



# Agenda & minutes

Full Council meeting of  
Tuesday, 8 December 2020



# *Portsmouth City Council*

A REMOTE MEETING OF THE COUNCIL will be held virtually on Tuesday 8 December 2020 to commence at 2.00 pm and all members of the council are hereby summoned to attend remotely (link sent separately to members) to consider and resolve upon the following business:-

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## *Agenda*

- 1 **Members' Interests**
  - 2 **To approve as a correct record the Minutes of the Extraordinary and the Ordinary Council meetings held on 10 November 2020** (Pages 13 - 34)
  - 3 **To receive such communications as the Lord Mayor may desire to lay before the Council, including apologies for absence**
  - 4 **Written Deputations from the Public under Standing Order No 24**
  - 5 **Questions from the Public under Standing Order 25**
  - 6 **Appointments**
  - 7 **Urgent Business - To receive and consider any urgent and important business from Members of the Cabinet in accordance with Standing Order No 26**
  - 8 **Treasury Management Mid-Year review** (Pages 35 - 48)  
To receive and consider the attached report and recommendations (to follow) from the Cabinet meeting held on 1 December.
  - 9 **Revenue Budget Monitoring 2020/21 (Q2) to end September 2020** (Pages 49 - 64)  
To receive and consider the attached report and recommendations (to follow) from the Cabinet meeting held on 1 December.
- Notices of Motion: Process information**
- Following the Full Council meeting of 21 July 2020, the Council agreed to change Standing Order (32(d)), meaning all Notices of Motion of the agenda will automatically be dealt with at this meeting, thereby dispensing with a three minute presentation from the proposer and subsequent vote to enable its consideration.
- 10 **Notices of Motion**

(a) **Animal Welfare**

Proposed by Councillor Gerald Vernon-Jackson  
Seconded by Councillor Dave Ashmore

Over the last 40 years Britain has spearheaded efforts to improve animal welfare in the farming industry across Europe. Leadership from Britain has seen the abolition of cruel animal practices such as veal pens and battery cages for chickens. This has benefited animals across Europe.

Now that Britain has left the European Union we again have a chance to push better animal welfare in countries where we may import food from. We can do that by insisting that if countries want to export animal products to Britain that their standards of animal welfare are as high as those in this country. British consumers need to be protected from hormone filled beef and chlorine washed chicken.

High animal welfare standards in countries wishing to sell food to Britain will also mean that British farmers are not commercially disadvantaged by cheap, low animal welfare, imports of food from countries that do not have our animal welfare standards. Global Britain has a chance to influence the world for the better.

To support animal welfare the City Council therefore publicly supports the National Farmers Union petition on Food Standards. It calls on our MPs to support this line, regrets the decision of the MP for Portsmouth North (Penny Mordaunt) not to support proposals to support British farmers and animal welfare, and thanks the MP for Portsmouth South (Stephen Morgan) for joining MPs from the Labour, Lib Dems, Scottish and Welsh nationalists and the Green Party for doing so.

(b) **Public Sector Workers Pay Freeze**

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

Over the last nine months communities across the UK have come to rely on the exceptional work council workers have put in to protect and support local residents during the pandemic.

Just as in the NHS care workers, and others, have put their own health on the line to support and protect people suffering from Coronavirus, so have council workers. We have come to understand that key workers are a much wider group of people than we used to think they were.

In Portsmouth the City Council has created an isolation unit to take people coming out of hospital and to care for them until they are free from the virus, before they return to their own care homes. This is to break the cycle of infection between hospitals and care homes

of elderly and vulnerable residents. This unit is staffed completely by council employees, who are now facing a pay freeze imposed by the Government.

This council rejects the idea of a pay freeze on public sector workers whose efforts to give care and support during the pandemic have been superhuman.

Any plan that does not give teachers, teaching assistants, care workers and others who have been providing vital help and support during this virus, would be very unfair. It would be even more unfair when set against the reality of friends and contacts of Ministers being awarded multi million pound Government contracts with no competition. It cannot be right that friends of Ministers get rich on Government contracts but those providing care and support to the most vulnerable in society are facing a pay freeze.

(c) **Support Southampton Airport Runway Expansion**

Proposed by Councillor Donna Jones

Seconded by Councillor Simon Boshier

***'Supporting Jobs, supporting people, supporting the region, supporting communities and supporting sustainability' (pledge of Southampton Airport).***

Southampton Airport is an important regional airport in the UK. It connects people and businesses in the South and South West of England with Europe and other parts of the United Kingdom. The airport employed and supported 1000 jobs (pre COVID) and helped sustain thousands more jobs in: hotels, taxi trade, cruise industry, car hire and many more industries. 400 people have already lost their jobs and the remaining roles are now at threat. The pandemic of 2020 has led to the main carrier, Flybe going into administration and as a consequence the future of the airport is seriously at risk of closure.

A planning application has been submitted to Eastleigh Borough Council for an extension to the runway. This is due for determination in the next few weeks. The runway extension is 164 metres long and will be contained within the boundary of the airport; Southampton has the second shortest runway in the UK. It is essential for our regional, sub-regional and Portsmouth economy that this airport remains open. There are a number of jobs in the defence sector that rely heavily on the airport with thousands of people commuting from Portsmouth dockyard to Rosyth and other military sites across the UK weekly.

The extension to the runway is not about expanding the airport, it's about protecting and maintaining the one we have. The regional airport is vital not only to maintain and support our local economy, but also to ensure we are able to attract some of the best and most skilled businesses to this region in the coming years. With Brexit

and now COVID, we as local leaders, need to do more now than we have before, to stand up for the businesses and the people we represent.

This expansion to the runway is vital for the future certainty of this hugely important airport. Well known airlines are desperate to fly from Southampton, but they can't due to the length of the short runway. The extension will bring the airport up to a standard required by modern fleets. Boeing 737's and Airbus 320's will be able to fly to destinations further afield. This will in-turn mean more passengers, making these flights commercially viable for the first time, creating more jobs and securing the future of the airport.

It is essential that we also protect the environment and make sure that as community leaders we make sensible decisions and support the most sensible schemes. That's why it's important that we acknowledge Southampton is a 'carbon-neutral airport', with excellent public transport links. If the airport closes, for every person from Portsmouth that has to drive to Gatwick to fly to the South of France, an additional 22kg of carbon would be burnt. The main ecological cost of the extension to the runway, is the loss of the grass. This will be mitigated by new planting on the site. No trees need felling and there will be no increase in the number of flights, with the 2018 flight numbers expected to be reached by 2034 and no breach of safe air quality levels.

Therefore, Portsmouth City Council requests that political Leaders write a joint letter to Eastleigh Borough Council's planning committee making a submission in support of the extension to the runway at Southampton Airport.

(d) **Respecting Our Fallen Heroes**

Proposed by Councillor Terry Norton  
Seconded by Councillor Robert New

Portsmouth is a proud military city. The people of Portsmouth and the City Council have always embraced our military history and heritage, honouring and celebrating the part Portsmouth has played in defending the realm and people across the world.

Following the actions of Extinction Rebellion during the annual Armistice Day event in London just last month, where they defaced the Cenotaph and brought wide reaching criticism on their disrespectful and inappropriate actions, Portsmouth City Council places on record its disgust at the actions by their organisation. Furthermore, the council notes the Police designation and the Home Office submission of Extinction Rebellion as an extremist ideology.

The Guardian newspaper reported earlier this year, counter-terrorism police placed 'XR on a list of extremist ideologies that should be reported to the authorities running the Prevent

programme, which aims to catch those at risk of committing atrocities'

Portsmouth City Council regrets that Cllr Lynne Stagg failed to consult with taxis drivers and road users' groups during the summer of 2020, but instead consulted and met with Extinction Rebellion and associates ahead of making decisions to close road spaces/highways. Therefore, the council calls on the Cabinet not to include Extinction Rebellion as a recognised consultee on council projects in the future.

(e) **The Future of Portsmouth Dockyard**

Proposed by Councillor Matthew Atkins  
Seconded by Councillor Robert New

The Royal Navy has played a major part in our city and our country's history. It is a matter of great pride to Portsmouth's citizens that we are not only 'The Home of the Royal Navy' but also home to the two aircraft carriers: HMS Queen Elizabeth and HMS Prince of Wales, the largest warships ever built by the British Government.

Portsmouth's economy is heavily dependent on the Royal Navy and the many skilled jobs in the private sector paid for by the government through defence contracts. Companies like BAE Systems and Babcock employ thousands of people in the city and the surrounding area.

This council has a history of supporting the Royal Navy and fighting for Portsmouth's Dockyard. Cllr Vernon-Jackson, as Leader of the city council, was key in putting the case for Portsmouth Naval Base in the 2013 Strategic Defence Review. Cllr Donna Jones has fought for the Type 31 contract to be signed and the ships to be base-ported in Portsmouth following the decommissioning of the Type 23s, as well as putting the case for Portsmouth in the mini-strategic defence review of 2015.

Our future as a city is dependent on the jobs and the skills the dockyard brings. The government has recently announced the largest increase in defence spending in 30 years. An additional £16.5Bn will be spent on defence of the UK over the next 4 years on top of a regular annual increase of 0.5% above inflation. The commitment to increase the Royal Navy surface fleet was a key part of the announcement including the confirmation of government's ambition to deliver a new Type 32 class of frigate bringing the total number of frigates to 25 by the year 2035. As well as increasing the budget the Prime Minister Boris Johnson, has made a commitment that these new ships will be built in Britain. This will continue to secure the future of our nation, as well as the future of the Naval Base in Portsmouth.

Therefore this council welcomes:

1. The increase in the defence budget announced by the government
2. The confirmation of the new Type 31 frigate class being delivered
3. The future plans for the new Type 32 frigates.
4. And places on record its thanks to the government for the commitment to defence spending over the next 4 years.

(f) **Stop the Cut to Universal Credit**

Proposed by Councillor Graham Heaney  
Seconded by Councillor George Fielding

Up and down our country millions of people have lost their jobs or substantial amounts of income due to Covid-19. These cuts will increase pressure on already tight household budgets.

The coronavirus crisis has shone a light on poverty in Portsmouth. Despite the efforts of many across our city and in the local voluntary and community sector, this winter, food banks are expecting to give out an emergency parcel every 9 seconds. The Trussell Trust have also said cutting Universal Credit could increase already skyrocketing food bank use by a further 10%.

In that context, it is unthinkable for the national government to take £20 a week, or £1,000 a year, from Portsmouth's poorest households as unemployment continues to rise.

Research from the Resolution Foundation has shown this cut would see the poorest households lose 7 per cent of their disposable income.

This Council therefore resolves to:

- urge the Government not to cut Universal Credit by £20 a week for families; and;
- ask Group Leaders to write to the Chancellor of the Exchequer to extend that approach to supporting Britain's families and maintaining the £20 rise to Universal Credit to help people in Portsmouth;
- asks Cabinet to continue to work alongside local voluntary and community sector organisations to identify the impact of Covid-19 on the most vulnerable in our city and take steps to mitigate this.

(g) **Openness and Transparency at Portsmouth City Council**

Proposed by Councillor Terry Norton  
Seconded by Councillor Scott Payter-Harris

This council is committed to taking efforts to improve local government transparency and accountability.



The council regrets that controversial projects such as the redevelopment of the pyramids have been presented as "done deals" the decisions having already been made outside the construct of Public or Council Member consultation and or scrutiny

Council notes,

That where political decisions have had to be made the administration has consistently neglected to consult with the wider membership.

Improving transparency and public engagement must be a priority for this council.

Opposition councillors have been denied access to information on cases such as the St James' Hospital bid.

Council resolves,

The city council call upon the administration to work cross party and remove the Culture of secrecy that currently exists.

(h) **Save the Union Learning Fund**

Proposed by Councillor Cal Corkery  
Seconded by Councillor Graham Heaney

The Union Learning Fund (ULF) was established in 1998 to promote activity by trade unions in support of the objective of creating a learning society. Its primary aim was to develop the capacity of trade unions and Union Learning Representatives (ULRs) to work with employers, employees and learning providers to encourage greater take up of learning in the workplace.

The scope of the ULF has gradually broadened since 1998, as union capacity has grown and government strategic objectives have changed and unions have been encouraged to work on improving access to work and to work in the community.

The ULF is managed and administered by Unionlearn, the TUC's Learning and Skills Organisation under an agreement with the Department for Education (DfE) which directs the level and type of learning activity that should be supported by the Fund.

Unionlearn's main functions are to support unions to:

- Become effective learning organisations and broker learning opportunities for their members.
- Improve union engagement with and influence on learning and skills policy.
- Engage effectively with employers, employees and providers to help support the most disadvantaged learners in the

labour market; focusing on supporting maths and English learners and the take-up of high quality apprenticeships and traineeships that will contribute to the Government's commitment to support the delivery of 3 million apprenticeship starts by 2020, as well as promoting the Apprenticeship Levy and new employer-led apprenticeship standards.

- Engage with employers to support them in developing new apprenticeship standards to replace frameworks.
- Provide support and advice to apprentices and trainees and help resolve any issues.
- Engage effectively with employers and other stakeholders to support the learning and skills developments required to tackle poverty and disadvantage and promote employment and the growth of the economy.
- Engage effectively with employers to develop learning and skills strategies that address both organisational and individual skills needs.
- Evaluate and provide an evidence base for the unique contribution that unions make to improving economic and social mobility through learning and skills.

In early October, the TUC received a letter from the Department for Education saying that ministers have decided to end the Union Learning Fund from March 2021. This is an astonishing and counterproductive decision – last year more than 200,000 learners got new skills through union learning

Only unions, through their network of reps, have been able to reach these workers and help them get into learning. In the middle of the deepest recession of our lifetimes, this is not the time to cut skills and training. The government must reverse this decision – and keep learners learning.

Full Council recognises the excellent results that have been achieved by the Union Learning fund:

- 68% of learners with no previous qualifications gained a qualification
- 68% of employers say unions are particularly effective at inspiring reluctant learners to engage in training and development
- 70% of learners would not have taken part in learning with union support
- Every £1 invested in the Union Learning Fund generated a total economic return of £12.24 (2017-2018 project)

Full Council therefore believes that the government should continue to invest in the Union Learning Fund and requests the Chief Executive write to the Secretary of State for Education stating this view.

(i) **Helping the HIVE**

Proposed by Councillor Luke Stubbs  
Seconded by Councillor Donna Jones

The City Council puts on record its thanks for the work done by the HIVE and by the third sector more widely. While council would like to provide greater financial help, it recognises the financial constraints it operates under and accepts that finding more money is probably unrealistic.

Council notes that local authorities can have a role in fundraising and that Portsmouth has a good record in this regard, with its local lottery having raised hundreds of thousands of pounds since its launch in 2016. The London Boroughs of Westminster and Kensington and Chelsea both promote Community Contribution schemes when collecting the council tax. These seek additional voluntary contributions from the most expensive properties to support council aligned charities. While both boroughs have found the percentage take up rate has been low, the mix of properties in those boroughs means the schemes are worthwhile. This approach would not work in Portsmouth.

Council however considers that promoting giving to the HIVE when collecting the council tax is an issue worth exploring. This could take the form of an insert in council tax bills or through a link prominent on the website for people paying online. It acknowledges the potential risks and accepts that any paper insert must not push envelopes over the maximum size for economy postage. It also recognises the legal constraints on the tax collection process. This notwithstanding, it asks the Cabinet to consider options for promoting donating to the HIVE as part of next year's tax collection process.

**11 Questions from Members under Standing Order No 17 (Pages 65 - 68)**

David Williams  
Chief Executive

Deputations - A written deputation stating which agenda item it refers to must be received by the Local Democracy Manager by 12 noon two working days preceding the meeting. Any written deputation received by email will be sent to the Council Members and be referred to and be read out at the meeting. Please notify the Local Democracy Manager at [Stewart.Aglan@portsmouthcc.gov.uk](mailto:Stewart.Aglan@portsmouthcc.gov.uk).

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# Agenda Item 2

10 November 2020 1

MINUTES OF A VIRTUAL EXTRAORDINARY MEETING OF THE COUNCIL  
held remotely on Tuesday, 10 November 2020 at 2.00 pm.

## **Council Members Present (virtually)**

The Right Worshipful The Lord Mayor  
Councillor Rob Wood (in the Chair)

### Councillors

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

## **General Procedural Announcements**

### **Link to the agenda**

<https://democracy.portsmouth.gov.uk/ieListDocuments.aspx?CId=146&MIId=4637&Ver=4>

The Lord Mayor welcomed everyone to the meeting that is being held virtually in response to the limitations placed on government by the Covid-19 pandemic. He advised that the meeting would be run by reference to the model standing orders as set out in the Local Authorities (Coronavirus) Flexibility of Local Authority Meetings Regulations 2020. The Lord Mayor then ran through the etiquette relating to virtual meetings.

## **79. Apologies for Absence**

Apologies for absence were received on behalf of Councillor Neill Young. Apologies for absence from the extraordinary meeting were given on behalf of Councillor David Fuller (owing to technical difficulties) but he was able to join the ordinary meeting.

**80. Written Deputations**

The Lord Mayor advised that no written deputations had been received relating to the business on the extraordinary meeting's agenda.

**81. Admission to the Roll of Honorary Aldermen - Mr Steven Wylie**

The Lord Mayor advised that the motion to admit Mr Steven Wylie as an Honorary Alderman will need to be passed by not less than two thirds of the members voting.

It was

Proposed by Councillor Gerald Vernon-Jackson  
Seconded by Councillor Claire Udy

That the title of Honorary Alderman be conferred on Mr Steven Wylie, a former member and Lord Mayor of the Portsmouth City Council.

The proposer of the motion gave a short speech in support, as did the seconder of the motion.

**RESOLVED unanimously that the title of Honorary Alderman be conferred on Mr Steven Wylie and that a certificate confirming this decision be presented to him at a future city council meeting.**

The meeting concluded at 2.15 pm.

.....  
Lord Mayor

MINUTES OF AN ORDINARY VIRTUAL MEETING OF THE COUNCIL held remotely on Tuesday, 10 November 2020 at 2.25 pm.

**Council Members Present (virtually)**

The Right Worshipful The Lord Mayor  
Councillor Rob Wood (in the Chair)

Councillors

Dave Ashmore	Hugh Mason
Matthew Atkins	Lee Mason
Chris Attwell	Terry Norton
Simon Boshier	Stephen Morgan MP
Tom Coles	Gemma New
Cal Corkery	Robert New
Ben Dowling	Steve Pitt
Jason Fazackarley	Will Purvis
John Ferrett	Darren Sanders
George Fielding	Jeanette Smith
David Fuller	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	Tom Wood

**General Procedural Announcements**

Link to the agenda

<https://democracy.portsmouth.gov.uk/ieListDocuments.aspx?CId=146&MId=4266&Ver=4>

**82. Declarations of Members' Interests**

Councillor Will Purvis declared a personal, pecuniary interest in agenda item 11(d) - Planning in that his employer is a developer. He said he would not take part in this debate.

Councillor Steve Pitt asked whether he should declare an interest in agenda item 11(b) - Aquind as his partner was an allotment holder. The City Solicitor said this was not a declarable interest and advised Councillor Judith Smyth that the same applied to her as an allotment holder.

The City Solicitor also advised Councillor Gerald Vernon-Jackson that being the council's Armed Forces Champion did not mean he had a declarable

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interest in agenda item 11(f) - Commonwealth Armed Forces Veterans' Support.

**83. To approve as a correct record the Minutes of the Virtual Council meeting held on 13 October 2020**

It was

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

That the minutes of the council meeting held on 13 October 2020 be confirmed as a correct record.

These were agreed by assent.

**RESOLVED that the minutes of the council meeting held on 13 October 2020 be confirmed as a correct record.**

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

The Lord Mayor advised that apologies for absence would be recorded as mentioned in the earlier extraordinary meeting.

The Lord Mayor advised that the Leader has changed the title of the Resources portfolio held by Councillor Attwell to "Communities and Central Services".

The Leader of the Council advised that a letter of congratulation to the American President Elect and Vice President Elect will be sent on behalf of the city council with an invitation for them to visit Portsmouth on any trip they make to the UK.

**85. Written Deputations from the Public under Standing Order No 24**

The Lord Mayor advised that four written deputations had been received which had all been previously circulated.

The first was from Ms Viola Langley in respect of agenda item 11(b).  
The second was from Ms Kimberley Barrett also in respect of agenda item 11(b).  
The third was from Mr Alan Burgess in respect of agenda item 11(e).  
The final deputation was from Mr Craig Withey in respect of agenda item 11(f).

The Local Democracy Manager read out the deputations.

The Lord Mayor thanked those who had submitted written deputations.



**86. Questions from the Public under Standing Order 25**

The Lord Mayor advised that there were no questions from the public.

**87. Appointments**

The Lord Mayor advised that there were no appointments.

**88. 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.

**89. Hampshire Fire and Rescue Authority - Update**

Councillor Jason Fazackarley, the Council's representative on the Hampshire Fire and Rescue Authority provided an oral update. He advised that following the last Council meeting, the Council had received a written response from Mr Odin, the Chief Fire Officer, to the Council's questions. He also noted that a recent response from the Fire Brigades Union had also been received - both these responses had been circulated to all Councillors.

Councillor Fazackarley thanked Mr Odin for his responses to the questions posed and suggested at this stage that the Council note the content of the letter. Councillor Fazackarley advised that he intended to take Mr Odin up on his offer to meet with him and representatives of all the Groups on the Council as originally intended, so they can discuss his response. He would then report any outstanding concerns back to Full Council.

**90. Update on the Aquind Interconnector Project**

The Lord Mayor advised that this is a delegated Cabinet decision and members are simply being asked to note the report as previously notified. An opportunity for debate would be given later in the meeting under notice of motion 11(b).

**91. Monitoring Officer Report**

The Lord Mayor advised that a report from the Monitoring Officer had been previously circulated under section 5 of the Local Government and Housing Act 1989. In response to the information set out in the report, it was

Proposed by Councillor Gerald Vernon-Jackson  
Seconded by Councillor Suzy Horton

That the recommendations in the Monitoring Officer's report be agreed.

Following debate, upon being put to a roll call vote, this was CARRIED.

**RESOLVED that the council**

- 1. Notes that there is an existing tension as between the delivery of two statutory duties of the council: one being the duty under the 1989 Children Act ("sec 20 duty") to provide accommodation for young people, including unaccompanied asylum seeking minors, for whom no alternative care arrangement is possible and the other the duty under the 2004 Children Act to provide safe care for children for whom the council has parenting responsibility ("Corporate parenting").**
- 2. Notes that the council is currently not discharging the responsibility under the 1989 Act in respect of unaccompanied asylum seeking minors arriving through the Port or identified elsewhere in the city; the Home Office is currently arranging for these young people to be accommodated by other local authorities. Since 1 October 2020 6 young people have been accommodated in this way.**
- 3. The council's ability to provide safe care under the 2004 Act is being kept under close review and the council will aim to resume discharging its duty under the 1989 Act as soon as either a judgement is made that it has become able to provide safe care or the number of unaccompanied asylum seeking children within the care of the council falls to the number set by the National Transfer Scheme (see report), whichever is the soonest.**
- 4. The council continues to mandate the Lead Cabinet Member and DCS to continue to work with all relevant Central Government Departments' and to report upon an immediate basis when the current numbers of unaccompanied asylum seekers are such as to be within the National Transfer Scheme criteria (see report).**

**92. Notices of Motion**

The Lord Mayor asked members to please note that following the full council meeting of 21 July 2020, the council agreed to revise Standing Order (32)(d)). Consequently, all Notices of Motion on the agenda will automatically be dealt with at this meeting, thereby dispensing with a three minute presentation from the proposer and subsequent vote to enable its consideration.

There were seven notices of motion on the agenda for this meeting.

**92.a Universal Basic Income**

It was

Proposed by Councillor Matthew Winnington  
Seconded by Councillor Ben Dowling

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

Following debate, upon being put to a roll call vote this was CARRIED.

**RESOLVED that**

**Many people in Portsmouth are struggling because of the COVID-19 pandemic and with the looming end of the Brexit transition period leading to real uncertainty about their jobs and paying the bills going into the future. For some who have lost their jobs they have had to go through the process, many for the first time ever, of claiming benefit.**

**Claiming benefit can be a stressful experience and there is no full income from Universal Credit until five weeks into the claim and, when it is received, it is usually nowhere near what people were getting from their jobs prior to being made redundant or being unable to carry out their self-employed work anymore.**

**This council therefore believes that a pragmatic and fair solution to this is the introduction of a Universal Basic Income (UBI), a universal payment that goes to every citizen and those who have recourse to public funds in the UK. This takes away the stress and complication of having to put in a claim for even a small amount of money from the state and gives the opportunity for each recipient to use the money that they receive as of right to pay towards housing costs, invest in setting up a business, give to charity or whatever is right for the person receiving it.**

**Further to this, this council will ask the government to pilot a UBI and that Portsmouth be one of the pilot areas (subject to Cabinet formally resolving to support this approach) as we are a place at the front line of Brexit as a major port city and a city with many people employed in the cultural and creative industries which are under particular threat due to COVID-19.**

Council adjourned at 4.56 pm.

Council resumed at 5.10 pm.

**92.b Aquind**

It was

Proposed by Councillor Luke Stubbs  
Seconded by Councillor Simon Boshier

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

Following debate a recorded vote was requested and this was agreed by assent.

The following members voted in favour of adopting notice of motion (b) as set out on the agenda.

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

No members voted against the proposal.

The following member abstained.

Councillor Claire Udy

Notice of motion (b) as set out on the agenda was therefore adopted.

**RESOLVED that**

**The council notes with regret the application made by Aquind for an interconnector cable from France to Hampshire, England. This council strongly objects to the application, particularly the stretch that runs through the city of Portsmouth.**

**The council notes that both recent leaders of the City Council, Councillor Donna Jones and Councillor Gerald Vernon-Jackson, have made their objections clear. These objections are a matter of record. The first formal objection was noted in a meeting in the spring of 2018 by Councillor Donna Jones on behalf of Portsmouth City Council. Both city MPs Penny Mordaunt and Councillor Stephen Morgan have also lodged their objections publicly.**

**The council therefore agrees that the most effective way to stop Aquind is for all councillors and political parties to work together to support a strong evidence based objection to the application.**

**The council requests:**

1. **The Leader of the Council set up a cross party working group to prepare for the public inquiry due to be held to determine this application.**
2. **The working group's Terms of Reference be agreed to ensure unity, respect and support amongst political parties in working together to stop the Aquind interconnector application.**
3. **That regular updates are brought back to the City Council on the on-going progress of the working group and wider application**

The Leader also undertook to invite representation on the working group from "Let's stop Aquind" Group.

### **92.c Free School Meals**

It was

Proposed by Councillor Suzy Horton  
Seconded by Councillor Steve Pitt

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

As an amendment it was

Proposed by Councillor Luke Stubbs  
Seconded by Councillor Donna Jones

"Amendment

Delete after Paragraph Six ('the very welcome') and replace with

That the government has decided to provide a £400m package of support for poorer children and families, including a £170m COVID Winter Grant Scheme to be distributed by local authorities.

That the 2020 public sector deficit in Britain is forecast to be 18.9% of GDP, the highest of any major economy in the world.

That the economy is forecast to shrink by 10.6% this year and that while a recovery is expected next year, it will be some years before the country is back to where it was at the start of 2020. This will necessarily mean fewer jobs, higher taxes and lower public spending over the medium term.

That in spite of the financial challenges, the government has increased Universal Credit rates.

While this council is concerned about the state of the public finances, it believes the poorest should be protected. It therefore puts on record its support for the government's actions.

This Council resolves to write to the Secretary of State for Education and the Chancellor of the Exchequer to ask that they consider the future financing and support of benefits for children and families including free school meals and to develop a balanced package of support for the poorest and to consider options for the future, including during any further periods of lockdown. This may include consideration of eligibility for migrants without access to public funds, although only if this can be done without creating further incentives for illegal migration."

Following debate, upon being put to a roll call vote, the amendment in the name of Councillor Luke Stubbs was LOST.

Upon the original notice of motion being put to a roll call vote, this was CARRIED.

**RESOLVED that**

**This Council notes:**

**That numbers of pupils entitled to Free School Meals are rising fast in Portsmouth with over 1000 additional children since the start of the pandemic. That means over 7000 children.**

**That every child who is entitled to Free School Meals is a sign of a family under significant financial pressure.**

**That this picture of increasing child poverty is supported by the rapid rise in the number of families dependent on food banks.**

**The Trussell trust reporting an 81 per cent increase in food bank dependency in March 2020, and other food banks reporting similar increases. The number of children relying on food banks more than doubles during lockdown and Portsmouth figures reflect this trend with one foodbank reporting over 100% increase in demand the weeks before half term.**

**That children who are hungry are less able to learn and thrive at school.**

**That the extension of the school meals voucher scheme (campaigned for by Marcus Rashford) to cover the period of the summer holiday was incredibly important and valuable to families in food poverty.**

**The very welcome commitment from Liberal Democrat Education Minister in the Welsh Assembly, Kirsty Williams, to guarantee free school meal provision for children in Wales for school holidays until at least Easter 2021.**

**The very welcome commitment from Portsmouth City Council to guarantee a 2 week voucher for free school meal provision for the 2020 Christmas holidays as well as continuing with successful programmes such as Holiday Food and Fun.**

**This Council recognises that the withdrawal of the furlough scheme, along with fears of a second lockdown are likely to lead to further increases in child poverty.**

**This Council therefore supports the calls by the Child Food Poverty Task Force, supported by Marcus Rashford and many leading food suppliers and producers, which calls for:**

**The expansion of free school meals provision to every child whose family is in receipt of Universal Credit or equivalent, or with a low-income and no recourse to public funds.**

**That provision be made for food vouchers to cover school holidays and periods of lockdown for all families in receipt of Universal Credit or with low-income and no recourse to public funds.**

**That Healthy Start vouchers should be increased in value to £4.25, and expanded to be made available to all those in receipt of Universal Credit or with a low-income and no recourse to public funds.**

**In August, the Government spent more than £522m subsidising diners £10 per meal, under the Eat Out to Help Out scheme. It would cost just £15 to provide a week's meals for a vulnerable child in Portsmouth**

**This Council therefore resolves to write to the Secretary of State for Education and the Chancellor to call for:**

- 1. Extended eligibility for free school meals to every pupil whose parents or guardians are in receipt of Universal Credit**
- 2. Food vouchers for every one of those pupils in every school holiday and during any period of lockdown**
- 3. Extended eligibility for free school meals to pupils from low-income families whose parents or guardians have no recourse to public funds and destitute asylum seekers under s4 of the Immigration and Asylum Act 1999.**

Council adjourned at 7.40 pm.

Council resumed at 7.50 pm.

#### **92.d Planning**

It was

Proposed by Councillor Terry Norton  
Seconded by Councillor Scott Payter-Harris

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

As an amendment it was

Proposed by Councillor Judith Smyth  
Seconded by Councillor Graham Heaney

"Amendment

Delete first sentence of the third paragraph and replace with:

"Council notes that the reduction in spending on planning services as a result of the austerity programme of the Coalition and Conservative governments has had an impact on the ability of the planning service to carry out its vital function. This led to local decisions in Portsmouth to reduce the number of planning officers and to the loss of experienced planning officers.

Council regrets the need to bring in outside support to try to reduce the backlog at a time when the council budget is under significant pressure."

As an amendment it was

Proposed by Councillor Hugh Mason  
Seconded by Councillor David Fuller

"Amendment

At the end of the first sentence in paragraph 1 add the following words

*"as a result of the Nitrates Directive and ongoing staff vacancies, both being exacerbated by the effects of the Covid19 pandemic. This required applications with significant economic benefits to the city to be prioritised over routine applications. As a consequence although national speed requirements have consistently been met until 2020, the proportion of applications determined in time fell to 76% in the second quarter of 2020."*

Delete the second sentence of paragraph 1

Delete the second sentence of paragraph 2

Replace the first two sentences of paragraph 3 with the following words

*"Council supports the decision to support the service with additional outside resources to reduce the backlog but recognises that this alone will not be sufficient to maintain an exemplary planning service. It therefore agrees with the Cabinet Member with responsibility for planning."*

Replace the words after Department in the first bullet point with

*"introduce performance monitoring against defined targets for all parts of the development management procedures."*

Replace the words after public in the second bullet point and replace with

*", and reports to future full council meetings on the implementation of*



*measures to improve the speed and quality of the development management procedures.”*

The motion to therefore read

Council notes the extensive backlog of unregistered planning applications that has built up as a result of the Nitrates Directive and ongoing staff vacancies, both being exacerbated by the effects of the Covid19 pandemic. This required applications with significant economic benefits to the city to be prioritised over routine applications. As a consequence although national speed requirements have consistently been met until 2020, the proportion of applications determined in time fell to 76% in the second quarter of 2020.

Council considers that being able to make planning decisions in a consistent and timely manner is critical if it is to achieve its ambitions for the regeneration of the city and for it to become a hub for businesses in emerging sectors.

Council supports the decision to support the service with additional outside resources to reduce the backlog but recognises that this alone will not be sufficient to maintain an exemplary planning service. It therefore agrees with the Cabinet Member with responsibility for planning:

- That the Planning Department introduce performance monitoring against defined targets for all parts of the development management procedures;
- That the Cabinet member work with the Planning Department to ensure greater transparency for both Councillors and the public, and reports to future full council meetings on the implementation of measures to improve the speed and quality of the development management procedures."

The proposer of the original motion agreed to subsume into it the amendment in the name of Councillor Hugh Mason.

Following debate, upon being put to a roll call vote, the amendment standing in the name of Councillor Judith Smyth was LOST.

Upon the substantive notice of motion incorporating the amendment standing in the name of Councillor Hugh Mason being put to the vote, this was CARRIED by assent.

## **RESOLVED**

**Council notes the extensive backlog of unregistered planning applications that has built up as a result of the Nitrates Directive and ongoing staff vacancies, both being exacerbated by the effects of the Covid19 pandemic. This required applications with significant economic benefits to the city to be prioritised over routine applications. As a consequence although national speed requirements have consistently been met until 2020, the proportion of applications determined in time fell to 76% in the second quarter of 2020.**

**Council considers that being able to make planning decisions in a consistent and timely manner is critical if it is to achieve its ambitions for the regeneration of the city and for it to become a hub for businesses in emerging sectors.**

**Council supports the decision to support the service with additional outside resources to reduce the backlog but recognises that this alone will not be sufficient to maintain an exemplary planning service. It therefore agrees with the Cabinet Member with responsibility for planning:**

- **That the Planning Department introduce performance monitoring against defined targets for all parts of the development management procedures;**
- **That the Cabinet member work with the Planning Department to ensure greater transparency for both Councillors and the public, and reports to future full council meetings on the implementation of measures to improve the speed and quality of the development management procedures.**

#### **92.e Stop Fining Homeless People**

It was

Proposed by Councillor Cal Corkery  
Seconded by Councillor Judith Smyth

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

As an amendment it was

Proposed by Councillor Darren Sanders  
Seconded by Councillor Steve Pitt

"Amendment

1. In par 1, line 2, add after 'hotels' 'for at least one night'
2. In par 1, line 2, replace Around 130 of those with more than 200.
3. In par 1, line 4, insert after halls 'private rented accommodation'
4. Replace all of para 2 with : "The Council has also been awarded more than six million pounds from the Government to help provide rough sleepers with safe, secure accommodation, the sixth biggest allocation to any English Council."
5. In new par 3, add at the end of the last word "needs" with ", which is why the council is now providing self-contained accommodation."
6. In new par 4, line 2, please replace "A number of £100 fines" with "Six Fixed Penalty Notices"
7. In new Par 4 add after paid ", none of which have been pursued"
8. Replace all of Para 5 with: It is council policy not to follow the approach of Labour councils like Oxford which threatened £2,500 fines for rough sleepers leaving bags in doorways while recognising that rough

sleepers - like other human beings - commit antisocial and criminal behaviour.

9. Add to the end of point 1 the words " Council workers, people in partner agencies and volunteers who have contributed towards this."
10. Replace point 2: "Congratulates the Council on securing record levels of investment from the Government to tackle rough sleeping."
11. Add new point 3 to say: "Recognises the efforts council officers are making to ensure safe and secure accommodation for every rough sleeper, including those for whom a hostel or shared house setting is not appropriate."
12. Replace original points 3 and 4 with new points 5 and 6:
  - Requests Cabinet to continue to support the approach that no rough sleepers should be punished purely if they are a rough sleeper and condemns the approach of councils like Oxford, which threatens rough sleepers with fines for being rough sleepers
  - Asks Cabinet to note that the Homelessness Partnership Group recently discussed with police colleagues the possibility of working more closely to try to develop a support based model around tackling begging and certain antisocial behaviours. This would aim to minimise any police prosecutions of those begging or committing anti social behaviour. Council endorses the Board's decision to look at how this can be handled fairly and sensitively, including whether Fixed Penalty Notices are appropriate.

The Motion to therefore read

Since the government issued the 'everyone in' directive in March 2020 the council has housed a total of over 400 homeless individuals in hotels for at least one night. Around 200 of those people have now been moved on to new temporary accommodation units across a mix of student halls private rented accommodation and rooms in shared houses.

The Council has also been awarded more than six million pounds from the Government to help provide rough sleepers with safe, secure accommodation, the sixth biggest allocation to any English Council.

A number of rough sleepers, regularly those with the most complex needs, feel they would be unable to cope in a hostel or shared house environment. Often this is due to feeling unsafe as a result of their health and support needs, which is why the council is now providing self-contained accommodation.

A recent investigation by The Mirror found that across the country 420 fixed penalties have been issued by councils to homeless people for begging or loitering in the street. Six Fixed Penalty Notices have been issued by the council to rough sleepers in Portsmouth - none of which have been paid, none of which have been pursued.

It is council policy not to follow the approach of Labour councils like Oxford which threatened £2,500 fines for rough sleepers leaving bags in doorways

while recognising that rough sleepers - like other human beings - commit antisocial and criminal behaviour.

Full Council therefore:

1. Recognises the significant efforts that have been made to accommodate local homeless people since the onset of the coronavirus pandemic, and thanks all those Council workers, people in partner agencies and volunteers who have contributed towards this.
2. Congratulates the Council on securing record levels of investment from the Government to tackle rough sleeping.
3. Recognises the efforts council officers are making to ensure safe and secure accommodation for every rough sleeper, including those for whom a hostel or shared house setting is not appropriate.
4. Requests Cabinet to continue to support the approach that no rough sleepers should be punished purely if they are a rough sleeper and condemns the approach of councils like Oxford, which threatens rough sleepers with fines for being rough sleepers
5. Asks Cabinet to note that the Homelessness Partnership Group recently discussed with police colleagues the possibility of working more closely to try to develop a support based model around tackling begging and certain antisocial behaviours. This would aim to minimise any police prosecutions of those begging or committing anti social behaviour. Council endorses the Board's decision to look at how this can be handled fairly and sensitively, including whether Fixed Penalty Notices are appropriate.

Following debate upon being put to a roll call vote, the amendment standing in the name of Councillor Darren Sanders was CARRIED.

Upon the substantive notice of motion incorporating the amendment being put to a roll call vote, this was CARRIED.

#### **RESOLVED that**

**Since the government issued the 'everyone in' directive in March 2020 the council has housed a total of over 400 homeless individuals in hotels for at least one night. Around 200 of those people have now been moved on to new temporary accommodation units across a mix of student halls private rented accommodation and rooms in shared houses.**

**The Council has also been awarded more than six million pounds from the Government to help provide rough sleepers with safe, secure accommodation, the sixth biggest allocation to any English Council.**

**A number of rough sleepers, regularly those with the most complex needs, feel they would be unable to cope in a hostel or shared house environment. Often this is due to feeling unsafe as a result of their health and support needs, which is why the council is now providing self-contained accommodation.**

**A recent investigation by The Mirror found that across the country 420 fixed penalties have been issued by councils to homeless people for begging or loitering in the street. Six Fixed Penalty Notices have been issued by the council to rough sleepers in Portsmouth - none of which have been paid, none of which have been pursued.**

**It is council policy not to follow the approach of Labour councils like Oxford which threatened £2,500 fines for rough sleepers leaving bags in doorways while recognising that rough sleepers - like other human beings - commit antisocial and criminal behaviour.**

**Full Council therefore:**

- 1. Recognises the significant efforts that have been made to accommodate local homeless people since the onset of the coronavirus pandemic, and thanks all those Council workers, people in partner agencies and volunteers who have contributed towards this.**
- 2. Congratulates the Council on securing record levels of investment from the Government to tackle rough sleeping.**
- 3. Recognises the efforts council officers are making to ensure safe and secure accommodation for every rough sleeper, including those for whom a hostel or shared house setting is not appropriate.**
- 4. Requests Cabinet to continue to support the approach that no rough sleepers should be punished purely if they are a rough sleeper and condemns the approach of councils like Oxford, which threatens rough sleepers with fines for being rough sleepers**
- 5. Asks Cabinet to note that the Homelessness Partnership Group recently discussed with police colleagues the possibility of working more closely to try to develop a support based model around tackling begging and certain antisocial behaviours. This would aim to minimise any police prosecutions of those begging or committing anti social behaviour. Council endorses the Board's decision to look at how this can be handled fairly and sensitively, including whether Fixed Penalty Notices are appropriate.**

#### **92.f Commonwealth Armed Forces Veterans Support**

It was

Proposed by Councillor Tom Coles  
Seconded by Councillor Graham Heaney

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

As an amendment it was

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

"Amendment

From the first paragraph delete all after 'We call upon the Council to' and insert:

reaffirm its commitment to the Royal British Legion's Stop the Service Charge campaign which was passed in a motion at this Council with cross party support in October 2019. Additionally the motion supported all non-Commonwealth foreign personnel, as well as Commonwealth personnel, serving in the British armed forces for at least four years to have their Indefinite Leave to Remain visa fees, nearly £2,500 per person, waived as set out in House of Commons Early Day Motion 2164 which gained cross party support in the last session of parliament.

That Portsmouth City Council additionally confirms its support for all non-Commonwealth foreign and Commonwealth personnel who have served at least 10 years in the British armed forces to be granted automatic British citizenship.

To show its continued support for the Royal British Legion's Stop the Service Charge campaign, the cross party parliamentary campaign to also waive Indefinite Leave to Remain visa fees for non-Commonwealth foreign as well as Commonwealth service personnel and this council's call to grant automatic citizenship to all British armed forces personnel from non-Commonwealth foreign and Commonwealth countries after ten years of service, letters from this Council will be prepared to send to the Prime Minister, the Home Secretary and the Defence Secretary, signed by all members of the Council who wish to sign them.

This Council also calls on Portsmouth's two MPs, Penny Mordaunt and Stephen Morgan, to publicly support these actions and stand up for all service personnel and former service personnel in this city, no matter where in the world they come from."

Following debate, the proposer of the original motion agreed to subsume into it the amendment.

The substantive notice of motion incorporating the amendment was CARRIED by assent.

## **RESOLVED**

**We call upon the council to reaffirm its commitment to the Royal British Legion's Stop the Service Charge campaign which was passed in a motion at this Council with cross party support in October 2019. Additionally the motion supported all non-Commonwealth foreign personnel, as well as Commonwealth personnel, serving in the British armed forces for at least four years to have their Indefinite Leave to Remain visa fees, nearly £2,500 per person, waived as set out in House of Commons Early Day Motion 2164 which gained cross party support in the last session of parliament.**

**That Portsmouth City Council additionally confirms its support for all non-Commonwealth foreign and Commonwealth personnel who have served at least 10 years in the British armed forces to be granted automatic British citizenship.**

**To show its continued support for the Royal British Legion's Stop the Service Charge campaign, the cross party parliamentary campaign to also waive Indefinite Leave to Remain visa fees for non-Commonwealth foreign as well as Commonwealth service personnel and this council's call to grant automatic citizenship to all British armed forces personnel from non-Commonwealth foreign and Commonwealth countries after ten years of service, letters from this Council will be prepared to send to the Prime Minister, the Home Secretary and the Defence Secretary, signed by all members of the Council who wish to sign them.**

**This Council also calls on Portsmouth's two MPs, Penny Mordaunt and Stephen Morgan, to publicly support these actions and stand up for all service personnel and former service personnel in this city, no matter where in the world they come from.**

#### **92.g Parking and COVID**

It was

Proposed by Councillor Luke Stubbs  
Seconded by Councillor Linda Symes

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

As an amendment it was

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

"Amendment

Delete last paragraph and replace with:

Given the unique challenges that Covid presents for our business community, Council welcomes the announcement that the previous parking discount offered in September, where an additional hour of free parking was available on top of any period of paid parking at 4 car parks adjacent to key shopping areas, is to be renewed for December to support high streets. Council further notes that the purpose is to provide extra time for shoppers who may have to queue for longer than usual due to Covid rules and to encourage those who have already made the decision to use their cars to dwell longer. The Council encourages everyone to Shop Local this Christmas."

The Motion to therefore read:

The COVID pandemic has hit both the retail and hospitality sectors hard, with a deep and permanent reduction in the level of employment and business activity the likely result.

For many struggling retailers a successful Christmas is essential. Without it, a wave of store closures after the January sales must be probable.

Council acknowledges the impact that COVID has had on its own finances and that as things stand, tax receipts are likely to be lower and expenditure higher than originally planned. It however notes its own exposure to the business sector and that a further decline will mean a drop in business rate income.

Given the unique challenges that Covid presents for our business community, Council welcomes the announcement that the previous parking discount offered in September, where an additional hour of free parking was available on top of any period of paid parking at 4 car parks adjacent to key shopping areas, is to be renewed for December to support high streets. Council further notes that the purpose is to provide extra time for shoppers who may have to queue for longer than usual due to Covid rules and to encourage those who have already made the decision to use their cars to dwell longer. The Council encourages everyone to Shop Local this Christmas."

Following debate, the proposer of the original motion agreed to subsume into it the amendment.

Upon being put to the vote the substantive notice of motion incorporating the amendment was CARRIED by assent.

## **RESOLVED**

**The COVID pandemic has hit both the retail and hospitality sectors hard, with a deep and permanent reduction in the level of employment and business activity the likely result.**

**For many struggling retailers a successful Christmas is essential. Without it, a wave of store closures after the January sales must be probable.**

**Council acknowledges the impact that COVID has had on its own finances and that as things stand, tax receipts are likely to be lower and expenditure higher than originally planned. It however notes its own exposure to the business sector and that a further decline will mean a drop in business rate income.**

**Given the unique challenges that Covid presents for our business community, Council welcomes the announcement that the previous parking discount offered in September, where an additional hour of free parking was available on top of any period of paid parking at 4 car parks adjacent to key shopping areas, is to be renewed for December to support high streets. Council further notes that the purpose is to provide extra time for shoppers who may have to queue for longer than**



**usual due to Covid rules and to encourage those who have already made the decision to use their cars to dwell longer. The Council encourages everyone to Shop Local this Christmas."**

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

There were eight questions before council today.

**Question 1 was from Councillor Steve Wemyss**

"How, and in what form, will the public be consulted by the administration on this year's budget proposals?"

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

**Question 2 was from Councillor Simon Boshier**

"The Elm Grove/Kings Road segregated cycle lane is to be reviewed after three weeks of operation. When will the Cabinet member be making her decision as to whether it will be kept or removed and will members of the public be given the opportunity to make representations?"

This and supplementary questions were answered by the Cabinet Member for Traffic and Transportation, Councillor Lynne Stagg.

**Question 3 was from Councillor Robert New**

"Could Councillor Stagg update us on the local authority bid to the DfT for funding the feasibility study for reopening the Paulsgrove railway halt and possibly the Drayton and Farlington and others?"

This and supplementary questions were answered by the Cabinet Member for Traffic and Transportation, Councillor Lynne Stagg.

**Question 4 was from Councillor Steve Pitt**

"Can the Cabinet Member please update on the ongoing integration work involving the City Council and the local NHS as part of Health & Care Portsmouth"

This and supplementary questions were answered by the Cabinet Member for Health Wellbeing and Social Care, Councillor Matthew Winnington.

**Question 5 was from Councillor Cal Corkery**

"Can the Leader of the Council provide an update on the impact of the coronavirus pandemic on the council's commercial property investment portfolio?"

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

**Question 6 was from Councillor Tom Coles**

"Can the Cabinet Member confirm the progress of the actions contained in the Hidden Disabilities motion of last Full Council?"

This and supplementary questions were answered by the Cabinet Member for Communities and Central Services, Councillor Chris Attwell

**The time allowed for questions expired before the remaining 2 questions could be put and so in accordance with Standing Order 17(h) written replies would be circulated to members.**

The Lord Mayor thanked members and officers for their virtual attendance at the meeting and wished everyone goodnight.

The meeting concluded at 11.25 pm.

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Lord Mayor

# Agenda Item 8



**Portsmouth**  
CITY COUNCIL

<b>Title of meeting:</b>	Governance and Audit and Standards Committee Cabinet City Council
<b>Date of meeting:</b>	Governance and Audit and Standards Committee 20 <sup>th</sup> November 2020 Cabinet 1 <sup>st</sup> December 2020 City Council 8 <sup>th</sup> December
<b>Subject:</b>	Treasury Management Mid-Year Review 2020/21
<b>Report by:</b>	Chris Ward, Director of Finance and Resources (Section 151 Officer)
<b>Wards affected:</b>	All
<b>Key decision:</b>	No
<b>Full Council decision:</b>	Yes

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## 1. Executive Summary

This report outlines the Council's performance against the treasury management indicators approved by the City Council on 17<sup>th</sup> March 2020.

The Council borrowed £60m in quarter 1 of 2020/21. No further borrowing was undertaken in quarter 2 of 2020/21.

Investment returns have continued to be on a downward trend in line with the likelihood that increases in Bank Rate are unlikely to occur before 2023.

## 2. Purpose of report

The purpose of the report is to inform members and the wider community of the Council's Treasury Management position, ie. its borrowing and cash investments at 30<sup>th</sup> September 2020 and of the risks attached to that position.

Whilst the Council has a portfolio of investment properties and some equity shares which were acquired through the capital programme; these do not in themselves form part of the treasury management function.



### **3. Recommendations**

It is recommended that the following be noted:

- 3.1 That the Council's Treasury Management activities have remained within the Treasury Management Policy 2020/21 in the period up to 30th September 2020.
- 3.2 That the actual Treasury Management indicators as at 30th September 2020 set out in Appendix A be noted.

### **4. Background**

The Council's treasury management operations encompass the following:

- Cash flow forecasting (both daily balances and longer term forecasting)
- Investing surplus funds in approved cash investments
- Borrowing to finance short term cash deficits and capital payments
- Management of debt (including rescheduling and ensuring an even maturity profile)

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
- 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 or error

The treasury management budget accounts for a significant proportion of the Council's overall budget.



The Council's Treasury Management Policy aims to manage risk whilst optimising costs and returns. The Council monitors and measures its treasury management position against the indicators described in this report. Treasury management monitoring reports are brought to the Governance and Audit and Standards Committee for scrutiny.

The Governance and Audit and Standards Committee noted the recommendations to Council contained within the Treasury Management Policy 2020/21 on 3<sup>rd</sup> March 2020. The City Council approved the Treasury Management Policy 2020/21 on 17<sup>th</sup> March 2020.

**5. Reasons for recommendations**

To highlight any variance from the approved Treasury Management Policy and to note any subsequent actions.

To provide assurance that the Council's treasury management activities are effectively managed.

**6. Integrated impact assessment**

An integrated impact assessment is not required as the recommendations do not directly impact on service or policy delivery. Any changes made arising from this report would be subject to investigation in their own right.

**6. Legal implications**

The Section 151 Officer is required by the Local Government Act 1972 and by the Accounts and Audit Regulations 2015 to ensure that the Council's budgeting, financial management, and accounting practices meet the relevant statutory and professional requirements. Members must have regard to and be aware of the wider duties placed on the Council by various statutes governing the conduct of its financial affairs.

**7. Director of Finance'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)

**Appendices:**

**Appendix A: Treasury Management Mid-Year Review 2020/21**

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

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

<b>Title of document</b>	<b>Location</b>
1 Treasury Management Records	Financial Services

**APPENDIX A****TREASURY MANAGEMENT MID-YEAR REVIEW 2020/21****A1. SUMMARY OF TREASURY MANAGEMENT INDICATORS**

The City Council originally approved the authorised limit (the maximum amount of borrowing permitted by the Council) and the operational boundary (the maximum amount of borrowing that is expected) on 11<sup>th</sup> February 2020. The Council's debt at 30<sup>th</sup> September was as follows:

<b>Prudential Indicator</b>	<b>Limit £m</b>	<b>Actual £m</b>
Authorised Limit - the maximum amount of borrowing permitted by the Council	883	786
Operational Boundary - the maximum amount of borrowing that is expected	868	786

The maturity structure of the Council's fixed rate borrowing was:

	<b>Under 1 Year</b>	<b>1 to 2 Years</b>	<b>3 to 5 Years</b>	<b>6 to 10 Years</b>	<b>11 to 20 Years</b>	<b>21 to 30 Years</b>	<b>31 to 40 Years</b>	<b>41 to 50 Years</b>
Minimum proportion of loans maturing	0%	0%	0%	0%	0%	0%	0%	0%
Maximum proportion of loans maturing	10%	10%	10%	20%	30%	30%	40%	40%
Actual proportion of loans maturing	1%	1%	4%	11%	18%	7%	31%	27%

The maturity structure of the Council’s variable rate borrowing was:

	<b>Under 1 Year</b>	<b>1 to 2 Years</b>	<b>3 to 5 Years</b>	<b>6 to 10 Years</b>	<b>11 to 20 Years</b>	<b>21 to 30 Years</b>	<b>31 to 40 Years</b>	<b>41 to 50 Years</b>
Minimum proportion of loans maturing	0%	0%	0%	0%	0%	0%	0%	0%
Maximum proportion of loans maturing	10%	10%	10%	20%	30%	30%	30%	30%
Actual proportion of loans maturing	2%	2%	6%	11%	22%	24%	19%	14%

Surplus cash invested for periods longer than 365 days at 30<sup>th</sup> September 2020 was:

	<b>Limit</b>	<b>Quarter 2 Actual</b>
	£m	£m
Maturing after 31/3/2021	117	80
Maturing after 31/3/2022	50	38
Maturing after 31/3/2023	50	20

## **A2. GOVERNANCE**

The Treasury Management Policy approved by the City Council on 17<sup>th</sup> March 2020 provides the framework within which treasury management activities are undertaken.

There have been no breaches of these policies during 2020/21 up to the period ending 30<sup>th</sup> September 2020.



### A3. BORROWING ACTIVITY

Gilt yields had already been on a generally falling trend up until the coronavirus crisis hit western economies during March. After gilt yields initially spiked upwards in March, we have seen yields fall sharply in response to major western central banks taking rapid policy action to deal with excessive stress in financial markets during March, and starting massive quantitative easing driven purchases of government bonds: these actions also acted to put downward pressure on government bond yields at a time when there has been a huge and quick expansion of government expenditure financed by issuing government bonds. Such unprecedented levels of issuance in “normal” times would have caused bond yields to rise sharply. At the close on 30<sup>th</sup> September, all gilt yields from 1 to 6 years were in negative territory, while even 25-year yields were only at 0.76% and the 50 year at 0.60%.

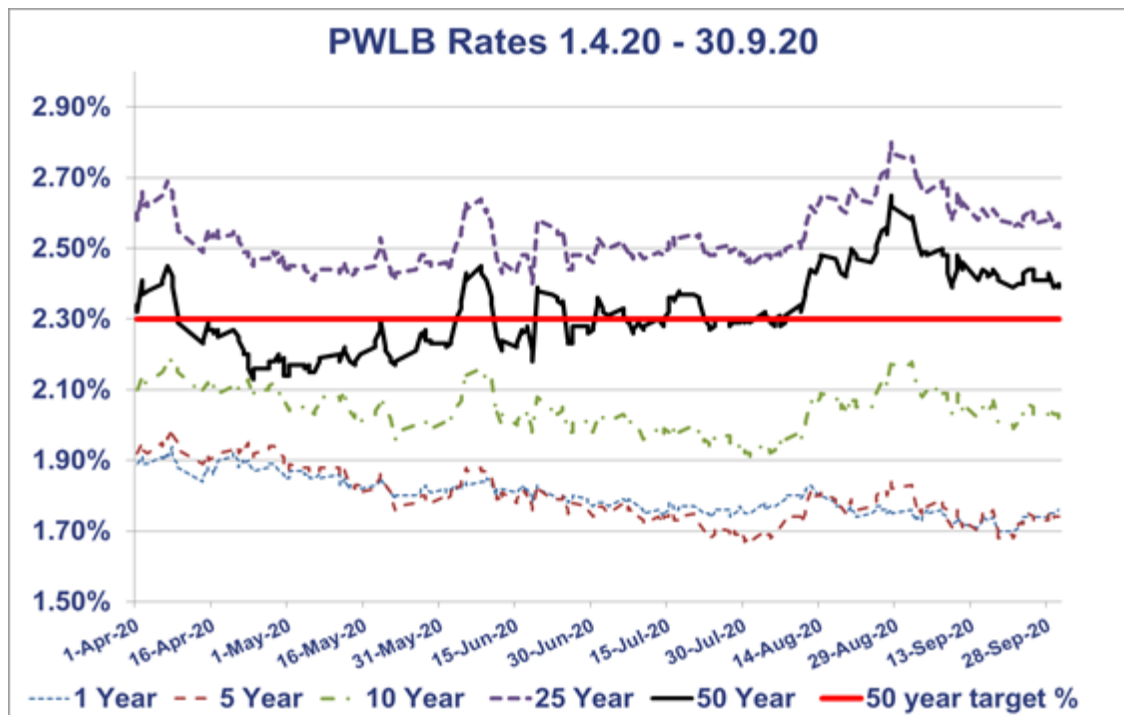
From the local authority borrowing perspective, HM Treasury imposed two changes of margins over gilt yields for Public Works Loans Board (PWLB) rates in 2019/20 without any prior warning. The first took place on 9<sup>th</sup> October 2019, adding an additional 1% margin over gilts to all PWLB period rates. That increase was then, at least partially, reversed for some forms of borrowing on 11<sup>th</sup> March 2020, but not for mainstream non-HRA capital schemes. At the same time the Government announced in the Budget a programme of increased infrastructure expenditure. It also announced that there would be a consultation with local authorities on possibly further amending these margins; the HM Treasury consultation was initially due to end on 4<sup>th</sup> June, but that date was subsequently put back to 31<sup>st</sup> July. To date, the outcomes of the consultation have yet to be announced but it is clear that HM Treasury will most likely no longer allow local authorities to borrow money from the PWLB to purchase commercial property if the primary aim is to generate an income stream (assets for yield). The definition of such commercial activity in the consultation is vague.

Following the changes on 11 March 2020 in margins over gilt yields, the current situation is as follows: -

- **PWLB Standard Rate** is gilt plus 200 basis points (G+200bps)
- **PWLB Certainty Rate** is gilt plus 180 basis points (G+180bps)
- **PWLB HRA Standard Rate** is gilt plus 100 basis points (G+100bps)
- **PWLB HRA Certainty Rate** is gilt plus 80bps (G+80bps)
- **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)

The Council qualifies to borrow from the PWLB at the certainty rate for both General Fund and Housing Revenue Account purposes. It is possible that the non-HRA Certainty Rate will be subject to revision downwards after the conclusion of the HM Treasury consultation; however, the timing of such a change is currently an unknown, although it would be likely to be within the current financial year.

There has not been a great deal of volatility in PWLB rates since the start of the financial year, apart from a more significant spike up during the second half of August into early September. This is shown in the graph below.



There is likely to be little upward movement in PWLB rates over the next two years as it will take economies, including the UK, a prolonged period to recover all the momentum they have lost in the sharp recession caused during the coronavirus shut down period. Inflation is also likely to be very low during this period.

£60m was borrowed from the PWLB at the HRA certainty rate in the first quarter of 2020/21 to fund the HRA capital programme. This was because PWLB rates were very low and because the Council may not be able to access funding from the PWLB in future because of its commercial activities. These loans were all for £20m and are repayable in 50 years at maturity. These loans have an average interest rate of 1.17%.

Whereas this authority has previously relied on the PWLB as its main source of funding, it now has to fundamentally reconsider alternative cheaper sources of borrowing 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)

At the current time, this is a developmental area as the action taken by HM Treasury on PWLB rates has also taken the financial services industry by surprise. The market has yet to settle down and Members will be updated as this area evolves.

At the start of the year, the Council had £30m of short term loans to help fund the payment of 3 years' of employer's pension contributions in advance in return for a discount. These loans were repaid in the first quarter of 2020/21.

The Council's gross borrowing at 30<sup>th</sup> September 2020 of £786m is within the Council's Authorised Limit (the maximum amount of borrowing approved by City Council) of £883m and also within the Council's Operational Boundary (the limit beyond which borrowing is not expected to exceed) of £868m.

The Council plans for gross borrowing to have a reasonably even maturity profile. This is to ensure that the Council does not need to replace large amounts of maturing borrowing when interest rates could be unfavourable.

The actual maturity profile of the Council's borrowing is within the limits contained within the Council's Treasury Management Policy (see paragraph A1).

#### Early Redemption of Borrowing

Debt rescheduling opportunities have been limited in the current economic climate and following the various increases in the margins added to gilt yields which has impacted PWLB new borrowing rates since October 2010. During the quarter ended 30<sup>th</sup> September 2020 no debt rescheduling was undertaken.

With the exception of two loans all the Council's borrowings to finance capital expenditure are fixed rate and fixed term loans. This reduces interest rate risk and provides a high degree of budget certainty.

The Council's borrowing portfolio is kept under review to identify if and when it would be financially beneficial to repay any specific loans early. Repaying borrowing early invariably results in a premium (early repayment charges) by the PWLB that are sufficiently large to make early repayment of borrowing financially unattractive to the Council.

No debt rescheduling or early repayment of debt has been undertaken during the two quarters of 2020/21 as it has not been financially advantageous for the Council to do so.

#### A4. INVESTMENT ACTIVITY

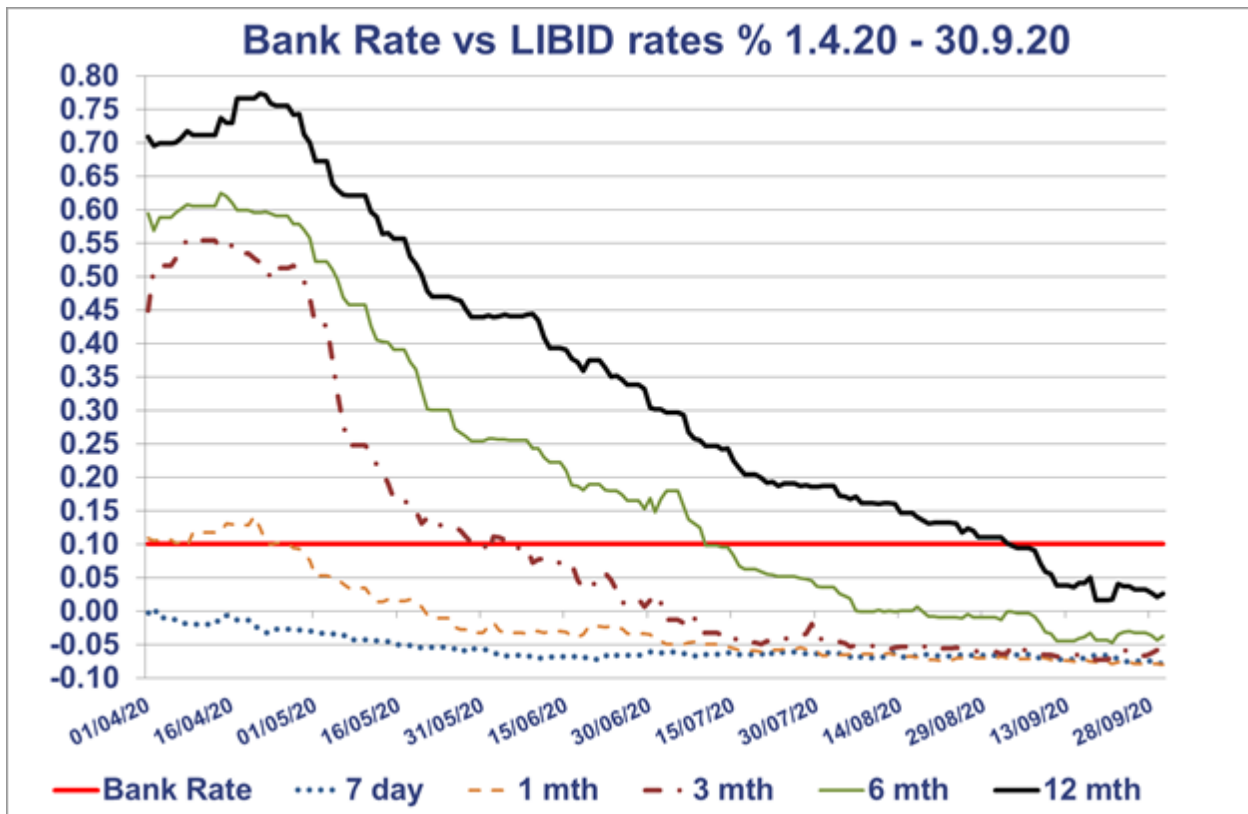
Although the credit rating agencies changed their outlook on many UK banks from stable to negative outlook during the quarter ended 30<sup>th</sup> June 2020, due to upcoming risks to banks' earnings and asset quality during the economic downturn caused by the pandemic, the majority of ratings were affirmed due to the continuing strong credit profiles of UK banks. However, during Q1 and Q2 2020, banks did make provisions for expected credit losses and the rating changes reflected these provisions. As we move into the next quarters ahead, more information will emerge on actual levels of credit losses. This has the potential to cause rating agencies to revisit their initial rating adjustments later in 2020. These adjustments could be negative or positive, although it should also be borne in mind that UK banks went into this pandemic with strong balance sheets. Indeed, the Financial Policy Committee (FPC) report on 6<sup>th</sup> August revised down their expected credit losses for the banking sector to "somewhat less than £80bn". They stated that, in their assessment, "banks have buffers of capital more than sufficient to absorb the losses that are likely to arise under the Monetary Policy Committee's (MPC) central projection". The FPC stated that for real stress in the sector, the economic output would need to be twice as bad as the MPC's projection, with unemployment rising to above 15%.

All three rating agencies have reviewed banks around the world with similar results in many countries of most banks being placed on negative watch, but with a small number of actual downgrades.

It is possible to insure deposits with banks against the risk of the bank defaulting through a financial instrument known as a credit default swap (CDS). CDS prices are therefore market indicators of credit risk. The CDS prices for UK banks spiked upwards at the end of March / early April due to the liquidity crisis throughout financial markets. CDS prices have returned to average levels since then, although they are still elevated compared to end-February.

Uncertainty over Brexit caused the MPC to leave Bank Rate unchanged during 2019 and at its January 2020 meeting. However, since then the coronavirus outbreak has transformed the economic landscape: in March, the MPC took emergency action twice to cut Bank Rate first to 0.25%, and then to 0.10%.

Actual market investment rates (London Interbank Bid rate) are shown in the graph below.



It is now impossible to earn the level of interest rates commonly seen in previous decades as all investment rates are barely above zero now that Bank Rate is at 0.10%, while some entities, including more recently the Debt Management Account Deposit Facility (DMADF), are offering negative rates of return in some shorter time periods. Given this risk environment and the fact that increases in Bank Rate are unlikely to occur before 2023, investment returns are expected to remain low.

The Council's cash investment portfolio consists of the following.

	<b>Portfolio at 31<sup>st</sup> March 2020</b>	<b>Return in 2019/20</b>	<b>Portfolio at 30<sup>th</sup> June 2020</b>	<b>Annualised Return to 30<sup>th</sup> June 2020</b>	<b>Portfolio at 30<sup>th</sup> September 2020</b>	<b>Annualised Return to 30<sup>th</sup> September 2020</b>
Plain vanilla interest bearing deposits	£375.7	0.98%	£374.2m	0.98%	£415.0m	0.92%
Tradable structured interest bearing deposits where the interest rate or the maturity date is determined by certain criteria	£9.7m	2.05%	£10.2m	22.55%	£10.3m	13.88%
Externally managed corporate bonds	£7.4m	-1.16%	£8.0m	24.28%	£8.0m	18.92%
<b>Total</b>	<b>£392.8m</b>	<b>0.99%</b>	<b>£392.4m</b>	<b>2.02%</b>	<b>£433.3m</b>	<b>1.58%</b>

#### Plain Vanilla Interest Bearing Deposits

As previously reported in the Treasury Management Outturn Report for 2019/20, the return on plain vanilla interest bearing deposits in 2019/20 was reduced through the need to provide £0.6m to write off the investment in Victory Energy Services Limited (VESL). The underlying return on these deposits in 2019/20 before providing for the write off of the investment in VESL was 1.16%. Therefore the underlying return on these investments has fallen by 24 basis points in the first half of 2020/21. This trend is expected to continue as when the current investments mature, it is unlikely that it will be possible to replace them with new investments paying the previous rates.

#### Tradable Structured Interest Bearing Deposits

This now consists of a single collared floating rate note purchased in June 2018 with a nominal value of £10m maturing in June 2023. Interest is paid at the 3 month London Inter Bank Offer Rate (LIBOR) with a floor of 1.60% and a cap of 3.50%. Interest is currently being paid at 1.60%.

At the end of 2019/20 this investment had a market value of £9.7m because the financial markets had become illiquid.

However, liquidity has returned to the financial markets and the guaranteed return of at least 1.60% is very attractive against the current 3 month LIBOR rate of 0.06%. Consequently at 30<sup>th</sup> September 2020 this investment had a market value of £10.3m. The market value of this investment should be £10m when it matures in June 2023.

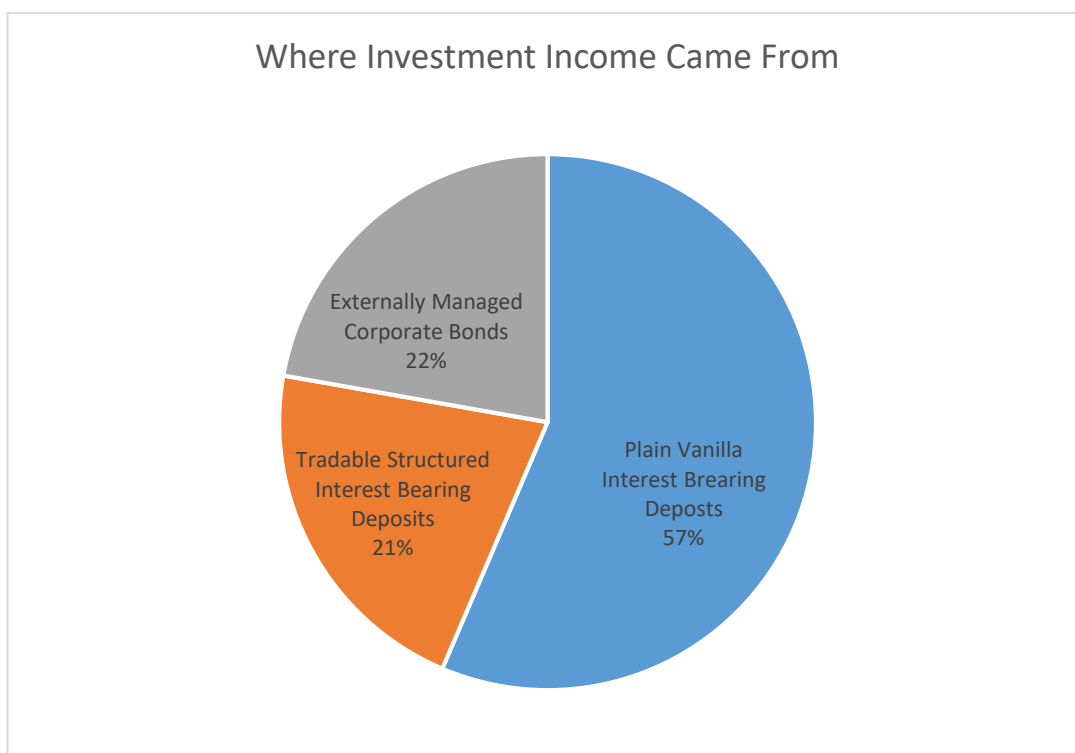
Externally Managed Corporate Bonds

The shortage of liquidity in the financial markets in March 2020 also caused the market value of corporate bonds to fall sharply. As a consequence of this the Council's externally managed corporate bonds made a negative return of 1.16% in 2019/20.

The corporate bond portfolio has been defensively managed and has no direct exposure to the energy, travel, hospitality, or non-food retail sectors. Now that liquidity has returned to the financial markets the value of the corporate bond portfolio has made a strong recovery.

Overall Return

The Council made an overall return of 1.56% on its cash investments in the first half of 2020/21. The chart below shows the source of the Council's cash investment income.



43% of the Council's investment income came from externally managed corporate bonds and tradable structured interest bearing deposits, despite these investments making up less than 5% of the investment portfolio. However, much of these gains result from a recovery in the market value of these investments and the level of returns experienced in the first quarter of 2020/21 is not being sustained.

Over the remainder of the year, the vast majority of the Council's investment returns will come from plain vanilla interest bearing deposits which make up over 95% of the investment portfolio. The returns on this type of investment are falling in line with market interest rates.

Given these factors, the return on the Council's investments over the remainder of the year is likely to be around 1%.

#### A5. COMBINED BORROWING AND INVESTMENT POSITION (NET DEBT)

The Councils net debt position at 30<sup>th</sup> September 2020 is summarised in the table below.

	<b>Principal</b>	<b>Average Interest Rate</b>	<b>Interest to 30<sup>th</sup> September 2020</b>
Borrowing (including finance leases & private finance initiative (PFI) schemes)	£786m	3.44%	£13.5m
Investments	(£433m)	(1.58%)	(£3.2m)
Net Debt	£353m		£10.3m

\*Although the Council's investments were £433m at 30<sup>th</sup> September 2020, the average sum invested over this period was £404m.



# Agenda Item 9

Agenda item:

**Decision maker:** Cabinet 1<sup>st</sup> December 2020  
Full Council 8<sup>th</sup> December 2020

**Subject:** Revenue Budget Monitoring 2020/21 (2<sup>nd</sup> Quarter) to end  
September 2020

**Report by:** Director of Finance & Resources

**Wards affected:** All

**Key decision (over £250k):** No

## 1. Purpose of Report

- 1.1 The purpose of this report is to update members on the current Revenue Budget position of the Council as at the end of the second quarter for 2020/21 in accordance with the proposals set out in the "Portsmouth City Council - Budget & Council Tax 2020/21 & Medium Term Budget Forecast 2021/22 to 2023/24" report approved by the City Council on the 11<sup>th</sup> February 2020.

## 2. Recommendations

- 2.1 It is recommended that:

- (i) The forecast financial shortfall of between £6.1m & £12.6m across the General Fund and the Housing Revenue Account as consequence of the Covid-19 Pandemic be noted
- (ii) The following Revised COVID-19 Deficit Recovery Strategy be approved in the sum of £11.9m (being sufficient to cover the Council's pessimistic forecast COVID-19 related overspend of £11.8m):
  - Earmarking £5m of the Council's Corporate Contingency - leaving a residual £5m for all other known and unknown financial risks that may arise during the year
  - Earmarking £5m of the MTRS Reserve which currently holds an uncommitted balance of £8m - leaving just £3m only to fund future Spend to Save schemes and any costs of redundancies that may be required
  - Removal of Capital Schemes that have been funded by Revenue with a total value of £1.927m
  - Should any funding remain after meeting the financial impact of COVID-19, that it be returned to the MTRS Reserve / Contingency to be available for any short-term legacy impacts of COVID-19 that continues into 2021/22

- (iii) In accordance with the Revised COVID-19 Deficit Recovery Strategy it is recommended that the following schemes up to the value shown are removed from the approved Capital Programme

<b>Scheme to Be Removed From Capital Programme</b>	<b>Amount Released From Corporate Resources £</b>
<b>Children, Families &amp; Education</b>	
Tangier Road Children's Home*	2,100
Beechside Children's Home*	6,600
Enable and Improve Mobile Working	191,000
Adaptations to Carers Homes	600,000
King Richard School Rebuild 900-1000 places*	150,000
Universal Infant Free School Meal Provision*	35,100
Special Education Needs - Building Alterations*	350,000
Beacon View Primary School - Kitchen Block*	3,300
<b>Culture, Leisure &amp; Economic Development</b>	
Allotment Security Grants	3,800
Canoe Lake De-silting	25,000
Outdoor Fitness Equipment	19,400
Round Tower Improvement Works	75,000
<b>Health, Wellbeing &amp; Social Care</b>	
Shearwater House - Backup Power Supply*	9,200
Kestrel Centre Relocation to Civic Offices*	37,700
<b>Leader</b>	
Port Master System*	13,500
<b>Communities &amp; Central Services</b>	
Project Management	44,900
Ground Floor Reception Improvements	14,900
<b>Traffic &amp; Transportation</b>	
Local Transport Plan & Road Safety 3	192,000
Eastern Road Waterbridge*	21,800
Anglesea Road Footbridge*	26,800
Traffic Signal Upgrade Packages*	2,500
Western Corridor - South	102,000
<b>Total Value of Schemes to Be Removed</b>	<b>1,926,600</b>

\*Scheme is complete/substantially complete and unused resources can be released

- (iv) The forecast General Fund outturn position, inclusive of funding Losses, for 2020/21 be noted:

- (a) The Base Case forecast of COVID-19 related overspending of £5,362,000 after expected government funding

- (b) That the Base Case forecast overspending of £5,362,000 remains uncertain and in a pessimistic scenario could see that overspending rise to £11,800,000
  - (c) The COVID-19 forecasts do not currently make any provision for additional costs or losses of income / funding that may arise from the new national restrictions.
  - (d) Non COVID-19 related underspending of £4,094,100
  - (e) Taking account of the likely range of COVID-19 forecast overspends, the combined overspending for the Council is forecast to be between £1,268,100 and £7,706,100.
- (v) Members note that in accordance with approved policy as described in Section 8, any actual non COVID-19 overspend at year end will in the first instance be deducted from any Portfolio Reserve balance and once depleted then be deducted from the 2021/22 Cash Limit.
  - (vi) Members note that at the time this report was prepared the Country had just entered a period of new national restrictions. Due to the wide ranging and rapidly changing implications arising from the COVID-19 Pandemic, the overall financial impact of COVID-19 over the remainder of the 2020/21 financial year and into the medium term remains very uncertain and maintaining headroom within the Revised COVID-19 Deficit Recovery Strategy is vital in order to ensure that the financial resilience of the Council is not compromised and the council continues to remain financially resilient into the medium term.
  - (vii) Directors, in consultation with the appropriate Cabinet Member, consider options that seek to minimise any forecast non COVID-19 overspend presently being reported and prepare strategies outlining how any consequent reduction to the 2021/22 Portfolio cash limit will be managed to avoid further overspending during 2021/22.

### **3. Background**

- 3.1 A Budget for 2020/21 of £174,588,400 was approved by City Council on the 11<sup>th</sup> February 2020. This level of spending required a contribution from General Reserves of £2.6m since in year expenditure exceeds in year income.
- 3.2 Cabinet on 14<sup>th</sup> July considered a report which identified an initial forecast of £32m as being the Financial Impact on the City Council of the Covid-19 Pandemic which, after emergency COVID-19 funding from Government, would give rise to a Shortfall in the Councils 2020/21 budget of £20m.
- 3.3 As consequence, Cabinet approved the adoption of the following Deficit Recovery Strategy:
  - Earmarking £5m of the Council's Corporate Contingency - leaving a residual £5m for all other known and unknown financial risks that may arise during the year

- Earmarking £5m of the MTRS Reserve which currently holds an uncommitted balance of £8m - leaving just £3m only to fund future Spend to Save schemes and any costs of redundancies that may be required
- Identifying the remaining sum (currently estimated at £10m) from Capital Schemes that have been funded by Revenue and placing those Capital Schemes "on hold"

- 3.4 Each month, the Council has been comprehensively reviewing and updating the forecast financial impact of the COVID-19 Pandemic in 2020/21. Since the July report, a further £7.5m in Emergency COVID-19 grant funding has been received bringing the total amount of grant received in four tranches to £19.4m. In addition the government has announced details of an income compensation scheme for lost sales, fees and charges. The revised Deficit Recovery Strategy outlined below has been updated to accommodate the latest forecast of the financial impact of the COVID-19 pandemic and these additional Government grants and initiatives.
- 3.5 Along with the summary of the forecast full year variances as usually reported through these quarterly budget monitoring reports, this Quarter 2 report also includes an updated assessment of the financial impact in 2020/21 of the COVID-19 Pandemic, and Capital Schemes recommended to be removed from the approved capital programme in accordance with the Revised Deficit Recovery Strategy as recommended within this report.
- 3.6 Due to the Deficit Recovery Strategy being formulated and reported in July, no quarterly monitoring report as at the end of June was produced. This is therefore the first monitoring report for 2020/21 and reports on the forecast 2020/21 outturn as at the end of September 2020. The forecasts summarised in this report are made on the basis that management action to address any forecast overspends are only brought in when that action has been formulated into a plan and there is a high degree of certainty that it will be achieved.
- 3.7 Any variances within Portfolios that relate to windfall costs or windfall savings will be met / taken corporately and not generally considered as part of the overall budget performance of a Portfolio. "Windfall costs" are defined as those costs where the manager has little or no influence or control over such costs and where the size of those costs is high in relation to the overall budget controlled by that manager. "Windfall costs" therefore are ordinarily met corporately from the Council's central contingency. A manager / Cabinet Member however, does have an obligation to minimise the impact of any "windfall cost" from within their areas of responsibility in order to protect the overall financial position of the Council. Similarly, "windfall savings" are those savings that occur fortuitously without any manager action and all such savings accrue to the corporate centre.

## 4 Council Response to the COVID-19 Pandemic and the Overall Financial Impact of COVID-19

4.1 In response to the pandemic, the Council has provided a wide range of financial support across services to residents, businesses, the voluntary sector, commercial tenants, contract providers and suppliers generally. Some of the more significant elements of support include:

- External Care Homes - funding of additional staffing, additional care packages, guaranteeing income levels and PPE
- Hotel accommodation for the homeless
- Funded food deliveries for the vulnerable (via the HIVE)
- Flexible payment terms for Council Tax Payers
- Flexible payment terms for Business Rate Payers
- Grants to Businesses that have been severely impacted by the pandemic
- Free use of car parks and removed enforcement to enable key workers to park close to their homes
- Road closures to improve social distancing
- Financial relief for the City's Leisure Centres provider
- Contributions to the cost of temporary mortuary facilities
- Pitch relief for market traders
- Rent deferral scheme for commercial tenants
- Flexible payment terms for Brittany Ferries
- Flexible contracting arrangements with key suppliers
- Supporting Community Centres to submit furlough claims
- Payments to individuals required to self-isolate

4.2 The Council has been mindful to balance its own financial resilience in order to underpin the delivery of critical and essential services with the emergency needs of the residents and businesses of the City. The Council has taken a responsible approach to meeting emergency spending for the direct costs associated with the emergency such as providing financial support to the Adult Social Care provider market, procuring necessary Personal Protective Equipment (PPE) and providing accommodation for the homeless and rough sleepers whilst also seeking to ensure that any financial support for residents, suppliers and external organisations is provided on a case by case basis with demonstration of need. The Council has also been careful to observe the guidance received from the Cabinet Office in relation to Public Procurement Notices in its dealings with suppliers and the flexibility that the Council has offered. In this way the Council has maintained an approach to target limited financial resources to those at risk and in most need.

4.3 Nevertheless, the financial position as a consequence of this Emergency is serious. Following four tranches of Emergency Government funding totalling £19.4m & estimated compensation for lost income from Sales, Fees and Charges of £6m, the Council still has a forecast financial shortfall between £6.1m & 12.6m across both General Fund and Housing Revenue Account of which between £5.4m and £11.8m relates specifically to General Fund related activities as described below:

<b>Overall Forecast Financial Impact of COVID-19</b>	<b>Central Forecast £m</b>	<b>Pessimistic £m</b>
Additional Costs	12.3	15.0
Income Loss	16.7	18.0
Funding Loss	2.5	3.0
<b>Total Financial Loss</b>	<b>31.5</b>	<b>36.0</b>
Government Funding (4 Tranches)	(19.4)	(19.4)
Income Compensation Scheme (announced in August)	(6.0)	(4.0)
<b>Financial Shortfall (Expected) - General Fund &amp; HRA</b>	<b>6.1</b>	<b>12.6</b>
Less: HRA	(0.7)	(0.8)
<b>Financial Shortfall (Expected) - General Fund</b>	<b>5.4</b>	<b>11.8</b>

- 4.4 Non COVID-19 related forecast budget variances are set out in more detail below but in summary, the consolidated General Fund financial position taking into account the forecast impact of COVID-19 outlined above and all non COVID-19 related forecast variances is as follows:

<b>Consolidated General Fund Outturn Forecast</b>	<b>Central Forecast £m</b>	<b>Pessimistic £m</b>
COVID-19 Financial Shortfall (Expected)	5.4	11.8
Forecast Non COVID-19 Portfolio Variances	(4.1)	(4.1)
<b>Total Forecast Overspending 2020/21</b>	<b>1.3</b>	<b>7.7</b>

## 5 Revised Deficit Recovery Strategy

- 5.1 The Council is not permitted to either set (or maintain) a deficit budget or to draw upon its General Reserves to the extent that they fall below the minimum level of £8m. Over the period of the Council's Medium Term Financial Strategy, the level of headroom above the minimum level of reserves that would be available to mitigate against all financial risks over the period is £9.3m, however this is predicated on the Council making cumulative budget savings of £6m over that period in accordance with its approved Medium Term Financial Strategy.
- 5.2 Given the deficit being forecast at the end of June of £20.0m compared with available General Reserves of £9.3m, (or just £3.3m if the Council's budget savings are not met), the Council would have been operating significantly outside of the original Budget parameters set by Full Council.
- 5.3 As a consequence, Cabinet on 14<sup>th</sup> July 2020 adopted a Deficit Recovery Strategy which, based on full year forecasts made at the end of June 2020, identified savings amounting to £20m would be required to enable the Council to continue to operate

without the need to consider either an Emergency Budget or, if necessary, emergency spending controls and service reductions under a Section 114 Notice.

- 5.4 The strategy approved identified a contribution of £10m from Reserves and Contingencies leaving a remaining balance of £10m to be found by placing previously approved capital spending decisions "on hold" until such time as the overall financial position became clearer and therefore whether those capital spending plans can proceed or actually needed to be deleted.
- 5.5 Since the 14<sup>th</sup> July report, as well as keeping the forecast under comprehensive review, the Council has been notified of a further £7.5m in Emergency Covid-19 grant funding bringing the total amount of grant received in four tranches to £19.4m and the government has also announced details of an income compensation scheme for lost sales, fees and charges. Consequently the Council now currently expects to receive an additional £6m as a result of this scheme.
- 5.6 As a corollary, the Deficit Recovery Strategy has evolved in response to Government announcements, revisions to financial forecasts and developed into a more detailed plan totalling £11.9m. It is recommended that that the Revised Deficit Recovery Strategy set out below and totalling £11.9m be approved:
- Earmarking £5m of the Council's Corporate Contingency - leaving a residual £5m for all other known and unknown financial risks that may arise during the year
  - Earmarking £5m of the MTRS Reserve which currently holds an uncommitted balance of £8m - leaving just £3m only to fund future Spend to Save schemes and any costs of redundancies that may be required
  - Removal of the following Capital Schemes that have been funded by Revenue with a total value of £1.927m

<b>Scheme to Be Removed From Capital Programme</b>	<b>Amount Released From Corporate Resources £</b>
<b>Children, Families &amp; Education</b>	
Tangier Road Children's Home*	2,100
Beechside Children's Home*	6,600
Enable and Improve Mobile Working	191,000
Adaptations to Carers Homes	600,000
King Richard School Rebuild 900-1000 places*	150,000
Universal Infant Free School Meal Provision*	35,100
Special Education Needs - Building Alterations*	350,000
Beacon View Primary School - Kitchen Block*	3,300
<b>Culture, Leisure &amp; Economic Development</b>	
Allotment Security Grants	3,800
Canoe Lake De-silting	25,000
Outdoor Fitness Equipment	19,400
Round Tower Improvement Works	75,000
<b>Health, Wellbeing &amp; Social Care</b>	

Shearwater House - Backup Power Supply*	9,200
Kestrel Centre Relocation to Civic Offices*	37,700
<b>Leader</b>	
Port Master System*	13,500
<b>Communities &amp; Central Services</b>	
Project Management	44,900
Ground Floor Reception Improvements	14,900
<b>Traffic &amp; Transportation</b>	
Local Transport Plan & Road Safety 3	192,000
Eastern Road Waterbridge*	21,800
Anglesea Road Footbridge*	26,800
Traffic Signal Upgrade Packages*	2,500
Western Corridor - South	102,000
<b>Total Value of Schemes to Be Removed</b>	<b>1,926,600</b>

\*Scheme is complete/substantially complete and unused resources can be released

- 5.7 Based on the financial forecast of the COVID-19 shortfall across the General Fund of £5.4m (paragraph 4.3) the £11.9m Deficit Recovery Strategy, outlined above, contains headroom of £6.5m, which approximates to the difference between the Council's Base Case Forecast and Pessimistic Forecast of the COVID-19 pandemic. Due to the wide ranging and rapidly changing financial implications arising from the COVID-19 Pandemic, the overall financial impact of COVID-19 remains very uncertain and maintaining this level of headroom within the strategy is vital to ensure that the financial resilience of the Council is not compromised.

## 6 Forecast Outturn 2020/21 – As at end September 2020

- 6.1 At the second quarter stage and before the implementation of the Revised Deficit Recovery Strategy, the General Fund revenue outturn for 2020/21 is forecast to be overspent by £1,268,100. In the event that the Council's Deficit Recovery Strategy for the COVID-19 impact is sufficient and successful, an overall year end forecast underspend of £4,094,100 is expected.
- 6.2 The quarter 2 variance of £1,268,100 consists of a number of forecast under and overspendings within Portfolios and these are summarised below.



Under and overspendings at the quarter 2 stage are:

	<b>COVID-19 Related Variances</b>	<b>Other Variances</b>	<b>Total Variance</b>
	£	£	£
Children, Families & Education	2,001,000	(2,099,600)	(98,600)
Community Safety	93,000	(64,700)	28,300
Culture, Leisure & Economic Development	1,391,000	(163,400)	1,227,600
Environment & Climate Change	180,000	51,100	231,100
Health, Wellbeing & Social Care	4,562,000	391,300	4,953,300
Housing	2,491,000	4,900	2,495,900
Leader	2,453,000	(224,600)	2,228,400
Port	5,677,000	(484,900)	5,192,100
Planning Policy & City Development	372,000	100	372,100
Licensing Committee	17,000	(2,000)	15,000
Communities & Central Services	4,611,000	516,100	5,127,100
Traffic & Transportation	3,746,000	(378,700)	3,367,300
Treasury Management	0	(1,639,700)	(1,639,700)
Other Miscellaneous	620,000	0	620,000
<b>Total Portfolio Variances</b>	<b>28,214,000</b>	<b>(4,094,100)</b>	<b>24,119,900</b>
Funding Loss	2,553,000		2,553,000
COVID-19 Grant	(19,404,800)		(19,404,800)
Income Compensation Scheme	(6,000,000)		(6,000,000)
<b>Total Forecast Overspend</b>	<b>5,362,200</b>	<b>(4,094,100)</b>	<b>1,268,100</b>

## 7 Quarter 2 Budget Variations – Forecast Outturn 2020/21

### 7.1 Children, Families & Education – Underspend £98,600 or £2,099,600 Underspend Before COVID-19 Related Variances

The cost of Children, Families & Education is forecast to be £98,600 lower than budgeted.

Additional costs expected to arise as a result of the pandemic total £2.0m; primarily due to higher costs relating to Looked After Children £1.0m (£0.4m of which is the delay in the implementation of planned savings), higher minibuses, taxi and personal assistants costs of £0.2m as a result of social distancing requirements, early help and safeguarding £0.4m, reductions in income of £0.1m and the provision of free school meals during the Christmas holidays £0.2m.

These additional costs are offset by non COVID-19 related underspending, and costs avoided due to COVID-19 of £2.1m due to additional Unaccompanied Asylum Seeking Children Grant of £1.2m, reduced home to school transport costs during April to July due to reduced pupil numbers being transported to school (£0.8m) and staff vacancies across the Portfolio (£0.1m).

## 7.2 Community Safety – Overspend £28,300 or £64,700 Underspend Before COVID-19 Related Variances

The cost of Community Safety is forecast to be £28,300 higher than budgeted.

Regulatory Services income is forecast to have fallen by £93,000 as consequence of the pandemic.

This income loss has been offset by non COVID-19 related underspending elsewhere in the Portfolio totalling £65,000 primarily as a result of staff vacancies.

## 7.3 Culture, Leisure & Economic Development – Overspend £1,227,600 or £163,400 Underspend Before COVID-19 Related Variances

The cost of Culture Leisure & Economic Development is forecast to be £1,227,600 higher than budgeted.

As a direct consequence of the COVID-19 Pandemic, income across the Portfolio is forecast to be lower than originally budgeted by £1.4m; primarily as a result of the initial closure and, post July 2020, lower usage at leisure sites (£0.9m) and museums (£0.3m).

This income loss has been offset elsewhere within the Portfolio by non COVID-19 related underspending, and costs avoided due to COVID-19, totalling £163,400 principally as consequence of reduced expenditure following cancellation of the 2020 events programme.

## 7.4 Environment and Climate Change – Overspend £231,100 or £51,100 Overspend Before COVID-19 Related Variances

The cost of Environment and Climate Change is forecast to be £231,100 higher than budgeted.

Additional costs within the Waste Collection and Waste Disposal Services totalling £180,000 due to the pandemic are forecast; primarily due to a downturn in the global recycles market which, has been further impacted by the differing restrictions put in place by countries in respect to the movement of materials.

Non COVID-19 related overspending totalling £51,100 is also forecast within the Waste Collection and Waste Disposal Services offset by a small reduction in water costs (£6,000) within the Public Conveniences service.

## 7.5 Health, Wellbeing and Social Care – Overspend £4,953,300 or £391,300 Overspend Before COVID-19 Related Variances

The cost of Health, Wellbeing and Social Care is forecast to be £4,953,300 higher than budgeted.

The financial impact of the COVID-19 pandemic on the Health, Wellbeing and Social Care Portfolio is forecast to be £4.6m.

Of this overspending, £1.7m relates to planned 2020/21 savings in Commissioned Care that will now not be achieved; £1.2m to meet additional staffing costs at in house units due staff illness (including shielding) and to increase Social Worker capacity; £1.0m funding assistance to the Adult Social Care market including reimbursement of PPE/infection control costs; and £0.6m forgone income in respect of contributions to care packages and day care services by clients.

Overspending of £391,300 is forecast unrelated to the COVID-19 pandemic, primarily as a result of higher client volumes in both Supported Living (£0.3m) and Day Care (£0.1m) settings within Learning Disabilities.

#### 7.6 Housing – Overspend £2,495,900 or £4,900 Overspend Before COVID-19 Related Variances

The cost of Housing is forecast to be £2,495,900 higher than budgeted.

Additional costs expected to arise as a result of the pandemic total £2.5m. Of this £2.0m relates to the provision of temporary accommodation with the remainder being primarily as result of lower income from charges to external Local Authority clients for professional services and net income from 'The View' restaurant and Telecare services.

#### 7.7 Leader – Overspend £2,228,400 or £224,600 Underspend Before COVID-19 Related Variances

The cost of Leader is forecast to be £2,228,400 higher than budgeted.

As a direct consequence of the COVID-19 Pandemic, income across the Portfolio is forecast to be £2.5m lower than originally budgeted.

The COVID-19 pandemic has led to an expectation that that there will be an increase in the level of tenant rent defaults relating to commercial properties owned by the City Council, a total reduction in property rental income of £1.7m is currently forecast. Much of this relates to commercial properties that have been in the ownership of the City Council for many years. In addition, Spinnaker Tower income is expected to be lower by £0.7m compared to budget; of which £0.5m is as a result of the ending of the Spinnaker Tower sponsorship arrangement with Emirates and £0.2m is the estimated reduction in the profit share that will be payable by Heritage following the temporary closure of the attraction to visitors due to COVID-19 restrictions.

These lost incomes are offset by forecast underspending of £224,600 not directly related to COVID-19, primarily as a result of additional rent from an investment property acquired late in the 2019/20 financial year.

#### 7.8 Port – Overspend £5,192,100 or £484,900 Underspend Before COVID-19 Related Variances

Overall net income from the Port is forecast to be £5,192,100 below target.

Net income as a consequence of the COVID-19 Pandemic is £5.7m lower than originally budgeted.

Of this figure £5.5m relates to a net reduction in port dues because of reduced traffic passing through the Port and £0.2m is a result of higher costs relating to PPE, cleaning and additional staffing costs to enable cover for those staff self-isolating and shielding.

Delaying routine dredging until 2021/22, deferral of non-essential routine maintenance & IT spend and delaying staff appointments has resulted in a reduction in the cost of non COVID-19 activity of £0.5m.

#### 7.9 Planning & City Development – Overspend £372,100 or nil Before COVID-19 Related Variances

The cost of Planning & City Development is forecast to be £372,100 higher than budgeted due to COVID-19 related lost income at Enterprise Centres (£0.1m), Planning Application Fees (£0.2m) and Market Trader Licence income (£48,000).

#### 7.10 Communities & Central Services – Overspend £5,127,100 or £516,100 Overspend Before COVID-19 Related Variances

The cost of Communities & Central Services is forecast to be £5,127,100 higher than budgeted.

Additional costs expected to arise as a result of the pandemic total £4.6m; primarily due to costs relating to the central hub for the sourcing and distribution of PPE (£1.3m), Purchase of IT hardware and the rapid deployment of new software to enable remote working (£0.6m), costs associated with the setting up of temporary mortuary facilities (£0.4m), additional costs associated with the delivery of large infrastructure capital projects as a consequence of delays caused by remote working and additional workloads (£0.3m), suspension of the recovery of Council Tax arrears through the courts resulting in forgone court costs totalling £1.0m, an expected reduction in subsidy relating to the recovery of Housing Benefit Overpayments (£0.4m) and reduced income across the Portfolio totalling £0.3m, of which £0.2m relates to income arising from wedding ceremonies conducted by the Registrar.

Forecast overspending relating to non COVID-19 activity of £0.5m is primarily as a result of; the introduction of Universal Credit for new clients from September 2018 which has resulted in a fall in the level of rent allowances and rent rebates upon which the Council receives subsidy. As a consequence the level of net subsidy received by the Council relating to Housing Benefit overpayments (excluding the effect of COVID-19) has been £0.3m; overspending within IT services of £0.5m due to unexpected increases in a number of contracts, temporary staffing engaged at higher rates and an underlying deficit as consequence of the non achievement of savings expected to occur in previous years. These overspendings are offset by reduced staffing costs arising from vacant post across the Portfolio of £0.4m.

#### 7.11 Traffic and Transportation – Overspend £3,367,300 or £378,700 Underspend Before COVID-19 Related Variances

The cost of Traffic and Transportation is forecast to be £3,367,300 higher than budgeted.

Additional net expenditure expected to arise as a result of the pandemic totals £3.7m, of which £3.3m is as a consequence of lower income relating to Parking; Park & Ride

£0.1m; Hard interchange Departure Charges £0.2m and costs associated with road closures to aid social distancing totalling £0.1m.

These costs are offset by forecast underspending relating on non COVID-19 activity of £0.4m, primarily as a result of lower energy costs following the street lighting LED project (£0.2m) and lower staffing costs within the PFI Team as consequence of the PFI Contracts Manager, Performance Manager and Data Analyst posts being vacant in 2020/21 (£0.2m)

#### 7.12 Treasury Management – Underspend £1,639,700

This budget funds all of the costs of servicing the City Council's long term debt portfolio that has been undertaken to fund capital expenditure. It is also the budget that receives all of the income in respect of the investment of the City Council's surplus cash flows. As a consequence, it is potentially a very volatile budget particularly in the current economic climate and is extremely susceptible to both changes in interest rates as well as changes in the Council's total cash inflows and outflows.

#### 7.13 Other Miscellaneous – Overspend £620,000

Due to higher cleaning costs and a reduction in income because of the COVID-19 Pandemic, Portico is forecasting an increased loss totalling £620,000.

### 8. **Transfers From/To Portfolio Specific Reserves**

8.1 In November 2013 Full Council approved the following changes to the Council's Budget Guidelines and Financial Rules:

- Each Portfolio to retain 100% of any year-end underspending and to be held in an earmarked reserve for the relevant Portfolio
- The Portfolio Holder be responsible for approving any releases from their reserve in consultation with the Section 151 Officer
- That any retained underspend (held in an earmarked reserve) be used in the first instance to cover the following for the relevant portfolio:
  - i. Any overspendings at the year-end
  - ii. Any one-off Budget Pressures experienced by a Portfolio
  - iii. Any on-going Budget Pressures experienced by a Portfolio whilst actions are formulated to permanently mitigate or manage the implications of such on-going budget pressures
  - iv. Any items of a contingent nature that would historically have been funded from the Council's corporate contingency provision
  - v. Spend to Save schemes, unless they are of a scale that is unaffordable by the earmarked reserve (albeit that the earmarked reserve may be used to make a contribution)
- Once there is confidence that the instances i) to v) above can be satisfied, the earmarked reserve may be used for any other development or initiative

- 8.2 However, as a consequence of the COVID-19 Pandemic Cabinet have agreed that the individual Portfolio Reserves will operate as a single Cabinet Reserve in 2020/21.
- 8.3 At the time this report was prepared the Country had just entered a period of new national restrictions and the overall financial position remains particularly uncertain at this time.

The forecast balance on the Cabinet Reserve is set out below:

	Balance Brought Forward £	Approved Transfers £	Commitments / Funding Extensions £	Balance Carried Forward £
Cabinet Reserve	3,962,000	(1,688,600)	(1,913,100)	360,300

## 9. Conclusion - Overall Financial Summary

- 9.1 The forecast takes account of all known variations at this stage, but only takes account of any remedial action to the extent that there is reasonable certainty that it will be achieved.
- 9.2 As at the end of September 2020 the Council is forecasting an overall General Fund overspending range of between £1,268,100 and £7,706,100.
- 9.3 The proposals within this report seek to determine a revised Deficit Recovery Strategy to make additional funding available amounting to £11.9m which is anticipated to cover the pessimistic forecast of the COVID-19 impact at £11.8m. Any funding from the Strategy that remains after meeting the impact of COVID-19 will be returned to the Councils Contingency and/or MTRS Reserve and be available for the Budget 2021/22. In particular, it could be used to meet any short term legacy implications of COVID-19 that may continue.
- 9.4 Should the non COVID forecast contained in this report remain, the year-end position would be an underspend of £4.1m.
- 9.5 At the time this report was prepared the Country had just entered a period of new national restrictions. Due to the wide ranging and rapidly changing implications arising from the COVID-19 Pandemic, the overall financial impact of COVID-19 over the remainder of 2020/21 and into the medium term remains very uncertain and maintaining the level of headroom within the strategy outlined above is vital to ensure that the financial resilience of the Council is not compromised and the council continues to remain financially resilient into the medium term.

## 10. City Solicitor's Comments

- 10.1 The City Solicitor is satisfied that it is within the Council's powers to approve the recommendations as set out.

**11. Equalities Impact Assessment**

11.1 This report does not require an Equalities Impact Assessment as there are no proposed changes to PCC’s services, policies, or procedures included within the recommendations.

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**Chris Ward**  
**Director of Finance & Resources**

**Background List of Documents –**

Section 100D of the Local Government Act 1972

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

<b>Title of Document</b>	<b>Location</b>
Budget & Council Tax 2020/21 & Medium Term Budget Forecast 2021/22 to 2023/24	Office of Deputy Director of Finance
Electronic Budget Monitoring Files	Financial Services Local Area Network

The recommendations set out above were:

Approved / Approved as amended / Deferred / Rejected by the Cabinet on 1<sup>st</sup> December, 2020

Signed: .....

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# Agenda Item 11



**Portsmouth**  
CITY COUNCIL

**QUESTIONS FOR THE CABINET OR CHAIR  
UNDER STANDING ORDER NO 17.**

**CITY COUNCIL MEETING – 8 DECEMBER 2020**

## **QUESTION NO 1**

**FROM: COUNCILLOR TERRY NORTON**

**TO REPLY: CABINET MEMBER FOR CULTURE, LEISURE AND  
ECONOMIC DEVELOPMENT  
COUNCILLOR STEVE PITT**

What budget cuts have or will be made to cover the £750,000 shortfall left by the administration's inability to secure a sponsorship deal for the Spinnaker Tower?

## **QUESTION NO 2**

**FROM: COUNCILLOR GRAHAM HEANEY**

**TO REPLY: CABINET MEMBER FOR TRAFFIC AND  
TRANSPORTATION  
COUNCILLOR LYNNE STAGG**

"What is the current status of the Council cycling near miss reporting tool since it was made permanent and is the data shared with stakeholders ?".

### **QUESTION NO 3**

FROM: COUNCILLOR TOM COLES

TO REPLY: CABINET MEMBER FOR ENVIRONMENT & CLIMATE  
CHANGE  
COUNCILLOR DAVE ASHMORE

Can the Cabinet Member provide an update on the Food Waste trial in the north of Fratton and confirm when this will be rolled out to the rest of the ward?

### **QUESTION NO 4**

FROM: COUNCILLOR HANNAH HOCKADAY

TO REPLY: CABINET MEMBER FOR ENVIRONMENT & CLIMATE  
CHANGE  
COUNCILLOR DAVE ASHMORE

Could the cabinet member advise us of what they are doing to resolve the issue of continual flooding during heavy rain, of the highway in Cosham at Salisbury Road / Knowsley Road and Lonsdale Road?

### **QUESTION NO 5**

FROM: COUNCILLOR SCOTT PAYTER-HARRIS

TO REPLY: CABINET MEMBER FOR TRAFFIC AND  
TRANSPORTATION  
COUNCILLOR LYNNE STAGG

Is the cabinet member fully committed to the continued greening of the streets in the city?

## **QUESTION NO 6**

FROM: COUNCILLOR CLAIRE UDY

TO REPLY: CABINET MEMBER FOR CULTURE, LEISURE AND  
ECONOMIC DEVELOPMENT  
COUNCILLOR STEVE PITT

"Can the Cabinet Member confirm whether or not the council is the freeholder to the building where 279 Commercial Road resides?"

## **QUESTION NO 7**

FROM: COUNCILLOR CAL CORKERY

TO REPLY: CABINET MEMBER FOR HOUSING AND  
HOMELESSNESS  
COUNCILLOR DARREN SANDERS

"Will the Cabinet Member for Housing commit to ensuring Landport Community Garden remains open as a resource for local residents?"

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