless - Adaptions to General Fund Property. Note: This scheme is to be amalgamated with the similar "Transitional Accommodation for Homelessness (Adaptations to HRA Property) and funded by HRA Borrowing	(700,000)	(700,000)
	Full Business Case For Extension to Tipner Park & Ride Multi Storey Car Park	(500,000)	(500,000)
Total Overall Deletions		(1,200,000)	(1,200,000)

Scheme Description - Additions (New)		Increase in Corporate Resources	Total Scheme Value
		£	£
Additional Capital Scheme Proposals (New):			
	*Establishment of an indoor market located in a suitable building in the Commercial Road area which is currently vacant	250,000	250,000
	Contribution to a Community 'Boris Bike' Scheme	250,000	250,000
	Project to establish a Homes in Multiple Occupation database of recording properties that meet license requirements - software and implementation costs	200,000	200,000
	Initiatives in Paulsgrove (incl. Allaway Ave. / Nailsworth Rd. Crossing; Verge Hardening), Eastney & Craneswater (incl. Crossing at Canoe Lake) and Community Initiatives in Fratton, Milton and St. Thomas Wards to Improve the Neighbourhood Living and Street Environment	300,000	300,000
	Southsea Sea Defences - Public Realm Enhancements Phase 1	50,000	250,000
	Marsden Road Toilets (Paulsgrove) - bring back in to use the non-disabled toilets	50,000	50,000
	Introduction of "Wild Meadows" with high carbon absorbing plants adjacent to high polluting highways	50,000	50,000
	Re-deployable CCTV Cameras	30,000	80,000
	Cycle Parking Across the City	20,000	45,000
Total Overall Change		1,200,000	

***Subject to a financial appraisal that can satisfactorily demonstrate with good certainty that income will at least meet the running expenses of the indoor market**

Recommendation 5 be amended to:

Subject to a satisfactory financial appraisal by the Director of Finance and Resources & Section 151 Officer, the schemes as described in Section 10 and Appendix 2 be amended to include the following changes and be reflected within the recommended Capital Programme 2019/20 to 2024/25 (attached at Appendix 1), to be funded from Prudential Borrowing up to the amounts shown.

Scheme Description - Deletions		Decrease in Prudential Borrowing Required	Reduction in / Deletion of Total Scheme Value
		£	£
Deleted Capital Scheme Proposals:			
	Guildhall Regeneration	1,700,000	1,700,000

Scheme Description - Increases		Increase in Prudential Borrowing Required	Total Prudential Borrowing Required
		£	£
Additional Capital Scheme Proposals:			
	Transitional Accommodation for Homeless (Adaptions to Housing Revenue Account Property)	700,000	1,500,000

Recommendation 8 be amended to:

The Prudential Indicators described in Section 14 and set out in Revised Appendix 3 below be approved.

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.

PRUDENTIAL INDICATORS

Details of the Capital Programme are contained in Appendix 1

Ratio of Financing Costs to Net Revenue Stream							
	2018/19 Actual	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Non - HRA	10.3%	12.0%	16.3%	17.5%	16.4%	14.5%	12.7%
HRA	7.4%	7.4%	7.9%	8.5%	8.9%	9.2%	9.6%

Capital Financing Requirement							
	2018/19 Actual £'000s	2019/20 Estimate £'000s	2020/21 Estimate £'000s	2021/22 Estimate £'000s	2022/23 Estimate £'000s	2023/24 Estimate £'000s	2024/25 Estimate £'000s
Non - HRA	453,626	633,173	681,251	705,939	708,038	702,083	686,992
HRA	173,068	175,807	189,855	209,901	226,155	241,733	264,018

Authorised Limit for External Debt							
	2018/19 Actual £'000s	2019/20 Estimate £'000s	2020/21 Estimate £'000s	2021/22 Estimate £'000s	2022/23 Estimate £'000s	2023/24 Estimate £'000s	2024/25 Estimate £'000s
Borrowing	658,069	744,623	828,730	879,570	903,532	917,002	928,637
Other Long Term Liabilities (ie Credit Arrangements)	66,151	62,377	57,151	51,340	46,032	42,494	38,366
Total	724,220	807,000	885,881	930,910	949,565	959,496	967,003

Operational Boundary for External Debt							
	2018/19 Actual £'000s	2019/20 Estimate £'000s	2020/21 Estimate £'000s	2021/22 Estimate £'000s	2022/23 Estimate £'000s	2023/24 Estimate £'000s	2024/25 Estimate £'000s
Borrowing	640,093	714,623	813,955	864,499	888,160	901,322	912,644
Other Long Term Liabilities (ie Credit Arrangements)	66,151	62,377	57,151	51,340	46,032	42,494	38,366
Total	706,244	777,000	871,106	915,840	934,193	943,816	951,010

Amendment proposed by the Labour Group

Capital Programme 2019/20 to 2024/25

That the recommendations of the Cabinet of 4th February 2020 (Minute 14/20) on "Capital Programme 2019/20 to 2024/25" be amended as follows:-

Recommendation 4 be amended to:

Subject to a satisfactory financial appraisal by the Director of Finance and Resources & Section 151 Officer, the schemes as described in Section 9 and Appendix 2 be amended to include the following changes and be reflected within the recommended Capital Programme 2019/20 to 2024/25 (attached at Appendix 1) and be financed from the available capital resources:

Scheme Description - Deletions		(Decrease) in Corporate Resources	Reduction in / Deletion of Total Scheme Value
		£	£
Deletion of Proposed Capital Schemes:			
	Farlington Pavilion	(170,000)	(240,000)
Total Overall Deletions		(170,000)	(240,000)

Scheme Description - Additions (New)		Increase in Corporate Resources	Total Scheme Value
		£	£
Additional Capital Scheme Proposals (New):			
	Sustainable Neighbourhoods Community Fund (restoring community assets, building community cohesion and enhancing local community)	240,000	240,000
Total Overall Change		240,000	

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.

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REVISED APPENDIX 3

PRUDENTIAL INDICATORS

Details of the Capital Programme are contained in Appendix 1

Ratio of Financing Costs to Net Revenue Stream							
	2018/19 Actual	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Non - HRA	10.3%	12.0%	16.3%	17.5%	16.4%	14.5%	12.7%
HRA	7.4%	7.4%	7.9%	8.4%	8.9%	9.2%	9.6%

Capital Financing Requirement							
	2018/19 Actual £'000s	2019/20 Estimate £'000s	2020/21 Estimate £'000s	2021/22 Estimate £'000s	2022/23 Estimate £'000s	2023/24 Estimate £'000s	2024/25 Estimate £'000s
Non - HRA	453,626	633,173	681,251	706,789	709,738	703,783	688,692
HRA	173,068	175,807	189,155	209,201	225,455	241,033	263,318

Authorised Limit for External Debt							
	2018/19 Actual £'000s	2019/20 Estimate £'000s	2020/21 Estimate £'000s	2021/22 Estimate £'000s	2022/23 Estimate £'000s	2023/24 Estimate £'000s	2024/25 Estimate £'000s
Borrowing	658,069	744,623	828,030	879,720	904,532	918,002	929,637
Other Long Term Liabilities (ie Credit Arrangements)	66,151	62,377	57,151	51,340	46,032	42,494	38,366
Total	724,220	807,000	885,181	931,060	950,565	960,496	968,003

Operational Boundary for External Debt							
	2018/19 Actual £'000s	2019/20 Estimate £'000s	2020/21 Estimate £'000s	2021/22 Estimate £'000s	2022/23 Estimate £'000s	2023/24 Estimate £'000s	2024/25 Estimate £'000s
Borrowing	640,093	714,623	813,255	864,649	889,160	902,322	913,644
Other Long Term Liabilities (ie Credit Arrangements)	66,151	62,377	57,151	51,340	46,032	42,494	38,366
Total	706,244	777,000	870,406	915,990	935,193	944,816	952,010

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Agenda Item 7

Council Representative Sought on the new Shadow Fire and Rescue Authority

Hampshire Fire and Rescue Authority and Isle of Wight Council have been collaborating over a proposal to create a new combined fire and rescue authority. The new authority will cover the existing Hampshire combined fire area (i.e. the Hampshire County Council, Portsmouth City Council and Southampton City Council areas), together with the Isle of Wight Council area.

This requires a new Combination Order (a statutory instrument) which is now likely to come into force on 1 April 2020. When it does it will create a new combined fire and rescue authority known as "Hampshire and Isle of Wight Fire and Rescue Authority". The new combined fire authority will exist in "shadow form" for its first year - i.e. from 1 April 2020 to 31 March 2021. During its shadow year, the new authority will only exercise such functions as are necessary for bringing the new combination scheme into full effect on 1 April 2021 (this will include setting a precept and budget for the new authority for the year 1 April 2021 to 31 March 2022). However, the new authority will not have responsibility for the fire and rescue functions until these are transferred to it on 1 April 2021. These functions will remain with Hampshire Fire and Rescue Authority and Isle of Wight Council during the shadow year.

The constituent authorities of the new combined fire and rescue authority now need to appoint a total of 11 members to the authority with effect from 1 April 2020. Portsmouth is required to appoint one member to the Authority.

This Body is separate to the existing Fire and Rescue Authority, on which the Council is represented by Councillor Fazackarley.

These shadow meetings will be held at the conclusion of the existing Authority meetings that will still be taking place and Councils can be represented by the same Councillor on both Bodies as long as it is a separate appointment. The first Shadow Authority meeting will be held in Eastleigh on 8 April.

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Agenda Item 10

Title of meeting:	Cabinet City Council
Date of meeting:	10 th March 2020 (Cabinet) 17 th March 2020 (City Council)
Subject:	Capital Strategy 2020/21 - 2029/30
Report by:	Director of Finance and Resources (Section 151 Officer)
Wards affected:	All
Key decision:	Yes
Full Council decision:	Yes

1. Executive Summary

The Council's ten year capital strategy was first approved in March 2019. The Capital Strategy is dynamic and is therefore updated annually as capital investment plans mature.

The Capital Strategy sets out the overarching capital aspirations and how both capital expenditure and investment decisions are made, whilst taking into consideration risks and rewards. There are 2 parts to the Capital Strategy

Part I - Capital Strategy

The Chartered Institute of Public Finance and Accountancy (CIPFA) describes the capital strategy as "the long-term strategy for investment in assets and for obtaining the resources required for that investment". When a capital scheme is approved by Members, it is at that point in time that a decision is made how to finance the scheme. If the scheme generates either sufficient income or savings, it can be financed from borrowing so long as either the income or savings can adequately service the debt.

At the time of scheme approval, should the Council have surplus cash, it may choose to fund capital expenditure financed by borrowing from its surplus cash in the short-term, and delay going out to the market to physically borrow the required cash for the capital scheme until a later date. Prior to any borrowing a full business case and financial appraisal is prepared that can satisfactorily demonstrate with good certainty that cost savings / additional income or value uplift of the development which will accrue directly to the Council will at least cover the cost of that borrowing on a sustained basis over the lifetime of the borrowing undertaken.

Whether to take long term borrowing, or use surplus cash in the short-term and delay a decision to take longer term borrowing forms part of the Treasury Management Policy and is not considered here.

Part II - Borrowing and Investing in Property

Part II considers the implications of the Council's future capital expenditure plans on borrowing and investing.

Making Provision for the Repayment of Debt

Repayment of borrowing must be provided for upon completion of General Fund schemes financed by borrowing, it is the Council's policy to provide for the repayment of the debt over the asset's useful economic life not exceeding 50 years. This is known as the **Minimum Revenue Provision (MRP)** and is based on an annuity method of calculation. This methodology results in a lower MRP for new assets in the early years presenting the council with the opportunity to build income streams and build savings over this period. However, MRP will increase year on year, but not necessarily in real terms after inflation is taken into account.

Timing of Borrowing

In contrast, when the Council has surplus cash, instead of investing that surplus cash through the Treasury Management Policy it can use it in the short term as a source of finance for capital expenditure. The resulting loss of interest earned on investments can be more cost effective than borrowing the required funds straight away. However, this delays taking external borrowing rather than avoiding the need to borrow completely.

Investments in Property

According to CIPFA Treasury Management Code, **Investment in Commercial Properties Acquired through the Capital Programme** are also regarded as investments in addition to **Investments of Surplus Cash**

As at 31 March 2019 the Council had invested £160m in commercial properties with plans to further invest £23m in commercial properties from borrowing that was secured in 2016/17. The Government issued revised statutory guidance on local government investments early in 2018, effective from 1st April 2018. The guidance no longer permits Councils to borrow in order to acquire investment property portfolios outside the economic area to generate a surplus. The Council had previously approved and borrowed funds to enable the purchase of a £183m commercial property portfolio. At the time the Government issued its revised guidance £128m had already been invested in commercial properties with £55m left to spend. Having had regard to this guidance, the Council intends to invest the residual £55m into commercial properties as planned. The key reasons for continuing to pursue such a strategy are:

- Funds have already been borrowed and will need to be invested with lower returns if the Council does not pursue its strategy to acquire investment properties
- Not completing the strategy to acquire the complete portfolio would result in risk being spread over a smaller number of properties and leave the portfolio inadequately diversified across locations and economic sectors
- The Council has strict criteria for the acquisition of properties which are designed with the primary objective of protecting the capital sum invested
- The commercial property investment portfolio is an integral part of the Council's overall medium term financial strategy

To ensure that the Council does not become over reliant on Investment income, a number of indicators are calculated in accordance with government guidance. These are included in the Appendix of Part II.

Skills and Knowledge of Staff

Treasury Management and Capital accounting requirements are complex and heavily regulated. As a consequence, staff are provided with adequate training so that they have sufficient **skills and knowledge**, assisted by Link Asset Services, to undertake the treasury management function in house.

Treasury Management Reporting

The Council's strategy for borrowing and investing surplus cash is contained in its Treasury Management Policy elsewhere on the agenda. All **Treasury Management Policies** are considered by the Cabinet and approved by the City Council on an annual basis. All reports on treasury management including monitoring reports are scrutinised by the Governance and Audit and Standards Committee.

2. Purpose of Report

The purpose of this report is to:

- enable the City Council to adopt a long term Capital Strategy from 2020/21 onwards
- inform members and the wider community of the Council's Capital Strategy
- ensure that Members are aware of the overall strategy, governance procedures and risk appetite
- highlight the business planning inter-relationship between the Capital Strategy, Capital Programme, the Revenue Budget, the Medium Term Financial Strategy and Treasury Management

Simple Business Planning Model



Link Asset Services

- ensure the council has sufficient liquidity to meet the cashflow arising from the capital programme

3. Recommendations

3.1 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

3.2 That Part II of the Capital Strategy (Borrowing and Investing in Property) be approved including:

- a) The Minimum Revenue Provision (MRP) for Debt Repayment Policy (Part II, paragraph 1.5)
- b) The investment indicators in Part II - Appendix 2 (part II, paragraph 2.5)
- 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 2.5):
 - (i) The Council's gross General Fund (GF) debt exceeds 400% of GF net service expenditure or;
 - (ii) Overall investment income from investment properties and long term treasury management investments exceeds 7.9% of GF net service expenditure

4. Background

On 19th March 2019, the City Council approved the 10 year Capital Strategy starting in 2019/20

The Capital Strategy establishes the approach to both capital expenditure and investment decisions.

This report outlines the Council's Capital Strategy and aspirations for the next 10 years, starting from 2020/21. The Capital Strategy is dynamic and will be updated annually as capital investment plans mature. The Capital Programme and "new starts" (including the Housing Investment Capital Programme) is approved each year by Full Council, in accordance with the Capital Strategy.

The Capital Strategy fulfils the requirements of the revised Prudential Code for Capital Finance in Local Authorities 2017.

5. Reasons for Recommendations

Adopting a Capital Strategy will enable a longer term view to be taken of capital expenditure, borrowing and investment. The Capital Strategy is also intended to facilitate integration between the Council's aspirations, its Capital Programme and its Treasury Management Strategy.

6. Integrated Impact Assessment (EIA)

This Capital Strategy identifies capital schemes that may be included in future capital programmes. Sums are not earmarked for capital schemes until they are included in the capital programme. Prior to the commencement of any capital scheme, a report and financial appraisal on that scheme will be approved either by the Portfolio Holder, the Cabinet or the City Council and at that time an Integrated Impact Assessment will be undertaken.

7. Legal Implications - Pending Legal

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 Resources (Section 151 Officer) comments

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

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

Appendices:

Part I Capital Strategy

Sub Appendices:

Appendix 1 Capital Aspirations

Part II Borrowing and Investment including Investment Indicators

Sub Appendices:

Appendix 2 Investment Indicators

Glossary

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
1 Information pertaining to the Capital Strategy	Financial Services



Portsmouth
CITY COUNCIL

CAPITAL STRATEGY

2020/21- 2029/30

“Working Together: putting people at the heart”

Part I Capital Expenditure and Aspirations

CONTENTS

- 1. Definition, Purpose & Scope**
- 2. Portsmouth Vision & Corporate Plan – “Strategic Fit”**
- 3. Key Capital expenditure Principles**
- 4. Short & Medium Term Capital expenditure Needs & Priorities**
- 5. Long Term Capital expenditure Aspirations**
- 6. Summary**
- 7. Appendices**

1. Definition, Purpose & Scope

Definition

a. Capital expenditure is the expenditure that is incurred primarily on buying, constructing or improving physical assets, such as:

- Buildings (including schools, houses, libraries and museums)
- Land for development, roads, playing fields; and
- Vehicles, plant and machinery (including street lighting and road signs)

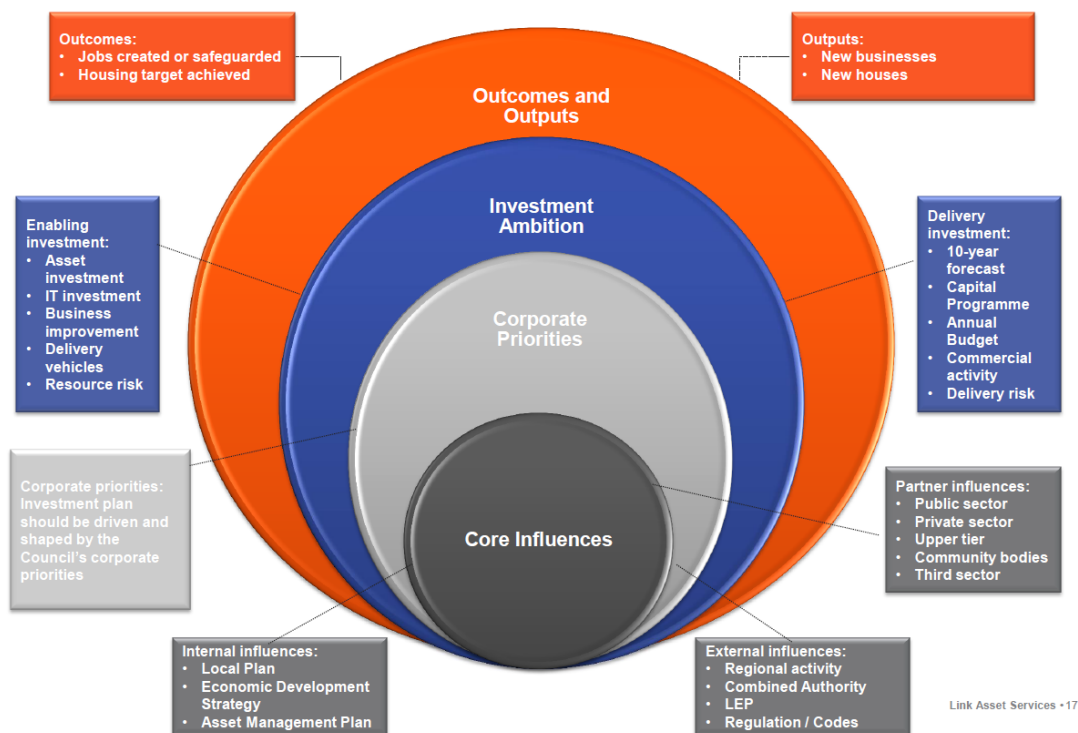
Capital expenditure also includes grants and advances made to the public or private sector for capital purposes, such as advances to Registered Social Landlords to provide adaptations to houses meet the needs of vulnerable people

b. The Capital Strategy is a high level plan that sets out the Council's approach to Capital expenditure over the short, medium and long term.

c. The Capital Strategy takes both a "bottom up" and "top down" approach to the identification of the Council's Capital expenditure requirements. It takes a 10 year time horizon and considers:

- What are the short term **needs** of the existing capital assets of the City Council, which of them will be required for future service delivery and what capital expenditure will be needed to sustain them both now and in the future ("Bottom Up" approach)
- What are the Council's medium term **priorities** for service delivery and what capital expenditure will be needed to help deliver those priorities ("Top Down" and "Bottom Up" approach)
- What are the Council's long term **aspirations** for the City of Portsmouth and what capital expenditure will be needed to deliver those aspirations ("Top Down" approach)

Capital Strategy



Purpose

- d. The purpose of the Capital Strategy is to set out a plan and a supporting financial framework to assist in the delivery of the Council's needs, priorities & aspirations. That plan describes what will be achieved, by when with key milestones and how it could be funded.
- e. The Capital Strategy is intended to be a robust vehicle with sufficient guiding principles to achieve the Council's stated vision and priorities but flexible enough to be able to respond to the emerging local priorities that will inevitably arise.
- f. The Capital Strategy is not intended to be static, it is a dynamic plan that will change and evolve continually over time. The Capital Strategy needs to be flexible to respond to emerging national and local priorities. In particular, the nature of the Central Government Capital Financing system is such that many national priorities for Capital expenditure will be cascaded and "drip fed" to Local Authorities over time and will be accompanied by the external funding to support them. These will be incorporated into the Council's Capital expenditure Plans as they arise. The Strategy will however, be robust and will include local priorities and aspirations that the Council aims to fund from the Council's own capital resources
- g. Following the December 2017 edition of the CIPFA Prudential Code for Capital Finance in Local Authorities' regulations guidance, there is also a requirement for full Council to approve an annual Capital Strategy linking with the Council's asset management plans and its Treasury Management Strategy. Being aligned with one another, they will generate and create value for the Council by optimising the Council's liquidity; having a framework in place to prioritise capital expenditure and safeguarding against risk of either project overspend or non-delivery and by limiting the uncertainty of its returns.

Scope

- h. The City Council's Capital Strategy encompasses all areas of the Council's activities including some of the traditionally more autonomous service areas such as Housing Revenue Account and the Commercial Port.
- i. The body that approves the budget for PCC is the Full Council. The responsibility for decision-making and ongoing monitoring in respect of capital expenditure, investment and borrowing, including prudential indicators, remains with the Full Council.
- j. New Capital Expenditure will be targeted towards income generation and economic growth whilst ensuring the Council's statutory obligations are also met, (e.g. school places). The priority of new capital expenditure will be assessed in accordance with the following capital expenditure criteria:
 - i. Essential to maintain operational effectiveness - including statutory responsibilities
 - ii. Continued drive towards the regeneration of the City - by increasing prosperity through employment and reducing the extent to which the population needs Council services
 - iii. Income Generation - reducing dependency on central government grants
 - iv. Invest to Save - increasing the efficiency and effectiveness of the Council's activity

2. Portsmouth Vision & Corporate Plan – “Strategic Fit

a. The Vision for Portsmouth is:

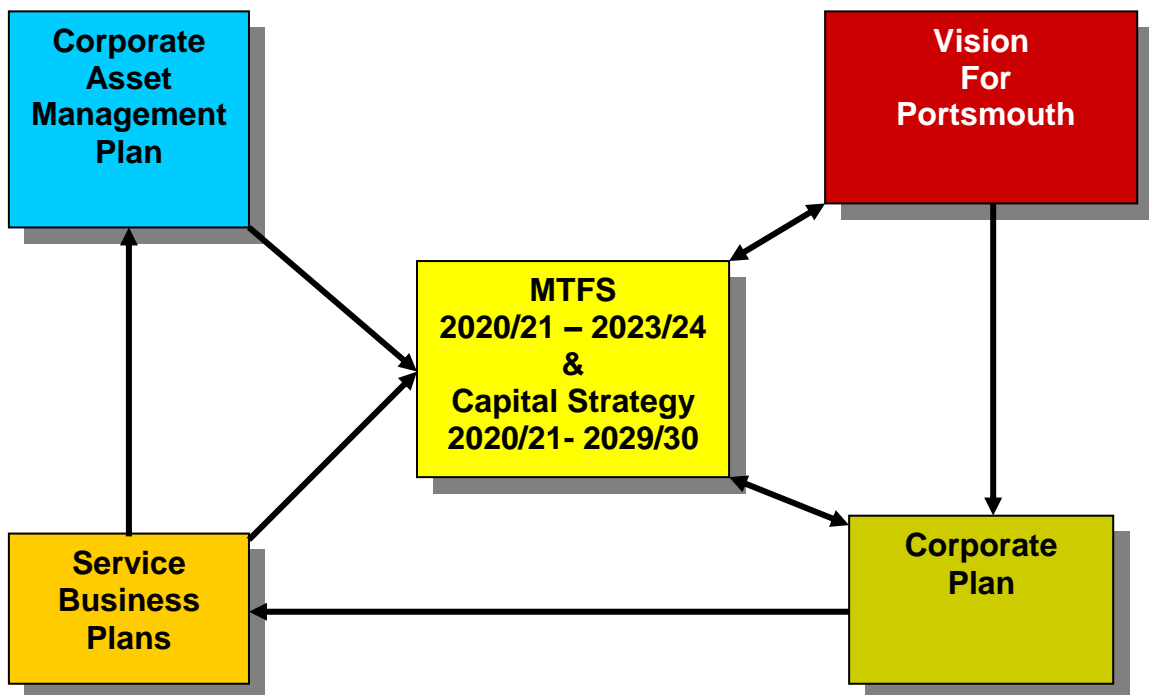
“Make Portsmouth a place that is fairer for everyone: a city where the Council works together with thriving communities to put people at the heart of everything we do”.

In order to deliver this vision, the City’s priorities are to:

- Make Portsmouth a city that works together, enabling communities to thrive and people to live healthy, safe and independent lives
- Encourage regeneration built around our city's thriving culture, making Portsmouth a great place to live, work and visit
- Make our city cleaner, safer and greener
- Make Portsmouth a great place to live, learn and play, so our children and young people are safe, healthy and positive about their futures
- Make sure our council is a caring, competent and collaborative organisation that puts people at the heart of everything we do

- b. The Regeneration priority to "encourage regeneration built around our city's thriving culture, making Portsmouth a great place to live, work and visit" articulates the vision for the city to become a globally competitive economy supporting local economic growth, innovation and enterprise and enhancing the competitiveness of Portsmouth. The aim of the priority is to ensure local people are able to get those jobs and benefit from regeneration programme. By having a "Portsmouth first" approach to property investment, income generation will maintain services and enable more affordable good quality homes to be built.
- c. The Medium Term Financial Strategy (MTFS) and the Capital Strategy (CS) set out the Revenue Spending plans and the Capital expenditure plans respectively that deliver the longer term aspirational Vision for Portsmouth and the medium term Priorities for the City Council. Both of these strategies set out the financial frameworks that exist to support the achievement of the vision and priorities.
- d. Whilst there is a technical distinction between Revenue and Capital, the focus of attention for the Council is not whether it is Capital or Revenue, but whether the desired outcome is achieved. In this respect, the strategy for capital expenditure is of equal importance to the strategy for revenue spending.
- e. Whilst the MTFS and CS are designed to support the delivery of the day to day revenue and ongoing capital expenditure needs, priorities and aspirations of the Council, those needs, priorities and aspirations are also constrained by the revenue and capital resources available. These strategies therefore introduce criteria based processes to assist the Council in making informed spending decisions that will optimise the outcomes from the resources available.
- f. The MTFS and CS are driven by the Vision for Portsmouth and the Corporate Plan both directly in terms of medium to longer term priorities and ambitions of the Council and via Service Business Plans and the Corporate Asset Management Plan in terms of the short and medium term needs and priorities of the Council. This is illustrated pictorially below:

STRATEGIC FIT



- g. The Corporate Asset Management Plan and Service Business Plans are the more immediate “needs analysis” and “bottom up” drivers that feed the MTFS and CS. Service Business Plans set out all spending plans of the service in order to deliver priority outcomes. Service Business Plans also feed the Corporate Asset Management Plan (CAMP) which seeks to align the Council's asset base with our corporate plans and objectives. The CAMP identifies current and future needs and priorities of services and seeks to provide a series of actions to ensure the Council has the right assets, in the right condition and in the right location
- h. A core feature of this Capital Strategy is assist in the delivery of the Vision and the Corporate Plan. There is a presumption that Capital expenditure will be targeted towards income generation and economic growth whilst ensuring the Council's statutory obligations are also met. The emphasis is therefore on creativity, innovation and regeneration activities.

3. Key Capital Expenditure Principles

- a. In order to determine which current, or future assets, should be either maintained or invested in the following principles will be adopted when consideration is given to capital expenditure decisions:
- b.

Principle 1 – Contribution to Council Plan / Priorities

For the Council's non-commercial activities, Capital expenditure will be made where there is a clear and demonstrable contribution to the priorities contained within the Corporate Plan or the aspirations contained within the Portsmouth Vision.

For the Council's commercial activities (such as the Port and Investment Property Portfolio), Capital expenditure will be based on the commercial principles of achieving security of the investment with a specified rate of return and payback through surpluses over a reasonable time period.

Principle 2 - Statutory Obligations

There must be clarity about the details of immediate obligations and the extent to which the current statutory obligation is being met.

Principle 3 – Financial Appraisal

The City Council will only embark on new capital expenditure where that capital expenditure is fully funded and the source of funding in terms of both timing and value can be relied upon with a high degree of confidence. The timing and accessibility of funds to PCC must be considered.

Prior to any Capital expenditure decision being made, the whole life cost of the proposal will be estimated and the Council will satisfy itself that those costs can be accommodated with the council's overall budget. Capital Expenditure must also take into consideration the impact on both existing revenue and capital budgets and future forecasts. This will include both the maintenance and any lifecycle replacement of components required over the estimated useful life of the asset.

Principle 5 – Option Appraisal

Any new capital expenditure decision is to follow a full and proper options appraisal that considers the following for each reasonable alternative:

- Suitability – the extent to which each option makes a contribution to the needs, priorities and aspirations of the Council as defined within the CAMP, Corporate Plan and Vision for Portsmouth
- Feasibility – the capital cost and whole lifecycle cost plus the practical ease of implementing the scheme
- Acceptability – the extent to which the scheme is acceptable to Members of the City Council and the residents of Portsmouth

Principle 6 - Risk

The Capital expenditure should not place the Council in a position where the risks associated with the Capital expenditure exceed the benefits of undertaking that investment. Neither, should the Council enter into any Capital expenditure where the risks associated with that investment cannot be managed effectively. Such risks may include (but will not be exclusive to) having insufficient resources generally or project management resources in particular to be able to effectively deliver a capital scheme.

Principle 7 – Approved Schemes in Progress (overspends)

The first consideration before any new Capital Expenditure is to ensure that the existing approved capital programme is fully and properly funded. Except in exceptional circumstances, the first call on available capital resources will be to fund any overspendings on approved schemes which are contractually committed. An approved scheme that is in progress will only be cancelled when the Value for Money of that scheme becomes unviable. (I.e. the additional costs and risks outweigh the potential future benefits)

4. Short & Medium Term Capital Expenditure Needs & Priorities

- a. The short and medium term Capital expenditure needs of the Council will be driven by the Corporate Plan and be identified in Service Business Plans and the Corporate Asset Management Plan. (CAMP).
- b. The CAMP is a consolidation of all existing Capital expenditure needs and priorities drawing on Service Asset Management Plans and other Corporate Priorities. It is both a “bottom up approach” (i.e. needs led) drawing upon changing demographics, changing demand and changing expectations of residents as well as a “top down” approach (i.e. priority led) based on the future direction of the Council set out in the Corporate Plan.
- c. In summary, the CAMP will identify:
 - The assets needed to deliver current and future services
 - The condition and sufficiency of those assets
 - The capital expenditure required to maintain and / or adapt those assets to ensure that they are “fit for purpose”
 - Unsuitable and surplus assets that are not required for the delivery of the Council’s services and could either be:
 - Re-used for another purpose
 - Re-developed or “mothballed” for future re-development
 - Transferred for Community or other Public Use
 - Disposed of via sale.
- d. The City Council has a wide range of service responsibilities, both statutory and non-statutory. In determining the needs and priorities for new Capital expenditure, a balanced approach will be taken to ensure that the needs and priorities of all service areas are considered including taking into account, the capital intensive nature of some services
- e. The Capital Strategy is dynamic and whilst the priorities and aspirations of the Council will remain broadly constant, the Capital expenditure to achieve those priorities may change. The Capital expenditure plans of the Council will be updated continuously and added to the Council’s Capital Programme following the proper approvals in accordance with the Council’s Constitution and Financial Rules. The Capital Planning process is described as part of the Financial Framework supporting the Delivery of the Capital Strategy in Section 7.

5. Long Term Capital Expenditure Aspirations

- a) It is recommended that the City Council endorses the short to medium and long-term aspirations of the Capital Strategy, as set out in appendix 1
- b) The longer term aspirations that the Council has for the City are ambitious and rely on the Council applying the resources at its disposal in ways which deliver the greatest impact. Those resources include Capital Resources which will be targeted at Capital expenditure that has the greatest prospect of delivering the Council's aspirations.
- c) The Council has developed a wide range of longer term Capital expenditure proposals aimed at meeting the "Vision for Portsmouth", some of which have partial funding, but the majority of which, are currently unfunded. Section 7 (Appendix 1) of this Strategy sets out the way in which these unfunded Capital expenditure plans could be achieved.
- d) The Council's key longer term Capital expenditure plans and aspirations aimed at delivering the Vision for Portsmouth are set out in Appendix 1.

6. Summary

This strategy sets out the key capital expenditure priorities over the short, medium and longer term.

Whilst the capital resources available are currently insufficient to meet all the capital expenditure Priorities of the Council, the financial framework set out in this strategy will provide the best opportunity for maximising resources and the best opportunity for applying those resources to that Capital expenditure which will make the greatest contribution to the Council's needs, priorities and aspirations.

Inevitably plans to achieve the Council's objectives over the short, medium and long term will change as will the capital resources available. This strategy has been designed to be flexible enough to accommodate any such changes whilst being robust enough to enable the Council's core objectives to be achieved.

Appendix 1
Capital Aspirations (Short / Medium / Long-term)

KEY SHORT / MEDIUM / LONG TERM CAPITAL INVESTMENT NEEDS & PRIORITIES - 2020/21 ONWARDS

Corporate Plan	Nature of Capital Investment	Source of Funding			Expected Outcome
		Total Capital Cost £'000s	Borrowing Requirements £'000s	Other Funding £'000s	
Encourage regeneration built around our city's thriving culture	Berth 4 Replacement & Jetty Repairs at The Camber Quay	5,150		5,150	Protect income to both the Council and the City
Encourage regeneration built around our city's thriving culture	Demolition and Replacement of Social and Affordable Housing	111,000	102,000	9,000	Increase supply of affordable housing
Make our city cleaner, safer and greener	Local Transport Scheme	1,750		1,750	Improving road safety across Portsmouth
Make our city cleaner, safer and greener	Design & Build 2000 Space Multi Story Car Park at the existing Park & Ride site	32,000		32,000	A city where all residents and visitors have opportunities to enhance their health and well-being and to be involved in building happier and healthier local communities
Make our city cleaner, safer and greener	Environmental Initiatives	10,000		10,000	To facilitate improvements to the city's environment
Make Portsmouth a city that works together	Local Football Facilities	3,000		3,000	To create a high quality urban environment to regenerate our city and spaces, encouraging sustainable development and stimulating economic growth
Make Portsmouth a great place to live, learn and play	Additional School Places - Primary & Secondary	2,500		2,500	Investing in school buildings to create additional places and provide learning environments that meet the needs of all children
Make Portsmouth a great place to live, learn and play	Landlords Repairs & Maintenance (across the whole PCC Estate)	2,750		2,750	Maintain and improve PCC Assets
Make Portsmouth a great place to live, learn and play	Cathodic Protection at The Hard	1,650		1,650	Maintain and improve PCC Assets
Make Portsmouth a great place to live, learn and play	Sea Defences - Enhancements - Future Phases	10,000		10,000	To improve the sea defences
Make sure our council is a caring, competent and collaborative organisation	Digital Strategy	1,750		1,750	Working to ensure we have a modern, flexible, highly skilled, supported and motivated workforce to provide services that meet the needs of our residents
	Total Investment	181,550	102,000	79,550	

PART II Borrowing and Investing

A key activity is to know when and how much to borrow when the Council requires more cash, and investing when the Council has surplus cash. In this way, it manages the Council's cashflows. This activity is known as treasury management.

1. Borrowing and Investing

1.1 Borrowing

The principle source of borrowing comes from the Public Works Loan Board, (PWLB) which is operated by HM Treasury. The PWLB offers a range of loan durations and principal repayment methods to Local Authorities. The PWLB represents a competitive source of borrowing for the Council.

This Capital Strategy identifies capital aspirations that may be included in future capital programmes. Prior to any borrowing, a full business case and financial appraisal is prepared that can satisfactorily demonstrate with good certainty that cost savings / additional income or value uplift of the development which will accrue directly the Council, will at least cover the cost of that borrowing on a sustained basis over the lifetime of the borrowing undertaken.

Outstanding long-term debt is reviewed regularly with a view to early redemption and rescheduling; as premiums would be payable to the lender, early redemption and rescheduling are rarely financially beneficial to the Council.

1.2 Affordability of Borrowing

In order to ensure future budgets remain affordable, with the exception of debt repaid using capital receipts, the Council needs to be aware that capital expenditure financed from prudential borrowing incurs both **interest costs** and a **Minimum Revenue Provision (MRP)** for the repayment of debt.

Interest Costs

Following the decision by the PWLB on 9 October 2019 to increase their margin over gilt yields by 100 bps to 180 basis points on loans lent to local authorities, consideration will also need to be given to sourcing funding at cheaper rates from the following:

- Local authorities (primarily shorter dated maturities)
- Financial institutions (primarily insurance companies and pension funds but also some banks, out of spot or forward dates)
- Municipal Bonds Agency (limited issuance at present but there is potential)

The degree to which any of these options proves cheaper than PWLB Certainty Rate, is still evolving at the time of writing, but future borrowing is likely to be at a higher margin over gilts than previous borrowing.

The Council has a policy of calculating MRP on an annuity basis. This means that MRP will start at a relatively low level but require increasing amounts of MRP to be set aside year on year, especially for assets with long useful economic lives. This creates a period of relatively low MRP during the early years when either income can be generated or savings can accrue.

Based on existing schemes, it is estimated that the MRP will increase to the following amounts in the short-term.

2020/21	£4.2m
2021/22	£4.0m

£2.0m of the increase in 2020/21 is due to MRP on the acquisition of Lakeside, North Harbour Business Park in 2019/20. £3.0m of the increase in 2021/22 is due to MRP being made again on the Housing Revenue Account (HRA) self-financing payment to the Government of £88.6m. MRP on the HRA self-financing payment had been suspended following the Government's requirement to reduce council dwelling rents.

The inclusion of further schemes in the capital programme financed by prudential borrowing will further increase the MRP.

1.3 Key Risks

There are risks with borrowing more than the Council can afford. In order to mitigate these risks, the **Chartered Institute of Public Finance and Accountancy (CIPFA)** has produced the **Prudential Code** for Capital Finance in Local Authorities, which is a statutory code governing local authority borrowing. The Prudential Code requires the Council to establish various indicators over a minimum of 3 years to demonstrate that its capital programme is both affordable and prudent. The Council publishes its **Prudential Indicators**, over a 5 year period, within its capital programme and the Council then reports its position against the prudential indicators at the end of each financial year.

In order to ensure that the borrowing required to finance the capital programme is affordable, the Council:

- estimates the ratio of its financing costs to its net revenue stream

In order to ensure that the Council's capital programme is prudent, the Council:

- publishes a capital programme which includes estimates of its underlying need to borrow as measured by its capital financing requirement
- is required to approve an **Authorised Limit** for external debt and an **Operational Boundary** when it approves its capital programme.

The **Authorised Limit** for external debt, as set by the City Council, 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 undertake borrowing 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

Whilst the **Authorised Limit** cannot be breached, 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.

1.4 Sensitivity Analysis

The Council's gross debt at 31 March 2019 was as follows:

Table A	£m	£m
Fixed Rate Borrowing	509	
Finance Leases	1	
Private Finance Initiative (PFI) Schemes	65	
Sub Total - Fixed Rate Debt		575
Lenders Option Borrowers Option (LOBO) Loan	11	
Retail Price Index (RPI) linked loan	69	
Sub Total - Variable Rate Debt		80
Total Gross Borrowing		655

- 88% of the Council's borrowing has a fixed interest rate, but the Council does have two variable rate loans.
- The lender of the LOBO loan has an option to increase the interest rate every two years. The lenders next option is on 19 March 2021. If the lender does increase the interest rate the Council then has the option to repay the loan.
- The Council has £69m outstanding on a loan which links the instalments payable by the Council to the RPI. The Council has leased the Isle of Wight Ferry Terminal in White Heart Road to Wightlink on an RPI linked rent that mirrors the instalments payable on this loan mitigating the consequences of increases in RPI.

1.5 Minimum Revenue Provision (MRP) for Debt Repayment

Early in 2018 the Government issued revised statutory guidance on MRP requiring the repayment of all General Fund prudential borrowing to be provided for within 50 years.

The following MRP policies (applied to calculating the MRP) are set out in the table below and are fully compliant with this policy. It is recommended the City Council approves the Annual Minimum Revenue Provision (MRP) for Debt Repayment Policies set out in the table below (Recommendation 3.2a).

Borrowing	MRP Methodology
<u>General Fund Borrowing:</u>	
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
Prudential borrowing excluding borrowing to fund long term debtors (including finance leases), investment properties and equity shares purchased in pursuit of policy objectives	Annuity over life of asset
Prudential borrowing to fund long term debtors	The repayments of principal are set aside to repay the borrowing that financed the original advance
Prudential borrowing to fund finance leases	The principal element of the rent receivable be set aside to repay the borrowing that financed these assets
Prudential borrowing to fund investment properties	MRP will be provided where the current market value falls below the unfinanced capital cost of property. MRP will be determined by charging the unfinanced capital cost over the remainder holding period of the relevant asset. This being equal to the principal repayment on an annuity with an annual interest rate equal to the PWLB rate at start of financial year when MRP is charged. Upon sale of relevant asset the capital receipt received will be used to repay outstanding debt cost, where there is an unfinanced capital cost upon sale MRP will be charged for the difference.
Prudential borrowing to fund investment properties with an expected holding period of over 50 years	Annuity over life of asset
Prudential borrowing to fund equity shares purchased in pursuit of policy objectives	25 year annuity
<u>Housing Revenue Account (HRA)</u>	No MRP debt will be provided in 2020 / 21. From 2021/22 it will be provided again for the HRA Self Financing Payment in equal instalments over 30 years. MRP is not provided for other HRA debt.

The Council applied the last of its supported borrowing 2011/12

** 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.*

The Council had a review of its MRP policy in 2016/17. As a consequence, it highlighted that the previous methods used in the past have resulted in over provisions of MRP from 2008/09 to 2015/16 of £22.6m. The Director of Finance and Resources (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. The Director of Finance and Resources (Section 151 Officer) reduced the MRP by £1.9m in 2018/19. At this rate of release, the Council's MRP will be reduced for a further 9 years. It is not considered prudent to release the over provision of MRP back into the General Fund balances in a single year.

1.6 Timing of Borrowing

When the Council has surplus cash, this can be used to fund capital expenditure financed by borrowing in the short to medium term. This will result in a reduction in interest earned through the investment of surplus cash, but this can be more cost effective than borrowing the required funds straight away, as investment earned on investments is often less than the interest on borrowing. At some point in the future there will no longer be surplus cash and borrowing will have to be undertaken. In deciding when to borrow externally, forecast changes to interest rates will be taken into account.

If surplus cash is not used to fund capital expenditure in the short to medium term, it will be invested. A principle function of Treasury Management is to decide when the optimum time to take the borrowing is or whether to use surplus cash. A key decision is when to take the long term borrowing to fund previous decisions made about the capital programme. The Council may use surplus cash to fund the capital programme in the short-term.

The Council can therefore calculate a net loans requirement which represents a neutral treasury management position. This is summarised in the table below.

Table B	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2029/30
	£m	£m	£m	£m	£m	£m	£m	£m
1.Underlying need to borrow (CFR) for Capital Programme	627	809	868	911	930	940	947	1,011
2.Less Other Debt Liabilities	(66)	(62)	(57)	(51)	(46)	(42)	(38)	(7)
3.Underlying need for loans (Loans CFR)	561	747	811	860	884	898	909	1,004
4.Less Core funds	(355)	(354)	(323)	(284)	(248)	(242)	(240)	(255)
5.Add Liquidity Allowance	50	50	50	50	50	50	50	50
6.Net Loans Requirement	256	443	538	626	686	706	719	799

Figures to 2024/25 are based on the capital programme. Figures 2028/29 are based on aspirational capital schemes included in the Appendix to Part 1.

1.Underlying need to borrow

The Council's underlying need to borrow is measured by its capital financing requirement (CFR). The CFR is the cumulative amount of capital expenditure financed by borrowing less the MRP set aside to repay that debt. The CFR therefore increases when capital expenditure is financed from borrowing and decreases when MRP is set aside to repay debt. There is no direct relationship between the CFR and actual borrowing.

2.Other Debt Liabilities

Finance leases and private finance initiative (PFI) schemes take the legal form of leases, but are in substance borrowing relating to specified assets.

3.Underlying need for loans (loans CFR)

This is the Council's underlying need to borrow excluding finance leases and PFI schemes that finance specific assets, and is known as the loans CFR.

4.Usable Reserves

These are the Council's cash backed reserves including general balances and earmarked reserves. The Council can temporarily borrow internally from these reserves to fund capital expenditure as an alternative to external borrowing. This can be beneficial as the cost of borrowing externally often exceeds the interest that can be earned from investing these funds. However, the Council will need to undertake external borrowing when these funds are spent on the purposes for which they are intended, and there is a risk that interest rates on borrowing could increase in the meantime.

5.Liquidity Allowance

The Council's cash balances are quite volatile and tend to fall towards the end of the financial year when there is less taxation revenue income. It is therefore necessary to make an allowance for this volatility in cash balances.

6.Net Loans Requirement

This is the amount of borrowing required after taking account of other forms of borrowing such as finance leases and PFI schemes, usable reserves, and volatility in cash balances. As such it represents a neutral benchmark for treasury management activity.

The Council's current position against this benchmark is as follows.

Table C	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2029/30
	£m	£m	£m	£m	£m	£m	£m	£m
Net Loans Requirement	256	443	538	626	686	706	719	799
Long Term Borrowing	590	658	649	641	633	625	617	552
(Over) / Under Benchmark	(334)	(215)	(111)	(15)	53	81	102	247

Interest rates on borrowing have been exceptionally low and the Council has borrowed sufficient funds to last it until 2021/22. This has secured long term funding at low interest rates to fund the Council's capital programme, but does expose the Council to a cost of carry, ie. the rates at which funds were borrowed exceeding the rates at which the funds can be invested, and the risk of investments defaulting in the meantime.

2. Investment of Surplus Cash

All council cash investments have been in accordance with the council's Treasury Management Policy.

The Council is forecast to have a significant amount of core surplus cash after internal borrowing has been taken into account in 2020/21 (Table C).

2.1 Due Diligence

The Council initially identifies suitable investments using credit ratings from Fitch, Moody's, and Standard and Poor. Where possible, credit ratings are compared to insurance premiums against a counter party defaulting. Insurance premiums against a counter party defaulting can be compared to a widely used index of the market (ITRAAX). If the market has concerns about a borrower, it should be reflected in a higher insurance premium. Although credit ratings are supported by an in depth analysis of the borrower, insurance premiums provide a more up to date indicator of a borrower's credit worthiness. Prior to making investments, any news relating to the borrower is also taken into account.

Other sources of information that is relevant to particular sectors is also taken into account either as a substitute for credit ratings and insurance premiums in sectors where these are not available or to supplement credit ratings and insurance premiums. Examples of this are the governance and viability ratings assigned to larger registered social landlords (RSLs) by the Homes and Communities Agency (HCA), and data sets published by the Building Societies Association

For further detail on the Council's investment criteria, see the Treasury Management Policy.

2.2 Investment in Commercial Properties Acquired Through the Capital Programme

According to the CIPFA Treasury Management Code, investment properties acquired through the capital programme are regarded as investments in addition to investments of surplus cash.

2.3 Statutory Guidance

The Government issued revised statutory guidance on local government investments early in 2018 coming into effect from 1st April 2018. The guidance requires Councils not to borrow to acquire investment property portfolios outside their economic area in order to generate profits.

The Government's revised statutory guidance also requires local authorities to present a range of indicators to allow members and other interested parties to understand the total exposure from borrowing and investment decisions. It is recommended that the indicators contained in Appendix A be approved. The Government's statutory guidance requires the Council to consider the long term sustainability risk implicit in becoming too dependent on commercial income or in taking out too much debt relative to net service expenditure. In particular, the Government's statutory guidance requires the City Council to set limits that cannot be exceeded for gross debt compared to net service expenditure, and for commercial income as a percentage of net service expenditure. It is recommended that if these limits are exceeded, the Director of Finance and Resources (Section 151 Officer) bring a report to the Cabinet and City Council.

2.4 Activity in the Investment Property Market

Prior to this guidance coming into effect, as at 31 March 2018, the Council had spent £128m on acquiring commercial properties outside the Portsmouth economic area solely to generate income to support the services that the Council provides.

The Council's capital programme provided for £182.9m for the acquisition of commercial properties.

- a. £159.7m of this budget was spent by 31st March 2019
 - I. £13.6m on Portsmouth Retail Park and
 - II. £146.1m outside the Portsmouth economic area, leaving
- b. £23.2m to be spent in 2019/20 and subsequent years. £12.3m of this sum is expected to be spent in 2019/20, leaving £10.9m to spend in 2020/21.

In 2016/17, the Council borrowed to take advantage of available cheap borrowing which then financed these purchases in 2016/17 prior to the Government issuing its revised guidance. In addition, it was felt that the commercial property acquisition programme needed to continue in order to create a balanced portfolio. Having regard to the guidance, the Council has concluded that the money already borrowed to finance the purchase of investment properties should be used for that purpose. The Council's capital programme provides for commercial properties outside the Portsmouth area to continue to be purchased up to the limit of the existing capital budget.

All such acquisitions require a business case and full financial appraisal. All previous acquisitions were approved by the Director of Property and the Section 151 Officer in consultation with the Leader of the City Council.

The detailed business case and financial appraisal includes building surveys, environmental surveys and valuations in accordance with the Red Book. In addition, properties are revalued on an annual basis.

The Commercial Property Portfolio is managed by an in house team who are qualified members of Royal Institute of Chartered Surveyors. An annual report on the Property Investment Fund is prepared for the Cabinet and City Council by the Assistant Director for Property and Investment. This report covers the composition of the Fund, rental income, acquisitions, current strategy, and capital growth.

2.5 Investment Indicators

The investment indicators are contained in appendix 2.

Gross General Fund (GF) Debt to GF Net Service Expenditure

The Council's GF borrowing is forecast to be 2.9 times its GF net service expenditure in 2020/21. It is recommended that GF borrowing be limited to 4.0 times GF net service expenditure. This will allow further borrowing to be undertaken if it is financially advantageous.

Income from Investments to General Fund (GF) Net Service Expenditure

The Council will depend on income from investments to fund 5.3% of its estimated GF net service expenditure in 2020/21. In order to ensure that the Council does not become over dependent on income from investment income it is recommended that no more than 7.9% of GF net service expenditure will be funded from income from investments.

Interest Cover

The Council's investment property portfolio has been financed from borrowing. There is therefore a risk that income from investment properties may be insufficient to pay the interest incurred on the associated debt. However, the net income from the investment property portfolio exceeds the cost of the associated interest 2.6 times. The interest cover is greater than this in other years.

Loan to Value Ratio

There has been a small reduction in the current market value of the investment property portfolio and the value of the portfolio is below its cost including fees associated with the purchase of properties.

Forecast Income Returns

The investment property portfolio is expected to make a net return of 3.39% in 2020/21.

Long term treasury management investments are expected to make a net return of 1.44% in 2020/21 although this is expected to fall to 0.9% in the following years as existing investments mature and cannot be replaced with investments making similar returns.

Gross and Net Income from Investment Properties

The investment property portfolio is expected to generate a retained income of £5.1m in 2020/21.

External Operating Costs

External operating costs vary between years depending on the timing of lease events, with some years having more lease events than others.

3. Skills and Knowledge

The issues covered by this report are in their nature complex so all the Council's senior finance staff are chartered accountants. Where the Council does not have the necessary in-house skills and services, it employs Link Asset Services to provide interest rate and economic forecasts, and counter party information.

The Finance Manager (Technical and Financial Planning) who manages the treasury function also 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.

At 31 March 2019 £36,230,000 of the Council's investments of surplus cash were being managed externally consisting of £28,380,000 invested in instant access money market funds and £7,850,000 invested in corporate bonds that were being externally managed.

The City Council is also a member of Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management Network which provides training events throughout the year. Some training is also provided by Link Asset Services. Additional training for investment staff is provided as required.

Councillors are offered training by an external consultant to provide them with an over view of treasury management after the local government elections.

4. Treasury Management Reporting

Treasury management has been defined by the Chartered Institute of Public Finance and Accountancy (CIPFA) as "the management of an organisations borrowing, 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". Put simply, the Council's approach to cash flow includes:

- borrowing when the Council requires more cash
- Investing when the Council has surplus cash

In addition to the Capital strategy, the Council also has a Treasury Management strategy. The Treasury Management Strategy contains:

- the Treasury Management Indicators that set the boundaries within which treasury management activities will be undertaken and
- an Annual Investment Strategy that specifies how surplus cash will be invested

To demonstrate good governance, all treasury management reports are taken to the Governance and Audit and Standards Committee and all Treasury management reports requiring policy decisions are taken to the Cabinet and the City Council.

Report	Reporting of Compliance & Performance in Previous Period	Policy Changes	Audience
Treasury Management Policy		Yes	G&A&S Committee Cabinet City Council
Treasury Management Quarter 1 Monitoring	Yes		G&A&S Committee
Treasury Management Mid-Year Review	Yes	Yes	G&A&S Committee Cabinet City Council
Treasury Management Quarter 3 Monitoring	Yes		G&A&S Committee
Treasury Management Outturn	Yes		G&A&S Committee Cabinet City Council

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INVESTMENT INDICATORS

Gross General Fund (GF) Debt to GF Net Service Expenditure						
requires a limit to be placed on the number of times gross debt can exceed net service expenditure.						
	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Forecast	327%	291%	280%	262%	257%	251%
Recommended Limit	400%	400%	400%	400%	400%	400%

Forecast Investment Income to General Fund Net Service Expenditure						
This provides an indication of how dependent the Council is on commercial income and other long term investments to fund its services.						
	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Investment Properties *	5.2%	5.0%	5.2%	5.1%	5.1%	5.1%
Long Term Treasury Management Investments	0.4%	0.3%	0.1%	0.0%	0.0%	0.0%
Overall Investment Income	5.6%	5.3%	5.3%	5.1%	5.1%	5.1%

Limit on Investment Income to General Fund Net Service Expenditure						
Statutory government guidance requires a limit to be placed on the Council's dependence on commercial income and other long term income to fund its services						
	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Investment Properties	7.8%	7.5%	7.8%	7.6%	7.6%	7.6%
Long Term Treasury Management Investments	0.6%	0.4%	0.1%	0.1%	0.0%	0.0%
Overall Investment Income	8.4%	7.9%	7.9%	7.7%	7.6%	7.6%

Interest Cover						
This provides a measure of the risk that net income from investment properties will be insufficient to pay the interest on the debt that financed their acquisition *						
	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Investment Properties	272%	258%	261%	264%	267%	271%

Loan to Value Ratio						
This indicator shows whether the market value of the investment properties is likely to be sufficient to repay the debt that financed them.						
	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Investment Properties	0.9	0.9	0.9	0.9	0.9	0.9

Forecast Income Returns						
This is a measure of the achievement of the portfolio of properties.						
	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Investment Properties *	3.80%	3.39%	3.55%	3.53%	3.59%	3.66%
Long Term Treasury Management Investments	1.50%	1.44%	0.90%	0.90%	0.90%	0.90%

Gross and Net Income from Investment Properties						
This indicator shows how much of the gross income is being retained by the Council.						
	2019/20 Estimate £'000s	2020/21 Estimate £'000s	2021/22 Estimate £'000s	2022/23 Estimate £'000s	2023/24 Estimate £'000s	2024/25 Estimate £'000s
Gross Income	8,617,192	8,724,907	8,833,969	8,944,393	9,056,198	9,169,401
Net Income *	5,349,192	5,128,907	5,372,969	5,348,393	5,445,198	5,543,401

External Operating Costs						
This indicator shows the trend in operating costs over time, as the portfolio expands.						
	2019/20 Estimate £'000s	2020/21 Estimate £'000s	2021/22 Estimate £'000s	2022/23 Estimate £'000s	2023/24 Estimate £'000s	2024/25 Estimate £'000s
Investment Properties	100,000	210,000	75,000	210,000	225,000	240,000

* Overall borrowing costs are assumed to be 2%

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Agenda Item 11

Treasury Management Policy Report 2020/21



Title of meeting:	Governance and Audit and Standards Committee Cabinet City Council
Date of meeting:	3 March 2020 (Governance and Audit and Standards Committee) 10 March 2020 (Cabinet) 17 March 2020 (City Council)
Subject:	Treasury Management Policy 2020/21
Report by:	Chris Ward, Director of Finance and Resources (Section 151 Officer)
Wards affected:	All
Key decision:	Yes
Full Council decision:	Yes

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 and investing surplus cash for 2020/21.

The Prudential Code produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) requires the City Council to approve a Capital Strategy providing an overview of the Council's plans for capital expenditure, its borrowing and its investments. For 2019/20 the risk appetite statements for borrowing and investing were approved as part of the Capital Strategy. It is felt that these risk appetite statements are more relevant to the Treasury Management Policy. Therefore the City Council is recommended to approve these risk management statements as part of the Treasury Management Policy.

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 paragraph 4.7 and appendix 5.1 of the Treasury Management Policy attached.



Annual Investment Strategy

The Treasury Management Policy includes the strategy for the investment of surplus cash, known as the Annual Investment Strategy, which establishes the types of investment, investment counter parties and investment durations that the Council will operate within.

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 the Annual Investment Strategy.

3. Recommendations

- 3.1a that the upper limit for principal sums invested for longer than 365 days contained in paragraph 4.7 of the attached Treasury Management Policy Statement be approved;**
- 3.1b 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;**
- 3.1c that the attached Treasury Management Policy Statement including the Treasury Management Strategy and Annual Investment Strategy for 2020/21 be approved;**
- 3.1d That the Council will where it is financially responsible to do so, give preference to investments that improve the environment, bring wider social benefits, and are with organisations with good governance. In particular the Council will:**
 - (i) Avoid investments in fossil fuel extraction unless they are making substantial investment into renewable energy technologies as part of a strategy to become a clean energy supplier;**
 - (ii) Consider the environmental, social and governance elements of credit ratings in making investment decisions, provided that the overall risk profile of the investment portfolio (including liquidity risk) and returns are not compromised;**



- 3.1e** that rated building societies be given the same lending limits as banks;
- 3.1f** that the Council will only lend to housing associations if they have a viability rating of V1 and a Governance rating of G1 from Homes England;
- 3.1g** that lending to Hampshire Community Bank (HCB) will be secured on loans made by HCB to small and medium sized enterprises (SMEs) of the highest credit quality which may not in turn be secured on tangible fixed assets;
- 3.1h** that the maximum duration of loans to HCB be reduced from 10 years to 5 years;
- 3.1i** As set out in paragraph 1.4 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 £883m approved by the City Council on 11th February 2020;
 - (iii)** reschedule debt in order 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;
- 3.1j** that the Director of Finance and Resources (Section 151 Officer) has the power to delegate treasury management operations to relevant staff;



- 3.1k 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 1.2.2 of Treasury Management Policy Statement).**

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 2020 are estimated to be £720m. The Council's investments at 1 April 2020 are estimated to be £306m. The cost of the Council's borrowings and the income derived from the Council's short-term treasury investments (ie. excluding commercial property investments) are included within the Council's treasury management budget of £30.2m 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 CIPFA's 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 Investment Strategy before the start of the financial year.

The Treasury Management Strategy, and the Annual Investment Strategy are all contained within the attached Treasury Management Policy Statement.

5. Reasons for recommendations

The recommendations provide assurance that the Council's attached Treasury Management Policy Statement reflect CIPFA's 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.



6. Integrated impact assessment

The contents of this report does not significantly impact Portsmouth's communities (other than through the finances of the City Council), or equality and diversity.

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 Resources (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 Resources (Section 151 Officer)

Appendix: Treasury Management Policy Statement 2019/20

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
1 Information pertaining to the Treasury Management Strategy	Financial Services

TREASURY MANAGEMENT POLICY STATEMENT FOR 2020/21 INCLUDING:

- **TREASURY MANAGEMENT STRATEGY**
- **ANNUAL INVESTMENT STRATEGY**

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

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1. INTRODUCTION

1.1 Background

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.

The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

Whilst any commercial initiatives or loans to third parties will affect the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day-to-day treasury management activities.

The Chartered Institute of Public Finance and Accountancy (CIPFA) defines treasury management as:

"The management of the local authority's borrowing, 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 Reporting requirements

1.2.1 Capital Strategy

The revised CIPFA 2017 Prudential and Treasury Management Codes require all local authorities to prepare an additional report, a capital strategy report, which will provide the following:

- a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- the implications for future financial sustainability

The aim of this Capital Strategy is to ensure that all elected members on the full council fully understand the overall long-term policy objectives and resulting capital strategy requirements and governance procedures.

This Capital Strategy is reported separately from the Treasury Management Strategy Statement; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, as distinct from the policy on commercialism investments usually driven by expenditure on an asset. The capital strategy will show:

- The corporate governance arrangements for these types of activities;
- Any service objectives relating to the investments;
- The expected income, costs and resulting contribution from commercial investments;
- The debt related to the activity and the associated interest costs;
- The debt payback period (MRP policy);
- For non-loan type investments, the cost against the current market value;
- The risks associated with each activity.

Where a physical asset is being bought, details of market research, advisers used, ongoing costs and investment requirements and any credit information will be disclosed, including the ability to sell the asset and realise the investment cash.

If any non-treasury investment sustains a loss during the final accounts and audit process, the strategy and revenue implications will be reported through the same procedure as the Capital Strategy.

To demonstrate the proportionality between the treasury operations and the non-treasury operation, high-level comparators are shown throughout this report.

1.2.2 Treasury Management reporting

The Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.

- a. Treasury indicators and treasury strategy** (this report) - The first, and most important report is forward looking and covers:
 - the treasury management strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
 - an investment strategy, (the parameters on how investments are to be managed).
- b. A mid-year treasury management report** – This is primarily a progress report and will update members on the treasury management position, amending prudential and treasury management indicators as necessary, and revising any policies if required. In addition, the Governance and Audit and Standards Committee will receive quarterly update reports.
- c. An annual treasury report** – This is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Scrutiny

The above reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Governance and Audit and Standards Committee.

In addition, the Governance and Audit and Standards Committee receives quarterly treasury management monitoring reports.

The Chief Executive, the Leader of the City Council and the Chair of the Governance and Audit and Standards Committee will be informed of any variances from the Treasury Management Policy when they become apparent, and the Leader of the City Council will be consulted on remedial action.

1.3 Treasury Management Strategy for 2020/21

The strategy for 2020/21 covers:

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy including the risk appetite;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy including the risk appetite;
- creditworthiness policy; and
- the policy on use of external service providers.

1.4 Treasury Management Staff

The treasury management function is undertaken by the Director of Finance and Resources (Section 151 Officer). This includes investing surplus funds in accordance with the approved Annual Investment Strategy; borrowing to finance short term cash deficits and capital payments from any reputable source within the authorised limit for external debt; rescheduling debt in order to even the maturity profile or to achieve revenue savings; and to buy and sell foreign currency and hedge against currency movements to fulfil contracts priced in or indexed against foreign currencies. The Director of Finance and Resources will have the power to delegate authority to undertake these functions to relevant officers including the Deputy Director of Finance and Section 151 Officer, the Finance Manager (Technical and Financial Planning), the Treasury Manager and various back up cash dealers drawn from the Finance Directorate. The Director of Finance and Resources (Section 151 Officer), the Deputy Director of Finance and Section 151 Officer, and the Finance Manager (Technical and Financial Planning) are all qualified Chartered Public Finance Accountants.

The Finance Manager (Technical & Financial Planning) manages the treasury function 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 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.

1.5 Treasury management consultants

The Council uses Link Asset Services, Treasury solutions as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

The scope of investments within the Council's operations now includes both conventional treasury investments, (the placing of residual cash from the Council's functions), and more commercial type investments, such as investment properties. The commercial type investments require specialist advisers, and the Council uses Avison Young in relation to this activity.

2 THE CAPITAL PRUDENTIAL INDICATORS 2020/21 – 2024/25

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

2.1 Capital expenditure

The capital programme approved by the City Council on 11th February 2020 can be summarised in table A as follows:

Table A	2018/19 Actual	2019/20 Revised Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
	£m	£m	£m	£m	£m	£m	£m
Investment Properties	32	12	11	-	-	-	-
Other Non - Housing Revenue Account (HRA)	67	259	205	121	64	36	35
Sub - Total	99	271	216	121	64	36	35
Housing Revenue Account (HRA)	23	28	61	57	52	52	49
Total	122	299	277	178	116	88	84
Element financed from borrowing	56	187	71	56	32	21	17

Capital expenditure on commercial activities / non-financial investments including investment properties is entirely financed from borrowing.

2.2 The Council's borrowing need (the Capital Financing Requirement)

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so it's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital funding resource, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge that reduces the indebtedness broadly in line with each assets life, and so charges the economic consumption of capital assets as they are used to the Council's revenue budget.

The CFR includes any other long-term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility by the PFI, or lease provider and so the Council is not required to separately borrow for these schemes. The Council currently has £66m of such schemes within the CFR.

The projected CFR is shown below:

Table B	2018/19 Actual	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Capital Financing Requirement (£m)							
Investment Properties	148	160	171	171	171	171	171
Other Non - Housing Revenue Account (HRA)	306	471	500	524	530	519	513
Sub - Total	454	631	671	695	701	690	684
Housing Revenue Account (HRA)	173	178	197	216	229	250	263
Total CFR	627	809	868	911	930	940	947
Movement in CFR	52	182	59	43	19	10	7

Movement in CFR represented by (£m)							
Net financing need for the year (above)	56	187	71	56	32	21	17
Less MRP	(4)	(5)	(12)	(13)	(13)	(11)	(10)
Movement in CFR	52	182	59	43	19	10	7

A key aspect of the regulatory and professional guidance is that elected members are aware of the size and scope of any commercial activity in relation to the authority's overall financial position. The capital expenditure figures shown in 2.1 and the details above demonstrate the scope of this activity and, by approving these sums; consider the scale proportionate to the Authority's remaining activity.

2.3 Core funds and expected investment balances

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year-end balances for each resource and anticipated day-to-day cash flow balances.

Table C Year End Resources £m	2018/19 Actual	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Fund balances / reserves	229	226	197	155	116	107	102
Capital grants unapplied	55	55	55	55	55	55	55
Capital receipts	16	18	16	19	22	25	28
Provisions	18	18	18	18	18	18	18
Other	37	37	37	37	37	37	37
Total core funds	355	354	323	284	248	242	240
Working capital*	41	41	6	24	42	42	42
Over / (under) borrowing - see overleaf	29	(89)	(162)	(219)	(240)	(234)	(232)
Expected investments	425	306	167	89	50	50	50

*Working capital balances shown are estimated year-end; these may be higher mid-year

3 BORROWING

The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's capital strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities.

3.1 Current borrowing position

Table D	2018/19 Actual	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
External Debt (£m)							
Debt at 1 April	561	590	658	649	641	644	664
Expected change in Debt	29	68	(9)	(8)	3	20	13
Other long-term liabilities (OLTL)	69	66	62	57	51	46	42
Expected change in OLTL	(3)	(4)	(5)	(6)	(5)	(4)	(4)
Actual gross debt at 31 March	656	720	706	692	690	706	715
The Capital Financing Requirement	627	809	868	911	930	940	947
Under / (over) borrowing	(29)	89	162	219	240	234	232

Within the above figures the level of debt relating to commercial activities / non-financial investment is:

Table E	2018/19 Actual	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
External Debt for investment properties							
Actual debt at 31 March £m	148	160	171	171	171	171	171
Percentage of total external debt %	23	22	24	25	25	24	24

Within the range of prudential indicators, there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2020/21 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Director of Finance and Resources reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and proposals in the budget.

3.2 Treasury Indicators: limits to borrowing activity

The operational boundary. This is the limit, set as part of the capital programme, beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and of other cash resources (as described in Table C).

Table F	2019/20 Estimate (£m)	2020/21 Estimate (£m)	2021/22 Estimate (£m)	2022/23 Estimate (£m)	2023/24 Estimate (£m)	2024/25 Estimate (£m)
Debt	715	811	860	884	898	909
Other long term liabilities	62	57	51	46	42	38
Total	777	868	911	930	940	947

The authorised limit for external debt. This is a key prudential indicator, set as part of the capital programme, and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

Table G	2019/20 Estimate (£m)	2020/21 Estimate (£m)	2021/22 Estimate (£m)	2022/23 Estimate (£m)	2023/24 Estimate (£m)	2024/25 Estimate (£m)
Commercial activities/ non-financial investments	160	171	171	171	171	171
Other Debt	585	655	704	729	743	754
Other long term liabilities	62	57	51	46	42	38
Total	807	883	926	946	956	963

3.3 Prospects for interest rates

The Council has appointed Link Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives Link Asset Services' central view.

Link Asset Services Interest Rate View														
	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Bank Rate View	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.25	1.25	1.25	1.25
3 Month LIBID	0.70	0.70	0.70	0.80	0.90	1.00	1.00	1.00	1.10	1.20	1.30	1.30	1.30	1.30
6 Month LIBID	0.80	0.80	0.80	0.90	1.00	1.10	1.10	1.20	1.30	1.40	1.50	1.50	1.50	1.50
12 Month LIBID	1.00	1.00	1.00	1.10	1.20	1.30	1.30	1.40	1.50	1.60	1.70	1.70	1.70	1.70
5yr PWLB Rate	2.30	2.40	2.40	2.50	2.50	2.60	2.70	2.80	2.90	2.90	3.00	3.10	3.20	3.20
10yr PWLB Rate	2.60	2.70	2.70	2.70	2.80	2.90	3.00	3.10	3.20	3.20	3.30	3.30	3.40	3.50
25yr PWLB Rate	3.20	3.30	3.40	3.40	3.50	3.60	3.70	3.70	3.80	3.90	4.00	4.00	4.10	4.10
50yr PWLB Rate	3.10	3.20	3.30	3.30	3.40	3.50	3.60	3.60	3.70	3.80	3.90	3.90	4.00	4.00

The above forecasts have been based on an assumption that there is an agreement on the terms of trade between the UK and the EU, at some point in time. The result of the general election has removed much uncertainty around this major assumption. However, it does not remove uncertainty around whether agreement can be reached with the EU on a trade deal within the short time to December 2020, as the prime minister has pledged.

It has been little surprise that the Monetary Policy Committee (MPC) has left Bank Rate unchanged at 0.75% so far in 2019 due to the ongoing uncertainty over Brexit and the outcome of the general election. In its meeting on 7 November, the MPC became more dovish due to increased concerns over the outlook for the domestic economy if Brexit uncertainties were to become more entrenched, and for weak global economic growth: if those uncertainties were to materialise, then the MPC were likely to cut Bank Rate. However, if they were both to dissipate, then rates would need to rise at a "gradual pace and to a limited extent". Brexit uncertainty has had a dampening effect on UK GDP growth in 2019, especially around mid-year. There is still some residual risk that the MPC could cut Bank Rate as the UK economy is still likely to only grow weakly in 2020 due to continuing uncertainty over whether there could effectively be a no deal Brexit in December 2020 if agreement on a trade deal is not reached with the EU. Until that major uncertainty is removed, or the period for agreeing a deal is extended, it is unlikely that the MPC would raise Bank Rate.

Bond yields / PWLB rates. There has been much speculation during 2019 that the bond market has gone into a bubble, as evidenced by high bond prices and remarkably low yields. However, given the context that there have been heightened expectations that the US was heading for a recession in 2020, and a general background of a downturn in world economic growth, together with inflation generally at low levels in most countries and expected to remain subdued, conditions are ripe for low bond yields. While inflation targeting by the major central banks has been successful over the last thirty years in lowering inflation expectations, the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers: this means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. This has pulled down the overall level of interest rates and bond yields in financial markets over the last thirty years. We have therefore seen over the last year, many bond yields up to ten years in the Eurozone actually turn negative. In addition, there has, at times, been an inversion of bond yields in the US whereby ten-year yields have fallen below shorter-term yields. In the past,

this has been a precursor of a recession. The other side of this coin is that bond prices are elevated, as investors would be expected to be moving out of riskier assets i.e. shares, in anticipation of a downturn in corporate earnings and so selling out of equities. However, stock markets are also currently at high levels as some investors have focused on chasing returns in the context of dismal ultra-low interest rates on cash deposits.

During the first half of 2019-20 to 30 September, gilt yields plunged and caused a near halving of longer term PWLB rates to completely unprecedented historic low levels. There is though, an expectation that financial markets have gone too far in their fears about the degree of the downturn in US and world growth. If, as expected, the US only suffers a mild downturn in growth, bond markets in the US are likely to sell off and that would be expected to put upward pressure on bond yields, not only in the US, but also in the UK due to a correlation between US treasuries and UK gilts; at various times this correlation has been strong but at other times weak. However, forecasting the timing of this, and how strong the correlation is likely to be, is very difficult to forecast with any degree of confidence. Changes in UK Bank Rate will also affect gilt yields.

One potential danger that may be lurking in investor minds is that Japan has become mired in a twenty-year bog of failing to get economic growth and inflation up off the floor, despite a combination of massive monetary and fiscal stimulus by both the central bank and government. Investors could be fretting that this condition might become contagious to other western economies.

Another danger is that unconventional monetary policy post 2008, (ultra-low interest rates plus quantitative easing), may end up doing more harm than good through prolonged use. Low interest rates have encouraged a debt-fuelled boom that now makes it harder for central banks to raise interest rates. Negative interest rates could damage the profitability of commercial banks and so impair their ability to lend and / or push them into riskier lending. Banks could also end up holding large amounts of their government's bonds and so create a potential doom loop. (A doom loop would occur where the credit rating of the debt of a nation was downgraded which would cause bond prices to fall, causing losses on debt portfolios held by banks and insurers, so reducing their capital and forcing them to sell bonds – which, in turn, would cause further falls in their prices etc.). In addition, the financial viability of pension funds could be damaged by low yields on holdings of bonds.

The overall longer run future trend is for gilt yields, and consequently PWLB rates, to rise, albeit gently. 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, emerging market developments and sharp changes in investor sentiment. Such volatility could occur at any time during the forecast period.

In addition, PWLB rates are subject to ad hoc decisions by H.M. Treasury to change the margin over gilt yields charged in PWLB rates: such changes could be up or down. It is not clear that if gilt yields were to rise back up again by over 100bps within the next year or so, whether H M Treasury would remove the extra 100 bps margin implemented on 9th October 2019.

Economic and interest rate forecasting remains difficult with so many influences weighing on UK gilt yields and PWLB rates. The above 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.

3.4 Investment and borrowing rates

- Investment returns are likely to remain low during 2020/21 with little increase in the following two years. However, if major progress is made with an agreed trade deal with the EU, then there is upside potential for earnings.
- PWLB borrowing interest rates were on a major falling trend during the first half of 2019-20 but then jumped up by 100 bps on 9th October 2019. However, the unexpected increase of 100 bps in PWLB rates requires a major rethink of local authority treasury management strategy and risk management. Now that the gap between longer-term borrowing rates and investment rates has materially widened, and in the long term, Bank Rate is not expected to rise above 2.5%, it is unlikely that this authority will do any further longer-term borrowing for the next two years.

3.5 Borrowing strategy and risk appetite

It is often possible to borrow money short term at lower rates than it is possible to borrow long term. This often leaves the Council with two choices:

- Borrowing at either short term or variable interest rates. This would often enable the Council to borrow relatively cheaply, but the Council would need to accept that its borrowing costs might be volatile, as it exposes the Council to the benefits and dis-benefits of interest rate movements that can give rise to budget variances. This is a major risk when interest rates are expected to increase.
- Borrowing long term at fixed rates. This provides stable and predictable revenue costs of borrowing. Fixed interest rates avoid the risk of budget variances caused by interest rate movements but prevent the council from benefiting from falling interest rates on its borrowing. There is a risk that the Council could become locked into relatively high rates of interest if interest rates fall.

The Council attaches a high priority to a stable and predictable revenue cost of borrowing in the long term. This reflects the fact that debt servicing represents 16% of the Council's net revenue budget.

The Council's objective in relation to debt is as follows:

- To borrow as cheaply as possible for the long-term at a fixed rate

This means that the Council is not totally risk averse, and the Council may borrow either short term or at variable rates if long-term interest rates are expected to fall.

Treasury management staff will act flexibly to actively manage treasury risks within the scope of the Council's treasury management policy and strategy.

3.6 Policy on borrowing in advance of need

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.

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. The Council may determine to borrow in advance of need in circumstances where it is reasonably expected that the total cost of borrowing over the whole life of the loan in present value terms is lower by borrowing in advance of need.

The Council's gross debt exceeded its CFR by £29m, ie. it was over borrowed, at 31 March 2019, but the Council expects to be £89m under borrowed at 31 March 2020.

3.7 Debt rescheduling

Rescheduling of current borrowing in our debt portfolio is unlikely to occur as the 100 bps increase in PWLB rates only applied to new borrowing rates and not to premature debt repayment rates.

3.8 New financial institutions as a source of borrowing

Following the decision by the PWLB on 9 October 2019 to increase their margin over gilt yields by 100 bps to 180 basis points on loans lent to local authorities, consideration will also need to be given to sourcing funding at cheaper rates from the following:

- Local authorities (primarily shorter dated maturities)
- Financial institutions (primarily insurance companies and pension funds but also some banks, out of spot or forward dates)
- Municipal Bonds Agency (limited issuance at present but there is potential)

The degree, which any of these options proves cheaper than PWLB Certainty Rate, is still evolving at the time of writing.

3.9 Approved Sources of Long and Short term Borrowing

	Fixed	Variable
PWLB	●	●
Municipal bond agency	●	●
Local authorities	●	●
Banks	●	●
Pension funds	●	●
Insurance companies	●	●
Market (long-term)	●	●
Market (temporary)	●	●
Market (LOBOs)		●
Local Bonds	●	
Local authority bills	●	●
Overdraft		●
Internal (capital receipts & revenue balances)	n/a	n/a
Finance leases	●	●

3.10 Apportionment of Borrowing Costs to the Housing Revenue Account (HRA)

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.

4 ANNUAL INVESTMENT STRATEGY

4.1 Investment policy – management of risk

The MHCLG and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with financial investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy, (a separate report).

The Council’s investment policy has regard to the following: -

- MHCLG’s Guidance on Local Government Investments (“the Guidance”)
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 (“the Code”)
- CIPFA Treasury Management Guidance Notes 2018

The Council’s investment priorities will be security first, portfolio liquidity second and then yield, (return).

The above guidance from the MHCLG and CIPFA place a high priority on the management of risk. This authority has adopted a prudent approach to managing risk that is measured by the following means: -

1. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings including outlooks and credit watches.
2. **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as “credit default swaps” and overlay that information on top of the credit ratings.
3. **Other information** sources used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

4. This authority has defined the list of **types of investment instruments** that the treasury management team are authorised to use. There are two lists in appendix 5.2 under the categories of 'specified' and 'non-specified' investments.
 - **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year.
 - **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use. Once an investment is classed as non-specified, it remains non-specified all the way through to maturity i.e. an 18 month deposit would still be non-specified even if it has only 11 months left until maturity.
5. **Non-specified investments limit.** The Council has determined that it will limit the maximum total exposure to non-specified investments to £200m, (see paragraph 4.3).
6. **Lending limits**, (amounts and maturity), for each counterparty will be set through applying the matrix table in paragraph 4.2.
7. **Transaction limits** are set for each type of investment in 4.2.
8. This authority will set a limit for its investments that are invested for **longer than 365 days**, (see paragraph 4.7).
9. Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating**, (see paragraph 4.3).
10. This authority places **sector and geographical limits** on its investment portfolio in order to avoid the concentration of risk, (Appendix 5.3).

4.2 Creditworthiness policy

The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle, the Council will ensure that:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the specified and non-specified investment sections below; and
- It has sufficient liquidity in its investments. For this purpose, it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

The Director of Finance and Resources (Section 151 Officer) will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. These criteria are separate to that which determines which types of investment instrument are either specified or non-specified as it provides an overall pool of counterparties considered high quality that the Council may use, rather than defining what types of investment instruments are to be used.

Credit rating information is supplied by Link Asset Services, our treasury advisors, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating Watches (notification of a likely change), rating Outlooks (notification of the longer-term bias outside the central rating view) are provided to officers almost immediately after they occur and this information is considered before dealing. For instance, a negative rating Watch applying to counterparty at the minimum Council criteria will be suspended from use, with all others being reviewed in light of market conditions.

The criteria for providing a pool of high quality investment counterparties, (both specified and non-specified investments) is:

- Banks 1 - good credit quality – the Council will only use banks which:
 - i. are UK banks; and/or
 - ii. are non-UK and domiciled in a country which has a double A sovereign Long Term ratingand have, as a minimum, the following Fitch, Moody's and Standard & Poor's credit ratings (where rated):
 - i. Short Term - F1, P-2, or A-2
 - ii. Long Term – A-
- Banks 2 – The Council's own banker for transactional purposes if the bank falls below the above criteria, although in this case balances will be minimised in both monetary size and time invested.
- Banks 3 - Secured lending to banks partly owned by the City Council.
- Building societies. The Council will use all societies which:
 - i. Meet the ratings for Banks 1 outlined above or;
 - ii. Have assets in excess of £350m;or meet both criteria.
- Money Market Funds (MMFs)
- UK Government (including gilts, Treasury Bills and the DMADF)
- Local authorities
- Housing associations. In addition to ratings from the credit agencies, housing associations will only receive investments if they have a viability rating of V1 and a governance rating of G1 from Homes England.
- Supranational institutions that meet the ratings for banks outlined above

- Corporate Bonds. The Council will invest in corporate bonds which:
 - i. Meet the ratings for Banks 1 outlined above or;
 - ii. Have a credit rating of BBB+ or;
 - iii. Have a credit rating of BBB- but form part of a portfolio managed by professional fund managers
- Universities that meet the ratings for Banks 1 outlined above
- Pooled investment vehicles including equity funds, property funds, corporate bond funds and multi asset funds
- Subsidiary companies of the City Council

A limit of £200m will be applied to the use of non-specified investments

Use of additional information other than credit ratings. Additional requirements under the Code require the Council to supplement credit rating information. Whilst the above criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, rating Watches/Outlooks) will be applied to compare the relative security of differing investment opportunities.

Time limits are applied to most investment categories to limit credit risk as the longer the duration of an investment is, the more time there is for the credit quality of the counter party to deteriorate. There are no time limits applied to corporate bonds managed by a professional fund manager, pooled investment vehicles, and subsidiary companies of the Council. Corporate bonds can be sold if there is a need to disinvest and a professional fund manager will have more resources to assess credit quality. Investments in pooled investment vehicles often do not have a predetermined maturity; the Council would withdraw its investment at the appropriate time. The Council controls its subsidiary companies and therefore is in a position to have a considerable influence on their credit quality.

Time and monetary limits applying to investments. The time and monetary limits for institutions on the Council's counterparty list are as follows (these will cover both specified and non-specified investments):

Table H	Fitch Long term Rating (or equivalent)	Money Limit	Time Limit
Banks 1 highest quality	AA-	£26m	6yrs
Banks 1 higher quality	A+	£20m	6yrs
Banks 1 medium quality	A	£15m	6yrs
Banks 1 lower quality	A-	£10m	6yrs
Banks 2 the Council's own banker if the criteria for Banks 1 is not met	-	Minimised	Minimised
Banks 3 partly owned by the Council	-	£10m	5yrs
UK Government including DMADF	UK sovereign rating	unlimited	6yrs
Local authorities	N/A	£30m	6yrs
Housing associations higher quality	AA-	£30m	10yrs
Housing associations lower quality	A-	£20m	10yrs
Corporate bonds purchased by City Council but not meeting criteria for Banks 1 above	BBB+	£7m	365 days
Corporate bonds managed by a professional fund manager	BBB-	£0.32m per bond up to a limit of £8m	Unlimited
Pooled investment vehicles	-	£50m	Unlimited
Subsidiary companies of the Council	-	£30m	Unlimited
	Fund rating	Money Limit	Time Limit
Money Market Funds	AAA	£26m	liquid
Enhanced Money Market Funds	AA	£20m	liquid

The proposed criteria for specified and non-specified investments are shown in Appendix 5.2 for approval.

4.3 Other limits

Due care will be taken to consider the exposure of the Council's total investment portfolio to non-specified investments, countries, groups and sectors.

- a) **Non-specified investment limit.** The Council has determined that it will limit the maximum total exposure to non-specified investments to £200 m.
- b) **Country limit.** The Council has determined that it will only use approved counterparties from the UK and from countries with a **double A sovereign credit rating** from Fitch or equivalent.
- c) **Other limits.** In addition:
 - limits in place above will apply to a group of companies;
 - sector and geographic limits will be monitored regularly for appropriateness.

4.4 Environmental, Social and Governance Factors

The Council will seek to move towards investments that improve the environment, bring wider social benefits, and are with organisations with good governance.

The Council will avoid investments in fossil fuel extraction unless they are making substantial investment into renewable energy technologies as part of a strategy to move to becoming a clean energy supplier.

The Council will give weight to the environmental, social and governance elements of credit ratings in making investment decisions, provided that the overall risk profile of the investment portfolio (including liquidity risk) is not compromised, and that decisions remain consistent with responsible financial management and stewardship.

4.5 Investment strategy and Risk Appetite Statement

All the investment guidance available, both statutory and from the Chartered Institute of Public Finance and Accountancy (CIPFA), makes it clear that all investing must follow SLY principles - security, liquidity, yield. In accordance with the guidance issued, the Council's first priority in investing is security, followed by liquidity. After these priorities are met, the Council will seek to maximise yields. The Council will consider the environmental and social implications of its investments once SLY principles have been met.

The Council's objectives in relation to investment can accordingly be stated as follows:

Sums are invested with a diversified range of counter parties using the maximum range of financial instruments consistent with a low risk of the capital sum being diminished through movements in market prices.*

* Financial instruments include term deposits, certificates of deposits, corporate bonds, money market funds, structured notes and shares in pooled investment funds

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, Registered Social Landlords (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 Council will invest its surplus cash to provide sufficient liquidity to meet its cash flow needs, but is mindful that the value of its investments will fall in real terms unless investment returns are at least equal to inflation. In order to earn investment returns in excess of inflation on as much of its surplus cash as possible, the Council will invest as much as it can in longer-term higher yielding investments whilst maintaining sufficient liquidity to meet its cash flow needs.

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 Council may invest in externally managed pooled investment vehicles such as corporate bond funds, equity funds, property funds and multi asset funds, if the Council has cash for a term that is sufficient to cover cyclical movements in prices. The Government has made regulations that will prevent fluctuations on the capital value of these funds from impacting on the General Fund prior to disposal for at least 5 years. Fluctuations in the capital value of these funds will impact on the General Fund in 5 years' time unless the regulations are extended.

Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. While most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

- If it is thought that Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments short term or variable.
- Conversely, if it is thought that Bank Rate is likely to fall, consideration will be given to locking in higher rates currently obtainable, for longer periods.

4.6 Investment return expectations.

- The overall balance of risks to economic growth in the UK is probably to the downside due to the weight of all the uncertainties over Brexit, as well as a softening global economic picture.
- The balance of risks to increases in Bank Rate and shorter term PWLB rates are similarly to the downside.

4.7 Investment treasury indicator and limit - total principal funds invested for greater than 365 days.

These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

The Council is asked to approve the following treasury indicator and limit:

Table I - Upper limit for principal sums invested for longer than 365 days			
	2021	2022	2023
	£m	£m	£m
Current investments as at 31 March in excess of 1 year maturing in each year	117	50	50

4.8 Investment performance

This Council will use an investment benchmark to assess the investment performance of its investment portfolio of 7 day, 1, 3, 6 or 12 month LIBID.

4.9 End of year investment report

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

5. APPENDICES

- 5.1 Maturity structure of borrowing
- 5.2 Credit and counterparty risk management
- 5.3 Sector and Geographic Investment Limits

APPENDIX 5.1**Maturity structure of borrowing**

Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large sums falling due for refinancing, and are required for upper and lower limits.

The Council is asked to approve the following treasury indicators and limits:

Table J		
Maturity structure of fixed interest rate borrowing 2020/21		
	Lower	Upper
Under 12 months	0%	10%
12 months to 2 years	0%	10%
2 years to 5 years	0%	10%
5 years to 10 years	0%	20%
10 years to 20 years	0%	30%
20 years to 30 years	0%	30%
30 years to 40 years	0%	40%
40 years to 50 years	0%	40%
Maturity structure of variable interest rate borrowing 2020/21		
	Lower	Upper
Under 12 months	0%	10%
12 months to 2 years	0%	10%
2 years to 5 years	0%	10%
5 years to 10 years	0%	20%
10 years to 20 years	0%	30%
20 years to 30 years	0%	30%
30 years to 40 years	0%	30%
40 years to 50 years	0%	30%

APPENDIX 5.2**CREDIT AND COUNTERPARTY RISK MANAGEMENT**

The MHCLG issued Investment Guidance in 2018, and this forms the structure of the Council's policy below.

The key intention of the Guidance is to maintain the current requirement for councils to invest prudently, and that priority is given to security and liquidity before yield. In order to facilitate this objective the guidance requires this Council to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. This Council has adopted the Code and will apply its principles to all investment activity. In accordance with the Code, the Director of Finance and Resources (Section 151 Officer) has produced its treasury management practices (TMPs).

Annual investment strategy - The key requirements of both the Code and the investment guidance are to set an annual investment strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of following:

- The strategy guidelines for choosing and placing investments, particularly non-specified investments.
- The principles to be used to determine the maximum periods for which funds can be committed.
- Specified investments that the Council will use. These are high security (i.e. high credit rating, although this is defined by the Council, and no guidelines are given), and high liquidity investments in sterling and with a maturity of no more than a year.
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

The investment policy proposed for the Council is:

Strategy guidelines – The main strategy guidelines are contained in the body of the treasury strategy statement.

Specified investments – These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments that would not be defined as capital expenditure with:

1. The UK Government (such as the Debt Management Office deposit facility, UK treasury bills or a gilt with less than one year to maturity).
2. Bonds issued by supranational banks of less than one year's duration.
3. A local authority, housing association or university.
4. Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating by a credit rating agency. This covers pooled investment vehicles, such as money market funds, rated AA by Standard and Poor's, Moody's and / or Fitch rating agencies.
5. A body that is considered of a high credit quality (such as a bank or building society) with a minimum Short Term rating of A-2 / P-2 / F1 as rated by Standard and Poor's, Moody's and / or Fitch rating agencies .

Within these bodies, and in accordance with the Code, the Council has set additional criteria to set the time and amount of monies which will be invested in these bodies. These criteria are contained in Table H on page 21.

Non-specified investments – are any other type of investment (i.e. not defined as specified above). The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out below. Non-specified investments would include any investments with:

	Non Specified Investment Category	Limit £
a.	<p>Supranational bonds greater than 1 year to maturity</p> <p>(a) Multilateral development bank bonds with a AAA long-term rating - These are bonds defined as an international financial institution having as one of its objects economic development, either generally or in any region of the world (e.g. European Reconstruction and Development Bank etc.).</p> <p>(b) A financial institution that is guaranteed by the United Kingdom Government (e.g. National Rail)</p> <p>The security of interest and principal on maturity is on a par with the Government and so very secure. These bonds usually provide returns above equivalent gilt-edged securities. However the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.</p>	<p>£26m for up to 6 years</p> <p>£26m for up to 6 years</p>
b.	<p>Gilt edged securities with a maturity of greater than one year. These are Government bonds and so provide the highest security of interest and the repayment of principal on maturity. Similar to category (a) above, the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.</p>	<p>Unlimited investments for up to 6 years</p>
c.	<p>The Council's own banker if it fails to meet the basic credit criteria. In this instance balances will be minimised as far as is possible.</p>	<p>£10m for up to 1 day</p>
d.	<p>Building societies not meeting the basic security requirements under the specified investments. The operation of some building societies does not require a credit rating, although in every other respect the security of the society would match similarly sized societies with ratings. The Council may use such building societies that have a minimum asset size of £350m.</p>	<p>£6m for up to 2 years</p>
e.	<p>Any bank or building society that has a minimum long-term credit rating of A-, for deposits with a maturity of greater than one year (including forward deals in excess of one year from inception to repayment).</p>	<p>£26m for up to 6 years</p>
f.	<p>Loan capital in a body corporate with a credit rating of at least BBB+. This will enable investments to be made in large commercial companies such as British Telecom. A short-term investment in a BBB+ rated counterparty may be less likely to default than a long-term investment with an A- rated counterparty.</p>	<p>£7m for 365 days</p>

	Non Specified Investment Category	Limit £
g.	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+.	£8m for an unlimited duration
h.	Pooled investment vehicles including equity funds, property funds and multi asset funds with the potential to generate returns in excess of inflation and thus maintain the value of the principal invested in real terms. The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting requires movements in the market value of pooled investments to be charged to General Fund balances after a statutory transition period of 5 years.	£50m for an unlimited duration
i.	Subsidiary companies of the Council. In particular, funds could be invested to facilitate the establishment of a subsidiary company to develop housing in the greater Portsmouth area on a commercial basis.	£30m for an unlimited duration
j.	Banks partly owned by the City Council. The Council is an equity shareholder in Hampshire Community Bank (HCB). Purchasing bonds in 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 bond. These assets would consist of loans of the highest credit quality to the small and medium enterprise (SME) sector. The loan assets offered as security would pass to the Council in the event of HCB defaulting.	£10m for 5 years

The monitoring of investment counterparties - The credit rating of counterparties will be monitored regularly. The Council receives credit rating information (changes, rating watches and rating outlooks) from Link Asset Services as and when ratings change, and counterparties are checked. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately.

APPENDIX 5.3**SECTOR AND GEOGRAPHIC INVESTMENT LIMITS****Sector investment limits**

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.

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.

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.

Excessive investments in investment products tracking equity, property or other markets could also expose the Council to a systemic risk.

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, property or other markets	£70m

Geographic Investment Limits

In order to minimise systemic credit risk in any region, the following limits will be applied to the geographic areas where investments can be made in foreign countries.

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

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Title of meeting:	Governance and Audit and Standards Committee
Date of meeting:	3 March 2020
Subject:	Appointment of Independent Persons
Report by:	City Solicitor
Wards affected:	N/A
Key decision:	No
Full Council decision:	Yes

1. Purpose of report

To outline the requirements for and consider the appointment of a further two Independent Persons, pursuant to the provisions of Section 28 of the Localism Act 2011.

2. Recommendations

That Governance and Audit and Standards Committee recommend that Council appoint Mark Walsh and John Young as Independent Persons for three years from 1 May 2020 through to 1 May 2023:

3. Background

- 3.1. Following consideration by Governance and Audit and Standards Committee and Council in March 2018, the Council agreed to the appointment of 3 Independent Persons for a period of 3 years. Two of these appointments were renewed appointments for a further term for Independent Persons who had held their position since 2013.
- 3.2. Since this appointment, one Independent Person has retired from their position, leaving 2 Independent Persons, with their current term running until 1 May 2021.
- 3.3. In autumn 2019 an advertisement was placed for applications to be submitted for the role of Independent Person and following interviews on 6 February 2020 the above appointments are recommended by the Member Panel.

4. Reasons for recommendations

- 4.1. Independent Persons are required under the Arrangements for Assessment, Investigation and Determination of Complaints made against Councillors. It is considered that the appointment of a further two 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 procedure outlined below 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 comprising the Chair and Vice-Chair of Governance and Audit and Standards Committee together with the Monitoring Officer met to consider shortlisted applicants;

6.3. The successful candidates to be recommended by Governance and Audit and Standards Committee to Council for formal appointment.

7. Remuneration

Expenses may be claimed by the Independent Person and it is proposed that this provision continues.

8. Integrated impact assessment

This report does not require and Integrated 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.

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Signed by:

Appendices: Nil

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

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

Title of document	Location

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From GOVERNANCE & AUDIT & STANDARDS COMMITTEE held on 3 March 2020

Council Agenda Item 12 (Minute No 9)

Appointment of Independent Persons

To receive and consider the attached report and recommendation from Governance and Audit and Standards Committee held on 3 March.

RECOMMENDED that Council appoints Mark Walsh and John Young as Independent Persons for three years from 1 May 2020 through to 1 May 2023.

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Title of meeting:	Governance and Audit and Standards Committee
Date of meeting:	3 March 2020
Subject:	Employees' Code of Conduct - Personal use of social media
Report by:	Peter Baulf
Wards affected:	None
Key decision:	No
Full Council decision:	Yes

1. Purpose of report

The purpose of the report is for the Committee to consider the proposed wording for part 4C of the Portsmouth City Council constitution - the Employees' Code of Conduct and decide what recommendation goes forward to Full Council.

2. Recommendations

It is recommended that the committee;

- i Notes the importance of informing an employee about personal use of social media.
- ii Supports the wording presented in Appendix A for inclusion in the Employees' Code of Conduct.
- iii Further to ii above, should the committee support the changes as presented, agree for the revisions to be recommended to Full Council.

3. Background

Social media is the term used for any online platform or app that allows parties to communicate instantly with each other or to share data in a public forum. Social media allows people to share information, ideas and views, however it can in some circumstances impact on communications amongst managers, employees or customers, can distort the boundaries between home and work and could impact on the reputation of an organisation.

Portsmouth City Council expects all employees to deal with one another, the public, clients and elected Councillors in a courteous and civil manner. The Council expects relationships and communication between work colleagues (including those between managers and team members) to be supportive, co-

operative and respectful. This expectation relates to all types of communication including for example verbal communication, written and online communication.

4. Reasons for recommendations

Due to changes in society and the modern workplace brought about by social media use, it is now considered good practice to clearly inform an employee of the expectations of the organisation with regards to personal use of social media.

The Council has already published guidance on the intranet on the use of social media for work purposes and has a policy prohibiting the use of social media on workplace technology, unless express permission for business purposes has been given. By publishing expectations about personal use of social media, employees will then be made aware of all the Council requirements relating to social media.

The proposed wording shown in Appendix A shows that the Council respects an employees' right to a private life, however, where they are identified as a Council employee, they are expected to behave appropriately and in line with Council policies. They must ensure that, in their use of social media and instant messaging systems, they do not make comments about other employees, customers, councillors or the Council that are or could be perceived to be derogatory, abusive, damaging to the individual's or the Council's reputation or amount to harassment, even where such comments are made outside working hours.

In addition, it highlights that as an employee cannot assume that their social media use will remain private, they can minimise the risk by specifically excluding any reference to the Council or their job role on their profiles, posts or in their commenting. If an employee chooses to identify as a Council employee on their personal social media accounts, they are responsible for any comments on their pages, including tags and there will be a requirement to abide by the conditions to be detailed in the Code of Conduct.

The information about personal use of social media is ideally positioned within the Employees' Code of Conduct, as the aim of the Code is to guide employees on their conduct inside of work and also outside of work where it has a bearing on their position within the Council.

It is proposed that only one section of the Code of Conduct will be changed and one new section will be added and therefore Appendix A provides an extract from the Employees' Code of Conduct showing the recommended changes. However, the full Employees' Code of Conduct is available on the PCC website and a link is provided on the background list of documents table below.

5. Integrated impact assessment

An integrated impact assessment has been completed and is shown at Appendix B.

The change in the Code of Conduct applies to all employees. No negative impact has been established on any protected characteristics.

6. Legal implications

The report outlines the basis for including the amendment. The suggested new appendix A reflects the common law position and would enable realistic control of behaviour via referral to relevant employee policies. Without inclusion should an issue arise the employer would be faced with a defence based upon what was the existing policy, hence the need for the requested amendment.

7. Director of Finance's comments

There are no financial implications arising from the recommendations of this report.

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Signed by:

Appendices:

- Appendix A - Employees' Code of Conduct - Tracked extract
- Appendix B - Integrated Impact Assessment

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
Employees' Code of Conduct	https://www.portsmouth.gov.uk/ext/documents-external/cou-part4c-employee-code-of-conduct.pdf

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

.....
Signed by:

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Employees' Code of Conduct - Extract

3 Working relationships

3.1 General

The Council expects all employees to deal with one another, the public, clients and elected Councillors in a courteous and civil manner. The Council expects relationships and communications between work colleagues (including those between managers and team members) to be supportive, co-operative and respectful. Employees should behave in a way that enhances the performance and well-being of others and the effectiveness of Council services.

Employees should be aware of the Council's Health and Safety Policies when exercising their functions.

New section 16 shown below to be added between the current 'Publications - Broadcasts' section and the 'Whistleblowing' section (New section number 17).

16 Personal use of social media by employees

16.1 The Council respects all employees' right to a private life, however, where they are identified as a Council employee, they are expected to behave appropriately and in line with Council policies.

16.2 All employees must ensure that, in their use of social media and instant messaging systems, they do not make comments about other employees, customers, councillors or the Council that are or could be perceived to be derogatory, abusive, damaging to the individual's or the Council's reputation or amount to harassment, even where such comments are made outside working hours. They should be mindful that such comments could give rise to legal action and may lead to disciplinary action.

16.3 Employees are responsible for their own actions and must not assume that their social media use will remain private. To minimise the risk, employees may wish to specifically exclude any reference to the Council or their job role on their profiles, posts or in their commenting.

16.4 Employees must be aware that where they do choose to identify as a Council employee on their personal social media accounts they are responsible for any comments on their pages, including tags and must also abide by the following conditions:

- Any posts, comments and opinions must not bring the Council into dispute.
- Potentially confidential or sensitive information must be protected.
- It must be clear that comments are not made on behalf of the Council.
- An employee must declare on their profile that views are their own and do not reflect views of the Council.

16.5 An employee should not accept PCC customers/service users known to them in the course of their employment as 'friends' in their personal social media accounts.

16.6 If an employee is concerned that the use of social media or instant messaging systems are compromising customer service, patient safety, wellbeing, confidentiality or it has the potential to bring the Council into disrepute, they should speak to their manager in the first instance or contact HR for advice.

16.7 Information regarding business use of social media is available in the 'Social media guide for staff' located on the intranet.

www.portsmouth.gov.uk/intranet/about-us/communications/website-intranet-and-social-media



Integrated Impact Assessment (IIA)

Integrated impact assessment (IIA) form December 2019

www.portsmouth.gov.uk

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

- identify those policies, projects, services, functions or strategies that could impact positively or negatively on the following areas:
 - Communities and safety
 - Regeneration and culture
 - Environment and public space
 - Equality & - Diversity - This can be found in Section A5

Directorate:

Corporate Services

Service, function:

HR

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

Employees' Code of Conduct - Personal Use of Social Media

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

- Existing
- New / proposed
- Changed

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

The Code of Conduct is for all employees and is part 4C of the constitution. The aim is to include a new section on personal use of social media to the existing Employees' Code of Conduct.

Due to changes in society and the modern workplace brought about by social media use, it is now considered good practice to clearly inform an employee of the expectations of the organisation with regards to personal use of social media. The Council has already published guidance on the intranet on the use of social media for work purposes and has a policy prohibiting the use of social media on workplace technology, unless express permission for business purposes has been given. By publishing expectations about personal use of social media, employees will then be made aware of all the Council requirements relating to social media.

The new wording shown in Appendix A of the report shows how employees are expected to behave appropriately and in line with Council policies.

It shows how employees must ensure that, in their use of social media and instant messaging systems, they do not make comments about other employees, customers, councillors or the Council that are or could be perceived to be derogatory, abusive, damaging to the individual's or the Council's reputation or amount to harassment, even where such comments are made outside working hours.

The Code of Conduct states that 'The Council expects all employees to deal with one another, the public, clients and elected Councillors in a courteous and civil manner. The Council expects relationships and communication between work colleagues (including those between managers and team members) to be supportive, co-operative and respectful. The new word in the section is 'communication' added for clarification and the expectation relates to all types of communication including for example verbal communication, written and online communication.

Has any consultation been undertaken for this proposal? What were the outcomes of the consultations? Has anything changed because of the consultation? Did this inform your proposal?

The changes have been consulted with the trade unions. The wording has not not changed as a result of the consultation

A - Communities and safety

Yes

No

Is your policy/proposal relevant to the following questions?

A1-Crime - Will it make our city safer?



In thinking about this question:

- How will it reduce crime, disorder, ASB and the fear of crime?
- How will it prevent the misuse of drugs, alcohol and other substances?
- How will it protect and support young people at risk of harm?
- How will it discourage re-offending?

If you want more information contact Lisa.Wills@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cou-spp-plan-2018-20.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How will you measure/check the impact of your proposal?

A - Communities and safety

Yes

No

Is your policy/proposal relevant to the following questions?

A2-Housing - Will it provide good quality homes?

In thinking about this question:

- How will it increase good quality affordable housing, including social housing?
- How will it reduce the number of poor quality homes and accommodation?
- How will it produce well-insulated and sustainable buildings?
- How will it provide a mix of housing for different groups and needs?

If you want more information contact Daniel.Young@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/psh-providing-affordable-housing-in-portsmouth-april-19.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

A - Communities and safety

Yes

No

Is your policy/proposal relevant to the following questions?

A3-Health - Will this help promote healthy, safe and independent living?

In thinking about this question:

- How will it improve physical and mental health?
- How will it improve quality of life?
- How will it encourage healthy lifestyle choices?
- How will it create healthy places? (Including workplaces)

If you want more information contact Dominique.Letouze@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cons-114.86-health-and-wellbeing-strategy-proof-2.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

A - Communities and safety

Yes

No

Is your policy/proposal relevant to the following questions?

A4-Income deprivation and poverty-Will it consider income deprivation and reduce poverty?

In thinking about this question:

- How will it support those vulnerable to falling into poverty; e.g., single working age adults and lone parent households?
- How will it consider low-income communities, households and individuals?
- How will it support those unable to work?
- How will it support those with no educational qualifications?

If you want more information contact Mark.Sage@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cou-homelessness-strategy-2018-to-2023.pdf>
<https://www.portsmouth.gov.uk/ext/health-and-care/health/joint-strategic-needs-assessment>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

A - Communities and safety

Yes

No

Is your policy/proposal relevant to the following questions?

A5-Equality & diversity - Will it have any positive/negative impacts on the protected characteristics?

In thinking about this question:

- How will it impact on the protected characteristics-Positive or negative impact (Protected characteristics under the Equality Act 2010, Age, disability, race/ethnicity, Sexual orientation, gender reassignment, sex, religion or belief, pregnancy and maternity, marriage and civil partnership,socio-economic)
- What mitigation has been put in place to lessen any impacts or barriers removed?
- How will it help promote equality for a specific protected characteristic?

If you want more information contact gina.perryman@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cmu-equality-strategy-2019-22-final.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

No negative impact has been established on any protected characteristics.
The change in the Code of Conduct applies to all employees.
The added wording stresses the need for respect which is also positive for all equality groups. The additional wording shows how employees must ensure that, in their use of social media and instant messaging systems, they do not make comments about other employees, customers, councillors or the Council that are or could be perceived to be derogatory, abusive, damaging to the individual's or the Council's reputation or amount to harassment, even where such comments are made outside working hours.

How are you going to measure/check the impact of your proposal?

B - Environment and climate change

Yes

No

Is your policy/proposal relevant to the following questions?

B1-Carbon emissions - Will it reduce carbon emissions?

In thinking about this question:

- How will it reduce greenhouse gas emissions?
- How will it provide renewable sources of energy?
- How will it reduce the need for motorised vehicle travel?
- How will it encourage and support residents to reduce carbon emissions?

If you want more information contact Tristan.thorn@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cmu-sustainability-strategy.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

B - Environment and climate change

Yes

No

Is your policy/proposal relevant to the following questions?

B2-Energy use - Will it reduce energy use?

In thinking about this question:

- How will it reduce water consumption?
- How will it reduce electricity consumption?
- How will it reduce gas consumption?
- How will it reduce the production of waste?

If you want more information contact Triston.thorn@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/pln-portsmouth-plan-post-adoption.pdf>

<https://democracy.portsmouth.gov.uk/documents/s24685/Home%20Energy%20Appendix%201%20-%20Energy%20and%20water%20at%20home%20-%20Strategy%202019-25.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

B - Environment and climate change

Yes

No

Is your policy/proposal relevant to the following questions?

B3 - Climate change mitigation and flooding-Will it proactively mitigate against a changing climate and flooding?

In thinking about this question:

- How will it minimise flood risk from both coastal and surface flooding in the future?
- How will it protect properties and buildings from flooding?
- How will it make local people aware of the risk from flooding?
- How will it mitigate for future changes in temperature and extreme weather events?

If you want more information contact Tristan.thorn@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/env-surface-water-management-plan-2019.pdf>

<https://www.portsmouth.gov.uk/ext/documents-external/cou-flood-risk-management-plan.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

B - Environment and climate change

Yes

No

Is your policy/proposal relevant to the following questions?

B4-Natural environment-Will it ensure public spaces are greener, more sustainable and well-maintained?

In thinking about this question:

- How will it encourage biodiversity and protect habitats?
- How will it preserve natural sites?
- How will it conserve and enhance natural species?

If you want more information contact Daniel.Young@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/pln-solent-recreation-mitigation-strategy-dec-17.pdf>

<https://www.portsmouth.gov.uk/ext/documents-external/pln-portsmouth-plan-post-adoption.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

B - Environment and climate change

Yes

No

Is your policy/proposal relevant to the following questions?

B5-Air quality - Will it improve air quality?

In thinking about this question:

- How will it reduce motor vehicle traffic congestion?
- How will it reduce emissions of key pollutants?
- How will it discourage the idling of motor vehicles?
- How will it reduce reliance on private car use?

If you want more information contact Hayley.Trower@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/env-aq-air-quality-plan-outline-business-case.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

B - Environment and climate change

Yes

No

Is your policy/proposal relevant to the following questions?

B6-Transport - Will it improve road safety and transport for the whole community?

In thinking about this question:

- How will it prioritise pedestrians, cyclists and public transport users over users of private vehicles?
- How will it allocate street space to ensure children and older people can walk and cycle safely in the area?
- How will it increase the proportion of journeys made using sustainable and active transport?
- How will it reduce the risk of traffic collisions, and near misses, with pedestrians and cyclists?

If you want more information contact Pam.Turton@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/travel/local-transport-plan-3>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

Is your policy/proposal relevant to the following questions?

B7-Waste management - Will it increase recycling and reduce the production of waste?

In thinking about this question:

- How will it reduce household waste and consumption?
- How will it increase recycling?
- How will it reduce industrial and construction waste?

If you want more information contact Steven.Russell@portsmouthcc.gov.uk or go to:

<https://documents.hants.gov.uk/mineralsandwaste/HampshireMineralsWastePlanADOPTED.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

C - Regeneration of our city

Yes

No

Is your policy/proposal relevant to the following questions?

C1-Culture and heritage - Will it promote, protect and enhance our culture and heritage?

In thinking about this question:

- How will it protect areas of cultural value?
- How will it protect listed buildings?
- How will it encourage events and attractions?
- How will it make Portsmouth a city people want to live in?

If you want more information contact Claire.Looney@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/pln-portsmouth-plan-post-adoption.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

C - Regeneration of our city

Yes

No

Is your policy/proposal relevant to the following questions?

C2-Employment and opportunities - Will it promote the development of a skilled workforce?

In thinking about this question:

- How will it improve qualifications and skills for local people?
- How will it reduce unemployment?
- How will it create high quality jobs?
- How will it improve earnings?

If you want more information contact Mark.Pembleton@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cou-regeneration-strategy.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

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Is your policy/proposal relevant to the following questions?

C3 - Economy - Will it encourage businesses to invest in the city, support sustainable growth and regeneration?

In thinking about this question:

- How will it encourage the development of key industries?
- How will it improve the local economy?
- How will it create valuable employment opportunities for local people?
- How will it promote employment and growth in the city?

If you want more information contact Mark.Pembleton@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cou-regeneration-strategy.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

Q8 - Who was involved in the Integrated impact assessment?

Anna Buxcey

This IIA has been approved by: Rochelle Kneller

Contact number: 023 92 841962

Date: 4 February 2020

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From GOVERNANCE & AUDIT & STANDARDS COMMITTEE held on 3 March 2020

Council Agenda Item 13 (Minute No 11)

Employees Code of conduct - Personal Use of Social Media

To receive and consider the attached report and recommendation from Governance and Audit and Standards Committee held on 3 March.

RECOMMENDED that Council agrees the revised wording presented in Appendix A of the report for inclusion in the Employees' Code of Conduct.

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Title of meeting:	Governance and Audit and Standards Committee Council
Date of meeting:	3 March 2020 17 March 2020
Subject:	Amendments to the Council's Constitution pertaining to Part 2 Section 5 Chief Officers' Delegated Authority
Report by:	City Solicitor
Wards affected:	N/A
Key decision:	No
Full Council decision:	Yes

1. Purpose of report

To consider the attached revised Part 2 Section 5 Chief Officers' Delegated Authority for adoption into the Council's constitution.

2. Recommendations

Members are asked to recommend to Council for approval the proposed amendments to Part 2 Section 5 Chief Officers' Delegated Authority for adoption into the Council's constitution.

3. Background

- 3.1. Governance and Audit and Standards Committee recommended to Council in 2018 that the City Solicitor be authorised to:
 - 3.1.1. Make amendments to the scheme of delegation which reflect changes in legislation, structure within the Council or typographical amendments, none of which result in changes to the extent of delegations to officers.
 - 3.1.2. Make amendments to the constitution to reflect any changes arising out of legislative changes, provided that no material change is made to the constitution.
- 3.2. This recommendation was adopted by Full Council on 20 March 2018.

4. Reasons for recommendations

- 4.1. The City Solicitor, together with officers in Legal Services, commenced a review of Part 2 of the Constitution in Autumn 2019.

- 4.2. 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.
- 4.3. The City Solicitor has sought the views of the Council's Directors (see Appendix 2) to bring the director delegations up to date (following directorate restructures) to ensure that the delegations are reflected accurately in the constitution.
- 4.4. The proposed changes shown in Appendix 1 include both amendments to reflect the changed structure of the Council and changes in legislation (which can be effected under the authority of the City Solicitor) and changes to the extent of delegations to officers, which must be brought before Governance and Audit and Standards Committee for decision.
- 4.5. 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.

5. Integrated impact assessment (IIA)

An integrated impact assessment is not required as the recommendations do not have a positive or negative impact on communities and safety, regeneration and culture, environment and public space or equality and diversity.

6. Legal implications

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

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 - Section 5 Chief Officer's Delegated Authority
Appendix 2: Decision log - updates sought from Directors

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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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 any limitations or conditions attaching to the use of any delegation.

~~1. 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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Section 5A
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 Resources 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 Resources 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 Resources and ISDirector of Corporate Services:-**

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. [moved to Part 2 5B]~~

TO THE DIRECTOR OF REGENERATION

- ~~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.~~

~~a.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.

~~b.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.

2. TO THE DIRECTOR OF HOUSING AND PROPERTY SERVICES

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;
- 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~~Resources.
- 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.

3. 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.~~
For the delegation of powers reserved to the Monitoring Officer, please see Part 4F - Statutory Officers - Monitoring Officer and Section 151 Officer.
- ~~b. To prepare and complete deeds of release in respect of covenants which are no longer applicable.~~

4. 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.

5. TO THE DIRECTOR OF ~~HR, LEGAL AND PERFORMANCE~~CORPORATE SERVICES

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.

The powers, duties and functions were revised under council Minute 71/07.

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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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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 of, 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 £75,000, 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 Resources 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.
17. To prepare and complete deeds of release in respect of covenants which are no longer applicable.

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Section 5B
Delegation of decision making to officers

[Scheme of delegation to officers - Overview](#)
[Delegation to Directors - General & Conjoint](#)

[Individual Directors](#)

- 1 Chief Executive
- 2 City Solicitor ~~and Deputy Chief Executive~~
- 3 Director for Finance ~~and IS~~ [and Resources](#)
- 4 Director of ~~HR, Legal and Performance~~ [Corporate Services](#)
- 5 Director of ~~Property and Housing, Neighbourhoods & Building~~ [Services](#)
- 6 Director of Regeneration
- 7 Director of Culture, [Leisure & Regulatory Services](#)
- ~~8~~ Director of Adult [Services](#)
- ~~149~~ Director of Children's ~~Services,~~ [Families & Education](#)
- ~~12-10~~ Director of Public Health
- ~~1411~~ Director of the Port

Scheme of delegation to officers - Overview

The Chief Executive, ~~and Deputy Chief Executive with responsibility~~ responsible for the directorates, ~~have~~ has 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 Resources ~~and IS~~ considers appropriate. The Director of Finance and Resources ~~and IS~~ 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

Delegation to Directors - General & Conjoint

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.

Shareholder Committee Protocol

1. Purpose of the Shareholder Committee

1.1. The purpose of the Shareholder Committee is to exercise the shareholder functions of the Council for any company and provide strategic oversight and guidance and to represent the Council as Shareholder Representative at meetings with the companies.

1.2. In particular, the Shareholder Committee will be responsible for:

- a. Incorporating and winding down any company, including constitutional matters such as:-
 - i. Varying Articles of Association
 - ii. Changing the names of companies and registered addresses
- b. Approving Shareholders Agreements
- c. Approving the annual Business Plans of the companies
- d. Approving any action which is inconsistent with the approved Business Plan
- e. Monitoring performance of the companies against the approved Business Plans
- f. In consultation with the Section 151 Officer, approving any investment of funds together with any terms of loan agreement to any company
- g. Appointing and dismissing of directors
- h. Approving major business transactions
- i. Approving the issuing or reduction of share capital
- j. Approving the appointing of auditors; and
- k. Approving any other matter which is defined as the Reserved Matter in Shareholders Agreements

2. Membership

- 2.1. The Shareholder Committee shall consist of a majority from the Administration and 1 member from all other parties, drawn from the elected Members of the Council. Subject to 2.2, other members of the Council (who are not directors of any of the companies concerned) may attend and vote as substitutes in the event that an appointed member of the Shareholder Committee is unable to attend.
- 2.2. As the role of the Shareholder Committee is to advise and discharge executive functions in relation to company matters and to exercise the role of the Shareholder Representative, only Cabinet members can be members of the Shareholder Committee with voting rights, although other Cabinet members and non-Cabinet members can be invited to attend, without voting rights.
- 2.3. The Leader will be the chairman of the Shareholder Committee and will have the casting vote in the event that a majority decision cannot be reached. A Vice Chair will be selected from the elected members of the Shareholder Committee.
- 2.4. The necessary quorum for the meeting will be no less than 3 elected and vote rights bearing Cabinet Members of the Council present.

3. Meetings

- 3.1. The Shareholder Committee will meet as regularly as required to ensure proper exercise of its functions but not less than quarterly.
- 3.2. The members of the Shareholder Committee may invite the Chief Executive, Section 151 Officer, City Solicitor, Officer of the Council or their deputies and any other persons as required who will be the advisors to the Shareholder Committee.
- 3.3. It is anticipated that the directors of companies will be invited if their input is required to make an informed decision.

4. Administration

- 4.1. The agenda of the meeting together with any supporting documentation will be provided to members of the Shareholder Committee at least 5 working days in advance. This notice period may be waived if the Chair of the Shareholder Committee so agrees.
- 4.2. The meetings of the Shareholder Committee will be minuted which will subsequently be approved at the next meeting.

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.
7. To exercise Community Protection Notices (CPNs) powers within their sphere of responsibility.
8. Consultation: to finalise the city council's comments on any matter where the council is a consultee in consultation with the Chief Executive and relevant Cabinet Member / Chair.
9. To implement and monitor the Equality Policy as it applies to the City Council as employer, in respect of its duties under any relevant anti-discrimination or equal opportunities legislation.
10. To provide or secure arrangements to facilitate the provision of information and services provided by the City Council to all who have a right of access in accordance with the Council's Equality Policy.

Emergencies & Continuity

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.

Conjoint Delegations

TO THE DIRECTOR CONCERNED AFTER CONSULTATION WITH THE DIRECTOR RESPONSIBLE FOR ~~HR, AUDIT AND PERFORMANCE~~CORPORATE SERVICES

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 and Monitoring Officer:-
4. To purchase, lease or otherwise acquire Information Technology hardware, software or communications products or services up to a value of £100,000.

TO THE DIRECTOR CONCERNED IN CONSULTATION WITH THE DIRECTOR RESPONSIBLE FOR FINANCE AND RESOURCES AND INFORMATION SERVICE

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.~~

TO THE DIRECTOR CONCERNED IN CONSULTATION WITH THE CHIEF EXECUTIVE

To determine, in accordance with the Taylor Report recommendations, as adopted by the Government's Guide to Safety at Sports Grounds "the Green Guide", safety at Fratton Park via the Council's Safety Advisory Group.

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DIRECTOR OF ADULT ~~SERVICES~~ 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.

2. Charges for Services

To reduce or waive any charge in any particular case which the director regards as being one of exceptional hardship.

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.

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.

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.

8. Ex Gratia Payments

To make ex-gratia payments in respect of claims not exceeding £2,000 in respect of damage or injury resulting from the actions of clients looked after by the Council both in relation to adults. Any amount greater must be escalated to the City Solicitor and Monitoring Officer.

DIRECTOR OF ~~CHILDREN'S SERVICES~~CHILDREN, FAMILIES & EDUCATION

~~The Director of Children, Families & Education 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.

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.

5. To make ex-gratia payments in respect of claims not exceeding £2,000 in respect of damage or injury resulting from the actions of clients looked after by the Council both in relation to young people. Any amount greater must be escalated to the City Solicitor and Monitoring Officer.

5.6. 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.

6.7. 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.

7-8. 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.

8-9. Children's Guardians

To implement and take any appropriate action in respect of the children's guardian and reporting officers (panel) regulations.

9-10. 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.

10-11. Protection of Children

To implement and take any appropriate action in respect of the care, supervision and protection of children.

11-12. 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.

12-13. 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.

13-14. 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 Resources and IS~~ to fix charges;
- i. To determine, in consultation with the Director of Finance ~~and Resources 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.

44-15. 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~~Children, Families & Education) 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

45-16. 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;

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DIRECTOR OF CORPORATE SERVICES HR, LEGAL 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 Resources 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.~~
- 6.5. 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.

7.6. 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, Legal and Performance Corporate Services. Director for HR, Audit and Performance Corporate Services must be consulted in advance and authorise the payment.

8.7. Acting up allowance

- a. For periods of less than 4 weeks must be agreed in advance by the Director of HR, Legal and Performance Corporate Services.

9.8. Career Break Scheme

- a. Consideration to be made initially by manager and then in conjunction with Director of HR, Legal and Performance Corporate Services.

10.9. 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, Legal and Performance Corporate Services 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, Legal and Performance Corporate Services liaising with the Chief Executive or Deputy Chief Executive.~~

- ~~b. The decision to deactivate this policy will be taken by the Director of HR, Legal and Performance Corporate Services in consultation with the Chief Executive and subsequently communicated to managers.~~

42.10. Exit interviews

- a. The Director of ~~HR, Legal and Performance Corporate Services, the Deputy Chief Executive~~ or Chief Executive will conduct the exit interview where an employee is on JNC for chief officer grade.

43.11. Flexible retirement

- a. Staff on JNC Terms and Conditions of Employment
- 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 Corporate Services~~ or ~~his / her / their~~ 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 - the relevant Director and Director of Finance ~~and IS.~~ (refer to Flexible Retirement Policy section 4.4.2).

44.12. 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, Legal and Performance Corporate Services~~ to ensure equity of treatment and effective process.

45.13. 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
- e-f. Managing Absence

46.14. Staff Joint Committee consultation

- a. On the employer's side, the Director of ~~HR, Legal and Performance Corporate Services~~ (or nominated deputy) shall attend.

Audit Function [WC1]

~~17. 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.~~

IS Function

- ~~15. 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:-~~
- ~~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~~
- ~~16. The Director of Corporate Services, or their delegated representative, to authorise any departure from standards regarding point 17 above. The determination and interpretation of adherence to standards is at the sole discretion of the Director of Corporate Services or theirhis delegated representative.~~

Democratic Service

~~The Monitoring Officer has concurrent powers to act in respect of the delegations set out regarding Democratic Service.~~

- ~~17. 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.~~
- ~~18. 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.~~
- ~~19. Authorised to appoint individual education appeals panels from amongst the members and persons set out below -~~
- ~~c. persons on the list maintained by the Local Democracy Manager who have experience in education, are acquainted with the educational conditions of the City or are parents of registered pupils at schools; and~~
 - ~~d. persons on the list maintained by the democratic services manager who are eligible to serve as lay members.~~

Freedom of Information

- ~~20. 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.~~

21. To ensure the Council remains up to date with changes in the legislation.
22. To develop and disseminate corporate policies and procedures in relation to FOI / EIR.
23. To provide advice to all areas of the Council on FOI / EIR matters.

Data Protection

24. 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)).
25. To ensure the Council remains up to date with changes in the legislation.
26. To ensure the Council remains compliant with Data Protection legislation including the designation of a Data Protection Officer within the Directorate
27. To develop and disseminate corporate policies and procedures in relation to Information Governance and Data Protection.
28. 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

29. To monitor and manage complaints to ensure Council and Local Government Ombudsman (LGO) timescales are adhered to.
30. To investigate complaints, ascertain the facts and assess whether maladministration exists.
31. To decide on suitable local settlements and ensure that measures are in place to improve service areas and prevent reoccurrence.
32. To manage information regarding complaints figures and escalate any identified trends accordingly.
33. To ensure the Council remains up to date with changes in the legislation.
34. To develop and disseminate corporate policies and procedures relating to complaints.
35. To provide advice to all areas of the Council.

Council tax^[WC2]

- ~~18. 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^[WC3]

19. ~~To implement and operate the housing benefit scheme.~~

20. ~~To approve or otherwise deal with applications for Council Tax Benefit.~~

21. ~~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 Services

36. 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.

37. To support the Electoral Registration Officer in undertaking the electoral registration functions and duties in accordance with legislation.

Community Engagement

38. To oversee the corporate consultation process accepting, revising or declining proposals submitted and placing all approved consultations on the web.

39. To support neighbourhood forums

Trading

To trade those services within the directorate where it is appropriate and where a commercial case can be made to do so. services within the directorate.

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.

Equalities

To ensure compliance with the Council's Equality Policy and the public sector equality duty in so far as it concerns the Council as a provider of services to the public and to ensure compliance with all current antidiscrimination and equal opportunities legislation in relation to decisions actions or proposals made by the City Council.

To establish and maintain appropriate access to all the Council's facilities and services in order to ensure compliance with the public sector equality duty.

DIRECTOR OF CULTURE, LEISURE & REGULATORY SERVICES

A. Statutory responsibility for the provision of Public Library Services as informed by the 1964 Museums and Libraries Act and subsequent Government reports. This includes the provision of lending collections and information services to support all residents with reading, information, digital access, health and wellbeing, learning and culture.

B. Statutory responsibility the Portsmouth City Archive to include security, conservation and access, under the guidance and accreditation of the National Archives Council.

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, Leisure & Regulatory Services.
5. To determine requests to hold special events on land and premises under the control of the Director of Culture, Leisure & Regulatory Services.
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 **objects** and library material.
12. To apply money bequests towards the purchase of works of art, museum **objects** and library material in consultation with the Cabinet Member.
13. To arrange **exhibitions, public lectures, including but not limited to Bookfest and Outreach**.

14. To approve reproductions of works of art and museum **objects** from the collections and library material.
- ~~15. Manage access to archives to ensure their protection, whilst ensuring maximum availability for the public. This to be achieved by by the use of copies and digital resources.~~
- ~~15. such means that is deemed appropriate, to include but not limited to digitalisation and copying.~~
16. To accept donations and deposits of collections or archival material of local interest. **To reserve the option to refuse donations.**
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, **seafront** and the other properties and facilities which are the responsibility of the Director of Culture.
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 **in accordance with the concessionary rate.**
22. To accept (or refuse) the donation of **seeds**, plants and livestock.
23. To enforce the power to seize and impound horses, notify owners, arrange sale or other disposal.
24. To let allotments, caravan plots and camping sites and other ancillary facilities on an annual basis.
25. To approve applications for the granting of minor trading concessions and for holding of caravan rallies, promotions and similar events.
26. To allow charitable organisations a reduction of the normal hiring charge.
27. To vary, in consultation with the Cabinet Member, the rate of hire charges for leisure facilities and equipment.
28. To regulate the use of sun huts and sun chalets.
29. 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.
30. To exercise local authority powers and duties concerning the maintenance of burial grounds.
 31. To manage leisure facilities
 32. To manage the advertising of events and city amenities on land which is the responsibility of the directorate.
 33. To trade horticultural goods and services.

Lord Mayor's Office

34. To approve applications to use the city crest, coat of arms, badge or logo.

34.35. Powers and duties in relation of environmental health, including the:

- appointment of inspectors, authorised persons and agents
- 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

~~35-36.~~ The power to appoint Duty Executives.

~~36-37.~~ To exercise the council's powers under the Road Traffic (Vehicle Emissions) (Fixed Penalty) Regulations 2002

DIRECTOR OF FINANCE AND RESOURCES AND IS

The Director of Finance and Resources 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

1. To write off debts above £500 which are considered to be irrecoverable or not economically recoverable.
2. To approve the payment of pension costs.
3. 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.
4. To grant rate relief.

5. Council Tax

To carry out the functions of the Council under the Local Government Finance Act 1992 and subsequent regulations in relation to the administration, collection and enforcement of Council Tax (provided that this power shall not include the functions of the Council regarding the level of Council Tax itself), including but not limited to:-

- The issue of demand notices and reminders;
- The issue of proceedings for a liability order;
- Enforcement actions including attachment of earnings, levying of distress, application for a charging order and petitions for bankruptcy/winding up;
- Granting of discretionary discounts in accordance with the council's policies.

6. Non Domestic Rates (Business Rates)

To carry out the functions of the Council under the Local Government Finance Act 1988 and subsequent regulations in relation to the administration, collection and enforcement of Business Rates, including but not limited to:-

- The issue of demand notices and reminders;
- The issue of proceedings for a liability order;
- Enforcement actions including attachment of earnings, levying of distress, application for a charging order and petitions for bankruptcy/winding up;
- Granting of discretionary relief in accordance with the Council's policies.

7. Housing Benefit and Local Council Tax Support Scheme

To carry out the functions of the Council under the Housing Benefit (General) Regulations 1987 and subsequent regulations, and Section 13(a) Local Government Finance Act 1992 and subsequent regulations, in relation to the administration of Housing Benefit and the council's local council tax support scheme, subject to council decisions on the content of the local council tax support scheme. Including but not limited to:-

- The operation of the housing benefit scheme.
- To approve or otherwise deal with applications for local council tax support.

~~5. 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.~~
- ~~6.8.~~ To pay members remuneration allowance and travelling allowances as approved by Council.
- ~~7.9.~~ To make deductions from employees' pay on behalf of approved bodies or trade unions in return for a suitable service charge.
- ~~8.10.~~ 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.
- ~~9.11.~~ To make deductions from employees pay for salary sacrifice schemes.
- ~~10.12.~~ To approve applications for the transfer of mortgaged properties.
- ~~11.13.~~ To recover sums due to the city council.
- ~~12.14.~~ To collect all income due to the city council.
- ~~13.15.~~ 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.
- ~~14.16.~~ To approve or refuse applications for repayment of bonds and mortgage loans.
- ~~15.17.~~ To manage the Insurance Fund.
- ~~16.18.~~ To release funds from the contingency provision within the limits set out in the financial rules.
- ~~17.19.~~ 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.
- ~~18.20.~~ To lend surplus funds.
- ~~19.21.~~ To approve changes in the interest rate of mortgaged properties and give notice of changes.
- ~~20.22.~~ To authorise jointly with the City Solicitor financial settlements on termination of employment.

Internal Audit

- ~~21.23.~~ 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.
- ~~24.~~ 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.

IS Function

- ~~22. 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:-~~
- ~~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~~
- ~~23. 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

- ~~24.25.~~ General supervision and progressing of contracts.
- ~~25.26.~~ 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.
- ~~26.27.~~ Acceptance of tenders for demolition works approved by the Cabinet or Full Council.
- ~~27.28.~~ Acceptance, renewal and variation of maintenance contracts for installed equipment within the approved estimates.
- ~~29.~~ To determine the selling prices of goods and services in relation to trading activities.

Council tax

~~30. 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

- ~~— To implement and operate the housing benefit scheme.~~
- ~~— To approve or otherwise deal with applications for Council Tax Benefit.~~
- ~~— 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).~~

DIRECTOR OF ~~PROPERTY AND HOUSING~~, NEIGHBOURHOODS & BUILDING SERVICES

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 in the Housing Revenue Account (HRA) and in the Housing General Fund (HGF), including the allocation of accommodation.
- ~~3.4.~~ To exercise the council's powers as a housing authority
- ~~4.5.~~ To approve the appropriation of assets between the Housing Revenue Account and the General Revenue Account.
- ~~5.6.~~ To dispose of vacant or tenanted properties in the HRA & HGF-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.
- ~~6.7.~~ To agree terms for the variation of covenants for land and property previously sold by the council in the HRA & HGF.

Commented [HJ1]: I have added in the reference to the Housing General Fund because we have assets in both the HRA and housing general fund.

Management of corporate assets (held in the Housing Revenue Account and in the Housing General Fund)

1. To agree leases up to a term of 150 years and licence non-residential properties including land at the best rents obtainable held within the HRA & HGF -
2. To grant, building agreements, licences, easements and wayleaves for HRA & HGF property.
- ~~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.
- ~~5.3.~~ To agree surrender and lease renewal transactions including leases of up to 150 years for HRA & HGF property.

Commented [HJ2]: It is correct that the team managing the commercial property portfolio/corporate assets moved to Regen but they have an SLA with HNB for the management of the assets owned by the HRA/HGF hence the request to reinstate these but to make them specific to the HRA/HGF

- ~~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.~~
- ~~7.4.~~ To approve the lettings of any premises held within the HRA & HGF ~~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.~~
- ~~9.5.~~ To authorise the termination of any lease, licence, easement, or wayleave to use or occupy non-residential land and property held within the HRA & HGF.
- ~~10.6.~~ To grant service tenancies of council owned land and buildings held within the HRA & HGF.
- ~~11.7.~~ To place orders for reactive maintenance and emergency works to council owned buildings and structures.
- ~~12.8.~~ 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 in respect of property held within the HRA & HGF.
- ~~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.~~
- ~~16.9.~~ To determine the selling prices of goods and services in relation to trading activities for services within Housing, Neighbourhoods and Building Services.

~~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 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~~~~

Commented [WC3]: Falls to Corporate Assets, under Regeneration

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~~ City solicitor-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 and other residential properties. To purchase residential property for both the Housing Revenue Account and the Housing General Fund this can include but is not limited to the repurchase of ex-council properties including leasehold flats.~~
- ~~16.~~ 15. To agree nomination rights under schemes to be carried out by social housing landlords.
- ~~17.~~ 16. To enter into contract for tenancy related support services.
- ~~18.~~ 17. To enter into contracts or leases to provide temporary homelessness accommodation.
- ~~19.~~ 18. To serve Notices under Section 146 Law and Property Act 1925 on its long leaseholders who are in breach of the lease.
- ~~20.~~ 19. 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~~ property and the relevant expenditure, to enter into contract and discharge the functions required to complete the work to the ~~asset~~ property.
2. In his discretion authorise repairs which the city council does not have a statutory obligation to carry out.

Commented [HC4]: These are usually not our assets so felt this should be reworded

~~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 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.~~

Commented [HC5]: Repetition of point 8 below so removed

~~4. To approve or refuse grants for improvements and repairs, applications for improvement loans, and home insulation grants and loans.~~

~~5.3.~~ Recovery of costs - where services are provided externally to the council, the power to recover the full cost of the provision of these services.

~~6.4.~~ Work on behalf of other public bodies - power to carry on work on behalf of the public bodies.

~~7.5.~~ To agree terms for rights of light and air affecting council property.

~~8.6.~~ 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, smoke and carbon monoxide alarms, minimum energy efficiency standards, 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, civil penalty notices, 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.
- e)d) To fulfil our responsibilities in relation to the management of PCC owned Mobile Homes Park sites.
- d)e) 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)f) Supply of public utility services to tenanted dwellings including in consultation with the City Solicitor the recovery of costs incurred.

Commented [HJ6]: Inserted to account for the PCC mobile homes parks for e.g. at Cliffdale and Henderson Road.

9.7. 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.
- b)c) To take action, including the service of notices, gather evidence and take a case for prosecution for instances of harassment or illegal eviction.

10.8. In respect of private sector housing financial assistance 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)~~

~~e) 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)a) To consider and determine -~~

- ~~a. Applications for mandatory disabled facilities grants;~~
- ~~b. Applications for renovation grants; HMO grants; common parts grants; and home repair grantsdiscretionary grants and loans in accordance with the current Private Sector Housing financial assistance policy.~~
- ~~b-c. To approve or refuse the mandatory and discretionary grants and loans in accordance with the criteria set out in the current financial assistance policy.~~

~~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.~~

Commented [HC7]: Landlord grants have not been available for many years

~~11.9. To exercise the council's powers and duties to appoint authorised officers and authorised persons for any purpose within the responsibilities of the Director.~~

~~10. As part of the private sector housing strategy to To operate and manage a home improvement agency service;~~

~~11. To extend the Home Improvement agency service to householders wishing to improve their properties but who are not eligible for financial assistance, particularly those requiring disabled adaptations.~~

~~12. To operate and manage a Telecare service & Assistive Technology services, including home safety, handyperson, and sensory impairment services.~~

Commented [HJ8]: Inserted to account for the Telecare/Assistive Technology services that are with Private Sector Housing

~~13. Private Sector Housing team Delegated Authority to serve the following enforcement notices:~~

Commented [HC9]: This is not an exhaustive list of notices, but it does cover the main types used.

<u>Housing Act 1985</u>	<u>330</u>	<u>Power to grant a license permitting overcrowding by an occupier</u>
	<u>335</u>	<u>Power to request information</u>
	<u>337 and 340</u>	<u>Powers of entry</u>
	<u>338</u>	<u>Power to serve notice to abate overcrowding</u>

<u>Housing Act 2004</u>	<u>11 and 12</u>	<u>Power to serve Improvement Notice to remedy defects</u>
	<u>20 and 21</u>	<u>Power to serve Prohibition Order to prohibit the use of part or whole of property</u>
	<u>28 and 29</u>	<u>Power to serve Hazard Awareness Notice to make owner aware of hazards that do not require any further action to be taken by LA</u>
	<u>40</u>	<u>Power to serve Emergency Remedial action notice. Cat 1 which poses imminent risk of serious harm to occupier.</u>
	<u>43</u>	<u>Power to serve Emergency Prohibition Order. Cat 1 which poses imminent risk of serious harm to occupier where other courses of action have been discounted.</u>
<u>Building Act 1984</u>	<u>59</u>	<u>Power to serve notice to allow the LA to remedy defective drainage.</u>
	<u>60</u>	<u>Power to serve notice to allow the LA to remedy unventilated soil pipes and use of rain water pipes to convey foul water.</u>
	<u>64</u>	<u>Power to serve notice requiring a WC.</u>
	<u>70</u>	<u>Power to serve notice requiring storage facilities for food.</u>
	<u>72</u>	<u>Power to serve notice requiring a fire escape.</u>
	<u>76</u>	<u>Power to serve notice to allow the LA to remedy defective state of premise.</u>
	<u>78</u>	<u>Power to serve notice of intention to execute emergency works to repair or demolish dangerous buildings or restrict use.</u>
	<u>79</u>	<u>Power to serve notice requiring the repair / restoration / demolition of dilapidated buildings and clear demolition sites</u>
	<u>80-83</u>	<u>Power / duty to serve a range of notices in connection with a demolition order served under the Housing Act 1985.</u>
<u>99</u>	<u>Power to serve notices under the BA 1984, prosecute if failure to comply, do work in default and reclaim costs</u>	
<u>Caravan Sites and Control of Development Act 1960</u>	<u>3-8</u>	<u>Power to issue caravan site licenses</u>
	<u>9</u>	<u>Power to serve compliance notices for breaches of site license conditions, license revocations, works in default, emergency action and recovering expenses.</u>
	<u>10</u>	<u>Power to transfer licenses and charge fees</u>
<u>Prevention of Damage by Pests Act 1949</u>	<u>4</u>	<u>Power to serve notice requiring removal of accumulations of rubbish to 'keep the land free from rats and mice'.</u>

Public Health Act 1936	45	Power to serve notice requiring WC to be cleaned or repaired so that it is no longer prejudicial to health or a nuisance
	35	Power to serve notice requiring filthy or verminous premises to be cleansed
Public Health Act 1961	34	Power to serve notice to remove Accumulations of rubbish 'seriously detrimental to the amenities of the neighbourhood'.
Environmental Protection Act 1990	80	Power to serve Statutory Nuisance, Abatement notice
Public Health Act 1961	17	Power to serve notice to repair of drains, private sewers etc cost not exceeding £250 7 day notice then LA repair.
Town and Country Planning Act 1990	S215	Power to service notice to remedy land adversely affecting amenity of neighbourhood.
Smoke and Carbon Monoxide Regulations 2015		Power to serve notices in connection with installation of smoke / CO alarms
Local Government Miscellaneous Provisions Act 1976	35	Power to remove obstruction from private sewer. Notice to clear drains and recover costs.
Local Government Miscellaneous Provisions Act YYYY?	16	Power to require information.
Anti-social Behaviour, Crime and Policing act 2014	43	Power to serve Community Protection Notice to do or stop doing something when there is a detrimental effect, of a persistent or continuing nature, on the quality of life of those in the locality, including but not limited to (if land owner is allowing Japanese Knotweed to spread onto another person's property?).

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.

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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
 - 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.~~

- ~~6.4.~~ To maintain and update asset management prepare and undertake maintenance 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, fire safety work, mechanical and electrical services to installations and sites suitable for potential development. installations, all to maintain and improve Council assets.

- ~~7.5.~~ 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.-

- ~~8.6.~~ 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.

~~9.7.~~ 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.

~~10.8.~~ 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.

~~11.9.~~ 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.

~~12.10.~~ 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.

~~13.11.~~ 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.

~~14.12.~~ 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 household 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.

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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~~ ~~City solicitor~~ ~~Solicitor~~, to institute legal proceedings and to represent the council in appropriate cases).

4. ~~To grant or refuse consents, t~~To serve notices and take any necessary ~~enforcement actions including recovery of costs~~ in respect of the following ~~on behalf of the PFI contract when commissioned to do so:~~
 - 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.
 - 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:~~

Commented [HJ10]: Roy Goulding/Stewart Lennard tidied this section to bring it up to date with the powers & duties

Commented [HJ11]: No longer relevant

- 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 Public Space Protection Orders and Community Protection Notices ~~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).~~

Scheme of delegations for the Safe Clean Tidy Environment Enforcement Team Delegated Authority

Offence Type	FPN AMOUNT SET BY PCC or REPORTED FOR PROSECUTION ONLY
Littering	£75, £100 and £150
Number of Dogs a person may have under their Control	Not currently in force in Portsmouth and would require a change to the current control order
Dog Fouling <u>PSPO</u>	£100 ⁷⁵
Dogs in Prohibited areas, off lead etc. <u>PSPO</u>	£100 ⁷⁵
Dog issues, off lead on designated highways.	No FPN reported for prosecution only
Aggressive Dog issues or without name tags	No FPN reported for prosecution only
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 only (£100)
Fly Posting or affixing things on highways structures	£75 ⁰⁰
Presentation of Domestic Waste	£60 Civil Debit + costs
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	£400

Part 2 Section 5B Director of Housing, Neighbourhoods & Building Services

03/20

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)	£75
Fly Posting (Highways)	£75
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
People living in vehicles on the highway overnight	No FPN available for this offence must be reported for prosecution only
Community Protection Notices for Environmental & ASB issues	£100
Public Space Protection Orders	£100
Householders Duty of Care	No FPN available for this offence at this time so must be reported for prosecution only, but FPN will be introduced in 2018 £300400

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;
 - 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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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.
- 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).

Management of corporate assets

- 1. To agree grant 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.
- 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, in line with current policy 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 planned and reactive maintenance, including and emergency works to council owned buildings with structures and land.

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 Resources 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~~ City solicitor-Solicitor to institute proceedings for possession of the mortgaged security; and where appropriate jointly with the Director of Finance and Resources and Information Services, and ~~city~~ City solicitor-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

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.

Trading

17. To trade services within the directorate.
18. To determine the selling prices of goods and services in relation to trading activities.

Recovery of costs

19. 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

20. Power to carry out work on behalf of other public bodies.

Coastal Flood and Erosion Risk Management / Drainage

21. 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.

Economic Development and Business Support

22. 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

23. To take such steps as shall be considered necessary to protect the council's interest in land and property.
24. 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

25. To identify and assess opportunities for asset development and investment including the management and chair of the asset development board
26. To provide market advice (including tenant demand, price, availability, type of transaction) to inform wider development decisions
27. To provide all valuation advice regarding development and investment (including assessments of existing use)
28. 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.
29. To assist the Directorate Finance Manager in modelling and assessing financial appraisals
30. To maintain and update the asset development programme plan
31. To provide relationship management of key public sector partners in relation to property.
32. To provide property lead and support to all corporate projects and service reviews
33. Where the city council have approved a purchase and the relevant expenditure, to settle terms up to the approved figure.

34. 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.
35. 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.
36. Where the council has resolved to make a compulsory purchase order, to settle terms for the purchase of property within the relevant approved budget.
37. 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.
38. In conjunction with other officers concerned, to settle claims not exceeding £50,000 for land compensation.
39. To agree terms for the acquisition of freehold or leasehold interest, where funding has been approved.
40. 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.
41. To dispose of freehold interests where the market value does not exceed £150,000.
42. To accept offers and to agree terms and conditions for the sale of land and property.

Planning

43. 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 and other parties under the Duty to Cooperate.
44. 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.
45. To engage with all the relevant parties both internal within Portsmouth City Council and external in responding to emerging neighbourhood plans in the

city, including providing relevant information to designated neighbourhood planning forums. To determine if neighbourhood plans meet all necessary statutory requirements, to conduct consultation, arrange for examinations and conduct neighbourhood plan referendums.

46. To maintain a brownfield register and determine which sites are appropriate to identify in part 1 of the register.
47. 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).
48. 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.
49. To make, confirm or otherwise deal with Directions to create local restrictions on permitted development rights made under the Town & Country Planning legislation relating to General Permitted Development, taking into account any representations received.

General Matters

All Planning Actions and Decisions* are delegated to the Director of Regeneration and the Assistant Director of Planning and Economic Growth except in the following circumstances:-

50. All applications required to be referred to the Secretary of State under the Town and Country Planning (Consultation) (England) Direction 2009;
51. Any applications where any Member so requests to the ADPEG providing a written reason, within 28 days of the registration of the application;
52. Any applications which are likely to have significant implications in the opinion of the ADPEG;
53. Any applications which are recommended for approval and that seek planning permission for 1,000 square metres or more of new non-residential floor area or for six or more new dwellings
54. Any applications which are recommended for approval but on which an objection has been received from a statutory consultee, which has not been resolved by negotiation or through the imposition of conditions;
55. Any applications submitted by, or on behalf of, a Councillor of the Authority (or their spouse/civil partner or a person with whom they are

living as spouse/civil partner), or by any member of the Council's staff (or their spouse/civil partner or a person with whom they are living as spouse/civil partner):

56. Any applications, except 'Householder applications', applications for advertisement consent, applications for works to TPO trees, applications in respect of trees in Conservation Areas or applications for minor non-residential alterations or extensions (industrial / commercial / leisure etc extensions, alterations and change of use resulting in less than (net) 250 sq. m of additional floorspace) submitted by or on behalf of the Council for its own developments or on land where the Council is the land owner;

57. Any applications which are recommended for approval where adverse representations based on material planning considerations have been received and a request has been received to attend committee as a deputation, except in the case of applications for certificates of lawfulness or applications for Prior Notifications.

**For this purpose whether an adverse representation is based on material consideration will be a matter of the sole discretion of the ADPEG.

58. Any applications for Minor Material Amendments (made under s73 of the Town and Country Planning Act 1990, or any section which revokes or re-enacts that section) or applications for Reserved Matters following the grant of Outline Planning Permission, that do, in the opinion of the ADPEG have significant implications.

59. The making of Directions restricting permitted development under Article 4 of the Town and Country Planning (General Permitted Development) Order 2015 or any Order which revokes and re-enacts that Order.

60. The making of Local Development Orders under the Town and Country Planning Act.

61. All necessary approvals for the Compulsory Purchase of land under the Town and Country Planning Act and determinations as to whether to appropriate land for planning purposes, or dispose of such land held for planning purposes under section 232 and 233 of the Act.

62. The adoption of documents as part of the Development Plan, including any Development Plan Documents and Supplementary Planning Documents

*For the avoidance of doubt, Planning Actions and Decisions include, but are not limited to:

Development Management decisions including the determination of all forms of application under the Town and Country Planning Act and associated legislation; the making of Tree Preservation Orders; the consideration and taking of enforcement

action under that Act and the Planning (Listed Building and Conservation Area) Act; the determination of any aspect of prior approval or otherwise under the Town and Country Planning (General Permitted Development) Order; the screening and consideration of proposal under the EIA Regulations; the agreement and execution of Planning Performance Agreements; the agreement and execution of Agreements under Section 106 of that Act or any other part; the consideration of hazardous substance consents; the consideration of highway diversion and/or stopping up orders under the Town and Country Planning legislation; the taking and defending of any legal proceedings pursuant to, or seeking to resolve, actions taken under that Act; decisions necessary to progress and resolve appeals to the Secretary of State or courts in respect of such decisions and actions; and including any revocation, modification or rescission of such decisions. And the determination of all forms of applications under the Planning (Listed Building and Conservation Area) Act; the determination of complaints received in respect of high hedges and to take such other action under Part 8 of the Anti-Social Behaviour Act 2003; and all necessary steps and decisions to progress any contribution to the determination of Development Consent Orders under the Planning Act.

Any decisions or actions necessary for the proper administration and monitoring of the enforcement, collection and spend of all relevant matters under planning obligations under 106 of the Town and Country Planning Act and under the Community Infrastructure Levy Regulations.

Any decision in respect of applications or approvals in respect of building plans and the Building Regulations.

Strategy and Policy Making and Progression including all necessary agreements or authorisations in the consideration of designation of neighbourhood areas and neighbourhood forum; all necessary agreements or authorisation necessary in the consideration of neighbourhood development plans, neighbourhood development orders or community right to build orders; and any approval for minor changes to conservation area boundaries.

Decisions in respect of any applications to register land on the Council's Assets of Community Value Register or to register land as Town and Village Green.

All necessary approvals to progress any part or all of the Local Plan and the Minerals and Waste Plan, including any Supplementary Planning Documents or associated guidance; the maintenance of a brownfield register and the determination as to which sites are appropriate to identify in which part of that register; and the approval of the Annual Monitoring Report and any other evidence base document for Publication.

The preparation and submission of the Local Planning Authorities views to internal parties within Portsmouth City Council and external parties responsible for policy formulation, including but not limited to commenting on consultation papers and assisting the policy formulation associated with government departments and other parties under the Duty to Cooperate.

~~50. 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 (including reserved matters 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.~~~~

~~51. Applications to register land on the Council's Assets of Community Value Register~~

~~52. Applications to register land as Town and Village Green~~

~~53. 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.~~

~~54. To determine whether an environmental assessment statement is required for relevant development projects under the Town and Country Planning legislation and environmental legislation~~

~~55. To determine whether an environmental impact assessment is required for relevant development projects.~~

- ~~56. To approve or refuse applications for certificates of lawfulness of existing or proposed use or development under Section 191 of the Town and Country Planning Act 1990 in consultation with the City Solicitor and to approve or refuse applications for certificates (seeking advice from the City Solicitor where required) under section 192 of the Town and Country Planning Act 1990 and any successor legislation.~~
- ~~57. To advertise as statutorily required or publicise in such way he considered necessary any planning application under Town and Country Planning legislation.~~
- ~~58. To serve statutory notices in respect of listed buildings and conservation areas.~~
- ~~59. To deal with conservation area tree notices including considering objections and representations, and to take such action as considered appropriate.~~
- ~~60. To authorise variation of conditions attached to planning consents where such variation does not require a formal application.~~
- ~~61. To authorise the making of and to confirm or otherwise deal with tree preservation orders, taking into account any objections and representations received.~~
- ~~62. 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~~
- ~~63. To grant or refuse consent, in respect of building plans and the Building Regulations.~~
- ~~64. To grant or refuse applications for advertisement consent.~~

Contentious Matters

- ~~65. 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~~
- ~~66. To take enforcement action and prosecution or other appropriate disposal in relation to listed buildings and conservation areas~~
- ~~67. To recommend appropriate breaches of tree preservation orders for prosecution or other disposal to the City Solicitor~~
- ~~68. 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.~~

~~69. In relation to anticipated breaches of planning control, to seek the City Solicitor's advice on seeking an injunction.~~

~~70. To serve statutory notices relating to land having a detrimental effect upon the amenity of an area under all enabling legislation.~~

~~71. 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.~~

~~72. 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

~~73.63.~~ 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.

~~74.64.~~ To administer hazardous substance registers in accordance with all enabling environmental legislation

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 and decision making.
3. Authority to negotiate and enter into commercial arrangements.
4. To agree charges for "common user" use of pPort 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 pPort 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 Corporate Services HR, Legal 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.
- 8-9. In conjunction with Director of Regeneration to negotiate and conclude agreements in respect of port assets, buildings, quays and structure, acquisitions, leaseholds where funding has been approved.

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<p>Section 5C</p> <p>"Proper Officer" / Statutory appointments</p>
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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.	CX
86	Declare vacancy in office	CX
87	Give public notice of a casual vacancy	CX
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
191	Functions with respect to ordnance survey.	CS
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.	CX
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

<u>Provision</u>	<u>Function</u>	<u>officer</u>
<u>Proper officer Resolutions or Statutory Appointments arising from subsequent enactments</u>		
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		DC
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	<u>DHRDCS</u>
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
<u>Health and Social Care Act 2012</u>	<u>Director of Public Health</u>	<u>DPH</u>

CX = chief executive
CS = city solicitor
~~DHR~~DCS = director of ~~human resources~~corporate services
DC = director of culture, leisure and regulatory services
DF = director of finance and resources
DPH = director of public health

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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From GOVERNANCE & AUDIT & STANDARDS COMMITTEE held on 3 March 2020

Council Agenda Item 14 (Minute No 14)

**Constitution Amendments Concerning Part 2 Section 5 - Chief Officer
Delegated Authority**

To receive and consider the attached report and recommendation from Governance and Audit and Standards Committee held on 3 March.

RECOMMENDED that Council approves the proposed amendments to Part 2, Section 5 Chief Officers' Delegated Authority for adoption into the Council's constitution.

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Title of meeting:	Governance and Audit and Standards Committee Full Council
Date of meeting:	3 March 2020 17 March 2020
Subject:	Proposed revision to Standing Order 32 - Referral of Motions to other bodies of the Council
Report by:	City Solicitor
Wards affected:	N/A
Key decision:	No
Full Council decision:	Yes

1. Purpose of report

To ask Governance & Audit & Standards Committee to consider recommending to Council that the option to refer Notices of Motion to other bodies of the Council and subsequently report back to Council, be removed.

2. Recommendations

2.1. That the Committee recommends to Council that all the wording after the first sentence in section d of Standing Order 32 be deleted leaving "Motions included in the agenda must be formally moved and seconded."

3. Background

3.1. Proposers of Notices of Motion which are published on Full Council agendas are given 3 minutes to convince Council whether to debate the matter. After this time, Council may decide to either debate the matter or refer it to another body of the Council, such as a scrutiny panel or Cabinet/Portfolio. That body is then required to report back to Full Council within the next 3 ordinary scheduled meetings.

4. Reasons for recommendations

4.1. Removing Council's decision to refer matters to other bodies of the Council would mean that all Notices of Motion will be debated. This would also negate the requirement for proposers to have 3 minutes to determine whether the motion needs to be debated. All matters would therefore be debated and put to the vote and either be carried or fail (irrespective of amendments).

4.2. This would not affect Notices of Motion being brought back to Council after 6 months or being resubmitted if previously abandoned.

5. Integrated impact assessment

This report does not require an Integrated Impact Assessment as it does not propose any new or changed services, policies or strategies.

6. Legal implications

The legal implications are embodied within this report.

7. 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:

Title of document	Location

From GOVERNANCE & AUDIT & STANDARDS COMMITTEE held on 3 March 2020

Council Agenda Item 15 (Minute No 15)

Proposed Revision to Standing Order 32 - Referral of Motions to other bodies of the Council

To receive and consider the attached report and recommendation from Governance and Audit and Standards Committee held on 3 March.

RECOMMENDED to Council that all the wording after the first sentence in section d of Standing Order 32 be deleted leaving "Motions included in the agenda must be formally moved and seconded."

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Title of meeting:	Employment Committee
Date of meeting:	6 th March 2020
Subject:	Pay Policy Statement 2020/21
Report by:	Rochelle Kneller, Assistant Director for HR
Wards affected:	None
Key decision:	No
Full Council decision:	Yes

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. It should be approved by Full Council no later than 31st March of each year, prior to the financial year to which it relates and be published on the council's website.

2. Recommendations

The Employment Committee is recommended to:

- 2.1 Approve the Pay Policy Statement attached as **Appendix 1**, to go forward for approval by the Full Council prior to 31 March 2020.
- 2.2 Subject to Employment Committee approval to continue to pay the Living Wage Rate as recommended by the Living Wage Foundation, that Members approve a revision in the report and Appendix 1 to reflect the Living Wage rate increase to £9.30 per hour with effect from 1st April 2020 and for this to be published prior to the deadline date of 31st March 2020.

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 3rd 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 Head 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**. The pay multiple data used for this report is based on 31 March 2019 and is based on the difference between the highest salary and the median salary which is 6.6.

The Council also considers that the relationship between the base salaries of its highest and lowest paid employees, which is currently a ratio of 1:9.1, represents an appropriate, fair and equitable internal pay relationship.

- 3.6 Whilst the Pay Policy Statement relates to the year 2020/21, 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. Reasons for recommendations

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. Integrated Impact Assessment

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

6. Legal implications

- 6.1 The Director of Corporate Services is satisfied that the Pay Policy Statement at Appendix 1 meets the legislative requirements under Chapter 8 - Pay Accountability and Section 38, 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 2020/21 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 31st March 2020 and can only be amended thereafter by resolution to Full Council.

7. Director of Finance's comments

- 7.1 There are no direct financial implications arising from the recommendation in this report.

.....
Signed by:

Appendices:

Appendix 1: Pay Policy Statement

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

PAY POLICY STATEMENT FOR THE FINANCIAL YEAR 2020/21

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 Act requires each local authority to produce a Pay Policy Statement (the 'statement') explaining its approach to the pay of its 'chief officers' and its 'lowest paid' employees and the relationship between the two. The statement has to be published and accessible to the public. The statement must be approved annually before 31 March each year prior to the financial year to which it relates.

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);
- The Directors, who report to and are directly accountable to the Chief Executive or any Director who acts in the capacity of Deputy Chief Executive. These Directors fulfil the roles of statutory Chief Officers, Section 151 Officer, and non-statutory Chief Officers;
- City Solicitor and Monitoring Officer (Director - lower band)
- 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 the Equality Act 2010 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 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 pay ranges based on 1 April 2019 (subject to change once the pay 2020 award is agreed) are:

Chief Executive	£142,964 - £158,014
Port Manager	£107,179 to £116,139
Director* (upper band)	£107,179 to £116,139
Director (mid band)	£91,867 to £101,541
Director (lower band)	£78,744 to £87,034
Senior Managers	£72,423 to £78,572

*This includes any Director (upper band) who also acts in capacity of Deputy Chief Executive as part of their role as Director.

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.

Other groups of employees are paid in accordance with salaries or salary scales agreed by the relevant national negotiating bodies. These groups include such workers as, NHS workers (statutory transfer from Primary Care Trusts) and those falling within the group of the Soulbury Committee or School Teachers' Pay and Conditions agreements.

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 1st April. Pay progression is based on the period of time the employee has served in that grade. Increments are due on 1 April each year, or 6 months after appointment if less than 6 months in the new grade by 1 April, i.e. an increment is paid after 6 months if the employee is appointed between 1 October and 31 March.

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- (mid band and above) 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. Directors (lower band) and Senior Managers pay will be increased with any pay increase agreed nationally in line with the National Joint Council (NJC).

Eligibility of Pay awards for TUPE employees will be reviewed on an annual basis as these are not automatically applied in order to preserve the employee's terms and conditions of employment. Employees who TUPE into the Council on existing NJC terms and conditions will continue to receive the NJC pay award applied.

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.

With effect from 1st September 2018, the Employment Committee made the commitment to Portsmouth City Council Employees (subject to agreement by governing bodies of schools) to pay the Living Wage rate as set by the independent Living Wage Foundation, subject to review each year. The current annual full-time equivalent value of this pay level, based on a 37-hour standard working week at £9.00 per hour is £17,364.

Assuming Members agree to continue to pay the Living Wage rate as set by the independent Living Wage Foundation, from 1st April 2020 this will result in employees* from SCP1 to SCP2 receiving a minimum hourly rate of £9.30 per hour, with the full time equivalent value of pay, based on a 37 hour standard working week, being £17,942.

(*The lowest paid does not include Apprentices for whom there are separate pay arrangements).

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 based on data as at 31st March 2019. This multiple is 6.6 with a median salary of £23,866 (subject to change pending the 2020 Pay Award).

(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 1:9.1, 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, Directors (including those who act in the capacity as Deputy Chief Executive) 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 and in accordance with the Travel and Subsistence Policy. These allowance rates are set out by HMRC.

Child care (salary sacrifice scheme)

Childcare vouchers are available to existing users via the HMRC-approved salary sacrifice scheme. New users will be able to access the Government Tax-Free Childcare 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

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 by end of March 2020 for the financial year 2020/21.

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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From EMPLOYMENT COMMITTEE held on 6 March 2020

Council Agenda Item 16 (Minute No 6)

Pay Policy Statement 2020/21

RECOMMENDED that the Pay Policy Statement attached as Appendix 1 to the report be approved by the Full Council prior to 31 March 2020.

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Agenda Item 18



Portsmouth CITY COUNCIL

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

CITY COUNCIL MEETING – 17 MARCH 2020

QUESTION NO 1

FROM: COUNCILLOR STEVE WEMYSS

**TO REPLY: CABINET MEMBER FOR CULTURE & CITY
DEVELOPMENT
COUNCILLOR STEVE PITT**

At the recent budget setting council meeting the administration included, as part of their proposals, a sum of money to consider the future replacement of Eastney Baths. As part of that consideration will the cabinet member, in conjunction with Portsmouth Football Club, investigate the possibility of including a new pool within the voids below any construction of a new stand at Fratton Park?

In a land starved city this will have the double benefit of dual use of a structure, associated with existing parking, and liberating a prime site on the seafront for a more lucrative development providing the City Council with much needed income.

QUESTION NO 2

FROM: COUNCILLOR JO HOOPER

**TO REPLY: CABINET MEMBER FOR EDUCATION
COUNCILLOR SUZY HORTON**

Could the Cabinet Member provide an update on the transfer of land to the council at the site of the former King Richards school? Are there any proposals to develop it for either housing or educational purposes?

QUESTION NO 3

FROM: COUNCILLOR TOM COLES

TO REPLY: LEADER OF THE COUNCIL
COUNCILLOR GERALD VERNON-JACKSON CBE

Since May 2018 how many committee meetings of the Local Enterprise Partnership (LEP) has the Leader of the Council, as the city council's representative, attended? And how many for the full duration of the meeting?

QUESTION NO 4

FROM: COUNCILLOR LINDA SYMES

TO REPLY: CABINET MEMBER FOR CULTURE & CITY
DEVELOPMENT
COUNCILLOR STEVE PITT

What steps if any, will the Cabinet Member commit to taking to stabilise the footfall in Palmerston Road?

QUESTION NO 5

FROM: COUNCILLOR LUKE STUBBS

TO REPLY: CABINET MEMBER FOR CULTURE & CITY
DEVELOPMENT
COUNCILLOR STEVE PITT

Will any additional consultation be undertaken with the residents of Pembroke Park before any development at the Museum Store is agreed?

QUESTION NO 6

FROM: COUNCILLOR TERRY NORTON

**TO REPLY: LEADER OF THE COUNCIL
COUNCILLOR GERALD VERNON-JACKSON CBE**

Is the leader of the council committed to improving democratic engagement at PCC?

QUESTION NO 7

FROM: COUNCILLOR STEVE WEMYSS

**TO REPLY: CABINET MEMBER FOR ENVIRONMENT & CLIMATE
CHANGE
COUNCILLOR DAVE ASHMORE**

Portsmouth City council agreed the Climate Emergency motion unanimously on 19 March 2019. Implicit within that was the recognition from all parties that there is a need for the planting of more trees. Portsmouth Water's announcement that they will plant 3000 trees at the site of their proposed reservoir at Havant Thicket is therefore welcome. However, what is less welcome is the destruction of ancient woodland to allow the creation of this reservoir that Portsmouth doesn't need and is solely to assist Southern Water in times of shortage. Especially when Southern Water, this close to the coast, could build a desalination plant to address that shortage. It is worth noting that the by-products of such a plant could, in future, be used to create batteries for electric vehicles, further addressing the carbon reduction target.

Will the cabinet member agree to take a report to his decision making meeting in the near future to examine these proposals with a view to making any recommendation or recommendations to council over the proposed reservoir.

QUESTION NO 8

FROM: COUNCILLOR TOM COLES

TO REPLY: LEADER OF THE COUNCIL
COUNCILLOR GERALD VERNON-JACKSON CBE

How many unaccompanied asylum seeking children are currently in the care of Portsmouth City Council?

QUESTION NO 9

FROM: COUNCILLOR LINDA SYMES

TO REPLY: CABINET MEMBER FOR CULTURE & CITY
DEVELOPMENT
COUNCILLOR STEVE PITT

What steps are being taken to increase the uptake of leisure activities by lower income people?

QUESTION NO 10

FROM: COUNCILLOR LUKE STUBBS

TO REPLY: CABINET MEMBER FOR CULTURE & CITY
DEVELOPMENT
COUNCILLOR STEVE PITT

Will the Cabinet Member consider extending the lease of the Southsea Beach Cafe To cover the gap between the expiry of the existing lease and the likely start of works on the sea defences?

QUESTION NO 11

FROM: COUNCILLOR LUKE STUBBS

TO REPLY: CABINET MEMBER FOR CULTURE & CITY
DEVELOPMENT
COUNCILLOR STEVE PITT

Why does the Transforming Cities bid show Fort Cumberland as a strategic development site?

QUESTION NO 12

FROM: COUNCILLOR LUKE STUBBS

TO REPLY: CABINET MEMBER FOR TRAFFIC &
TRANSPORTATION
COUNCILLOR LYNNE STAGG

What steps will the Cabinet Member take to mitigate the impact of the new resident's parking schemes on Leopold Street and Beatrice Road?

QUESTION NO 13

FROM: COUNCILLOR LUKE STUBBS

TO REPLY: CABINET MEMBER FOR TRAFFIC &
TRANSPORTATION
COUNCILLOR LYNNE STAGG

If the Transforming Cities bid is successful, how will the City Centre Road Scheme be funded, given the money previously set aside to pay for it will have been spent?

QUESTION NO 14

FROM: COUNCILLOR LUKE STUBBS

TO REPLY: CABINET MEMBER FOR TRAFFIC &
TRANSPORTATION
COUNCILLOR LYNNE STAGG

Are there any plans to remove parking from Albert Road, Southsea?