



NOTICE OF MEETING

CABINET

MONDAY, 9 SEPTEMBER 2019 AT 4.00 PM

EXECUTIVE MEETING ROOM - THE GUILDHALL

Telephone enquiries to Joanne Wildsmith, Democratic Services Tel 9283 4057
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If any member of the public wishing to attend the meeting has access requirements, please notify the contact named above.

Membership

Councillor Gerald Vernon-Jackson CBE (Chair)	
Councillor Steve Pitt (Vice-Chair)	
Councillor Dave Ashmore	Councillor Lynne Stagg
Councillor Suzy Horton	Councillor Matthew Winnington
Councillor Lee Hunt	Councillor Rob Wood
Councillor Darren Sanders	Councillor Tom Wood

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

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

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

AGENDA

- 1 Apologies for Absence**
- 2 Declarations of Interests**
- 3 Records of Previous Decision Meetings - 25 June, 1 July, 9 July and 24 July 2019 (Pages 5 - 22)**

A copy of the records of the previous decisions taken at Cabinet meetings on 25 June, 1st July, 9th July and 24th July 2019 are attached.

RECOMMENDED that the records of decisions of these meetings be approved as correct records.

4 Response to the Housing & Social Care Scrutiny Panel review of the provision of temporary accommodation (Pages 23 - 46)

The Housing & Social Care Scrutiny Panel conducted a review into how well Portsmouth City Council is providing temporary accommodation for those who are homeless and the council has a duty towards. The purpose of this report by the Assistant Director for Housing is to set out the response of the officers to the HSC Scrutiny Panel's recommendations.

RECOMMENDED

(1) That the Panel is thanked for its work in undertaking the review

(2) That the Cabinet notes and supports the recommendations of the review, which are listed in section 8 of the report and the response of officers which are set out in section 4 of the response report.

5 Air Quality Local Plan - Progress Update (Pages 47 - 60)

The report by the Assistant Director for Transport provides an update on the development of the Air Quality Local Plan to deliver compliance with legal limits for nitrogen dioxide in the shortest possible time.

RECOMMENDED that Cabinet:

(1) Notes the progress made in the development of the Air Quality Local Plan; and

(2) Approves the proposed preferred package as set out in paragraph 5.12 as the preferred option to be taken forward to outline business case development; that is a Class B CAZ is combined with a number of non-charging measures to ensure that compliance is achieved within the shortest possible time i.e by 2022.

6 Treasury Management Outturn Report for 2018/19 (Pages 61 - 76)

The Chartered Institute of Public Finance & Accountancy's (CIPFA) Prudential Code of Practice requires local authorities to calculate prudential indicators before the start of and after each financial year. The CIPFA Code of Practice on Treasury Management also requires the Section 151 Officer to prepare an annual report on the outturn of the previous year. This information is shown in Appendix A of the report.

The report of the Director of Finance and Section 151 Officer seeks to inform members and the wider community of the Council's treasury management activities in 2018/19 and of the Council's treasury management position as at 31 March 2019. (This report has already been considered by Governance & Audit & Standards Committee on 26 July 2019.)

RECOMMENDED to Council that the actual prudential and treasury management indicators based on the unaudited* accounts, as shown in Appendix B, be noted (an explanation of the prudential and treasury management indicators is contained in Appendix C).

* Since this report was written the Council's auditors have issued an unqualified audit opinion on the Council's accounts and the prudential and

treasury management indicators are therefore confirmed.

7 Draft Portsmouth Economic Development and Regeneration Strategy 2019-36 (Pages 77 - 112)

The purpose of the report by the Director of Regeneration, is to:

- seek approval from Cabinet and Council for the adoption of the new Portsmouth Economic Development and Regeneration Strategy 2019-36.
- note the consultation survey results and the summary feedback from the stake-holder focus groups.
- note the Councils role and the benefits of delivering a successful economic development and regeneration strategy.

RECOMMENDATIONS

(1) That Cabinet notes the consultation responses from both the survey and the focus groups (see appendix 2) which are on the whole positive and supportive of the strategy.

(2) The Cabinet delegate to the Director of Regeneration to consider the key objectives and proposed actions of the strategy and to ensure that the Council is able to deliver measurable outcomes supporting the economic development and regeneration agenda, working with key stakeholders in the city subject to Council approval of the strategy.

(3) That Cabinet notes the alignment of the strategy with Council corporate objectives and its commitment to the environment following the Declaration of a Climate Change Emergency for Portsmouth.

(4) That Cabinet notes the alignment of the strategy with the Solent Local Enterprise Partnership's work on the new Local Industrial Strategy.

And Cabinet recommends to the City Council that:

(5) Council adopts the Portsmouth Economic Development and Regeneration Strategy 2019-36.

8 Directors' Response report to the Economic Development, Culture & Leisure (EDCL) Scrutiny Panel's review of Portsmouth International Port (Pages 113 - 148)

The report by the Port Director, is to respond on behalf of directors, to the Economic Development, Culture & Leisure Scrutiny Panel's recommendations outlined in their final report reviewing Portsmouth International Port.

RECOMMENDED

- (1) That the EDCL Panel is thanked for its work in undertaking the review;**
- (2) That the EDCL Scrutiny Panel's recommendations be approved in line with the responses noted in section 4 of the response report.**

9 Oxford Economics Study of Portsmouth International Port (information

report)

An information report by the Port Director **will follow** (due to be published on 4th September) to advise the Cabinet on the outcome of the Oxford Economics study of the economic impact of Portsmouth International Port (PIP) to Portsmouth City Council region, national economy and Maritime UK.

Members of the public are permitted to use both audio visual recording devices and social media during this meeting, on the understanding that it neither disrupts the meeting nor records those stating explicitly that they do not wish to be recorded. Guidance on the use of devices at meetings open to the public is available on the Council's website and posters on the wall of the meeting's venue.

Whilst every effort will be made to webcast this meeting, should technical or other difficulties occur, the meeting will continue without being webcast via the Council's website.

This meeting is webcast (videoed), viewable via the Council's livestream account at <https://livestream.com/accounts/14063785>

Agenda Item 3

CABINET

RECORD OF DECISIONS of the meeting of the Cabinet held on Tuesday, 25 June 2019 at 4.30 pm at the Guildhall, Portsmouth

Present

Councillors Steve Pitt (in the Chair)
Dave Ashmore
Suzy Horton
Darren Sanders
Lynne Stagg
Matthew Winnington
Rob Wood
Lee Hunt

62. Apologies for Absence (AI 1)

Apologies for absence had been received from Councillor Gerald Vernon-Jackson CBE and Councillor Jeanette Smith.

63. Declarations of Interests (AI 2)

There were no pecuniary interests but Councillors Darren Sanders, Matthew Winnington and Suzy Horton were members of some of the organisations involved in "Let Pompey Breathe". Councillor Rob Wood knew Mr Dobson who was making a deputation and Councillor Dave Ashmore as Cabinet member for Environment & Climate Change had met with Mr Dobson on various issues.

64. Assessment of Air Quality - Annual Statement Report 2019 (AI 3)

Richard Lee, Regulatory Services Manager, presented the report on behalf of the Director of Culture, Leisure and Regulatory Services, setting out the background to the statutory Local Air Quality Management process which required the Annual Statement Report to be published by 30 June 2019. He reiterated the key actions, as set out in section 4 of the report, which included delivering a new comprehensive plan to tackle air pollution by 31 October 2019 (a correction was noted that the ASR should be published by 30 June 2019 not 2018). The data being published was only used where at least 3 months monitoring had taken place. Whilst there had been no significant deterioration in air quality in Portsmouth as a whole, new areas of pollution which had not been monitored before were being found. Section 8 of the report set out the expectations of DEFRA which included benchmarking PCC action to bring these in line with EU directives on Clean Air Zones and work was taking place with colleagues in Transport on this. Priority was being given in tackling exceedances of NO₂ (monitored at 120 locations in the city), and there was regular engagement with DEFRA.

With regard to the publishing of required documents it was noted that some of these were already available on the PCC website. Section 10.1 set out the 5 key conclusions of the 2019 Annual Statement Report.

A deputation was made by Mike Dobson; this is not minuted in full but can be viewed as part of the webcast/livestream of the meeting:

<https://livestream.com/accounts/14063785/Full-Cabinet-25Jun2019/videos/192997260>

Mike Dobson supported the work of the officers to tackle and monitor air quality but wished to point out some disconnect between departments and the different models used and the social inequality issues raised.

The Cabinet Members thanked Mr Dobson for his detailed deputation and asked that a copy of this be made available to them, and they also thanked Richard Lee for this comprehensive report. Their concerns included:

- The wards of low car ownership have worse air quality
- Clogged roads and the air quality had an impact on life expectancy, with marked variances between wards
- There is a need for government funding to give PCC more control
- Public health issues such as the AQ impact on those with asthma, cyclists and potential child deaths
- The dramatic increase in car ownership in the city which is not sustainable and those on lower income have lower car ownership but oldest cars which have higher emission levels, including vans used by the self-employed who would feel the impact of a government imposed Clean Air Zone and the need to offer assistance to them
- The continued need to promote sustainable alternative transport and encouragement of public transport use, with bus usage being at low levels compared to other parts of the region

Councillor Pitt summed up the Cabinet Members' frustration at the targets being set for Portsmouth that did not reflect the island geography and restrictions.

Chris Ward, Director of Finance and Section 151 Officer, clarified that different models were used for different purposes.

Hayley Trower, the Air Quality Lead for Transport, responded to some of the points made regarding addressing low income groups and the need for the Air Quality Plan to be evidence based, such as in responding to a daily charge for drivers as part of an initial survey before a full consultation process was carried out.

DECISIONS The Cabinet approved:

- (1) The submission of the 2019 Annual Statement Report (as attached as Appendix 1 of the report) to DEFRA**
- (2) The publication of the documentation set out in Section 9.4**

- (3) That the relevant lead officers for Air Quality and Cabinet Members are given a copy of the deputation made by Mr Dobson; it is recognised that different models and modelling techniques are used by Local Authorities and Government for different purposes and inconsistencies can arise in the way that Government require the Council to assess, for example, traffic growth forecasts and the subsequent impacts upon Air Quality and other forecasts. Where such inconsistencies arise, the Council will endeavour to provide an explanation in reports and decisions.**

65. Southsea Flood Defences - Detailed Design Contract (AI 4)

Councillor Pitt, as Deputy Leader and chairing the meeting, varied the order of agenda items to take this item first.

Guy Mason, Infrastructure (Coastal and Drainage) Manager, presented the Director of Regeneration's report, explaining the approval sought to appoint the new designer, for which there was approved funding in the Capital Programme.

DECISIONS The Cabinet approved:

- (1) the appointment of the new designer, Haskoning DHV to continue to develop the project in the detailed design stages.**
- (2) Haskoning are internationally recognised design consultants with expertise in the delivery of coastal flood defence schemes both in the UK and abroad. This work is already fully funded through the Council approved Capital Programme, with £2m provided by way of Portsmouth City Council contribution and a further £3.5m of Capital Funding provided by the Environment Agency. Contract value is expected to out-turn at circa £3.6m.**

66. City of Sanctuary (AI 5)

Caroline Hopper, Armed Forces Covenant Programme, gave a brief introduction to the report before Councillor Steve Pitt announced that whilst the Cabinet would wish to voice its support, there was further work needed on how the project could be resourced. Chris Ward, Director of Finance and Section 151 Officer, confirmed that this should be a short exercise.

The Cabinet deferred making a decision, so that this report could be brought back with more detailed information on resource implications, to a forthcoming Cabinet meeting.

The meeting concluded at 5.34 pm.

Councillor Gerald Vernon-Jackson CBE
Leader of the Council

CABINET

RECORD OF DECISIONS of the meeting of the Cabinet held on Monday, 1 July 2019 at 10.00 am at the Guildhall, Portsmouth

Present

Councillor Gerald Vernon-Jackson CBE (in the Chair)

Councillors Steve Pitt
Dave Ashmore
Darren Sanders
Lynne Stagg
Rob Wood
Lee Hunt

67. Apologies for Absence (AI 1)

These had been received from Councillors Jeanette Smith, Suzy Horton and Matthew Winnington.

68. Declarations of Interests (AI 2)

Councillor Lee Hunt declared that he owns a property within the proposed MD residents' parking zone (but does not live there) but the City Solicitor advised that he could take part in the discussion of this item.

Councillor Luke Stubbs, who made a deputation, advised that he is a PCC appointee on the Kings Theatre Trust.

69. TRO 15/2019 Proposed Residents' Parking Zone (RPZ) for MD Kings Area (AI 3)

A presentation was made by Kevin McKee, Parking Manager, who presented the report by the Director of Regeneration. He explained the background to the proposals following the informal survey (paragraph 3.2 gave a breakdown of responses to this) a Traffic Regulation Order had advertised a proposed 2 hour restriction (paragraph 5.3 gave the breakdown of responses to the TRO consultation). He reported that Waitrose management had given their in principle agreement to use of their car park to accommodate late evening parking.

Deputations are not minuted in full and are summarised but these can be viewed in the webcast of this meeting here:

<https://livestream.com/accounts/14063785/Full-Cabinet-01Jul2019>

Public deputations of up to 6 minutes each were heard from:

- Carole Carrell - opposed to the proposals and citing problems with student parking.

- Helena Molloy, on behalf of the Cat Clinic on Albert Road, who was concerned at the negative impact on their business and inconvenience for customers and staff.
- Michael Ashcroft opposing the proposals and stating that the parking restriction timings were wrong.
- Heidi Triggs, opposing as a resident and also on behalf of Owl Motors Ltd concerning the effect on their business for staff and customers.
- Alison Lee, representing Mayville School, concerned by the disruption for parents who need to collect children from after school activities.

Deputations were also heard from ward councillors (from St Jude and Eastney and Craneswater):

- i) Councillor Graham Heaney (also as Labour Spokesperson for Traffic & Transportation), questioned the decision process and the timing of the meeting, asking that there be more consideration of the impact of each scheme and the number of households responding to the consultation, also requesting a review should the scheme be implemented.
- ii) Councillor Hugh Mason analysed the response rate to the different parts of the consultation process and the complexity of the area which included businesses, theatre, places of worship, and differences between the east and west sides of Victoria Road South.
- iii) Councillor Linda Symes spoke to object to the proposed zone due to the problems of displacement already experienced by MB and MC zones and the need to look at the recommendations of the cross party review. She was concerned regarding the impact on businesses and the 4.30pm timing would not be suitable.
- iv) Councillor Luke Stubbs asked about the Waverley Road parking bays, raised the idea of using parking meters, spoke of the displacement caused by MB and MC zones, and the need to look at overlapping of zones at the boundaries.

Written deputations had also been received and circulated to Cabinet Members, which included support for the proposals.

Councillor Gerald Vernon-Jackson, ads Leader, acknowledged that this is an area of competing demands. The Cabinet had supported the recommendations of the Traffic, Environment & Community Safety panel on its parking review. Residents in this area had indicated their wish for

restrictions on parking and had been waiting for this and he supported the request for a review to take place within 6 months of implementation of a RPZ for Kings Area. There would be unrestricted parking areas included in Albert Road to help businesses such as the Cat Clinic, and there were deferrals of parts of the zone recommended that included Richmond Road where Owl Motors operated.

Councillor Lynne Stagg, Cabinet Member for Traffic & Transportation, spoke of the increase in car ownership and the competing demands in the MD area and the efforts of officers to respond to approaches for residents' parking. She welcomed the response from Waitrose for use of their carpark for Kings Theatre customers.

It was noted that adjustments to advertised times for parking restrictions could not be made at this meeting without going out for further consultation. The proposed 2 hour parking restrictions aimed to allow customer to visit local businesses on the Albert Road.

The Cabinet Members wanted to ensure that further consideration was given to the timings of restricted waiting bays in Albert Road and Waverley Road in a way that would assist businesses. It was also important to find ways of assisting the Kings Theatre parking situation and the need for access to schools for staff and parents. Whilst some of the speakers had raised city-wide parking, the Cabinet Members did not favour a blanket city-wide approach which would not help here as the issue was one of specific timings. A review of the implementation within 6 months was favoured to monitor the effectiveness of the proposed measures.

It was reported that a further report would be considered by the Cabinet Member for Traffic & Transportation on revising the permit system and reducing the cost of the third permit. Councillor Vernon-Jackson confirmed that the next two areas for residents' parking consultations would be HC and ME, and once MD was implemented the issue of displacement would be looked at for the MF area (which had also been surveyed). The City Solicitor advised that the proposed 6 month review could come back to the Cabinet Member for Traffic & Transportation for her consideration.

DECISIONS

(1) That MD Kings area parking zone proposed under TRO 15/2019 be implemented as advertised, but that a decision on the following proposals is deferred:

- (a) All proposed parking bays in these roads:**
- (i) Richmond Road (between Victoria Road South and Clarendon Road);**
 - (ii) Grove Road South;**
 - (iii) Waverley Road.**

- (b) Specified parking bays:**
- (i) South side of Lowcay Road between Waverley Road and Shirley Road;**

(ii) East side of Shirley Road between Lowcay Road and Wimbledon Park Road.

(2) That a review take place within 6 months of the introduction of MD Kings Area Residents' Parking Zone (at a time to be determined by the Director for Regeneration) to assess its impact.

(3) That consultation takes place on varying the use of some of the limited waiting parking restrictions on Albert Road (and those roads abutting it) before the review of the implemented MD Kings Area RPZ has taken place.

The meeting concluded at 11.45 am.

Councillor Gerald Vernon-Jackson CBE
Leader of the Council

CABINET

RECORD OF DECISIONS of the meeting of the Cabinet held on Tuesday, 9 July 2019 at 12pm at the Guildhall, Portsmouth

Present

Councillor Gerald Vernon-Jackson CBE (in the Chair)
Steve Pitt
Dave Ashmore
Suzy Horton
Darren Sanders
Lynne Stagg
Matthew Winnington
Rob Wood

70. Apologies for Absence (AI 1)

Apologies were received from Councillors Lee Hunt and Jeanette Smith.

71. Declarations of Interests (AI 2)

No interests were declared.

72. Record of Previous Decision Meetings - 11 and 17 June 2019 (AI 3)

RESOLVED that the minutes of the meetings held on 11 and 17 June 2019 were approved as correct records.

73. Additional appointments to Outside Bodies (AI 4)

DECISIONS

Further appointments were made to outside organisations as nominated by the Conservative Group. These can be viewed at the link below:

<https://democracy.portsmouth.gov.uk/documents/s23252/Conservative%20Nominations%20to%20outside%20bodies%209%20July%202019.pdf>

74. City of Sanctuary (AI 5)

Caroline Hopper, Armed Forces Covenant Program, Human Resources introduced the report.

Councillor Steve Pitt proposed the following additional decision:

Agreed that the HIVE be the strategic lead at no cost in liaison with PCC and the £16,000 identified for establishing the scheme be allocated both to provide officer liaison and to take this work forward within the council.

Councillor Vernon-Jackson noted that updates on this matter would be considered by the Cabinet Member for Resources in future.

DECISIONS

- 1. Noted that there is local appetite for Portsmouth to become a recognised City of Sanctuary and that Portsmouth City Council has already openly pledged support for the agenda.**

2. Agreed that it is important that the Council responds to this agenda as one body.
3. Agreed that the cost of establishing the scheme at £16,000 in 2019/20 for coordinating this activity and making sure the Council fulfils its obligation the City of Sanctuary are funded by a contribution from the Environment & Community Safety portfolio reserve.
4. Agreed that the HIVE be the strategic lead at no cost in liaison with PCC and the £16,000 identified for establishing the scheme be allocated both to provide officer liaison and to take this work forward within the council.

75. Southsea Coastal Scheme (AI 6)

Guy Mason, Coastal, Highways and Drainage Team Manager introduced the report.

DECISION

The Cabinet delegated authority to the Director of Regeneration to enter into the construction contract for the Southsea Coastal Scheme, subject to prior approval by the Procurement Gateway Board.

76. Merger of Coroner Areas in Hampshire (AI 7)

Peter Baulf, City Solicitor introduced the report.

DECISIONS

The Cabinet:

1. Approved the option 1 to pursue a merger of coronial areas in Hampshire.
2. Delegated to the Director of Culture, Leisure and Regulatory Services the management of merger process.

77. Portsmouth Youth Offending Team (PYOT) Annual Youth Justice Strategic Plan 2019-20 (AI 9)

Lisa Morgan, YOT Service Leader introduced the report.

DECISION

The Cabinet approved the plan and the priorities set out within it.

78. The City Council's Response to the Aquind Proposal (AI 8)

Paddy May, Corporate Strategy Manager introduced the report.

The Cabinet discussed the proposals and expressed concern regarding the potential environmental impact and the fact that the council was only a consultee and not a decision-maker.

DECISIONS

The Cabinet:

1. Noted that Aquind are seeking to develop an electricity Interconnector between the UK and France with a converter station in Lovedean. They are proposing to "land" the high voltage DC (HVDC) electricity cable at Eastney and run it up through Portsmouth to the converter station at Lovedean.

2. **Noted that despite representations from Portsmouth City Council that the Aquind proposal should be determined by the relevant local planning authorities (including Portsmouth City Council), the Government has decided that the proposal was a 'Nationally Significant Infrastructure Project' that should be determined by the Secretary of State through the Development Consent Order process.**
3. **Agreed to seek the support of Full Council to reinforce the Cabinet's objection to the route of the HVDC cable whilst also working constructively with Aquind and other stakeholders.**
4. **Agreed that the Council responds to this proposal in a coordinated way and where possible works with neighbouring councils on any common approaches.**
5. **Noted that any additional external costs incurred in the current year associated with the need to make an informed and considered response to the proposal will be met from the Council's Corporate Contingency.**

79. Health and Care Operating Model (AI 10)

Mr Jerry Brown gave a deputation in favour of the report but also expressing concerns regarding the transparency of the Sustainable Transformation Plan (STP).

The Leader noted that a separate report might be requested to come to the Cabinet regarding the STP and how it's progressing.

David Williams, Chief Executive introduced the report and explained the hierarchy of Health & Care tiers in Hampshire & Isle of Wight, of which there are four. At the top is the STP, which covers the whole of Hampshire and the Isle of Wight. Whilst this currently has no statutory standing, it is developing to become an 'Integrated Care System' (ICS).

The 'Integrated Care Partnership' (ICP) is the geographic area below and covers Portsmouth and South East Hampshire, equating to the catchment area of the Queen Alexandra Hospital and the three Clinical Commissioning Groups of Portsmouth, Fareham and Gosport, and South East Hampshire.

The NHS refers to the third tier as 'Place'. This covers the city boundary - shared by the council, the Portsmouth Clinical Commissioning Group and the Portsmouth Health & Wellbeing Board.

At the most local tier are the 'clusters', with populations of between 30,000 and 50,000 people. In Portsmouth, clusters have been developed for the North, Central and South of the city. More work is planned to accommodate the introduction of Primary Care Networks (PCNs) by the NHS, of which it is anticipated there will be five for Portsmouth.

Today's report relates to the work carried out in Portsmouth.

The Leader noted that the operating model in Portsmouth is different to those in the rest of Hampshire in that the council works very closely with the Clinical Commissioning Group and the key posts are shared.

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Councillor Winnington questioned the role of the STPs generally and noted that the lack of transparency referred to in the deputation has proved very difficult to deal with. He also commented that he was very pleased with the way the council and CCG have worked together.

Councillor Rob Wood noted that the proposal in the report offered robust solutions to the pressures caused by cost increases relating to Looked After Children and Families.

Councillor Sanders added that the proposals addressed the need for increased transparency and going forward he hoped that all the targets would be achievable.

DECISIONS

The Cabinet:

- 1. Noted the progress so far on the integration of PCC and PCCG functions in support of the Health and Care Portsmouth operating model.**
- 2. Agreed the proposals for further integration set out at section 13 of this report, including its preferred option of integration of PCCG Accountable Officer and PCC Chief Executive functions into one post.**

The meeting concluded at 12.45 pm.

Councillor Gerald Vernon-Jackson CBE
Leader of the Council

CABINET

RECORD OF DECISIONS of the meeting of the Cabinet held on Wednesday, 24 July 2019 at 12.00 pm at the Guildhall, Portsmouth

Present

Councillor Gerald Vernon-Jackson CBE (in the Chair)

Councillors Dave Ashmore
Lee Hunt
Suzy Horton
Darren Sanders
Lynne Stagg
Matthew Winnington
Rob Wood
Tom Wood

80. Apologies for Absence (AI 1)

These had been received from Councillor Steve Pitt and David Williams, Chief Executive who were at a meeting regarding the nitrates position. Councillor Stagg had apologised for arriving late.

Councillor Gerald Vernon-Jackson welcomed new cabinet member Councillor Tom Wood to his first meeting.

81. Declarations of Interests (AI 2)

Councillor Darren Sanders made a non-pecuniary declaration regarding the Supplementary Planning Document for Houses in Multiple Occupation (HMOs) in that he lives in an HMO. During discussion of Climate Change he declared that he is a donor to the package free larder and is involved in "Let Pompey Breathe" groups but these were non-prejudicial and non-pecuniary interests.

82. Record of a Previous Decision Meeting - 25 June 2019 (AI 3)

RESOLVED that the record of decisions of the Cabinet meeting held on 25 June 2019 be approved as a correct record to be signed by the Chair.

83. Appointments to outside bodies (AI 4)

DECISION:

Councillor Lee Hunt was appointed as one of the two Cabinet Members on the Portchester Crematorium Joint Committee.

84. Local Plan and Tipner Consultation Response and Way Forward (AI 5)

The Leader, on behalf of the Cabinet, wished Toby Ayling well in his new job and thanked him for all his work for Portsmouth City Council.

Toby Ayling, Planning Policy Manager, presented the report and reported that whilst a summary was appended, a fuller version of responses was available to view on PCC's website. Dialogue was continuing with Havant BC under the "Duty to Co-operate", as well as other neighbouring authorities and PUSH. He reported that the main report should also reference the Director of Housing, who would be involved in the signing of the Statement of Common Ground with Havant BC, as per recommendation (2).

The Cabinet welcomed the report but raised concern at the idea of a "super peninsula" and the problems caused by the government's housing targets of around 830 dwellings p.a. There should be evidence given of the work to explore all options, but noted the restrictions on land designated a Site of Special Scientific Interest (SSSI). They also encouraged environmentally friendly and sustainable developments. It was acknowledged that this required working together to utilise sites, including those owned by PCC in Havant.

DECISIONS The Cabinet:

(1) Noted the issues raised in this report, and endorsed the proposed approach the Local Plan set out in the Way Forward section of the report, including the work to address sustainability and ecological considerations and climate change; and

(2) Delegated to the Director of Regeneration, in consultation with the Leader and Cabinet Member for Culture and City Development, and the Director of Housing, Neighbourhoods and Buildings Services and Cabinet Member for Housing, authority to sign and keep updated a Statement of Common Ground with Havant Borough Council in line with this report.

85. Houses in Multiple Occupation Supplementary Planning Document (SPD) (AI 6)

Toby Ayling, Planning Policy Manager, introduced this report which addressed balancing the perceived need and concentration of HMOs with the protection of the neighbourhood environment. The policy would then be consulted on for 6 weeks (extended from the usual 4 weeks due to the summer timing).

Councillor Sanders, as Cabinet Member for Housing, welcomed the report which was trying to address the need to make private renting easier in the city.

In response to Councillor Tom Wood's question on the rewording in the SPD document (at 1.14) it was reported that there was a reflection of Planning Inspectors' decisions as there was a need to demonstrate harm when turning down an application. Councillor Horton, stressed that the Planning Committee was not against all HMO proposals, as high quality ones that did not overload an area were given due consideration, and this was a useful document. Councillor Hunt raised the concern that there was not a clear

picture of HMO coverage in the north of the city. The Planning committee would continue to consider each application on its own merit, but the SPD gave greater guidance. Councillor Vernon-Jackson appreciated the work on this and was pleased that the current 10% rule helped to prevent over concentration in areas.

DECISIONS:

(1) That the proposed changes to the HMO SPD be published for a period of 6 weeks of public consultation;

(2) The Assistant Director of Planning and Economic Development be authorised to make editorial amendments to the wording of the amended SPD prior to publication, in consultation with the Cabinet Member for Culture and City Development. These amendments shall not alter the meaning of the document.

86. Greening the City Update (AI 7)

Daniel Young, Senior Planning Officer, presented this report which was an update of the plan approved by the Cabinet Member for Planning, Regeneration and Economic Development in November 2018. This was a short term plan, including a list of potential sites for planting in the coming year, with the long term being addressed by the Local Plan.

Members of the Cabinet welcomed the report and Councillor Stagg spoke of the need to include local groups and businesses in planting schemes. Councillor Sanders referred to the Trees Council recognition of Portsmouth as an exemplar authority. He suggested links were made with the Woodland Trust and the need for a co-ordinated approach in the city. Councillor Winnington spoke on the health benefits which would encourage more walking and cycling in the city. Councillor Rob Wood also welcomed the report but asked for the planting of appropriate trees, taking into account the impact on residents, and he knew there was a demand from people to be involved in planting projects. Councillor Hunt also welcomed the involvement of volunteers, suggesting contact be made with HIVE.

DECISIONS - The Cabinet:

(1) Noted the progress and ongoing work as set out in this report.

(2) Endorsed the proposals set out in the appendix project update summary table.

87. Responding to Climate Change (AI 8)

(It was agreed to vary the agenda order for this item to be heard earlier in the meeting.)

The deputations are not minuted in full but can be seen as part of the webcasting of the meeting here:

<https://livestream.com/accounts/14063785/Full-Cabinet-24Jul2019>

Following the presentation of the Chief Executive's report by Kelly Nash, Corporate Performance Manager, deputations were made by:

- i) Paula Savage - asking what progress had been made since the council's Notice of Motion declaring a Climate Emergency, and listing environmental initiatives in other cities nationally and internationally that had good practice that should be investigated.
- ii) Nick Sebley from Extinction Rebellion asking for changes to be brought in more swiftly and with ambition to tackle vehicle emissions and suggesting amendments to the report to reach targets and audit policies and contracts, have wider involvement in the Climate Change Board and make funding for a community engagement plan.
- iii) Councillor Judith Smyth circulated a list of 13 suggestions, citing good practice at Nottingham and Camden councils, suggestion all reports have environmental impact assessments and ensure PCC (and its Local Plan), its partners and contractors were also required to consider carbon reduction, further use of solar panels on PCC buildings and improve public transport and cycleways, reiterating the need to set SMART targets until 2030.

Councillor Vernon-Jackson, as Leader, had spoken with the Section 151 Officer regarding the suggested proposals, as he wished to look at implementing these where possible and these needed to be properly investigated to ensure legality and for these to be costed.

Councillor Ashmore, Cabinet Member for Environment & Climate Change, thanked officers for the report and those who had made deputations. He reported that some of the ideas were already being looked at such as the package free larder and there were solar panels across council buildings. The Climate Change Board was being established to look at the ideas raised and the setting of targets. Councillor Ashmore proposed an additional recommendation as an amendment to allocate funding to take forward the suggestions and appoint a Climate Change Officer to facilitate this work.

Councillor Hunt referred to PCC's in-house energy team recently having won a prize for energy efficiency and he was aware that LED lighting was being investigated and tree planting was being encouraged on PCC land. Councillor Rob Wood referred to the need to work together and the support given to the previous plastic free Notice of Motion in 2016.

Councillor Sanders, as Cabinet Member for Housing, offered to help the package free larder find a suitable location. He supported the need to be more radical in cutting fossil fuel use in the city.

Councillor Horton, as Cabinet Member for Education, spoke of the need to take the community along with the green agenda, such as the Playstreets, and of the success of school initiatives to raise awareness. In Nottingham there had been an impact on businesses when the trams had been introduced.

Councillor Winnington, Cabinet Member for Health, Wellbeing and Social Care, was also Vice-Chair of Portsmouth Cycle Forum, spoke of the public health implications of a less congested city.

Councillor Stagg, as Cabinet Member for Traffic & Transportation was involved in talks with the private bus operators regarding the viability of routes and ways to encourage higher passenger numbers, and spoke generally on the need for an integrated transport strategy.

Councillor Vernon-Jackson, as Leader, was happy to work on the suggestions made by the deputations, including the 6 points made by Mr Sebley, which would be taken through the Climate Change Board before further reports were brought back to Cabinet. Work was already taking place to reduce waste and to examine why the Park and Ride was not being used to capacity. He explained that the report being classed as not a "key decision" was a procedural one relating to the published Forward Plan, and that the report and the issues arising from it were receiving the full attention of the Cabinet.

DECISIONS

The Cabinet approved:

- (1) the proposals in section 4 (and specifically 4.1) of the report to respond to the Notice of Motion adopted on 19th March 2019, to declare a climate change emergency in Portsmouth;**
- (2) Working into the City Council's Climate Change response suggestions from Extinction Rebellion and others about the work that the Climate Change Board should be looking at urgently to move this process forward;**
- (3) That funding for a Climate Change Officer be provided from the Environment and Climate Change portfolio reserve up to a limit of £40,000.**

The meeting concluded at 1.55 pm.

Councillor Gerald Vernon-Jackson CBE
Leader of the Council

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Title of meeting:	Cabinet
Date of meeting:	9 th September
Subject:	Response to the Housing & Social Care Scrutiny Panel review of the provision of temporary accommodation
Report by:	Paul Fielding - Assistant Director - Housing
Wards affected:	All
Key decision:	No
Full Council decision:	No

1. Purpose of report

1.1. The Housing & Social Care Scrutiny Panel has conducted a review into how well Portsmouth City Council is providing temporary accommodation for those who are homeless and the council has a duty towards. The purpose of this report is to set out the response of the officers to the Scrutiny Panel's recommendations.

2. Recommendations

2.1. That the Panel is thanked for its work in undertaking the review.

2.2. That the Cabinet notes and supports the recommendations of the review, which are listed in section 8 of the report and the response of officers which are set out in section 4 of this report.

3. Background

3.1. At June 2018 the number of households in temporary accommodation across England was 82,310, up 5% from June 2017, and up 71% from December 2010 (MCHLG 2018).

3.2. The council has statutory duties towards those who are homeless, or at threat of homelessness. Homeless means more than those sleeping rough on the streets. Most who are legally defined as homeless have not been sleeping rough.

3.3. If homeless people approach the council for support, it has a legal duty to assess their case and reasonable steps to help the applicant to secure accommodation (and prevent the homelessness). 'Helping to secure' does not mean that the council has a duty to directly source and provide accommodation for the applicant. Instead, authorities should provide 'support and advice to applicants who are taking some responsibility for securing their own accommodation'.

3.4. Whilst being fully assessed, or waiting for move on accommodation, there may be a duty to provide a placement (a placement being a family, couple or single person temporary home. This is referred to as Temporary Accommodation.

- 3.5. The council has a range of places it can temporarily house people, including properties owned by the council and leased properties. This currently provided homes for approximately 55 placements.
- 3.6. Placements are not classified as tenants. They are housed on licence and have different rights to those who hold a tenancy.
- 3.7. The number of households placed in temporary accommodation has risen from 58 in April 2017 to 119 in February 2019 (and 130 in July 2019). This figure rose sharply in the early part of summer 2018 following the introduction of the Homeless Reduction Act 2018 and the urgent need to decant two sizeable tower blocks.
- 3.8. To manage this problem the council uses B&B and chain hotels (such as Travelodge). These types of 'emergency' accommodation cost a lot more than more traditional forms of TA and can be an unsettling environment for the customer
- 3.9. Although the total number of households in temporary accommodation has risen there has only been a slight increase in the number of households being placed each week (from an average of 6.7 placements per week to an average of 7.4 per week)
- 3.10. The predominant issue has been a lack of movement through temporary accommodation into more permanent settled accommodation leading to longer stays in temporary accommodation and a 'backlog' effect.

4. Response to panel's recommendations

- 4.1. Recommendation 1. The turnaround period for empty council properties be reduced.

Response. Agreed - Officers agree that when local authority housing tenants give notice to leave a property, the process to make it available again for the next tenant must be as efficient and effective as possible. A systems thinking intervention into this area has been completed and a new way of working is being rolled into the area officers which will result in housing officers taking responsibility for the process of handling empty properties. The new way of working focusses on reducing the end to end time taken for an empty property to be let and the early indications are showing a reduction in the time taken.

- 4.2. Recommendation 2. Opportunities to use vacant public sector buildings as temporary accommodation be investigated including locations such as Edinburgh House.

Response. Agreed - Officers from across the council will work together to investigate any empty properties and their suitability to be used as temporary accommodation whilst they wait to be redeveloped.

- 4.3. Recommendation 3. The council continue to making block bookings for emergency accommodation in hotels and B&Bs to reduce costs and uncertainty.

Response. Agreed (where appropriate) - The number of suitable B&B and hotels available for the council to use as temporary accommodation is constantly reviewed to ensure that budgets are spent as wisely as possible. Block bookings will be used as appropriate whilst also maintaining a range of available accommodation in a variety of locations.

4.4. Recommendation 4. Housing Associations be encouraged to work together to allocate properties to people on the council's temporary accommodation waiting list.

Response. Partially agreed - The city council currently works with, and manages the housing allocation list for, a number of housing associations. This means that allocations are made, where appropriate, to those on the council's list, some of whom may be in temporary accommodation. The Housing Needs, Advice & Support service will continue to work with housing associations to maximise the number of social homes that are available to those who are homeless. However housing associations are not best placed to deal with those who need temporary accommodation. Instead the council is using the relaunched private sector leasing scheme, and increasing its own properties, to reduce the need for emergency temporary accommodation such as hotels.

4.5. Recommendation 5. The council continue to take all the opportunities it has to develop social and affordable housing particularly additional council housing through the Housing Revenue Account now that the borrowing cap has been removed.

Response. Agreed - The Housing, Neighbourhood and Buildings Services Directorate works closely with the Regeneration Directorate to realise the development opportunities available to PCC. The recent housing cabinet decision meeting on the 30th July 2019 agreed the development of council housing on the vacant Doyle Avenue site. The development uses HRA borrowing and right to buy receipts to create a social housing development. In addition the council has agreed an Empty Private Property Strategy which aims to bring more empty properties back into use, is developing the Southsea Community Centre for into housing and continue to buy back properties which have previously been sold under the Right to Buy scheme.

5. Equality impact assessment

5.1. No specific changes arise from this report. However an EIA would be produced for each specific scheme or policy change which would arise from this work.

6. Legal implications

6.1. This is contained within section 9 of the panel's report

7. Director of Finance's comments

7.1. This is contained with section 10 of the panel's report

.....
Signed by:

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

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

Title of document	Location
Housing Act 1996	
Homelessness Act 2002	
Homeless Reduction Act 2017	

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

.....
Signed by:



Portsmouth CITY COUNCIL

Housing & Social Care Scrutiny Panel

A REVIEW OF THE PROVISION OF TEMPORARY ACCOMMODATION.

Date published: 30 July 2019

Under the terms of the council's constitution, reports prepared by a scrutiny panel should be considered formally by the cabinet or the relevant cabinet member within a period of eight weeks, as required by Rule 11(a) of the Policy & Review Procedure Rules.

Preface

The number of households placed in temporary accommodation has doubled in Portsmouth over the last couple of years. This unfortunate trend is driven by constraints on the supply of affordable housing and by the short term effects of removing Leamington and Horatia Houses from the available stock.

The Housing and Social Care Scrutiny Panel has undertaken a review of this important area of council activity, both to understand how the current situation has arisen, whether it will change in the near future and what the options are for balancing supply and demand over the longer term.

The panel recognises the good work being progressed by council officers and thanks all those who contributed to this review. We hope the recommendations we offer are useful and that by using some of the approaches identified, fewer people will have to be placed in expensive and often inadequate short term accommodation in future.

.....
Councillor Luke Stubbs,
Chair, Housing & Social Care Scrutiny Panel

Date: 30 July 2019

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1. Purpose

- 1.1 The purpose of this report is to present the Cabinet the recommendations of the Housing & Social Care Scrutiny Panel following its review of the provision of temporary accommodation.

2. Background

- 2.1 At its meeting on 11 February 2019 the Housing & Social Care Scrutiny Panel (henceforth referred to as the panel) agreed the scope of the review:

To understand:

1. The types of temporary accommodation used by the council.
2. The reasons for the increase in the use of temporary accommodation.
3. The typical length of stay.
4. The allocation process (*this was moved to no. 1*)
5. The role of the private rental sector and how the council works with it.
6. The council's plans to address the increasing use of this accommodation.
7. The council's work with other local authorities.

- 2.2 The panel comprised:

Councillors: Luke Stubbs (Chair)
Jason Fazackarley
Leo Madden
Claire Udy
Steve Wemyss
Tom Wood

The Standing Deputies were Councillors Ben Swann, David Tompkins and Neill Young.

On 14 May the panel's composition changed to:

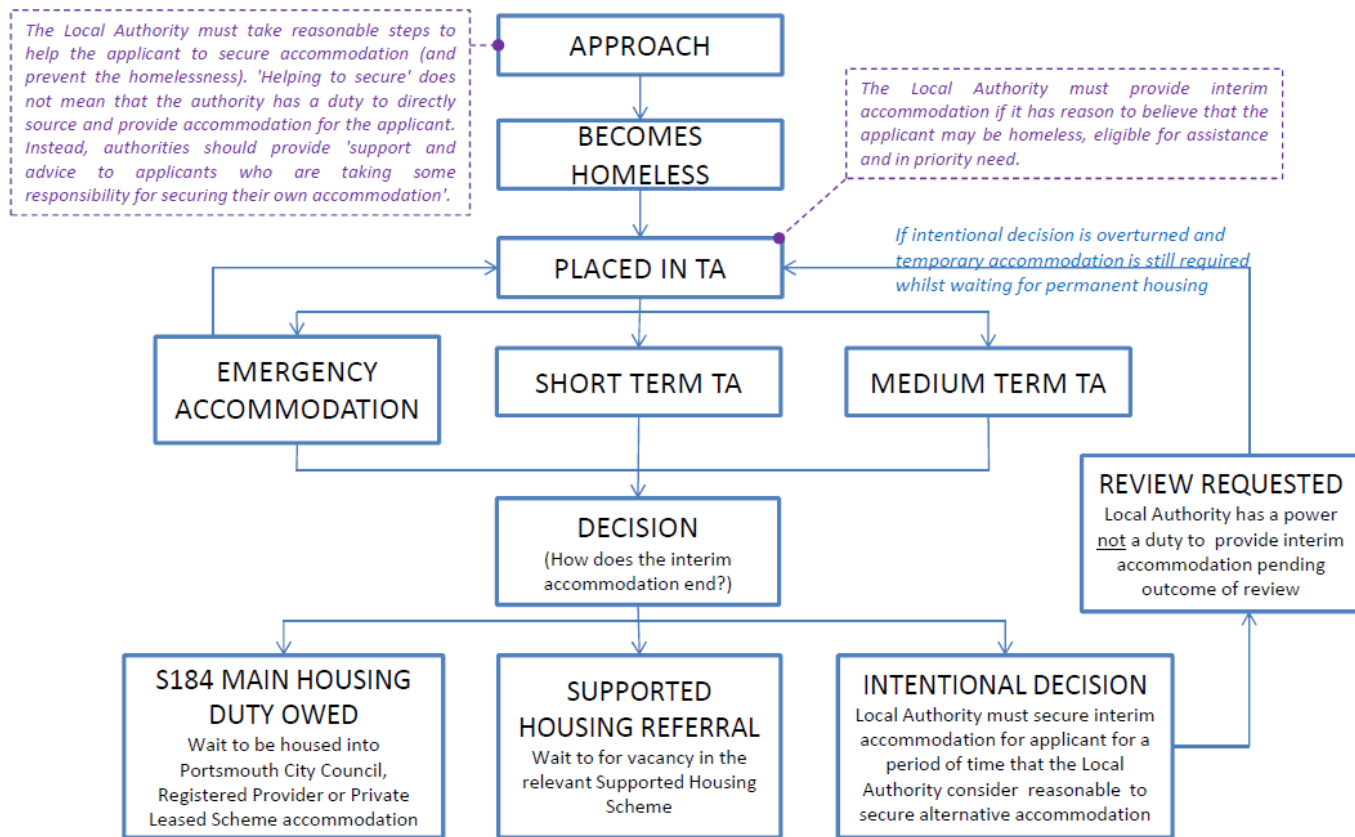
Councillors: Luke Stubbs (Chair)
Cal Corkery (Vice Chair)
Chris Attwell
Leo Madden
Claire Udy
Steve Wemyss

The Standing Deputies were Councillors Hannah Hockaday, Benedict Swann, Tom Wood and Neill Young.

- 2.3 The panel met formally on 3 occasions between 11 February and 30 July 2019.
- 2.4 A list of meetings held by the panel and details of the written evidence received are attached as appendix 1. The minutes of the panel's meetings and the documentation reviewed are published on the council's website.

3. The allocation process.

Temporary Accommodation - Customer Journey



TA = temporary accommodation.

- 3.1 When a person or family declares themselves as homeless and asks the council to help them find accommodation, the Housing Options Officer will ask about their circumstances. If there is nowhere else available and the applicant is eligible and in priority need they would be offered emergency temporary accommodation. The council assesses their case and keeps them informed. The council has a legal duty to pay for their belongings to be stored.
- 3.2 Ideally the council would house people in emergency temporary accommodation for as short a time as possible, but the current average waiting time is three months.
- 3.3 An intervention into the allocation and letting of council properties has been undertaken and a new way of working is now being rolled in at the Area Housing Offices. It is expected that one of the outcomes will be to reduce the time it takes for empty council properties to be made ready for new tenants. This currently takes an average of 55 days for all void properties, abnnd includes some which require a significant amount of work to make them habitable. There are approximately 25 vacant properties at the moment. During the void period the council is responsible for all the bills associated

with the properties. The outgoing tenants usually give about two weeks' notice of moving out.

- 3.4 The council could, via the Priority Housing Panel, give additional priority to homeless applicants in temporary accommodation. However, the impact on the others on this list must be considered.

4. To understand the types of temporary accommodation used by the council.

What is temporary accommodation?

The council has statutory duties towards those who are homeless, or threatened with homelessness (TWH). Homeless means more than those sleeping rough on the streets. Most people who are legally defined as homeless have not been sleeping rough. If homeless people approach the council for support, the council has a legal duty to assess their case. Whilst being fully assessed, or waiting for move-on accommodation, the council may have a duty to provide a temporary home. This is referred to as temporary accommodation.

Placements are not classified as tenancies. People are housed on licence and have different rights to those who hold a tenancy.

Relevant Legislation

The Housing Act 1996¹ requires local authorities to have an allocations policy.

The Homelessness Act 2002² requires local authorities to have a homelessness strategy.

The Homelessness Reduction Act (HRA) 2017³ came into effect in April 2018. It effectively bolts two new duties to the original statutory rehousing duty: to prevent homelessness and to relieve homelessness.

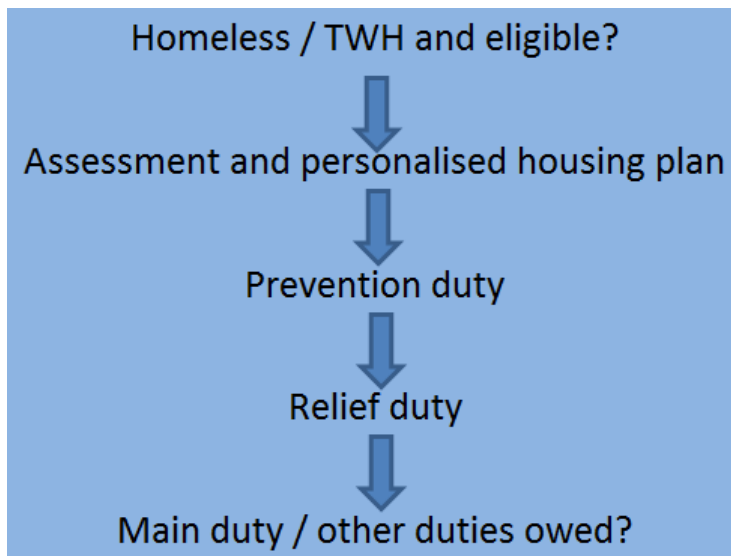
The Cabinet Member for Housing informed the panel that he felt that it is immoral that the council does not have a statutory duty to house rough sleepers as he felt that it is the council's duty to deal with everyone. He added that the Portsmouth City Rough Sleeping & Homelessness Partnership Group was working to identify the numbers and evaluate the reasons for homelessness.

¹ <https://www.legislation.gov.uk/ukpga/1996/52/contents>

² <https://www.legislation.gov.uk/ukpga/2002/7/contents>

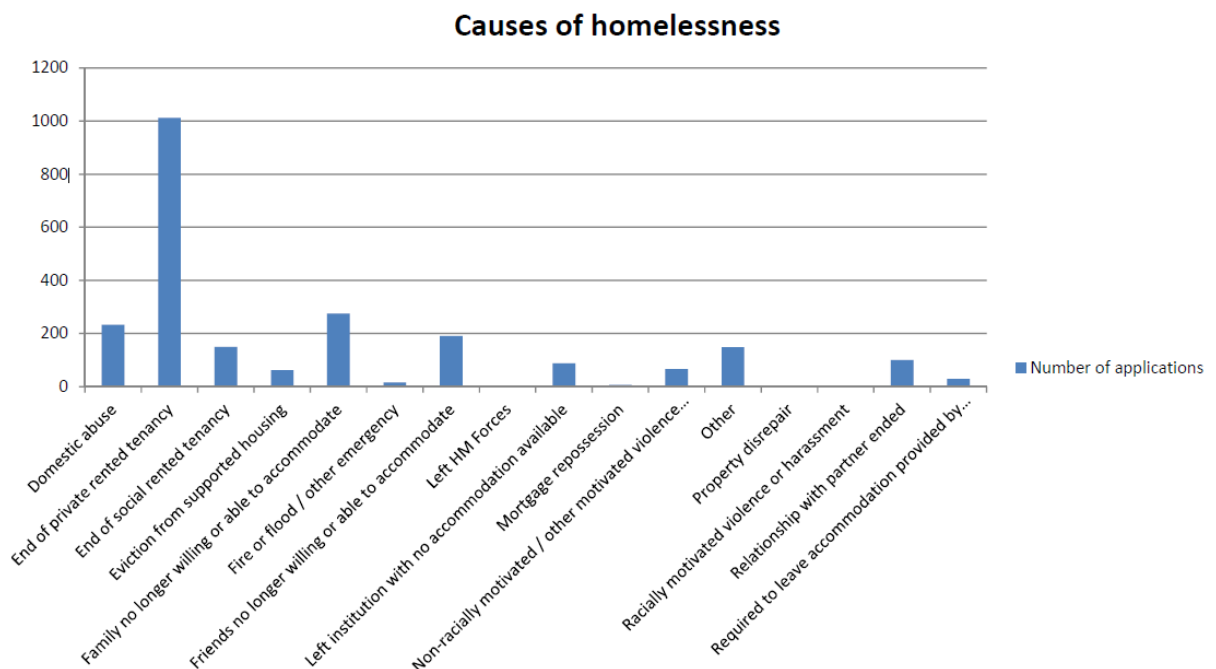
³ <http://www.legislation.gov.uk/ukpga/2017/13/contents/enacted>

Process set out in the act



Reasons for homelessness

The Cabinet Member for Housing explained that most homeless people and those THW tend not to be visible. It is very important to understand the reasons people are presenting as homeless.



Data source: Portsmouth Housing Register.

As shown on the table above, by far the main reason for homelessness in Portsmouth is the ending of a private tenancy. These often end because the tenants' circumstances change and the rent is no longer affordable. Some people cannot

afford the top up they were required to pay towards their rent after the introduction of the benefits cap.

Since the introduction of universal credit, rent arrears plateaued for a time and then increased a little. It is not possible to predict the long-term effect of this benefit. Nationally where universal credit has been in place for a number of years, rents have increased significantly.

Another reason for the ending of a private tenancy may be the tenant's anti-social behaviour. A significant number of people who approach the housing service and present as homeless have complex mental health or substance misuse issues. It is important to realise that the council still has a duty to rehome them in these circumstances.

The second biggest reason is that people's family are no longer able to accommodate them or that they feel it is time to move out of their parents' home but cannot afford to rent privately.

The third reason for homelessness is domestic abuse.

Although there has been an increase in people declaring themselves homeless since the introduction of the HRA, there has not been a corresponding increase in placements.

Types of Temporary accommodation

Emergency

The number of small hotels accepting referrals from the council has decreased. The council has flexible contracts with three independent B&Bs/ hotels. A tendering exercise carried out three years ago was not successful as only hotels that were already working with the council responded. Due to lack of available accommodation the council has had to recently start using chain hotels. The rates vary depending on the season and the size of the household.

The council is negotiating with the Regional Manager & Regional Director of a chain hotel in Portsmouth regarding potential discounts, better methods of payment and invoicing and greater flexibility with ongoing bookings.

A new B&B opening in the city has been identified and a reduction on the advertised room rates has already been negotiated. The Cabinet Member for Housing noted that it is not ideal to place people in B&Bs because of the cost and because they often lack facilities like kitchens.

Short Term

There are currently 30 two or three bedroom, self-contained flats. The council has a service level agreement with the Roberts Centre to furnish the flats, carry out maintenance checks and to provide support and links to medical and other services.

Medium Term

A block of 20 two to three bedroom self-contained flats in Southsea is owned and used by the council for medium term temporary accommodation. There are also four flats, one leased house and 25 rooms in five Houses of Multiple Occupancy. The latter is a new venture for the council. It was noted that managing tenants who do not know each other is difficult.

Council Properties.

There is no significant fluctuation in the number of empty properties (voids) becoming available to the council. Between 900 and 950 properties are let every year.

The Cabinet Member for Housing noted that the void intervention programme should stabilise and then reduce the number of empty council properties.

Move on Accommodation

Additional move on stock is required.

The predominant issue has been a lack of movement through temporary accommodation into more permanent settle accommodation.

Student accommodation

The use of student accommodation has been considered. It depends on availability and is relatively expensive.

Out of city accommodation.

The possibility of moving to an area where the rents are cheaper is discussed with the applicant but it is important to consider the costs for travelling to school, work and to see their families. Some type of property in some areas outside of the city are not in as high demand as others, possibly because they are further from the city centre.

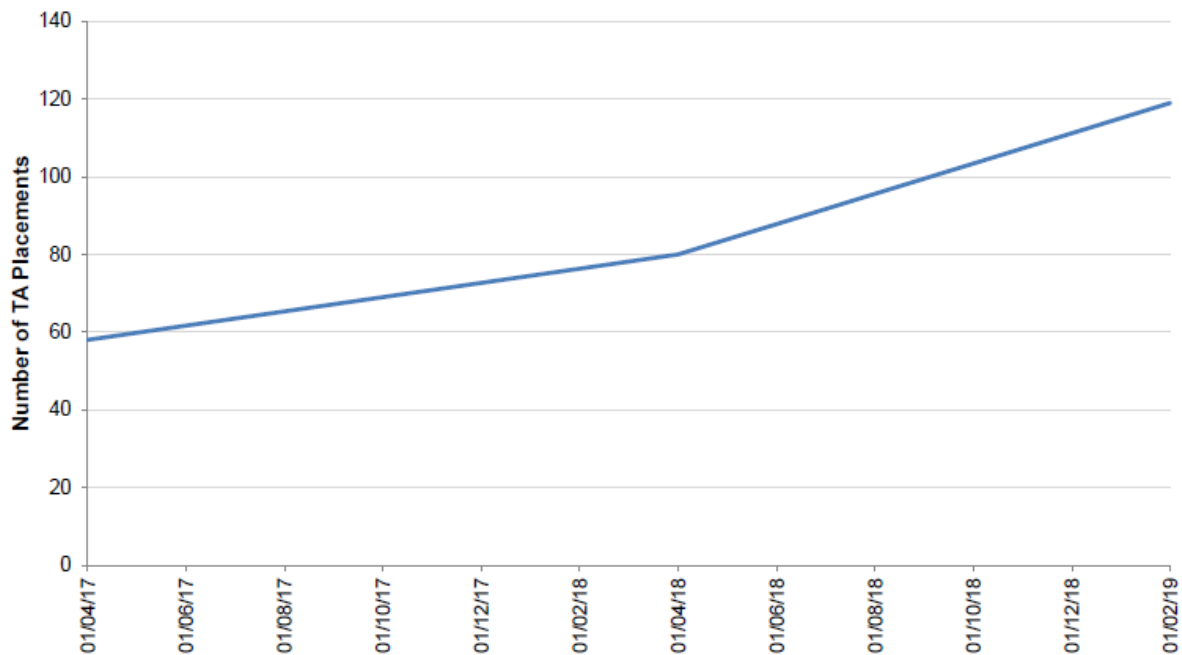
Some applicants have been placed in B&Bs in Southampton due to a lack of vacancies in Portsmouth. The council is working to bring them back into the city.

General temporary accommodation

More cost-effective and self-contained accommodation is required.

5. The reasons for the increase in the use of temporary accommodation.

The rise in the number of households in temporary accommodation.



Source: Portsmouth Housing Register.

Demand

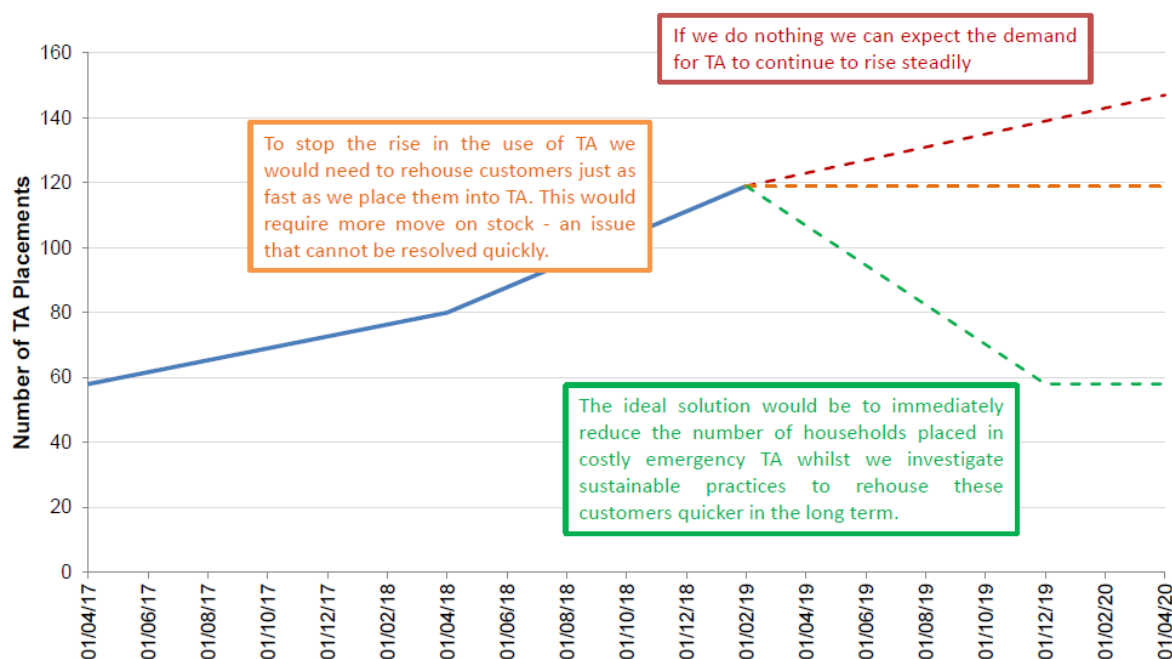
It is increasingly difficult to find move on accommodation for families of 5 or more.

There is a disparity between the rate at which the council is registering applicants and how quickly they are rehoused. The number of households being placed onto the Housing Register in the high priority band every week was 18.3. The number of applicants in the high priority band that the council can reasonably expect to rehouse each week based on the current system is 17.1. 51% of applicants in the high band are homeless; their position on the Housing Register is determined by their band and the date of their registration. The other 49% need to move because of many reasons including medical needs, they live in properties that are too large for their needs, the Supported Panel has agreed a move or it is a management move.

Asylum seekers who have been granted leave to remain are rehomed in accordance with current homeless legislation.

There had not been a large number of former service personnel presenting as homeless.

Future Demand.



TA= temporary accommodation

Source: Portsmouth Housing register.

It is important that future demand is modelled so that the council does not end up with stock that is no longer needed in five years' time.

There are many demands for social housing. It would not be possible to give homelessness people priority as this would impact unfairly on others on the waiting list.

The number of households in temporary accommodation.

Nationally.

In June 2018 the number of households in temporary accommodation was 82,310. This had risen by 5% since June 2017 and by 71% from December 2010⁴.

Portsmouth

The number of households in temporary accommodation rose from an average of 66 in April 2017 to an average of 103 per night by the end of 2018. The number of households in temporary accommodation had risen from 58 in April 2017 to 119 in February 2019. This figure rose sharply in the early part of Summer 2018 following the introduction of the HRA 2018 and the urgent need to decant two sizeable tower blocks.

⁴ Ministry of Housing, Communities and Local Government 2018

At the end of 2018 it was statistically normal to have between 96 and 112 households in temporary accommodation. A 'household' (aka a placement) can be a single person, a couple or a family.

Following the introduction of the HRA the council witnessed a rise of 0.5 households placed per week: from an average of 6.7 per week in April 2018 to the current average of 7.2 per week. At present, it would be statistically normally to expect to place between 0 and 17 new households each week.

The council has seen a rise in the occupation rates of its temporary accommodation.

It is harder to move people on which has resulted in longer stays in temporary accommodation.

Reasons.

- Welfare reforms
- Increase in homelessness at a national level
- Introduction of HRA 2017
- Reduction in alternative/permanent accommodation for households to move on.

6. The typical length of stay.

The average number of days that a household typically spends in short term temporary accommodation (from first placed to when they leave) increased in July 2018 from 76 days to 116 days with a statistically normal range of between 0 and 282 days. This indicates a highly variable, and increasing system.

For medium term temporary accommodation the average stay is 201 days with a statistically normal range of between 26 and 379 days. This indicates a highly variable, but stable system.

Emergency

The average number of days in emergency accommodation (Bed & Breakfasts and hotels) has risen from an average of 28 days in April 2017 to an average of 65 days in December 2018, with a statistically normal range of between 0 and 148 days. This indicates a highly variable and increasing system.

This type of accommodation costs a lot more than more traditional forms of temporary accommodation and can be an unsettling environment for the customer.

Accepted Offers from temporary accommodation.

The number of placements into permanent accommodation per week has fallen from an average of 22 per week in 2017 to an average of 12 days by December 2018.

Accepted offers to registered housing providers.

The number of placements into registered housing providers has remained stable at six per week albeit with high variability.

Accepted offers to council owned accommodation.

The number of placements into council owned property has fallen from 16 to 6.5 per week. This is due to capacity being diverted to those moving from Leamington House and Horatia House.

7. The role of the private sector and how the council works with it.

The council is developing more opportunities to use privately owned property for temporary accommodation. Some Houses in Multiple Occupancy had been leased in the previous 12 months.

New housing developments in the city will provide some temporary accommodation. However, it was noted that this a long term measure.

The council receives offers of temporary accommodation from private companies. Generally these are too expensive and not all have managers on site to support the tenants.

8. The council's plans to address the increasing use of this accommodation.

The council has a legal duty to provide interim accommodation for homeless households and the only way to effect an immediate change is to consider taking extraordinary measures. Only additional move on capacity will reduce the use of temporary accommodation. The following options were discussed:

Office to residential conversions.

The developers of Roebuck House in Cosham received prior planning approval for more than 200 flats which would be below the standards set for room sizes.

Council properties

Properties in Wecock Farm are traditionally in low demand (amongst applicants on the waiting list). There is also hard to let sheltered accommodation in the Crookhorn area as no one on the list wants or needs that type of property in this location. The council is reviewing how it could better use that building.

The council recently increased its medium term accommodation by taking on three 1 bedroom and one 3 bedroom low demand council properties and these now have homeless households placed in them.

The decant of tenants from Horatia House and Leamington House is nearing an end which means more move on accommodation (within council stock) should become available. This will not resolve the issues of temporary accommodation although it will help stabilise the problem.

Community Centres.

The Cabinet Member for Housing informed the panel that Southsea Community Centre had been vacant for a long time. Using it for temporary accommodation would be his preference but he acknowledged that by the time it was developed, the market may have changed.

The Housing Strategy is currently out for consultation.

Discretionary Housing Benefit payments.

Referrals are made to the HB team for discretionary payments. The fund available is not usually spent, but this year it may be used in full.

9. The council's work with other local authorities.

The council has a good working relationship with the rehousing team in Gosport and Fareham councils and learning is shared. Although homelessness is a national problem, different areas tend to have different problems.

Gosport council has two long stay hostels.

Fareham does not deal with a significant number of homeless applicants and not provide temporary accommodation.

Conclusions

The panel was concerned to note that:

1. Demand on temporary accommodation exceeds capacity.
2. The permanent rehousing of residents from Horatio House and Leamington House exacerbated the situation.
3. The average amount of time that council properties remain empty is 55 days.
4. The use of temporary accommodation can lead to poor outcomes for families and is poor value for money.
5. Homeless applicants make up the majority of people in temporary accommodation. The main cause of homelessness is the ending of private tenancies. The introduction of the Homelessness Reduction Act may also be a contributing factor.
6. The length of time people wait for move-on accommodation is increasing.
7. The panel was pleased to note that the discretionary housing benefit allocation is spent in full.
8. The council continue to take all the opportunities it has to develop social and affordable housing particularly additional council housing through the HRA now that the HRA borrowing cap has been removed.

Recommendations.

The panel recommended that:

1. The turnaround period for empty council properties be reduced.
2. Opportunities to use vacant public sector buildings as temporary accommodation be investigated including locations such as Edinburgh House.
3. The council continue to making block bookings for emergency accommodation in hotels and B&Bs to reduce costs and uncertainty.
4. Housing Associations be encouraged to work together to allocate properties to people on the council's temporary accommodation waiting list.
5. The council continue to take all the opportunities it has to develop social and affordable housing particularly additional council housing through the Housing & Revenue Account now that the borrowing cap has been removed.

8. Recommendations and Budget and Policy Implications

The following table highlights the budgetary and policy implications of the recommendations being presented by the panel:

Recommendation	Action By	Budget & Policy Framework	Resource Implications
1. The turnaround period for empty council properties be reduced.	Assistant Director - Housing, Housing, Neighbourhood and Building Services	Spend required when a property is empty will be reduced. The outgoing customer will become more engaged in the process to handover their property	The New Tenancy team will be transferred to become Housing officers in area offices
2. Opportunities to use vacant public sector buildings as temporary accommodation be investigated including locations such as Edinburgh House.	Assistant Director - Housing, Housing, Neighbourhood and Building Services	Properties need to be safely and securely adapted for the types of customers that need temporary accommodation. Properties need to be in the right locations top access services (such as schools)	Funding needs to be identified for any adaptations
3. The council continue to making block bookings for emergency accommodation in hotels and B&Bs to reduce costs and uncertainty.	Assistant Director - Housing, Housing, Neighbourhood and Building Services	Many B&Bs do not take purchase orders and so the use of purchasing cards needs to be carefully monitored. The aim is to reduce the use of B&B and hotel by moving people into better accommodation more quickly	None
4. Housing Associations be encouraged to work together to allocate properties to people on the council's temporary accommodation waiting list.	Assistant Director - Housing, Housing, Neighbourhood and Building Services	None	None

Recommendation	Action By	Budget & Policy Framework	Resource Implications
5. The council continue to take all the opportunities it has to develop social and affordable housing particularly additional council housing through the Housing & Revenue Account now that the borrowing cap has been removed.	Directors for Housing Neighbourhood and Building Services, and Regeneration	By the directorates working together it will be able to realise the opportunities that the removal of the Housing & Revenue Account borrowing cap represents to enable council housing development	Additional borrowing will need to be financed

9. Legal Comments

The Homelessness Reduction Act 2017 came into force on 03 April 2018. The Act places new legal duties on councils to ensure those who are homeless or at risk of homelessness will have access to meaningful advice and assistance, irrespective of their priority need status, as long as they are eligible for assistance. The Act also introduces new duties to prevent and relieve homelessness by helping applicants secure accommodation. The Act amends Part VII of the Housing Act 1996, which provides the statutory basis of council's duties to prevent homelessness and provide assistance to those threatened with or who are homeless. Further guidance is also provided to councils exercising their functions relating to homelessness and prevention of homelessness in the statutory Homelessness Code of Guidance February 2018.

In addition to the above, the council is also required under the Homelessness Act 2002 to formulate and publish a homelessness strategy, which is intended to include the council's plans for securing that sufficient accommodation is and will be available for people who are or may become homeless.

When considering its approach to homelessness, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010; the need to advance equality of opportunity; and the need to foster good relations between persons who share a protected characteristic and those who do not.

The recommendations and action plan (shown in paragraph 8) are in accordance with furthering the council's duties and the legislation's objectives in relation to securing accommodation for persons who are homeless or threatened with homelessness.

10. Finance Comments

The recommendations within this report have a number of financial consequences.

The recommendation to reduce the turnaround period for empty council properties has no detail attached to it that can allow a proper financial appraisal to be carried out. The properties in question include but may not be limited to those held within the Housing revenue account. The consequence of enabling properties to be in a rentable state faster are that the council can start to receive rent from those properties quicker, and it also increases the capacity available and therefore lead to less reliance on temporary housing.

The recommendations that says that the council should consider opportunities to use vacant public sector buildings as temporary accommodation such as Edinburgh House doesn't have enough detail in the report as to what this entails and which buildings could be used. Edinburgh House along with all other properties should be used in the most financially beneficial manner and whilst Temporary Accommodation is currently significant financial risk there are other areas in the Council that also need to be considered such as accommodation for Children's and Adult Social Care. Each site would need to be appraised as to the most appropriate use.

The council will always endeavour to procure temporary accommodation in the most financially advantageous manner that may include making block bookings, the benefits of this differ dependent on the provider selected.

There are no costs to the council by encouraging Housing Associations to prioritise people on the council's temporary accommodation list. Any initiatives that ensure that the council's reliance on the use of temporary accommodation will have a positive effect on the council's budget.

The removal of the borrowing cap from the Housing Revenue Account allows it to borrow money under the prudential code. Therefore any borrowing must be sustainable, affordable and prudent. Any development that provides additional council housing will need to be financially viable in order to be funded using additional borrowing.

11. Equality Impact Assessment.

A preliminary equality impact assessment would be carried out when the Cabinet makes its decisions based on the recommendations set out in this report.

Formal Meetings Held by the Panel

DATE	WITNESSES	DOCUMENTS RECEIVED
11 February 2019	<p>Councillor Darren Sanders, Cabinet Member for Housing</p> <p>Paul Fielding, Assistant Director - Housing</p> <p>Elaine Bastable, Head of Housing Options</p> <p>Lucy Smith, Accommodation Manager</p> <p>Daniel Lake, Accommodation Manger</p>	Presentation by officers.
5 March 2019	<p>Councillor Darren Sanders, Cabinet Member for Housing</p> <p>Paul Fielding, Assistant Director - Housing</p> <p>Elaine Bastable, Head of Housing Options</p> <p>Lucy Smith, Accommodation Manager</p> <p>Daniel Lake, Accommodation Manger</p>	Presentation by officers.
30 July 2019	The panel signed off the report.	

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Title of meeting:	Cabinet
Date of meeting:	Monday 9 th September
Subject:	Air Quality Local Plan- Progress Update
Report by:	Pam Turton- Assistant Director, Transport
Wards affected:	All
Key decision:	No
Full Council decision:	No

1. Purpose of report

- 1.1 To provide an update on the development of the Air Quality Local Plan to deliver compliance with legal limits for nitrogen dioxide in the shortest possible time¹.

2. Recommendations

- 2.1 It is recommended that Cabinet:
- Notes the progress made in the development of the Air Quality Local Plan; and
 - Approves the proposed preferred package as set out in paragraph 5.12 as the preferred option to be taken forward to outline business case development. That is; **a Class B CAZ is combined with a number of non-charging measures to ensure that compliance is achieved within the shortest possible time i.e by 2022**

3. Background

Ministerial Directions

- 3.1 Following a High Court ruling in 2018, Portsmouth City Council has been issued with three Ministerial Directions. These place a legally binding duty on the Council to undertake a number of steps to improve air quality in the city.
- 3.2 The first Ministerial Direction was issued in March 2018 and required to Council to develop a Targeted Feasibility Study (TFS) by 31 July 2018 for two specified road links in the city: A3 Mile End Road and A3 Alfred Road. These two roads

¹ In the case of the Air Quality Local Plan this is considered to be measures that can be delivered as quickly as or more quickly than a charging Clean Air Zone can be made operational. JAQU consider that a charging CAZ could be operational in Portsmouth by the end of 2021; therefore other measure must be capable of being delivered by this date to be considered.

were selected as they were projected to have nitrogen dioxide (NO₂) exceedances in Defra's national PCM model.

- 3.3 The TFS considered a number of measures that could have the potential to bring forward the achievement of EU limit values for NO₂ which is set as an annual mean value of 40 micrograms per cubic metre (µg/m³).
- 3.4 From an initial longlist of measures three measures were identified as deliverable within the timescales set by Defra, and therefore considered to offer the best opportunity to bring forward compliance in the shortest possible time:
- Bus retrofitting to upgrade all pre-Euro VI buses that travel along the two road links identified as having projects exceedances
 - A package to reduce private car use.
 - Promoting the uptake of cleaner vehicles.
- 3.5 Whilst none of these measures alone was considered sufficient to bring forward compliance, implementation of all three measures in combination was predicted to bring forward compliance from 2020 to 2019 for A3 Mile End Road and from 2023 to 2022 for A3 Alfred Road.
- 3.6 Following the results of the TFS, PCC were issued with a further Ministerial Direction in October 2018, this time to undertake a bus retrofit programme. The Ministerial Direction stipulated that the programme should be undertaken as quickly as possible with the purpose of bringing forward compliance with legal levels of NO₂ on A3 Mile End Road and A3 Alfred Road.
- 3.7 In addition to the TFS mandated through the Ministerial Direction, PCC instructed consultants to carry out an additional TFS for Air Quality Management Area 6 (AQMA6), covering London Road, Kingston Road and Fratton Road. This study covered the four sections of part 1 (understanding the problem), part 2 (developing a long list of measures for addressing the modelling exceedances), part 3 (assessing deliverability/feasibility and delivering a short list) and part 4 (evidencing the short listed measures to identify options that could bring forward compliance).
- 3.8 This study was carried out in order to support improvements to air quality within AQMA6 due to information from PCC's continuous air quality monitoring station located within AQMA6, that London Road demonstrated a continuous exceedance of the requirements of the Ambient Air Quality Directive (AAQD). The study showed that, as with the TFS carried out for the first Ministerial Direction, a combination of measures would be the most effective way to bring forward compliance.
- 3.9 A number of further intervention measures were also considered for the AQMA 6 area, with input from the Air Quality Steering Group, and PCC appointed consultants to assess the impact of these measures. As part of this work, a 24-hour Automatic Number Plate Recognition (ANPR) survey was carried out in October 2018, for both north and southbound directions on London Road, just south of the junction with Laburnum Grove. The interventions were modelled to

determine their impact on NO₂ concentrations, with the results showing that whilst improvements were experienced in some scenarios, none of the options would achieve compliance in insolation.

- 3.10 A third Ministerial Direction was issued requiring PCC to produce an Air Quality Local Plan to set out the case for delivering compliance with legal limits for NO₂ in the shortest possible time.
2019 Annual Status Report
- 3.11 PCC has a statutory duty under the Environment Act 1995 to monitor, assess and take action to improve local air quality. As part of this duty PCC is required to produce an Annual Status Report (ASR) which provides details of the analysis of pollutant occurrences in the city, to report on progress in any air quality management areas (AQMAs) and to provide updates on actions that have been undertaken to address air pollution in the city.
- 3.12 As a result of the Ministerial Directions placed on PCC and their identification of A3 Mile End Road and A3 Alfred Road as exceedance locations PCC placed additional air quality monitoring equipment in these locations and also placed additional NO₂ diffusion monitoring tubes around the city.
- 3.13 This increased level of monitoring in new areas not previously monitored, has enabled a higher resolution picture of NO₂ concentrations that has previously been available. This means that the 2019 ASR has reported a different narrative with regards to exceedance locations than in previous years ASRs as well as an update to the evidence that was relied upon for the TFS and our proposal to develop an Air Quality Local Plan.
- 3.14 The data contained within the 2019 ASR does not change the work that the Council is required to undertake in developing our Air Quality Local Plan. However, it does highlight that measures to improve air quality in the city should be city-wide in focus, rather than focusing solely on discrete locations. This approach will help to reduce the displacement of traffic, which could lead to new exceedance locations as traffic reroutes to avoid areas of intervention.

4. Progress since the Ministerial Directions were issued

- 4.1 In November 2018 PCC submitted our proposal to develop our Air Quality Local Plan to JAQU. This proposal set out the local context and our understanding of the air pollution problems at that time. The proposal also confirmed the timescales that we would be working to in order to meet the requirements of the Ministerial Direction and the key milestones in developing our Air Quality Local Plan.
- 4.2 Following the submission of the proposal, in accordance with the Ministerial Direction, the first stage in development of the Air Quality Local Plan was the submission of the draft Strategic Outline Case (SOC) which was submitted to JAQU in January 2019. Within the SOC PCC were required to include a shortlist

of measures that were likely to be effective in bringing forward compliance in the shortest possible time.

- 4.3 The SOC made use of the most up to date evidence available at the time, which suggested that the most effective non-charging options should focus on traffic management measures on the A2047, junction improvements on the A3, as well as use of cleaner buses. However, it was noted that such measures would only be successful if accompanied by modal shift and cleaner vehicle uptake.
- 4.4 Following the submission of the SOC, PCC has moved to the next stage in the preparation of the Air Quality Local Plan which involves collecting additional evidence and undertaking further transport and air quality modelling. As part of this evidence gathering process the Council commissioned an automatic number plate recognition (ANPR) survey of the city. Cameras were installed at 110 locations around the city which recorded vehicle movements 24 hours a day for 7 days.
- 4.5 The purpose of the ANPR survey was to understand the composition of the local vehicle fleet in Portsmouth and the routes that vehicles usually take. The survey has shown that generally, the vehicle fleet in Portsmouth is older than the national average, and that diesel cars (including private cars and private hire vehicles) account for almost half of the NO₂ emissions from road traffic in Portsmouth.
- 4.6 The data collected from the ANPR survey will help to inform the next stage of transport and air quality modelling work as it provides a clear picture of the local situation, rather than relying on national assumptions in isolation.

5.0 Options Development

- 5.1 Portsmouth's Air Quality Local Plan to deliver compliance with legal limits for nitrogen dioxide must include a package of measures that PCC identify as being effective in achieving compliance in the shortest possible time. This package of measures must be benchmarked against the introducing of a charging Clean Air Zone (CAZ), as this is the means by which the Government believe compliance can be achieved in the shortest possible time. PCC must therefore demonstrate that the chosen preferred package of measures can bring forward compliance more quickly than a charging CAZ. If the evidence and case made by PCC cannot demonstrate this the Government is likely to impose a charging CAZ on the city.

Benchmark: Clean Air Zone

- 5.2 As noted above PCC is required to benchmark a charging Clean Air Zone of a suitable class to achieve compliance with legal limits for nitrogen dioxide in all identified exceedance locations in the shortest possible time. All other potential packages of measures must then be compared against the charging CAZ benchmark to establish whether they can achieve compliance as quickly as or more quickly than a charging CAZ.

- 5.3 The Clean Air Zone Framework sets out the principles and requirements for setting up charging Clean Air Zones in England. Such a zone would involve charging vehicles for travelling into and within an identified area. There are four different classes of charging CAZ which apply to older, higher-polluting models of vehicles (diesel vehicles that are older than Euro VI and petrol vehicles that are older than Euro IV), but vary by vehicle types. The vehicle types subject to a charge for each class of CAZ are as follows:
- Class A: Buses, coaches, taxis and private hire vehicles
 - Class B: Buses, coaches, taxis, private hire vehicles and heavy goods vehicles
 - Class C: Buses, coaches, taxis, private hire vehicles, heavy goods vehicles and light goods vehicles
 - Class D: Buses, coaches, taxis , private hire vehicles, heavy goods vehicles, light goods vehicles and cars
- 5.4 In order to understand the impact that a CAZ could have in Portsmouth, a stated preference survey has been distributed. This survey has asked drivers to consider how they would respond to different levels of CAZ charge (e.g. would they keep their existing car and pay the charge; change their mode of travel; not make the journey at all; reroute their journey etc.) as well as their appetite for measures that could be introduced to mitigate against the negative impacts of introducing a charging CAZ. The results of the survey will be fed into our transport and air quality modelling work to ensure that local behavioural response are captured rather than those based on national data.
- 5.5 The likely behavioural responses of drivers in Portsmouth to different levels of charging CAZ have been modelled using the Solent Sub-Regional Transport Model (SRTM). The outputs from this modelling work have then been fed into a specialist air quality model, held by consultants Aecom.
- 5.6 The results of these modelling exercises demonstrate that **a Class C CAZ should be taken forward as the benchmarking option** as this is the lowest level of charging CAZ that could achieve compliance at all exceedance links in the model year of 2022. This is compared to a Class B CAZ which is likely to result in exceedances persisting on A3 Alfred Road in 2022.

Non-charging Measures

- 5.7 As detailed in the Strategic Outline Case that was submitted to JAQU in January there are a number of non-charging measures that are being considered for inclusion in Portsmouth's Air Quality Local Plan. In considering the suitability of such measures the primary objective for assessment is whether the measures can be delivered in the shortest possible time to achieve the scale of nitrogen dioxide reduction required to achieve compliance without causing air quality problems elsewhere in the city.
- 5.8 Whilst a wide range of measures have been considered and assessed, many have been discounted because they are not considered to be deliverable within

the timescales mandated by the Ministerial Direction placed on the city Council. Others are considered to only be likely to deliver a small reduction in nitrogen dioxide emissions that cannot be quantified within a strategic level model.

- 5.9 Appendix 1 details the list of measures that have been considered and the impacts that they are considered to have on achieving compliance with legal limits for nitrogen dioxide. The air quality and transport modelling undertaken to date shows that none of these measures, either alone, or in combination would not be sufficient to achieve compliance with the Ministerial Direction.
- 5.10 Therefore the evidence suggests that a **low-level charging CAZ along with a selection of non-charging measures are presented to JAQU as the preferred package.**

Preferred Package

- 5.11 Air Quality and Transport modelling suggest that by 2022, with a Class B CAZ in place there would still be a need to reduce nitrogen dioxide emissions from traffic on A3 Alfred Road by a small amount in order to achieve compliance with legal limits from nitrogen dioxide. By this date, with a Class B CAZ, all other locations in the city² would be compliant with legal limits.
- 5.12 It is therefore suggested that a **Class B CAZ is combined with a number of non-charging measures to ensure that compliance is achieved within the shortest possible time i.e by 2022.**
- 5.13 The alternative to this is to go to the Benchmark option of implementing a Class C CAZ which it is anticipated will achieve compliance in all locations by 2022, however it is anticipated that this will have a greater negative impact on Portsmouth's residents and the local economy, given the wider range of vehicle types that would be impacted by the charge when comparing a Class C CAZ to a Class B CAZ.

6. Next Steps

- 6.1 Work is continuing to develop Portsmouth's Air Quality Local Plan for submission to JAQU by 31st October 2019. Once approval for a preferred approach is in place the measures as outlined in this report can be developed further to inform the Outline Business Case (OBC). Once this OBC has been drafted it is suggested that it is presented to Cabinet for final approval before being submitted to JAQU.

7. Reasons for recommendations

- 7.1 Portsmouth's Air Quality Local Plan to deliver compliance with legal limits for nitrogen dioxide in the shortest possible time must be submitted to the Government's Joint Air Quality Unit (JAQU) in the form of an Outline Business

² Excludes any exceedances on Highways England network, which is not under PCC's control.

Case (OBC) by 31st October 2019. In order to continue the development of the OBC, confirmation of the Cabinet's preferred approach for addressing nitrogen dioxide exceedances is required.

7.2 In developing a solution to exceedances in nitrogen dioxide levels in the city there is a balance to be struck between achieving compliance with legal requirements to reduce harm to people's health and the impact that such measures could have on the local economy and resident's livelihoods. It is considered that the proposed preferred approach strikes this balance.

8. Equality impact assessment

8.1 A preliminary Equality Impact Assessment has been completed. The proposals are not considered to have any specific negative impacts on any of the protected groups, however it is suggested that a full EIA is undertaken prior to the final outline business case being presented to Cabinet.

9. Legal implications

9.1 The Council has been issued with a Ministerial Direction to produce an Air Quality Local Plan that outlines how air quality in the city will be improved in the shortest possible time. If this Plan is not produced there is a risk of substantial fines from Government and the clawing-back previously allocated grant funding.

10. Director of Finance's comments

10.1 The cost to undertake technical studies to inform the development of the Air Quality Local Plan is being funded through a grant from JAQU.

10.2 The funding to implement and maintain the preferred package of measures will be funded by JAQU; however the amount of funding available will depend on the strength of the outline business case submitted to Government.

.....
Signed by:

Appendices:

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

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

Title of document	Location
2019 Air Quality Annual Status Report	https://www.portsmouth.gov.uk/ext/documents-external/asr-defra-final.pdf
Clean Air Zone Framework	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/612592/clean-air-zone-framework.pdf

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

.....
Signed by:

Appendix 1 Air Quality Local Plan- Progress Update

1.0 Introduction

The [Strategic Outline Case](#) (SOC) (submitted January 2019) set out the process for identifying a long list of options (structured around the spending objectives / critical success factors), in order to identify a shortlist of better performing packages of options to take forward to Outline Business Case.

2.0 Identification of long list for SOC

In line with the Green Book recommended approach to developing policy options, a long list of options was identified based around the following framework (and evidence available at the time):

- Scope options – Potential interventions should meet the following criteria:
 - City-wide focus, but with targeted focus on exceedance areas (reflecting the island geography of the city with only three roads linking to the mainland, a significant potential for displacement of emissions);
 - Targeting all vehicles (especially the most polluting vehicles); and
 - Targeting all day / all-purpose trips (but with a particular focus on peak period trips, where appropriate).

- Service solution options – A long list of 64 options was generated comprising individual policies and interventions which could potentially address the problems, issues, and scope identified; structured around the following themes:
 - Charging Clean Air Zone (CAZ);
 - Measures to reduce private vehicle use (including reducing the need to travel);
 - Road network changes and traffic management measures to reduce traffic flow / congestion;
 - Measures to re-time vehicle trips;
 - Measures to encourage use of cleaner vehicles and more sustainable driving (to reduce tailpipe emissions);
 - Measures to encourage mode shift to sustainable modes (including reducing the need to travel);
 - Communications and marketing; and Other.

The list was based on:

- suggestions put forward by local authority officers and members at a workshop for the Targeted Feasibility Study in August 2018;
- a review of options considered by other local authorities developing Air Quality Local Plans, and other examples of best practice;

- a review of the problems and issues and scope identified, and recent policy developments in Portsmouth, to identify any gaps.

An initial sift was undertaken in order to sift out options which:

- are unlikely to improve air quality;
- are unlikely to be deliverable in the required timescale;
- are not considered technically feasible, deliverable under current legislation, or would be seen as wholly unacceptable by stakeholders.

As a result, 10 schemes were rejected, leaving a long list of 55 for further consideration. (See Table E1 in the [Strategic Outline Case](#), for more information.)

- Service delivery options – Options relating to who will deliver the local plan:
 - Fully delivered in house by local authority;
 - Fully delivered by external consultant; and
 - Some elements delivered by each.
- Funding options – Options around who will provide the funding required to deliver the plan:
 - Public funding only;
 - Public funding with substantial private funding support for non-charging measures; and
 - Public funding with private partners sought where possible.

2.1 Assessment of sifted long list for SOC

The options in the sifted long list were assessed in two stages:

- Firstly considering the potential of each option to achieve or contribute (as part of a package) to compliance in the shortest possible time (Primary Critical Success Factor); and
- Secondly considering how each option performs in terms of strategic fit, value for money, distributional impacts, commercial delivery, affordability, and achievement issues (Secondary Success Factors).

2.2 Compliance (and local objective) assessment

In order to determine the relative performance of options in achieving compliance in the shortest possible time, each option was assessed against the following sub-criteria:

- delivery timescales, where the Charging CAZ benchmark is assumed to be 12-18 months;
- potential scale of NO₂ reduction, based on emissions modelling undertaken as part of the 2018 Targeted Feasibility Studies or proxy estimates based on the potential change in vehicle flow, speeds and/or delay;
- certainty of delivering the estimated change identified above, e.g. high certainty for options which ban traffic or reduce per vehicle emissions and

low certainty for options which rely on individuals choosing to change their behaviour (e.g. travel planning initiatives); and

- risk of displacement of traffic or air quality limit exceedance to other AQMAs (reflecting the local objective).

Options which will take more than 24 months were assumed to have failed in the context of the Primary Critical Success Factor, and were not taken forward for further assessment against the Secondary Critical Success Factors. Schemes assessed as taking 18-24 months to deliver were retained, as further investigation may conclude that the intervention can be delivered within a similar or shorter time to a Charging CAZ.

It was acknowledged that many of the options would have a low impact if implemented on their own but are likely to be effective if implemented as part of a package of measures. Options which scored less favourably than a Charging CAZ in terms of 'potential scale of NO₂ reduction' were therefore retained and taken forward for assessment against the Secondary Critical Success Factors and subsequent packaging as part of the short listing process.

(See Table E2 in the [Strategic Outline Case](#), for assessment evidence.)

2.3 Secondary critical success factor assessment

In order to determine the relative performance of options in achieving compliance in the shortest possible time, each option was assessed against the following sub-criteria:

- Strategic case
- Supply side capacity and capability
- Affordability
- Achievability

At this stage (SOC) there was felt to be insufficient evidence or information to make a meaningful assessment of value for money.

(See Table E3 in the [Strategic Outline Case](#), for assessment evidence.)

2.4 Shortlisted options and packages for SOC

The SOC submitted in January 2019 identified a Benchmark Charging Clean Air Zone (CAZ) option and three non-charging air quality improvement package options.

CAZ Benchmark - A Class B CAZ (focused on Portsea Island) was selected as the benchmark option at this stage. The emissions source apportionment data available suggested that buses, coaches and HGVs combined make a

significant contribution to emissions on the exceedance links, particularly the A2047 where the exceedances are greatest. Although the specific emissions impact of taxis was not available at the time, their volumes were known to be high on the A3 and A2047. Therefore, on the basis of evidence available at the time, the view was taken that a Class B CAZ has the potential to bring forward compliance to the earliest possible date.

Non-charging options – Evidence available at the time suggested that the most effective non-charging interventions were focused around traffic management measures on the A2047 (London Road), junction improvements on A3, and use of cleaner buses. However, they would only be successful with modal shift and cleaner vehicle uptake and so these relevant supporting measures were also brought forward as part of the package approach.

3.0 Review of options and packages for OBC

The SOC shortlist has been re-assessed following the submission of the SOC, to take into account the current understanding of exceedances across the city (following confirmation of the baseline and additional evidence gathering), their underlying causes, and emerging evidence on the likely effectiveness of different solutions.

Since the submission of the SOC the long list of measures has been refined, and continues to be refined based on the following:

- different options relating to the geographical extent of a CAZ and potential exemptions for specific groups (e.g. residents);
- a mobility credit scheme - provision of ‘mobility credit’ in return for giving up car use i.e. credit for use on other modes of transport or low emission car club cars – as an alternative to a scrappage scheme;
- early delivery of Portsmouth infrastructure elements of the proposed rapid transit scheme (TCF Tranche 2 bid), subject to emerging business case and operator response;
- Eastern Road junction improvement (to address specific exceedance at junction with A27).

It also updates the high level assessment evidence, in terms of the potential of each option to achieve or contribute (as part of a package) to compliance in the shortest possible time (Primary Critical Success Factor).

The results in the following revised shortlist of options are to be assessed further using detailed transport and air quality modelling prior to submission of the OBC.

ID	Description	OBC status
Charging Clean Air Zone		

CAZ B	Charging Clean Air Zone to levy a daily charge to non-compliant buses, coaches, taxis, private hire vehicles and heavy goods vehicles.	Modelling undertaken to date shows a CAZ B in isolation is not sufficient to achieve compliance, so would need supporting non-charging measures. Recommend CAZ B + supporting measures as the preferred approach.
CAZ C	Charging Clean Air Zone to levy a daily charge to non-compliant buses, coaches, taxis, private hire vehicles, heavy goods vehicles and light goods vehicles.	Modelling shows that a CAZ C would be likely to achieve compliance in all exceedance locations by 2022, so this should be used as the benchmark.
A. Measures to reduce private car use		
A1	Increase car-parking charges in city centre (or vary charges by vehicle emissions) to discourage car use	Potential complementary measure to encourage mode shift
A2	Reduce number of car parking spaces available in city centre to discourage car use	Potential complementary measure to encourage mode shift
A3	Increase on-street parking charges for residents (or vary charges based on vehicle emissions) to discourage car ownership or purchase of a cleaner vehicle	Potential complementary measure to discourage car ownership or use of a cleaner vehicle
A4	Advance and real time (social and conventional media, VMS) messaging to discourage driving on days of high pollution	Potential complementary measure to raise awareness and change behaviour
A5	Introduce car clubs and car hire schemes (using low emission vehicles) in exceedance areas, with subsidised hire rates. To discourage car ownership and use	Potential complementary measure to discourage car ownership or potential CAZ D mitigation measure
A6	Mobility credit scheme - Provision of 'mobility credit' in return for giving up car use i.e. credit for use on other modes of transport or low emission car club cars	Potential complementary measure to discourage car ownership or potential CAZ D mitigation measure
B. Road network Measures to reduce private car use		
B1	Rapid transit - TCF Tranche 1 bid	Potential to include as a sensitivity test due to interdependency with TCF funding stream and project delivery timescales.
B2	Rapid transit - Full TCF proposal for sub-region	
B3	Rapid transit – Early delivery of all Portsmouth infrastructure elements (subject to emerging business case).	
C. Measures to encourage use of cleaner vehicles and more sustainable driving (to reduce tailpipe emissions)		

C1	Anti-idling campaign	Potential complementary measure to raise awareness and change behaviour
C2	On-street charging points in residential areas to encourage residents to swap to cleaner vehicles	Potential complementary measure to encourage cleaner fuelled vehicles
C3	Public fast charging points in the city centre (and citywide) to encourage residents and visitors to swap to cleaner vehicles	Potential complementary measure to encourage cleaner fuelled vehicles
C4	Discounted charges for residents on-street parking permits for low emission vehicles (vary charges based on vehicle emissions)	Potential complementary measure to discourage car ownership or use of a cleaner vehicle
C5	Support to convert buses on A2047 routes to lower emission fuels (including hybrid buses, biofuel powered buses, and electric buses, as an alternative to petrol and diesel)	Potential complementary measure (based on operator commitment)
C6	Encourage use of lower emissions taxis through incentives / review and update existing licensing policies. Introduce charging points for taxis	Potential package component or potential CAZ mitigation measure
C7	Eco-driver training for businesses	Potential complementary measure
D. Mode shift to sustainable modes		
D1	Workplace Travel Planning	Potential complementary measure to raise awareness and change behaviour
D2	School Travel Planning	Potential complementary measure to raise awareness and change behaviour
D3	Personal Journey Planning for residents	Potential complementary measure to raise awareness and change behaviour
D4	Promote easitNETWORK and easitSHARE	Potential complementary measure to raise awareness and change behaviour
E. Communications and marketing		
E1	Targeted communications and marketing	Potential complementary measure (an important element of any package of measures).
F. Other		
F1	Port-specific measures	Being considered further

Agenda Item 6

Title of meeting:	Governance and Audit and Standards Committee Cabinet City Council
Date of meeting:	Governance and Audit and Standards Committee 26 July 2019 Cabinet 9 September 2019 City Council 13 October 2019
Subject:	Treasury Management Outturn Report 2018/19
Report by:	Director of Finance and Information Technology (Section 151 Officer)
Wards affected:	All
Key decision:	No
Full Council decision:	Yes

1. Executive Summary

The Chartered Institute of Public Finance & Accountancy's (CIPFA) Prudential Code of Practice requires local authorities to calculate prudential indicators before the start of and after each financial year. The CIPFA Code of Practice on Treasury Management also requires the Section 151 Officer to prepare an annual report on the outturn of the previous year. This information is shown in Appendix A of the report.

2. Purpose of Report

To inform members and the wider community of the Council's treasury management activities in 2018/19 and of the Council's treasury management position as at 31 March 2019.

3. Recommendations

It is recommended that the actual prudential and treasury management indicators based on the unaudited* accounts, as shown in Appendix B, be noted (an explanation of the prudential and treasury management indicators is contained in Appendix C).

* Since this report was written the Council's auditors have issued an unqualified audit opinion on the Council's accounts and the prudential and treasury management indicators are therefore confirmed.

4. Background

The Local Government Act 2003 requires local authorities to have regard to the Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code for Capital Finance in Local Authorities.

5. Reasons for Recommendations

The net cost of Treasury Management activities and the risks associated with those activities have a significant effect on the Council's overall finances.

6. Equality Impact Assessment

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

7. 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.

8. Director of Finance & Information Technology (Section 151 Officer) comments

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

.....
Signed by Director of Finance & Information Technology (Section 151 Officer)

Appendices:

Appendix A: Treasury Management Outturn Report

Appendix B: Prudential and Treasury Management Indicators

Appendix C: Explanation of Prudential and Treasury Management Indicators

Appendix D: Public Works Loans Board (PWLB) Interest Rates

Appendix E: Debt maturity Pattern

Appendix F: Investment Rates - Bank Rate v. London Interbank Bid (LIBID) Rates

Appendix G: Investment Maturity Pattern

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:

<u>Title of document</u>	Location
1 Information pertaining to the treasury management outturn	Financial Services
2	

TREASURY MANAGEMENT OUTTURN REPORT

1. GOVERNANCE

Treasury management activities were performed within the Prudential Indicators approved by the City Council.

Treasury management activities are also governed by the Treasury Management Policy Statement, Annual Minimum Revenue Provision for Debt Repayment Statement and Annual Investment Strategy approved by the City Council.

2. COMBINED BORROWING AND INVESTMENT POSITION (NET DEBT)

On 31 March 2019 the Council had gross debt including finance leases and private finance initiative (PFI) schemes of £656m and gross investments of £417m giving rise to a net debt of £239m. The current high level of investments has arisen from the Council's earmarked reserves and borrowing in advance of need to take advantage of low borrowing rates thus securing cheap funding for the Council's capital program. The current high level of investments does increase the Council's exposure to credit risk, ie. the risk that an approved borrower defaults on the Council's investment. In the interim period when investments are high in advance of capital expenditure being incurred, there is also a short term risk that the rates (and therefore the cost) at which money has been borrowed will be greater than the rates at which those loans can be invested. Current borrowing rates are 1.22% higher than investment rates. Securing low cost long term funding for the capital program will provide longer term savings through reduced borrowing costs.

3. BORROWING ACTIVITY

The Council has established a net loans requirement in its Capital Strategy for 2019/20. This is the Council's underlying need to borrow to fund the approved capital program after taking account of cash backed reserves which could be used to internally fund capital expenditure financed from borrowing for a limited period. This identified that the Council will need to borrow £46m within the next 3 years.

Since Public Works Loans Board (PWLB) rates peaked during October 2018, most PWLB rates have been on a general downward trend, though longer term rates did spike upwards again during December, and, (apart from the 1 year rate), reached lows for the year at the end of March (See Appendix D). In March £34.5m was borrowed for the following reasons:

- The PWLB Certainty Rate (the rate that the PWLB charges the Council for borrowing) was less than 2.50% which the Bank of England has suggested will be the neutral base rate in the long term, ie. the rate at which monetary policy is neither accommodating or constraining the economy;
- The PWLB Certainty Rate was less than the Council's treasury management advisors, Link Asset Services, target borrowing rate;

- Link Asset Services had forecast that the rate that the PWLB would lend to local authorities would increase by 0.10% by June 2019 and continue to gradually increase for at least the next 3 years;
- Borrowing in March 2019 was forecast to have a lower cost in real terms, taking account of the time value of money, than borrowing in 3 years' time.

Consequently the following loans were taken from the PWLB in March:

- £23m on 12 March at 2.39% for 50 years repayable at maturity
- £11.5m on 25 March at 2.24% for 46 years repayable at maturity

The Council borrowed £2.1m interest free from Salix repayable over 5 years to fund energy efficiency projects including the replacement of street lighting with LED lamps. Salix is a not-for-profit organisation that is funded by the Government to promote energy efficiency within the public sector.

The Council's gross debt at 31 March 2019 of £656m is within the Council's authorised limit (the maximum amount of borrowing permitted by the Council) of £724m and the Council's operational boundary (the maximum amount of borrowing that is expected) of £706m. The Council aims to have a reasonably even maturity profile so that the Council does not have to replace a large amount of borrowing in any particular year when interest rates might be high. The maturity profile of the Council's borrowing (Appendix E) is within the limits contained in the Council's Treasury Management Policy.

4. INVESTMENT ACTIVITY

Size of Cash Investment Portfolio

The Council's cash investment portfolio has decreased by £2.0m from £418.7m at 31 March 2018 to £416.7m at 31 March 2019.

Interest rates

Bank Rate and London Interbank Bid (LIBID) investment rates for 2018/19 are shown in Appendix F.

Interest rates offered on investments remained generally low during 2018/19. The expectation for interest rates within the treasury management strategy for 2018/19 was that Bank Rate would rise from 0.50% to 0.75%. At the start of 2018-19, and after UK GDP growth had proved disappointingly weak in the first few months of 2018, the expectation for the timing of this increase was pushed back from May to August 2018. Investment interest rates were therefore on a gently rising trend in the first half of the year after April, in anticipation that the Monetary Policy Committee of the Bank of England (MPC) would raise Bank Rate in August. This duly happened at the MPC meeting on 2 August 2018.

It was expected that the MPC would not raise the Bank Rate again during 2018-19 after August in view of the fact that the UK was entering into a time of major uncertainty with Brexit due in March 2019. Value was therefore sought by investing longer term where cash balances were sufficient to allow this.

Investment rates were little changed during August to October but rose sharply after the MPC meeting of 1 November was unexpectedly hawkish about their perception of building inflationary pressures, particularly from rising wages. However, weak GDP growth data after December, plus increasing concerns generated by Brexit, resulted in investment rates falling back again.

Treasury Management Strategy

During the year investments were made to meet the objectives of the Treasury Management Strategy approved by the City Council on 20 March 2018. These were to:

- Ensure the security of lending
- To maintain £10m in instant access accounts
- To make funds available to the Council's subsidiaries
- To make funds available for the regeneration of Hampshire
- To optimise the return on surplus funds
- To manage the Council's investment maturity profile to ensure that no single month exposes the authority to a substantial re-investment requirement when interest rates may be relatively low

The Council has numerous investment objectives which can conflict with each other and a balance has to be struck.

Security of Lending

None of the City Council's investments has defaulted. However, £2.8m was lent to Victory Services Energy Limited (VESL) which now faces an uncertain future. Because of this uncertainty a £2.8m provision has been made to cover the resulting loss if VESL does default.

Maintaining £10m in Instant Access Accounts

At 31 March 2019 £29.9m was invested in instant access accounts (£29.7m at 31 March 2018).

To Make Funds Available to the Council's Subsidiaries

At 31 March 2019 £2.8m had been lent to VESL. No other surplus cash had been lent to subsidiary companies. £6.5m had been lent to Portico (formerly MMD) for capital purposes, but this was done through the capital program rather than through the Treasury Management Policy.

To Make Funds Available for the Regeneration of Hampshire

It was intended to fulfill this objective by providing secured loans to Hampshire Community Bnk (HCB) which would then on lend the Council's funds to small and medium sized businesses in Hampshire. However, at 31 March 2019 a funding arrangement had not been agreed with HCB and no funds had been lent.

To Optimise the Return on Surplus Funds

The average return on the Council's cash investments during 2018/19 before providing for defaults was 1.12%. This compares with 0.90% during 2017/18. This was largely achieved by lengthening the weighted average duration of the investment portfolio by 81 days from 217 days at 31 March 2018 to 298 days at 31 March 2019. However, after taking account of the provision made for the investment in VESL, the average return falls to 0.47%.

Maintaining an Even Investment Maturity Profile

The maturity profile of the Council's investments is shown on Appendix G.

No more than 13% of the investment portfolio matures in any single month.

5. REVENUE COSTS OF TREASURY MANAGEMENT ACTIVITIES IN 2018/19

Expenditure on treasury management activities in both the General Fund and the HRA against the revised budget is shown below.

	Revised Estimate 2018/19 £000	Actual 2018/19 £000	Variance +/- £000
Interest Payable:			
PWLB	17,418	17,405	(13)
Other Long Term Loans	1,129	1,001	(128)
HCC Transferred Debt	379	359	(20)
Interest on Finance Lease	189	189	0
Interest on Service Concession Arrangements (including PFIs)	6,364	6,364	0
Interest Payable to External Organisations	7	7	0
Premiums and Discounts on Early Redemption of Debt	85	85	0
	25,571	25,410	(161)
<u>Deduct</u>			
Investment Income:			
Interest on Investments	(2,457)	(4,674)	(2,217)
Impairment of Investments		2,753	2,753
Other interest receivable	(1,309)	(1,365)	(56)
	21,805	22,124	319
Provision for Repayment of Debt	3,841	4,118	277
Debt Management Costs	498	547	49
	26,144	26,789	645

Net treasury management costs were £0.6m, or 2.5% above the revised budget (£0.8m, or 3.1% below the revised budget in 2017/18).

Interest payable was £0.2m below the revised estimate. This was mostly due to less contingent interest being payable than had been anticipated on the loan from Canada Life which is subject to retail price index (RPI) increases.

Interest income was £0.5m below the revised estimate. Although interest on investments was £2.2m more than the revised estimate, this was offset by making a £2.8m provision for the investment in VESL.

The provision for the repayment of debt was £0.3m more than the revised estimate. This is because the provision for the repayment of debt on recently capital completed schemes was greater than had been anticipated.

PRUDENTIAL AND TREASURY MANAGEMENT INDICATORS

1. Capital financing requirement	Original Estimate	Actual	
	£'000	£'000	
General Fund	467,446	453,626	
Housing Revenue Account (HRA)	177,260	173,068	
Total	644,706	626,694	
2. Authorised Limit	Limit	Actual	
	£'000	£'000	
Long Term Borrowing	658,069	589,521	
Other Long Term Liabilities	66,151	66,151	
Total	724,220	655,672	
3. Operational Boundary	Limit	Actual	
	£'000	£'000	
Long Term Borrowing	640,093	589,521	
Other Long Term Liabilities	66,151	66,151	
Total	706,244	655,672	
4. Ratio of financing costs to net revenue stream	Original Estimate	Actual	
General Fund	10.9%	10.3%	
Housing Revenue Account (HRA)	7.2%	7.4%	
Total			
5. Interest rate exposures	Limit	Actual	
	£'000	£'000	
Fixed rate (net borrowing)	454,000	394,068	
Variable rate (net investments)	289,000	218,489	
6. Maturity Structure of Fixed Rate Borrowing	Lower Limit	Upper Limit	Actual
Under 12 months	0%	10%	1%
12 months and within 24 months	0%	10%	1%
24 months and within 5 years	0%	10%	4%
5 years and within 10 years	0%	20%	6%
10 years and within 20 years	0%	30%	23%
20 years and within 30 years	0%	30%	7%
30 years and within 40 years	0%	40%	28%
Over 40 years	0%	40%	30%
7. Principal sums invested over 365 days	Limit	Actual	
	£'000	£'000	
Maturing after 31/3/2019	264,000	155,590	
Maturing after 31/3/2020	205,000	115,150	
Maturing after 31/3/2021	144,000	63,250	
Maturing after 31/3/2022	117,000	10,000	

PRUDENTIAL AND TREASURY MANAGEMENT INDICATORS

1. ACTUAL CAPITAL FINANCING REQUIREMENT

This represents the underlying requirement to borrow for capital expenditure. It takes the total value of the City Council's fixed assets and determines the amount that has yet to be repaid or provided for within the Council's accounts.

The capital financing requirement is increased each year by any new borrowing and reduced by any provision for the repayment of debt. Broadly, the higher the capital financing requirement, the higher the amount that is required to be set aside for the repayment of debt in the following year.

2. AUTHORISED LIMIT

The authorised limit for external debt is the maximum amount of debt which the authority may legally have outstanding at any time. The authorised limit includes headroom to enable the Council to take advantage of unexpected movements in interest rates and to accommodate any short-term debt or unusual cash movements that could arise during the year.

3. OPERATIONAL BOUNDARY

The Operational Boundary is based on the probable external debt during the course of the year. It is not a limit, but acts as a warning mechanism to prevent the authorised limit (above) being breached.

4. RATIO OF FINANCING COSTS TO NET REVENUE STREAM 2018/19

This ratio reflects the annual cost of financing net debt as a proportion of the total revenue financing received. It therefore represents the proportion of the City Council's expenditure that is largely fixed and committed to repaying debt. The higher the ratio, the lower the flexibility there is to shift resources to priority areas and/or reduce expenditure to meet funding shortfalls.

For the General Fund, this is the annual cost of financing debt as a proportion of total income received from General Government Grants, Non Domestic Rates and Council Tax.

The ratio of Housing Revenue Account (HRA) financing costs to net revenue stream is the annual cost of financing capital expenditure, as a proportion of total gross income received including housing rents and charges.

5. INTEREST RATE EXPOSURES

Fixed interest rates avoid the risk of budget variances caused by interest rate movements, but prevent the Council from benefiting from falling interest rates on its borrowing or rising interest rates on its investments.

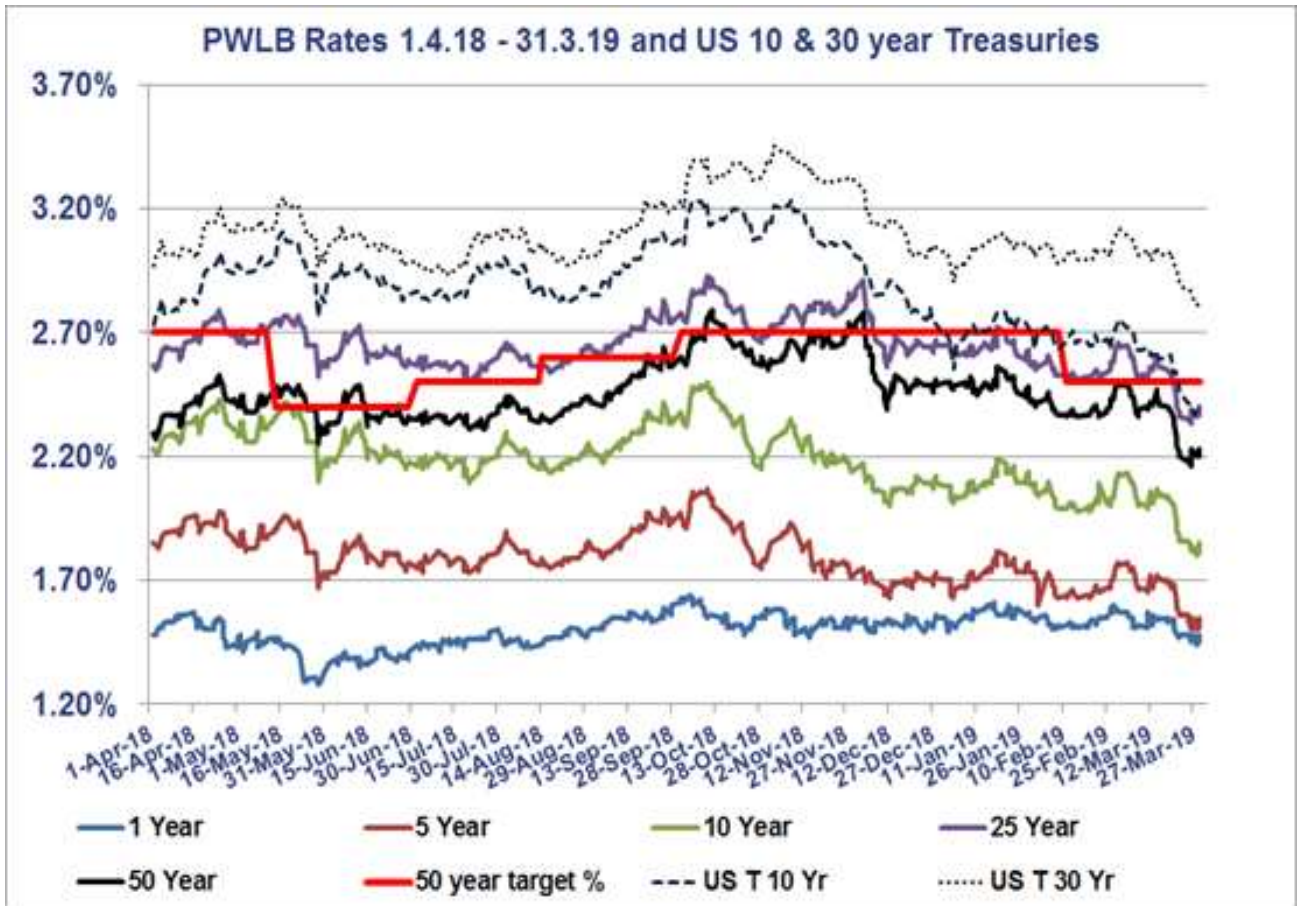
Variable interest rates expose the Council to the benefits and dis-benefits of interest rate movements and can give rise to budget variances.

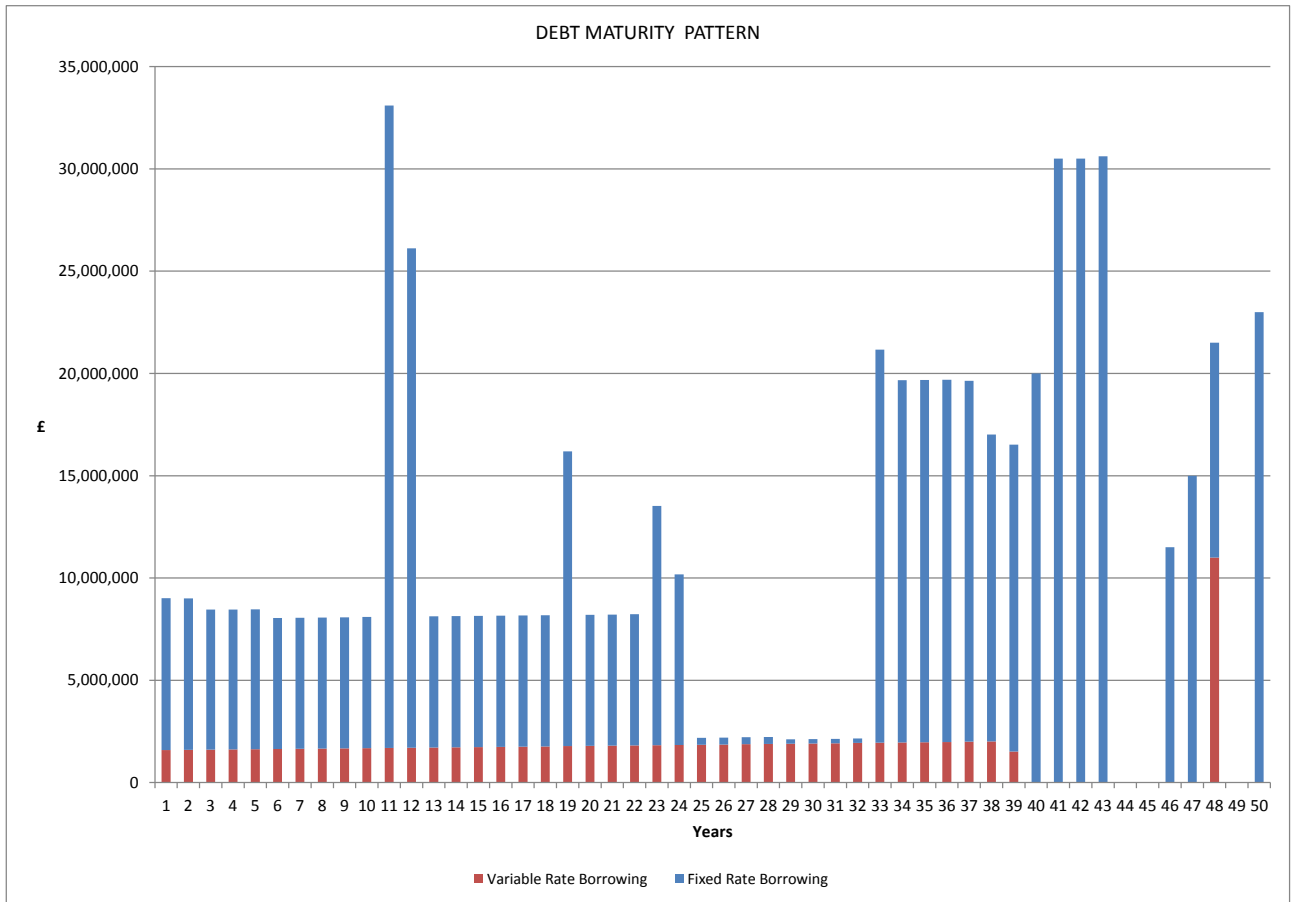
6. MATURITY STRUCTURE OF FIXED RATE BORROWING

The Council aims to have a reasonably even debt maturity profile so that it is not unduly exposed to refinancing risk in any particular year when interest rates may be high. The maturity structure of fixed rate borrowing matters less in future years as inflation will reduce the real value of the sums to be repaid.

7. PRINCIPAL SUMS INVESTED FOR OVER 365 DAYS

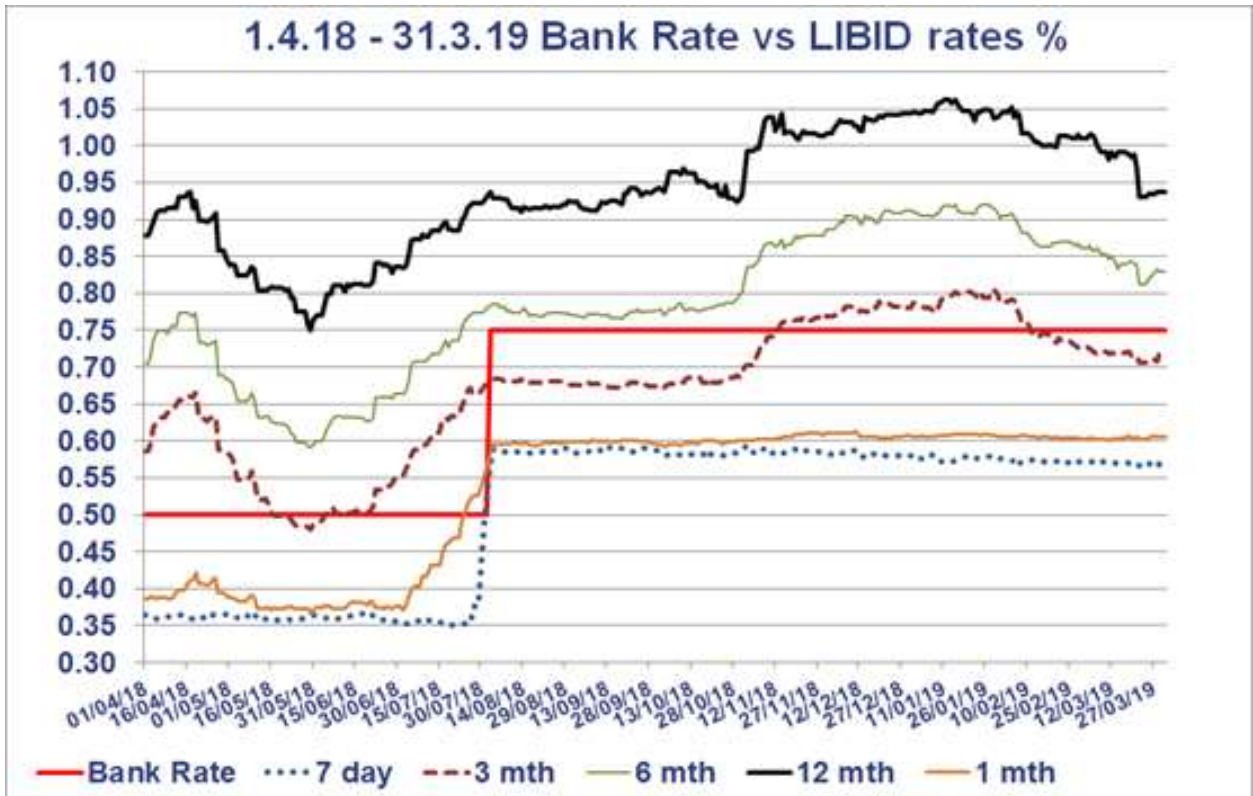
Investing long term at fixed rates provides certainty of income and reduces the risk of interest rates falling.

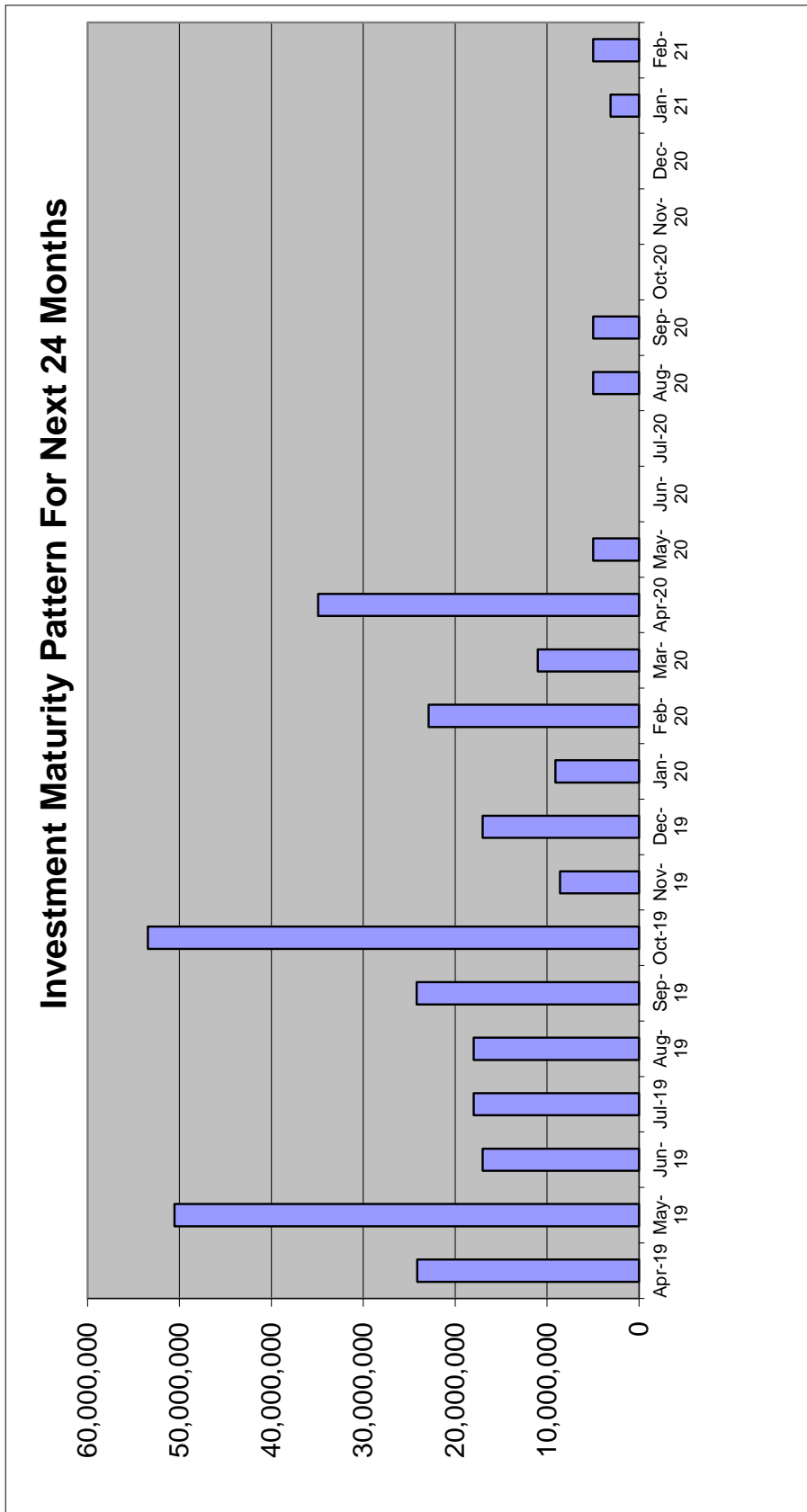




Years 11 and 12

In 2013 the Council successfully applied to the Government to borrow £43m from the PWLB at a discounted "Project Rate" to finance the development of Tipner, Horsey Island and Dunsbury Hill. As a consequence of this £25m was borrowed in 2014/15 and £18m was borrowed in 2015/16 for 15 years repayable at maturity in line with the financing requirements of this project.





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Title of meeting:	Cabinet and Council
Date of meeting:	9 th September 2019 and 15 th October 2019.
Subject:	Portsmouth Economic Development and Regeneration Strategy 2019-36
Report by:	Director of Regeneration
Wards affected:	All
Key decision:	No
Full Council decision:	Yes

1. Purpose of report

- 1.1. To seek approval from Cabinet and Council for the adoption of the new Portsmouth Economic Development and Regeneration Strategy 2019-36.
- 1.2. To note the consultation survey results and the summary feedback from the stake-holder focus groups.
- 1.3 To note the Councils role and the benefits of delivering a successful economic development and regeneration strategy.

2. Recommendations

- 2.1. That Cabinet notes the consultation responses from both the survey and the focus groups (see appendix 2) which are on the whole positive and supportive of the strategy.
- 2.2. The Cabinet delegate to the Director of Regeneration to consider the key objectives and proposed actions of the strategy and to ensure that the Council is able to deliver measurable outcomes supporting the economic development and regeneration agenda, working with key stakeholders in the city subject to Council approval of the strategy.
- 2.3 That Cabinet notes the alignment of the strategy with Council corporate objectives and it's commitment to the environment following the declaration of a climate change emergency for Portsmouth.
- 2.4 That Cabinet notes the alignment of the strategy with the Solent Local Enterprise Partnership's work on the new Local Industrial Strategy.

That Cabinet recommends to the City Council that,

- 2.5 Council adopts the Portsmouth Economic Development and Regeneration Strategy 2019-36.

3. Background

- 3.1. It is critical that the Council sets out a clear economic development and regeneration strategy and vision for the city for the following reasons:-
- 3.2. In November 2017, the National Industrial Strategy was published which included a number of government priorities for the national economy and for particular sectors and grand challenges in technological terms. Since the publication a series of sector deals and grand challenge funding via the Industrial Strategy Challenge fund have been launched. These provide an opportunity for the City to gain substantial benefit and we need to align our project proposals to this Strategy.
- 3.3. The Solent Local Enterprise Partnership (SOLEP) in common with all LEPs is in the process of producing a Local industrial Strategy which is the key strategic document determining how new growth funding and the new UK Shared Prosperity Fund will be used locally . It is critically important that Portsmouth has set out its requirements in a clear well evidenced strategy; which will also be a key lobbying document.
- 3.4. As part of the National Planning Policy Framework (NPPF) the Council is required to set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial Strategies and other local policies for economic development and regeneration. We are required to set criteria, identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period (including making provision for clusters or networks of knowledge driven, creative or high technology industries); we must also seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment; all of which this new Portsmouth Economic Development and Regeneration Strategy addresses.
- 3.5. The key next steps following adoption of the Strategy will be to continue to work with local stakeholders to progress an Action Plan for the Themes and Objectives contained in the Strategy. The Economic Growth team will lead on this work, with internal and external partners across the City.

4. Consultation on the final strategy

- 4.1. The public survey on the full draft strategy attracted 670 respondents. There was clear public support for the Strategy with 75% approval and 78% approval for the themes. 70% were over 45 years of age so future work will target young people and especially young entrepreneurs.

- 4.2. Focus groups were held with Shaping Portsmouth, University of Portsmouth, Health Trusts, Portsmouth Naval Base and BAE Systems. All focus groups were very positive about the aims and draft strategy. All appreciated the early consultation last year and final consultation and how there was a direct read across. All wanted to work with the Council to now get on and deliver the strategy. The focus groups made the point that some of the wording could be more ambitious so minor changes have been made to the theme wording.

5. Equality impact assessment

- 5.1. A full equality impact assessment was undertaken and taken into account as regards the consultation, see appendix 3.

6. Legal implications

- 6.1. There are no direct legal impacts as a result of the recommendations within the report - however, in adopting and subsequently implementing the Portsmouth economic development and regeneration strategy there will be a need for legal services to be engaged throughout noting the potential planning, highways, and procurement issues. There will be a need to engage with third party terms of reference for relevant funding streams such as the SLEP to ensure legal concerns such as state aid implications are reviewed and fully understood.

7. Director of Finance's comments

- 7.1. The costs associated with the production and consultation of the Strategy have been met from within existing cash limits; however, the Strategy itself may give rise to financial implications in the future as it is likely to underpin bids for funding from Central Government, the Solent LEP and other bodies. Future financial implications arising during the implementation of the strategy will be the subject of future reports to Cabinet prior to any spending commitments being entered into.

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Signed by:

Appendices:

- 1) Portsmouth Economic Development and Regeneration Strategy 2019-36.**
- 2) Portsmouth Economic Development and Regeneration Strategy Focus Group Summary Output.**
- 3) Full equality impact assessment.**

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

Title of document	Location
Full evidence Base	https://www.portsmouth.gov.uk/ext/development-and-planning/regeneration/a-plan-for-portsmouths-prosperity
Public Survey analysis	https://www.portsmouth.gov.uk/ext/development-and-planning/regeneration/a-plan-for-portsmouths-prosperity

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

.....
 Signed by:

Portsmouth economic development and regeneration strategy



Foreword from the Leader of Portsmouth City Council

I firmly believe that this new *Portsmouth Economic Development and Regeneration Strategy* for Portsmouth is an important part of our positive plan for change in the city. It will seek to maximise our competitive advantage and exploit to the full our unique strengths and assets to boost economic prosperity in the city. It will deliver inclusive growth and sustainable development. Economic growth is not an end in itself, it is rather a key factor in ensuring that all of our residents have the opportunity for a decent quality of life for themselves and for their children and their children's children. Equally regeneration is not just about the built environment but must include social change, inclusion and health improvement.

Economic Development will be delivered whilst safeguarding our excellent environment and responding to the climate change emergency.

The aim of this new *Economic Development and Regeneration Strategy 2019–36* is to

"Make Portsmouth Britain's premier waterfront technology and innovation city – a great place to invest, learn, live, work and visit and the most attractive place for starting, growing or relocating a business."

As we are also preparing a new *Local Plan* for Portsmouth up to 2036 it is important that we take a similarly long view of the economic development and regeneration of our city, and

put in place a long-term strategy. Many of our major projects, especially those involving new ground-breaking infrastructure, will take longer to deliver.

But I am aware that we need to make a difference from day one, so we will include immediate/short-term actions and then medium/long-term actions in the Action Plan which will follow this high-level strategy. It is also a focused strategy including only objectives and actions that will make a step change to our prosperity.

We are also clear that this is not a Portsmouth City Council strategy but a city owned and delivered one. This strategy is all about establishing a shared narrative for the city; we need to put in place the conditions for the private sector to create jobs now and in the future and for all partners and stakeholders to work in unison to make this vision and strategy a reality.

We are of course building on the success that has been delivered since 2011 by the city through the hugely influential regeneration strategy *Shaping the Future of Portsmouth* which established the Shaping Portsmouth public/private sector partnership and set in train many of the major regeneration projects which are included in the evidence base.

By listening to the concerns of our residents and businesses via extensive consultation we have made sure that this strategy is what the city collectively wants.

Executive summary

Portsmouth is one of the two cities of the vibrant Solent economy in the south east and has a population of 214,700. It has an impressive job density of 0.86, so a job for 86 of every 100 residents. Over the last year the city has seen impressive employment growth with a further 4,000 employees. The economic output is £5.7B GVA. The majority of GVA comes from aerospace and defence, marine and maritime, digital media, advanced engineering and the visitor economy. But from a much lower base creative industries have seen the fastest growth at 10% per annum since 2010.

This draft strategy is based on extensive consultation with residents and businesses including 898 public survey responses, four focus groups and extensive company one-to-one meetings. There was analysis of the economy using a city economic profile and advice from Oxford Economics who were critical friends through the production and also provided a baseline and the forecast targets and comparators to our nearest statistical neighbour cities.

Our economic analysis identified that Portsmouth has for some years been a slow growing city, compared to the UK and the south east, and to similar cities. In the baseline forecast produced by Oxford Economics for the council that pattern looks set to continue, with only 2.5% employment growth across the whole 2017–2036 period, compared with 6.1% over the period for both Brighton and Newcastle, for example.

The strategy therefore addresses the twin problems of low employment growth and slowing GVA per capita growth. Looking at competitive advantage in Portsmouth it proposes a radical approach to improve our city's performance.

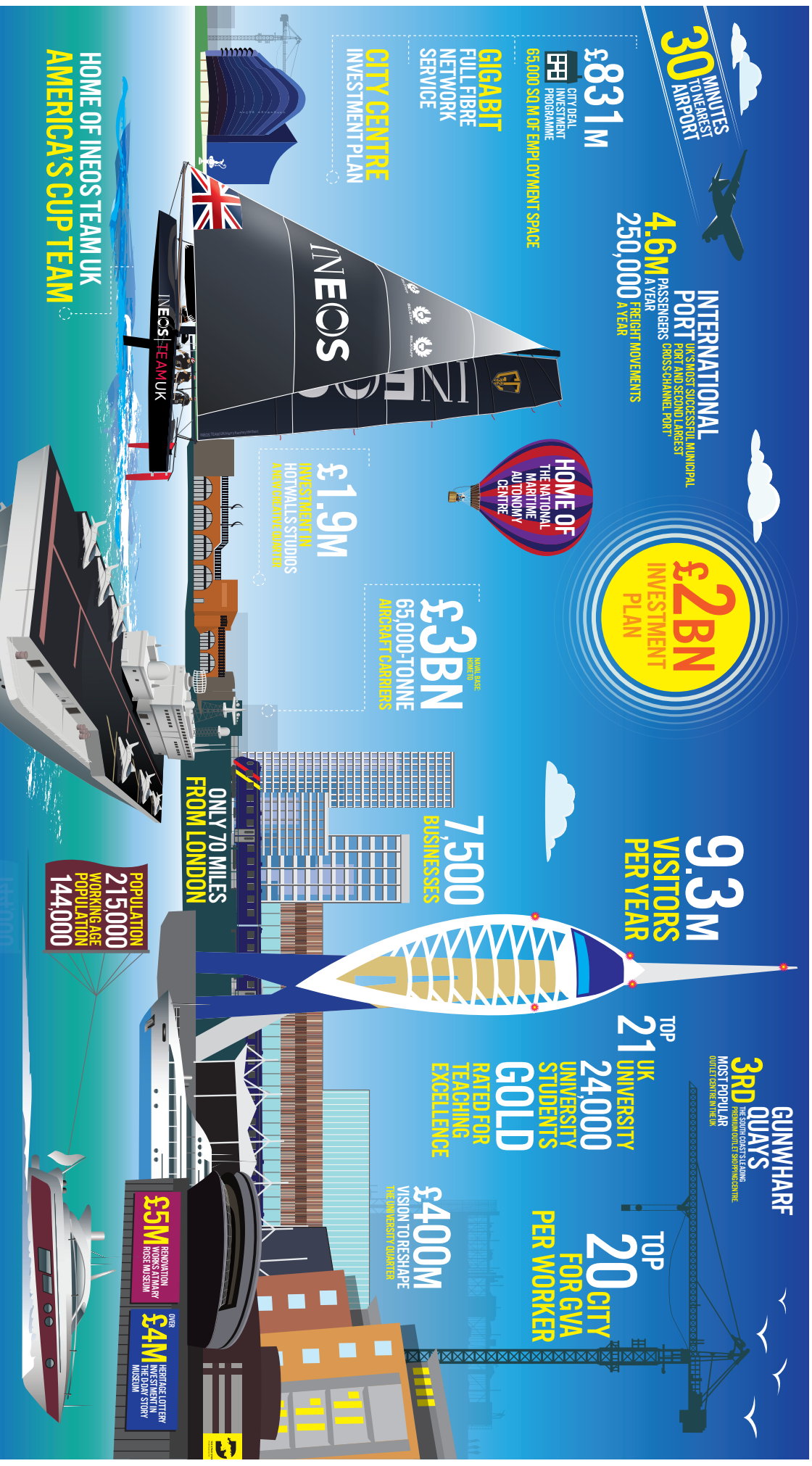
It is linked to the *UK National Industrial Strategy* and uses the same themed approach. It has been used to input to the Solent Local Industrial Strategy and will provide an evidence base for the new Portsmouth Local Plan. It links to all relevant council strategies. It runs to 2036 in line with the Local Plan timescale.

The strategy must also be seen against the background of tremendous economic transformation that has happened since the last strategy "Shaping the future of Portsmouth" in 2011. Key drivers have been considered when producing this strategy such as Brexit, globalisation, austerity, new digital technologies, environmental damage and climate change.

The overall aim is to:

"Make Portsmouth Britain's premier waterfront technology and innovation city – a great place to invest, learn, live, work and visit and the most attractive place for starting, growing or relocating a business."

Portsmouth in numbers



Draft Economic Development and Regeneration Strategy 2019-36

Through our consultation and evidence base we have identified these key challenges to address:

- Portsmouth as a city brand and image is weak, and is not seen in a positive light by many investors, businesses and visitors.
- The waterfront is a great asset but still has even greater potential.
- The huge development possibilities at Tipner and Horsea must be realised.
- The city lacks a science park or innovation quarter.
- The city must take advantage of its tremendous engineering and manufacturing strengths.
- Transport connectivity needs improvement.
- Education and skills weaknesses must be addressed.
- Poor health is contributing to high economic inactivity.

- The creative industries sector along with the visitor economy are under exploited.
- The city's housing offer is still not attractive enough.
- The decline of the city centre as a retail centre must be tackled.

SWOT analysis

The Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis has been based on advice given to the council by Oxford Economics. In addition it is based on consultation responses from a survey questionnaire completed online by 895 respondents right at the start of producing the Strategy. Further input has come from 56 businesses across the city in one-to-one sessions. Focus groups were held to obtain nuanced input to the SWOT. This SWOT has been reflected in the strategy.



Strengths

- A waterfront city with a vibrant harbour, attractive seafront and major port, which lends itself to regeneration and place-making
- Advanced manufacturing and engineering, comparable in scale to anywhere in the UK
- World-class and popular heritage and cultural attractions
- Rare natural assets in the form of internationally-important bird-resting places, that can help to define Portsmouth's unique waterfront character
- Located in the Solent, and in the prosperous south east, with proximity to London
- Council and public sector land holdings, housing stock owned and managed by the council.

Weaknesses

- Perceptions – an old and congested industrial/naval town without room to grow
- The overnight/weekend visitor economy is under-developed
- An absence of other leading sectors with strong 21st century growth potential e.g. financial services
- Lack of business networks that might foster innovation and collaboration
- Weak transport links to rest of Solent and London, despite proximity
- Low qualifications of the workforce and high levels of economic inactivity due to poor health
- Perceived lack of attractive housing/ neighbourhoods and high quality environment

Opportunities

- Take advantage of the intrinsic nature of Portsmouth and really invest in the Great Waterfront City branding
- An innovation quarter or quarters, e.g. for clean growth and clean energy
- Make the city cleaner and greener
- Strengthen the overnight and weekend visitor economy
- Cultural-led regeneration
- Council active investors and use of land holding for regeneration, Tipner, Horsea, the Port and other public sector land holdings.
- Push for new transport links and improved public transport – Transforming Cities Fund
- Develop a skills strategy – specifically a qualifications-progression strategy
- Improve the city's housing offer, neighbourhoods and city centre
- Health economy in the research and education arenas.

Threats

- Portsmouth Naval Base does not get level of warship base porting and maintenance contracts and base is downgraded
- Educational attainment in both primary and secondary schools. A perception that there are very few good state schools. Absenteeism, difficulty in recruiting and retaining good teachers
- Businesses feel squeezed out by residential and university demands for space and do not feel planning policy is defending them
- Major new infrastructure is not delivered, e.g. coastal defences, city centre road, city centre north and Tipner/Horsea super peninsula

The strategy themes and objectives

1. Strengthen the Portsmouth brand

Key objective 1.1 Build the brand: the great waterfront city

2. Become a destination city for ideas and innovation

Key objective 2.1 Create a marine and maritime engineering and/or clean growth innovation quarter.

Key objective 2.2 Build on the strengths of the advanced manufacturing and engineering cluster.

Key objective 2.3 Boost innovation, research and creativity to attract entrepreneurs and support the economy.

3. Put people at the heart of regeneration

Key objective 3.1 Prioritise a qualifications-progression skills strategy for local talent.

Key objective 3.2 Address low educational and pupil attainment in Portsmouth.

Key objective 3.3 Empower residents in Portsmouth to raise the City's economic activity rate.

4. Infrastructure and place

Key objective 4.1 Push for new and improved public transport links regionally and locally.

Key objective 4.2 Delivery of major transport infrastructure in Portsmouth.

Key objective 4.3 Improve the city's housing offer.

Key objective 4.4 Upgrade local place infrastructure and enhance the city waterfront.

Key objective 4.5 Increase digital connectivity and utilities capacity.

Key objective 4.6 Embrace Portsmouth's environmental and wildlife assets and tackle climate change.

5. Create a thriving and competitive business environment

Key objective 5.1 Invest in and strengthen the visitor and creative industries sector.

Key objective 5.2 Diversify the economy into more knowledge based sectors.

Key objective 5.3 Revitalise the city centre, and high streets across the city.

Key objective 5.4 Make Portsmouth the most business-friendly city with the best support for businesses.

The strategy themes and objectives in detail

Theme 1: Strengthen the Portsmouth brand

Strategic aim

Our strategic aim is to improve the image and reputation Portsmouth has as a city, across the UK and the world.

Key objective 1.1: Build the brand: the great waterfront city

The waterfront literally shapes the city and makes Portsmouth different to nearly every other UK city. Branding is core to increasing investment from outside the city into the city but is not only about brand, but about the many

local businesses and local organisations that can promote the city's core brand message. It is recommended that a new approach to achieving buy-in from local businesses must be a key part of the new strategy under this theme.

It is fundamentally important to the delivery of much of the economic development and regeneration strategy, particularly in challenging existing perceptions of the city from investors, businesses, visitors, workers and even residents, so that Portsmouth is – rightly – proud of being Portsmouth.

Theme 2: Become a destination city for ideas and innovation

Strategic aim

Our strategic aim is to increase innovation in Portsmouth and thereby boost business growth, productivity, employment and inward investment.

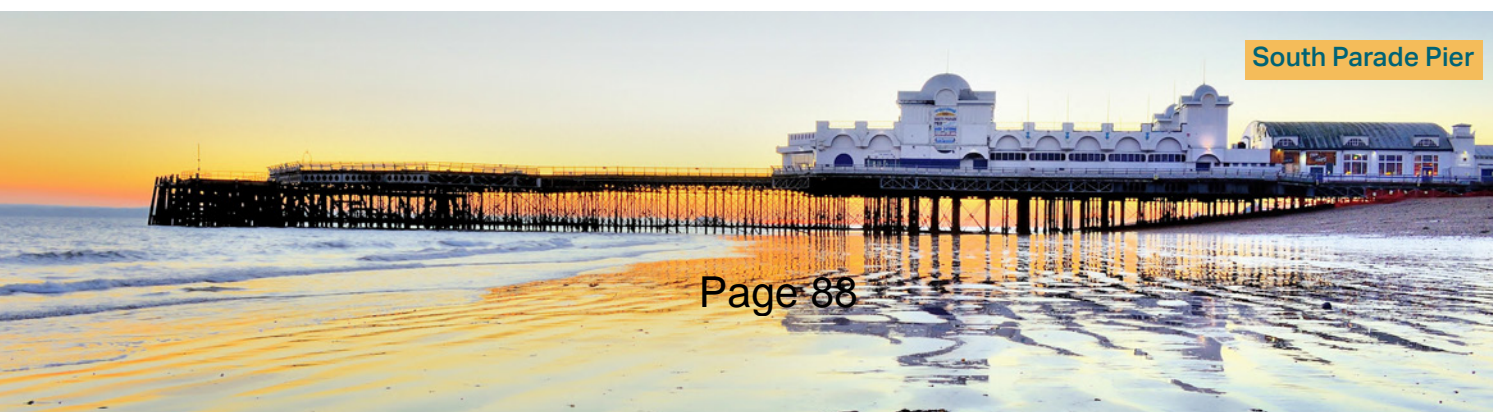
Key objective 2.1: Create a marine and maritime engineering and/or clean growth innovation quarter

As a land-constrained city there is insufficient space for a science park but plenty of opportunity for an innovation quarter or quarters, hence this is a key objective. Experience from the US points to how powerful innovation quarters can be to drive economic development. The first

suggested quarter is in marine and maritime engineering, which builds on the current buoyant cluster in the city and on local cutting edge technology e.g. autonomous systems, satellite applications, control systems integration and big-data analysis.

The second is in clean growth, which is one of the four grand challenges in the UK *Industrial Strategy*. The city is already aiming to have the first zero-emissions port in the UK.

This builds on the fact that Portsmouth is an advanced engineering city with the necessary skills for innovation to thrive. The naval base is one of the UK's premier advanced engineering establishments, comparable in employment terms with Rolls Royce in Derby or Airbus at Bristol.



Key objective 2.2: Build on the strengths of the advanced manufacturing and engineering cluster

All the statistical analysis conducted for the strategy shows how significant the advanced manufacturing and engineering cluster is in Portsmouth. If we combine concentrations in aerospace and defence, marine and maritime and manufacturing and engineering, Portsmouth is a nationally significant centre of excellence. This has already been picked up through the LEP's analysis for the new local industrial strategy.

The strategy will enable the cluster to share capacity and capabilities and retain expertise and supply chain contracts locally. The cluster

will join together to boost STEM skills, enable the financing of innovative solutions and new technologies, and attract new investment and funding to the city.

Key objective 2.3: Boost innovation, research and creativity to attract entrepreneurs and support the local economy

The strategy aims to ensure that Portsmouth gains as much government funding for research and development as possible.

This will increase patent registration and new product and process development.

There is a significant opportunity for the city around health research and innovation.

Theme 3: Put people at the heart of regeneration

Strategic aim

People are at the heart of every economic and regeneration strategy and they are Portsmouth's greatest asset. They are hard working and creative. Our aim is to address skills and education deficiencies and support those excluded from the labour market.

Key objective 3.1: Prioritise a qualification for local talent-progression skills strategy

Following a very successful employer's skills survey, the objective is to produce a comprehensive skills and employment strategy. It will include graduate retention, skills progression and soft skills and will challenge the psychology of stopping at the lowest level of achievement that an individual can get away with. It will cover skills for those furthest from the labour market and adult and community

learning alongside re-training and up-skilling for businesses.

The city has established a robust apprenticeship approach and the council has surpassed government targets for delivering internal apprenticeships since the Apprenticeship Levy was introduced in 2017. The city's strong commitment to apprenticeships is further developed through our strategic relationships with high quality delivery partners, including University of Portsmouth and specialist training providers across the city to ensure an outstanding provision to meet business needs.

Key objective 3.2: Address low educational attainment and pupil attainment in Portsmouth

Although the consultation exercise highlighted educational attainment in the city as a major weakness for the economy, the city has over the last five years increased the proportion of schools

rated “good” or “outstanding” by Ofsted from 69.2% to 90.5% (May 2019). Portsmouth schools and colleges are rising to the challenge of providing the education our children and young people will need in order to take advantage of, and contribute to, the regeneration of the city. Since 2016 the Portsmouth Education Partnership has brought together schools, multi-academy trusts, early years providers, colleges, the university, teaching schools, employers and the city council to drive an ambitious education strategy designed to match and support our aspirations for the city’s development.

Many of the STEM weaknesses highlighted at Level 3 and 4 can be traced back to weaknesses at school. Portsmouth has targets around halving the gap as regards educational attainment against the UK average. It is therefore critical that it is a key objective as in the consultation many businesses mentioned the fact that it is difficult to recruit middle managers and team leaders due to the perceived poor quality of schools.

Key objective 3.3: Empower residents in Portsmouth to raise the City’s economic activity rate

Economic inactivity is the number and percentage of 16–64 year olds who were not in employment or unemployed according to the

ILO definition. Reasons for inactivity could include looking after a family, or being a carer, retired, in ill health or a full-time student. For whatever reason, these individuals are excluded from the labour market. It is sometimes referred to as ‘hidden’ unemployment, especially for those who are economically inactive and want a job.

The number of Portsmouth residents who are classed as economically inactive was 33,800 (almost one in four residents) in the 12 months to December 2017. The strategy must address this high number of available workforce urgently, given that our working age population forecast is subdued.

Key to addressing economic inactivity is the provision of learning opportunities to re-engage individuals in learning and overcome social inclusion barriers. The city must ensure that learning opportunities reflect the developing economy, with an inter-generational provision which includes family learning opportunities for the most disadvantaged families.

The strategy will include intensive intervention work funded by DWP and other funding sources will ensure that our most vulnerable residents have the opportunity to return to work. It will also include utilising research and innovation to address poor health outcomes which cause a lot of this inactivity.

Theme 4: Infrastructure and place

Strategic aim

Infrastructure is the essential underpinning of our lives and work. The evidence provided for this strategy shows that our infrastructure is not fit for purpose. So our strategic aim is to “ensure our infrastructure supports our long-term productivity”

High quality, high performing highways and infrastructure drive economic growth, enhance productivity and facilitates inward investment. Tangible benefits include improved journey

times and a positive effect on business numbers, skills and employment. Substantial recent and continuing investment in shoreline flood defences will keep the city safe from coastal flooding for the next century. Similar investment the city’s drainage infrastructure has led to the reduction of flood risk zones from 14 in 2012 to five in 2018. Such resilience provides confidence for investors considering long-term commitments in building and employment.

Key objective 4.1: Push for new and improved public transport links regionally and locally

Air pollution has substantial health, economic and environmental impacts in the UK and locally. Alongside many other busy cities around the UK, Portsmouth has been identified as a city that needs to reduce air pollution levels as quickly as possible.

Portsmouth is working closely with the government's Joint Air Quality Unit (JAQU) to develop a plan to ensure that levels of nitrogen dioxide in the city are reduced below legal limits in the shortest possible time. A range of measures have already been implemented to reduce emissions and make travel greener, for example the introduction of electric vehicle charging points on-street and in our car parks, and retrofitting over 100 buses to remove dangerous chemicals from exhaust fumes.

Portsmouth is also expanding sustainable alternatives to the car by introducing a new park and ride route, improving traffic flow across the city and improving walking and cycling routes.

Improving train times between the Solent cities and between Portsmouth and London is crucial if Portsmouth is to attract new companies from London and improve efficient business operation. The strategy puts sustainable transport at its heart in particular a rapid transit system as part of smart city developments.

Key objective 4.2: Delivery of major transport infrastructure in Portsmouth

Portsmouth has delivered many ground breaking pieces of transport infrastructure over the years such as the M275 and the very successful park and ride. There is now an opportunity in this strategy to address the next series of major transport infrastructure schemes such as the new city centre road,

Eastern Road capacity improvements, various junction improvements and bus priority lanes.

Portsmouth International Port is the UK's most successful council-owned port. Recognised by the Department for Transport as a major UK port, it's a critical route for European and international trade because of its connectivity to the main shipping channels and the national motorway network. The port is one of the foremost contributors to Portsmouth's profile as the country's leading marine and maritime city. As a result of long-term agreements with major customers its continued commercial success is a direct benefit for the wider Solent region. With a bold approach to investment and an ambitious vision to grow the business across cruise, ferry and terminal operations, it's an exciting time for the future of the port.

Key objective 4.3: Improve the city's housing offer

Parts of Portsmouth are highly attractive and still very affordable but overall there is still a need to improve the city's housing offer to attract highly qualified people. By increasing the variety of homes and tenure available whilst improving neighbourhoods the city can retain more graduates and retain more spend from more highly paid senior managers in the city.

The city has a proud heritage in providing council housing dating from 1912. The council remains a significant landlord with a retained housing stock of approximately 15,000 properties and 2,000 leasehold properties providing a valuable source of social rented housing to support the city's economy. The key challenge locally and nationally is to create a greater supply of housing that people can afford to address the immediate housing need whilst remaining aspirational in the delivery of a range of housing products to support the regeneration of the city.



Key objective 4.4: Upgrade local place infrastructure and enhance the city waterfront

The city has fine examples of where the infrastructure and waterfront have been improved, such as recent projects to enhance theatres, the D-Day Story, the Hot Walls area and the port. In the consultation responses it was emphasised that the city needs more A grade offices in the city centre and that city centre north needs a mix of high quality new infrastructure. The strategy also needs to address seafront defences and to tackle the climate change emergency.

There are real opportunities to redevelop high quality public service infrastructure as part of a wider regeneration of the city. By disposing of old non-fit for purpose public buildings, new housing and new employment space will be created.

Key objective 4.5: Increase digital connectivity and utilities capacity

Portsmouth is a top 10 city for the high percentage of the population having access to super- fast broadband. So although digital connectivity and utilities capacity has come up

as a high priority the city is starting from a high base. The strategy covers the delivery of the Local Full Fibre Network and linked business benefit. Portsmouth, it is planned, will become a smart city with investment in sensors and blue tooth real time traffic and parking information. Through its link with the Infrastructure Delivery Plan, the strategy will ensure all utilities constraints are removed.

Key objective 4.6: Embrace Portsmouth's environmental and wildlife assets and tackle climate change

Portsmouth in common with the Solent as a whole has a very rich environmental asset base. In fact what makes Portsmouth and the rest of the Solent unique is the ability to balance intense urbanisation and intense business activity with environmental excellence. This objective is included in the strategy as it is felt there is even more opportunity to develop Portsmouth's environmental credentials whilst at the same time gaining investment for more green infrastructure. Examples of such assets include the two harbours and Farlington Marshes. The city has declared a climate change emergency and has an urgent need to address air quality. Under this objective, all of this can be turned into a positive. The health of the population is closely linked to where we live, the jobs and education we have and our local environment.

The city is passionate to create healthy environments which enable people to lead longer, healthier lives. Measures include smoke-free public spaces, promoting healthy takeaways and the Daily Mile in schools. Plans to improve air quality in the city will substantially benefit the health of all, and have additional benefits such as increasing active travel and physical activity, and improving mental health and community cohesion.

Theme 5: Business environment

Strategic aim

Our strategic aim is to make Portsmouth the best place to start, grow and move a business to in the UK

Key objective 5.1: Invest in and strengthen the visitor and creative industries sector

Culture and leisure help to make Portsmouth a great place to live, work and visit. The leisure and visitor economy is the largest employer in Portsmouth with in excess of 10,000 jobs. Since 2010 creative industries has seen the strongest growth in employment of all sectors with 10% per year. In June 2019 Portsmouth welcomed royalty and heads of state to the city for the national commemorative event for D-Day 75, which showcased the city as leading remembrance and reflection. The D-Day Story re-opened in March 2019 after a £5m redevelopment and was shortlisted for the European Museum of the Year Award. Portsmouth also has a proud track record of hosting major events such as the Victorious Festival and the Americas Cup World Series. For a densely populated city it has a significant amount of open spaces – including the unique setting of Southsea Common – which facilitate important leisure and event opportunities.

Key objective 5.2: Diversify the economy into more knowledge based sectors

At Lakeside there is not a single major accountancy firm. Even examining legal, financial and business services, the city's location quotient is very poor. The strategy will seek to attract more companies in these high GVA producing sectors. It is these knowledge based jobs that increase productivity in a wide range of other business sectors.

Also by expanding the provisions of medical education and research, more high value jobs

will be created. It may be possible to further develop medical education in Portsmouth.

Key objective 5.3: Revitalise the city centre, and high streets across the city

The strategy will drive the transformation of the city centre and all high streets such as those in Southsea, Fratton, North End and Cosham. It will make the digital high street a reality. It will embrace bold architecture. Our city centre and high streets will be re-purposed with more high quality city living, leisure, restaurants, hotels and co-working spaces.

Key objective 5.4: Make Portsmouth the most business friendly city with the best support for businesses

The city already has a great reputation as being a can-do city with a pro-economic growth and pro-business approach. The challenge is now for the city to be best in class. The strategy under this objective will seek to make the council even more business friendly, enhance business networking to increase open innovation and increase social value and the economic leverage from public sector procurement in the city.

The city has been particularly successful as regards the number of grassroots community social enterprises that have been started here as small businesses, and which have now become vital service providers; hence the development of the Hive. There is a strong national evidence base on the role and importance of social enterprise, especially in its direct response to the retreat of public services, particularly in health and social care. Social enterprise is worth £60bn a year to the national economy and represents a key opportunity for the city in the future.

Strategy targets

The strategy will help us deliver an economic step change.

Workplace employment

7,000 more jobs in 2036 than in 2017, instead of the 3,000 in the Oxford Economics baseline forecast which is likely to occur with unchanged policies.

Resident employment

An extra 7,000 Portsmouth residents in work. That would be a 7% increase over the 2017 level, which is the same rate of an increase as for Solent as a whole. And it compares with a rise of only 4% or 4,000 in the baseline forecast.

Productivity

£60,000 per person. The higher workplace employment should be associated with improved productivity. If productivity in Portsmouth rises by one third, then that will close half the gap between the Oxford Economics baseline forecast for the city in 2036 and their forecast for Solent in the same year. Portsmouth's productivity would then be £60,000 per person

(at today's prices) compared with £45,000 in 2017, £57,000 in the baseline forecast and the Solent average of £62,000.

Higher wages

If we assume that half the productivity gains feed through to wages, then in 2036 average earnings paid by Portsmouth employers will be £1,000 a week, compared with just over £900 in the baseline and just over £500 today – though inflation will account for at least some of that.

Skills targets

5% no qualifications and 40% educated to at least NVQ Level 4. This would mean reducing from 7.5% to 5% the proportion of the population of working age who have no qualifications, and raising from just under 35% to 40% the proportion who are educated to at least NVQ level 4.

All of this should be consistent with GDP rising by 45% in real terms over the period to 2036 instead of the 30% in our baseline forecast. That is a major step-up in performance.

Strategy targets

1. Workplace employment

7,000 more jobs in Portsmouth in 2036 than in 2017

2. Resident employment

An extra 7,000 Portsmouth residents in work by 2036

3. Productivity

£60,000 of GVA per person by 2036 compared to £45,000 in 2017

4. Higher Wages

£1,000 a week average earning by employees in Portsmouth by 2036 compared to £500 today

5. Skills target

5% with no qualifications in 2036, compared to 7.5% today

6. Skills target

40% educated to at least NVQ Level 4 by 2036 compared to 35% today



Governance, monitoring and reporting

The next stage will be to produce the action plan with measurable outcomes and targets, and ensure they are signed up to by individual partners who are taking the lead on individual actions.

As the strategy has six main targets these will be constantly monitored with annual review and consideration of how Portsmouth is progressing along the road to achieving these by 2036. The monitoring will be done independently against the targets and as regards the delivery of the action plan.

Then every three years there will be a major review of performance with a report taken to the Cabinet and to Shaping Leaders Board and discussions with a range of businesses on a one-to-one basis as when the strategy was drawn up in 2019. The first major review will be in 2022.



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**Portsmouth Economic Development and Regeneration
Strategy Focus Group Summary Output**

August 2019



Summary of all focus groups feedback (University of Portsmouth, Health, Royal Navy and BAE)

- All the focus groups were positive about the economic development and regeneration aims, vision and draft strategy.
- People commented that the strategy needs to be clearly ownable by Portsmouth, not generic enough to be any other city.
- All agreed that the Portsmouth brand needs to be strengthened, both for attracting people to live and work here from outside of the city, but also for those already living here. We need to make current residents and workers proud of Portsmouth too.
- There was huge support for an Innovation quarter, R&D Space or hub, or Science Park (physical space). It was suggested that this could be one quarter or several connected with “spokes” so it shares space across the city. This would build on the large amount of world class science, innovation and technology already taking place across Portsmouth.
- All groups identified a talent, productivity and aspiration gap in our local population. Portsmouth’s regeneration plans will not succeed unless we bring Portsmouth people with us, and therefore agreed we need to do more to develop local talent, skills and employability at all levels.
- All groups agreed that Portsmouth and the surrounding areas are important to regeneration, so not just restricting this strategy to the island, but the local area including Solent and neighbouring towns to exploit links, share talent, draw workers and business, and connect people.
- Transport is a key issue for all, and an improvement in public transport, train links, cycling lanes and roads is crucial.
- Affordable housing for key workers, current and potential new workers will underpin and enable regeneration.
- Every group appreciated all the early consultation on the draft Strategy and wanted to work together with PCC earlier to align and ensure we deliver this strategy together.

Summary Portsmouth University Focus Group Feedback

- The strategy was considered positive and the right direction, and on aligning this vision with Portsmouth University's new Strategy and Vision
 - Full support for the Innovation Quarter, and becoming well known for being an "Entrepreneur City", and an agreement that the University of Portsmouth and Portsmouth City Council would begin work immediately on collaborating to produce and develop the Innovation Quarter together.
 - Recognition that we needed greater collaboration overall between Portsmouth City Council and the University of Portsmouth to collaborate, share information and plan next steps together.
 - Discussed the need to engage with Portsmouth residents and community build together the kind of city we want Portsmouth to be rather than being stuck with status quo.
- Page 99
- Discussed the importance of attracting students and graduates, making them feel welcome and making it attractive for students to stay in Portsmouth after they graduate through the innovation quarter and other opportunities.
 - Agreed the need to promote Portsmouth and the University more as the top modern University in the UK – we don't publish the University's strengths enough.
 - Agreement to get on and do as much as possible by action, not words, starting now.

Summary Health Focus Group Feedback

- Agreed there is an exciting opportunity for Portsmouth to be a science and innovation centre.
- Inclusive Growth is vital to the strategy - as Portsmouth has lots of health problems and social problems, the strategy will only really work if we bring people with us, and improve people's lives so they can be a key part of regeneration, including more apprenticeships, training and job opportunities
- On brand identity, there is a clear need to balance between attracting external talent and changing the perceptions of Portsmouth for residents too. The brand identity we create needs to feel authentic and true to the people of Portsmouth.
- Discussion on the importance of collaboration between PCC and Health, working together earlier and more often so that we can align on things like the strategy, like the science and innovation centre, how to pool resources and not duplicate work for the people of Portsmouth.
- Discussed the opportunity for more cycling in the city.
- Housing for key workers was a key issue, and a perception that we prioritise housing for students but not key workers.
- Discussed Health acting as an Anchor Institution, helping to lead as a responsible, sustainable employer and procurer, as well as a supplier of health services.
- Agreed it is important to consider the surrounding area, not just Portsmouth, as an area of influence, a pool for talent and a shared resource for support.

Summary Shaping Portsmouth focus Groups Feedback

- Agreed need to exploit the brand “The Great Waterfront City” more and need a science park or innovation quarter.
- Felt that the Strategy needs to handover the baton linking our great history e.g. with the Royal Navy to the current and then work towards the future.
- Discussion on focus on education and qualifications there is a clear need to also look at transferable skills and helping people to choose to change their career choice and make them more employable.
- Agreed that it is really important to do an annual stock take on what has gone well and what has not and if the Strategy is on target or not. Shaping liked the highly focused targets as a means of checking our direction of travel.
- Shaping are very keen to take ownership of some of the actions in the action plan. They also agreed to help work on developing action plans in areas of the Strategy where they would be involved.
- Business Leaders Group of Shaping happy to pull the business lobby together around the objective to push for new improved public transport links regionally and locally as they agree these are holding back economic growth and reducing productivity
- Important we move to execution and made the point that this is a City owned Strategy we must all help deliver it.
- Connectivity as regards improved digital links still very important.
- Research was quoted that internationally the combination of acknowledging cultural and heritage is important to future innovation in cities around the world.

Summary Royal Navy and BAE Joint Focus Group Feedback

- Agreed on the need to make Portsmouth an attractive place to live and work for external talent
 - Discussed how important it is to change the residents' own perception of Portsmouth
 - Believe that this strategy needs to be ambitious and visionary, to inspire people who already live here and those we aim to attract.
 - Agreed that Portsmouth must truly own what it is better at, and position itself as a unique and world class destination to rival other waterfront cities.
 - Talked about making Portsmouth into a smart city.
- Discussed the need for improved transport links, cycle routes, bus routes, train routes.
- Affordable housing for key workers and workers is ever more crucial for attracting talent for permanent jobs and for temporary accommodation and training.

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Equality Impact Assessment

Full assessment form 2018

www.portsmouthccg.nhs.uk

www.portsmouth.gov.uk

Directorate:

Regeneration

Service, function:

Economic Growth part of Planning and Economic growth

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

New Portsmouth Economic Development and Regeneration Strategy 2019-36

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

- Existing
- New / proposed
- Changed

Lead officer

Mark Pembleton

People involved with completing the EIA:

Gina Perryman and Mark Pembleton

Introductory information (Optional)

The Council and the wider public and private sector in Portsmouth have not had an Economic Development and Regeneration Strategy to provide an agreed vision and road map for a step change in the economy of the city since 2010.

Step 1 - Make sure you have clear aims and objectives

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

The aim of the new Portsmouth Economic Development and Regeneration Strategy is to set out a blue print of the themes and objectives that will need to be followed to ensure the economy of Portsmouth grows successfully between 2019-36. It provides an in-depth City economic profile describing the current state of the economy. It provides a well researched baseline forecast of how the economy will perform if nothing changes up to 2036. It shows that if a set of actions are undertaken the gap with other better performing areas and cities can be narrowed. The whole Strategy has been informed by extensive consultation via an on-line survey right across the City, a set of focus groups and 1 to 1 sessions with a range of businesses. Further aims of the Strategy are to inform the new Local Plan for the City 2019-36 and to provide evidence to substantiate the economic growth in the Local Plan. Then to inform the new Local Industrial Strategy of the Solent Local Enterprise Partnership.

Who is the policy, service, function, project or strategy going to benefit or have a detrimental effect on and how?

The new Portsmouth Economic Development and Regeneration Strategy will benefit the whole of Portsmouth. It will benefit residents, employees, local companies, public sector bodies, students, visitors and investors. By growing the economy in a sustainable and inclusive way it will benefit all these groups. By having an agreed vision and strategy with agreed targets and actions underpinned by effective monitoring and evaluation it gives far greater confidence to outside bodies such as the Solent LEP, the UK Government and investors.

What outcomes do you want to achieve?

Outcomes will be both target metrics and also an agreed vision with short term, medium term and long term actions.

What barriers are there to achieving these outcomes?

There are a variety of barriers such as global economic headwinds brought on by trade wars, political instability, climate change and extreme weather events. In addition uncertainty around a Brexit deal, national political challenges, huge technological change and an aging population.

Step 2 - Collecting your information

What existing information / data do you have? (Local or national data) look at population profiles, JSNA data, surveys and patient and customer public engagement activity locally that will inform your project, national studies and public engagement.

Existing information and data has been included within the Strategy to highlight the challenges and opportunities and to inform the SWOT. It is in full included in the appendices. We have used population data to inform the strategy as regards current data and also forecast data to 2036. There were large scale public engagement over 10 weeks with an on-line survey attracting more than 890 responses. There have been focus groups and 1 to 1 sessions at the start of developing the Strategy. Then once a draft was produced again a large scale public engagement with a public survey and focus groups; additional studies around key technologies and the national industrial strategy have been used and a comprehensive document and studies bibliography has been provided demonstrating all the information used in writing the Strategy.

Using your existing data, what does it tell you?

The existing data tells us that the Portsmouth economy for some years has been a slow-growing city compared with not just the UK and the South East but compared with other similar cities. Between 2010-17 the Portsmouth economy grew by just 0.5% a year. That was well below the averages for the South East and the UK, which were 1.9% and 2.0% respectively. There is also a similar story for employment growth. Workplace employment increased 0.5% a year in Portsmouth in the 2010.17 period and forecasts show that this will be only 0.1% going forward to 2036. The city therefore underperforms all five of our comparator cities across the UK.

Step 3 - Now you need to consult!

Who have you consulted with?

On-line survey to understand key issues and challenges and where the strategy should focus. Prepared by corporate communications - over 890 respondents stratified. Then focus groups with special interest groups. Then 1 to 1 with key businesses. Following production of the Strategy the draft was consulted with public across the city with a public survey and 670 responses organized by corporate communications were obtained and analysed and with key stakeholders via focus groups.

If you haven't consulted yet please list who you are going to consult with

All consultation done.

Please give examples of how you have or are going to consult with specific groups or communities e.g. meetings, surveys

Please see above.

Step 4 - What's the impact?

Is there an impact on some groups in the community? (think about race, gender, disability, age, gender reassignment, religion or belief, sexual orientation, sex, pregnancy and maternity, marriage or civil partnerships and other socially excluded communities or groups)

Generic information that covers all equality strands (Optional)

The strategy has been designed to benefit everyone as it is for the total economy. Measures in the Strategy are particularly targeted at the most economically excluded and disadvantaged.

Ethnicity or race

It will not have any different impact due to ethnicity or race.

Gender reassignment

It will not have any different impact due to gender reassignment

Age

As much of the Strategy is about creating more jobs and increasing local employment it will have a greater impact on those of working age. As working age is now more flexible it will of course also impact those outside this 18 to 66 age group. Because the Strategy is also about increasing GVA then it will increase the wealth of the city and increase business rates paid and the general economic health of the city this will benefit those who are also more vulnerable in our society and mean that there is more money to support them. The Regeneration section of the Strategy will have positive impacts across all ages depending on those using the new infrastructure and new buildings.

Disability

As a major plank of the Economic Development and Regeneration Strategy is to provide economic opportunities it will have a positive impact on those with a disability. It also has a cross cutting theme delivering against inclusive growth to ensure impact of growth is more equitably shared. One of the targets of the strategy will be to increase the level of employment in the City and to tackle the level of economic inactivity both of which will benefit those with a disability.

Religion or belief

It will not have any different impact due to religion or belief.

Sexual orientation

It will not have any different impact due to sexual orientation.

Sex

It will not have any different impact due to sex.

Marriage or civil partnerships

It will not have any different impact due to marriage or civil partnership status.

Pregnancy & maternity

As part of the Strategy will address economically inactive groups and how to boost economic activity rates it is intended to have a positive impact on single parents who wish to become economically active. The Strategy will also provide a range of employment opportunities suitable to those who have child care responsibilities.

Other socially excluded groups or communities

The Strategy will benefit socially excluded groups and communities. As many forms of exclusion are linked to financial disadvantage and the Strategy seeks to increase economic output and jobs and local employment it will benefit such excluded groups.

Note:Other sociallyexcluded groups, examples includes,Homeless, rough sleeper and unpaid carers. Many forms of exclusion are linked to financial disadvantage. How will this change affect people on low incomes, in financial crisis or living in areas of greater deprivation?

Health Impact

Have you referred to the Joint Needs Assessment (www.jsna.portsmouth.gov.uk) to identify any associated health and well-being needs?

Yes No

What are the health impacts, positive and / or negative? For example, is there a positive impact on enabling healthier lifestyles or promoting positive mental health? Could it prevent spread of infection or disease? Will it reduce any inequalities in health and well-being experienced by some localities, groups, ages etc? On the other hand, could it restrict opportunities for health and well-being?

As this is an Economic development and Regeneration Strategy it is a comprehensive road map to tackle barriers to economic growth, build on the opportunities to boost economic growth, overcome the challenges preventing residents, employees, businesses, learners, visitors and investors from benefiting from such growth then it has widespread and deep positive health impacts. Improving the quality of employment, the permanence of employment, the skills level and the quantum of employment will all have positive health outcomes. It will contribute to healthier lifestyles by increasing employment and will promote positive mental health in the same way. It will not effect infection or disease and it will not restrict opportunities for health and well-being.

Health inequalities are strongly associated with deprivation and income inequalities in the city. Have you referred to Portsmouth's Tackling Poverty Needs Assessment and strategy (available on the JSNA website above), which identifies those groups or geographical areas that are vulnerable to poverty? Does this have a disproportionately negative impact, on any of these groups and if so how? Are there any positive impacts?, if so what are they?

For more help on this element of tackling poverty and needs assessment contact Mark Sage: email:mark.sage@portsmouthcc.gov.uk

The Strategy has been consulted with the Portsmouth tackling poverty strategy group led by Mark Sage and has incorporated comments from them to ensure that it has no negative impacts and instead positively ensures that the poorest will benefit in for example ensuring that the living wage is paid by employers, that apprenticeships are of a high quality with descent wages. It will boost new technology investment in the City such as use of renewable energy to not just increase investment and jobs but also to take households out of fuel poverty. The strategy looks at employment and skills progression all of which will have a positive impact on poverty. It will also examine inclusive growth in all areas of the strategy to ensure all benefit.

Step 5 - What are the differences?

Are any groups affected in a different way to others as a result of your policy, service, function, project or strategy?

Please summerise any potential impacts this will have on specific protected characteristics

Different groups will be effected differently. For example if more higher value jobs are created in the knowledge economy then those without the requisite skills and experience will not benefit as much as those that do. The Strategy seeks to address this by working tirelessly to address the high percentage of residents with no formal qualifications and those with low level skills.

Does your policy, service, function, project or strategy either directly or indirectly discriminate?

Yes No

If you are either directly or indirectly discriminating, how are you going to change this or mitigate the negative impact?

It does not directly or indirectly discriminate.

Step 6 - Make a recommendation based on steps 2 - 5

If you are in a position to make a recommendation to change or introduce the policy, service, project or strategy clearly show how it was decided on and how any engagement shapes your recommendations.

Following the on-line consultation the Strategy has reflected the priorities given the most weighting around the needs for Regeneration and buildings renewal. It has also reflected areas for future job growth. The Strategy has been written based on focus groups and 1 to 1s and reflects the outcomes of all these.

What changes or benefits have been highlighted as a result of your consultation?

The entire strategy has been written based on the combination of examination of socio-economic research, advice from Oxford economics, consultation and addressing issues raised in the UK Industrial strategy. Following the final consultation on the draft strategy some amendments were made to reflect comments about making the strategy themes more inspiring.

If you are not in a position to go ahead what actions are you going to take?

(Please complete the fields below)

Action

Cabinet on 9th of September and full council on 15th of October to get the Strategy adopted.

Timescale

Pre-cab briefing on 27th of August.

Responsible officer

Mark Pembleton

How are you going to review the policy, service, project or strategy, how often and who will be responsible?

It will be reviewed annually and there will be action plans developed for each of the objectives with outputs and outcomes and named owners. There are also 6 targets that will be carefully monitored. Responsibility will sit with the Regeneration Directorate and the performance management team.

Step 7 - Now just publish your results

This EIA has been approved by: Gina Perryman

Contact number: 4789

Date: Nov 2018

PCC staff-Please email a copy of your completed EIA to the Equality and diversity team. We will contact you with any comments or queries about your preliminary EIA.

Telephone: 023 9283 4789, Email: equalities@portsmouthcc.gov.uk

CCG staff-Please email a copy of your completed EIA to the Equality lead who will contact you with any comments or queries about your full EIA. Email: sehccg.equalityanddiversity@nhs.net

Title of meeting:	Cabinet
Date of meeting:	9 September 2019
Subject:	Response to the Economic Development Culture and Leisure Scrutiny Panel's report into Portsmouth International Port
Report by:	The Port Director of Portsmouth International Port
Wards affected:	All
Key decision:	Yes/No
Full Council decision:	Yes/No

1. Summary

The Economic Development Culture and Leisure Scrutiny Panel conducted a review into Portsmouth International Port set by the panel in 2017 and completed in Feb 2019, therefore crossing the municipal years 2017-18 and 2018-19.

2. Purpose of report

The purpose of the report is to respond to the Economic Development Culture and Leisure Scrutiny Panel in respect of the recommendations outlined in the final report.

3. Recommendations

- (1) That the Panel is thanked for its work in undertaking the review:
- (2) That the Economic Development Culture and Leisure Scrutiny Panel's recommendations be approved in line with the responses noted in item 4 below.

4. Background

The Economic Development Culture and Leisure Scrutiny Panel set the objectives noted below.

Objective 1 – To consider business development, including cruise market ambitions, linking with Council's tourism and marketing strategies and developments to attract new business.

Objective 2 – To examine the importance of the port locally.

Objective 3 – To investigate the challenges and opportunities of the European trading negotiations/Brexit.

Objective 4 – To consider the issue of unaccompanied minors located at the port and to ensure there is a timely response to secure their safety.

Objective 5 – To hear of recent and future investment plans for the port (and funding implications for the City Council).

5. Panel's recommendations and response

Recommendation 1:

Capital improvement works be continued, subject to finances, to enhance facilities to bring these up to a competitive standard and pursue the new passenger boarding tower as part of the Transformation Plans to help reach the target of over 100 cruise calls per annum.

Response:

I am pleased to advise that the port's capital programme (2018/19 bids approved - £6m for the passenger boarding tower and £12.7m for Cruise Expansion) has commenced with the development of the cruise berth commencing November 2019. Cruise development works are expected to be completed by Spring 2021.

Furthermore, the port's significant customer Brittany Ferries extended their agreement to 31st December 2031 which helps underpin part of the investment in the passenger boarding tower which is expected to be completed in 2022.

Additionally, most recently, a new long term agreement has been achieved at Portico Shipping Ltd which will see the return of Geest Line to the port from January 2020. A loan facility for Portico of £15 million was agreed by Council in Feb 2019 subject to long-term sustainable agreements helping to underpin investments.

Recommendation 2:

Air quality at PIP should continue to be monitored as this is essential for the city and campaigns take place to tackle vehicle emissions on-site.

Response:

Air Quality Action Plan being delivered as part of the Clean Maritime Plan, to be submitted to the DfT by July 2020.

Capital funding will need to be identified to assist with the action plan.

Although voluntary at this stage, Portsmouth International Port will commit to the Clean Maritime Plan with the intention of being the first zero emission major port in the UK.

Recommendation 3:

Sustainable links should continue to be investigated for cruise passengers to use such as a water bus routes as well as shuttle buses.

Response:

New bus contract at port is due for renewal in 2020 and will have as a minimum euro 6 compliant vehicles.

Water shuttles are being offered to visiting cruise vessels the cost of which is taken from the port's budget.

Recommendation 4:

Use the knowledge being obtained from local market focus groups in the wider region to publicise the advantages of travelling from Portsmouth as a local port.

Response:

PCC is part of Shaping Portsmouth's core group. Rachel McMinn, Marketing Communications Manager, is working on a marketing plan to attract significant cruise ships to Portsmouth. A cruise group has been established by Shaping Portsmouth which includes the port, major Portsmouth attractions and industry experts to encourage passengers to remain in Portsmouth during their stay.

To be funded from the port's cash limit / reserve.

Recommendation 5:

Brittany Ferries be approached to help extend passenger holidays through their booking systems to link with local hotels and work continue with Shaping Portsmouth to launch a "sleep-park-ride" offer.

Response:

The port and Brittany Ferries already work with a local bus operator to transport some passengers to and from the Port to Portsmouth's shop and have arrangements with Gunwharf Quays, Wightlink and Hovertravel.

Local hotels are keen to offer park and sail arrangements, particularly in light of the target increased cruise calls for the port and discussions are taking part.

No impact on port resources other than officer time.

Recommendation 6:

Continue marketing campaigns to attract tourists to Portsmouth Port (and visit Portsmouth destinations from cruise ships), linking with Shaping Portsmouth and continue to apply for Discover England Funding to support this.

Response:

PCC is part of Shaping Portsmouth's core group. Rachel McMinn is working on a marketing plan to attract significant cruise ships to Portsmouth.

The port now attends major cruise and ferry conferences and, in some cases, provides stands at the events to showcase the port and the city of Portsmouth.

Jane Singh will continue to market the port as part of destination marketing and work with regional partners to access and bid for funds from Visit Britain's Discover England Fund and other international marketing opportunities.

Funded from the port's cash limit / reserve.

Recommendation 7:

Negotiations between Portsmouth City Council and the MOD proceed on future land usage as part of future business expansion aspirations.

Response:

Senior officers will continue to work closely with the MOD to unlock opportunities.

Capital funding will be required if a port development opportunity is agreed.

Recommendation 8:

Progress regarding the reception facility which would be used for Unaccompanied Minors (UAMS) should be submitted to the relevant Cabinet Member(s) portfolio meetings.

Response:

Under HMRC / UK Border Force port approval, the port complies with trader provided facilities in respect of immigration which includes holding areas for clandestines.

A report will be sent to the appropriate Cabinet Member by the relevant director regarding reception facilities used for Unaccompanied Minors that is not in connection with the port approval process.

Recommendation 9:

In preparation for leaving the European Union utilise the in-house and on-site expertise of WTO rules working outside of the EU to support other businesses, with the economic opportunities this may bring PCC.

Response:

Portico has its own in-house customs agency that has the experience and capability of submitting customs documentation on behalf of shippers. There has been an increase in resources ahead of 31 Oct 19 to support the port in any potential no deal Brexit. Trader awareness is one of the main concerns at the port therefore having this expertise will help considerably.

To be funded by Portico.

6. Equality impact assessment (EIA)

In line with the EDCL Scrutiny Panel's report on Portsmouth International Port.

7. Legal implications

In line with the EDCL Scrutiny Panel's report on Portsmouth International Port.

8. Finance comments

The Port's capital programme will need to fund a range of capital investments required. This will be subject in part to the successful capital bids.

A number of the initiatives will be financed from the Port's cash limit and/or reserve.

Some of the initiatives will need to be funded by external organisations including Portico Shipping Ltd.

Signed by:

Appendices: EDCL Scrutiny Panel's report on Portsmouth International Port

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

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

Title of document	Location

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

.....
Signed by:



Portsmouth CITY COUNCIL

Economic Development, Culture & Leisure Scrutiny Panel

PORTSMOUTH INTERNATIONAL PORT
(PIP)



Date published: 21 August 2019

Under the terms of the council's constitution, reports prepared by a scrutiny panel should be considered formally by the cabinet or the relevant cabinet member within a period of eight weeks, as required by Rule 11(a) of the Policy & Review Procedure Rules.

PREFACE

The Economic Development, Culture & Leisure Scrutiny Panel undertook a review in the municipal year 2018-2019 of which the aim was to look into the Portsmouth International Port.

Taking evidence from various witnesses the panel has drawn its conclusions and put forward recommendations to try to improve areas of the Port and its operation in terms of on-going tourism and expansion.

The review included a site visit to the Port and a number of presentations from witnesses covering a wide area of operation of the Port not limited to but including compliance, marketing, regulatory services and air quality, preparations for Brexit and Unaccompanied Minors. I believe that the review offered a good opportunity to showcase the good work being done at the Port and highlight areas in need of improvement which is taken into account in the recommendations included within the report.

I would like to convey my sincere thanks, on behalf of the panel, to everyone who helped by contributing to this report. In particular I would like to extend my thanks to sources including, but not limited to Mike Sellers, Port Director, and all other attending witnesses, and Members and Officers of Portsmouth City Council for their time, considerable knowledge and information which has greatly assisted and aided this report.

On a personal note I would additionally like to thank my fellow panel members during this review in 2018/19: Cllr Tom Woods (Vice Chair) Cllr Frank Jonas, Cllr Robert New, Cllr Scott Payter-Harris and Cllr Will Purvis and particularly Joanne Wildsmith (Democratic Services) for their support and contributions. Also thanks to new members Cllr Hugh Mason and Cllr Jeanette Smith who helped finalise this report.

I commend this report to the Cabinet and the People of Portsmouth.

.....
Councillor George Fielding
Chair, Economic Development, Culture & Leisure Scrutiny Panel
Date: 21 August 2019

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1. Purpose of Review and Panel membership

- 1.1 Whilst the Scrutiny Management Panel first agreed to this topic in 2017, there were various changes in membership and chairing of the panel, so the established panel took evidence from February 2018 until February 2019 and the report could not be signed off until after the double period of political purdah, due to the subject nature.
- 1.2 Appendix A sets out the panel composition and dates of meetings.
- 1.3 The scope of the review had 5 objectives (as listed on page 3) but due to the business sensitivities and confidential nature of some areas of responsibility for the commercial port, some information was specifically not covered by the review, including the business affairs of MMD (later Portico) and some of the detailed information on future plans which would be of advantage to competitors (which would be considered at the separate Port Advisory Board).

2. Conclusions/Findings

During the timespan of the review the changes in business planning, diversification of product and customer base, expansion of the cruise market and preparations for Leaving the EU "Brexit" were illustrated, as well as the day-to-day business of the port.

There was evidence of investment for future expansion, such as the £10m linkspan, the levelling of Berth 2 and improvements to the reception desks at the main terminal to attract more customers. There are also technological advances taking place on the bookings and customs systems.

The Panel was pleased to learn more of the Transformation Plans at PIP with budget provision for major works including:

- Berth levelling to attract more cruise lines and enable ships of up to 253m to be accommodated
- Redesigning the terminal building to handle up to 2,000 cruise passengers at a time
- Provision of covered walkway access to cruise ships
- A new passenger boarding tower to coincide with Brittany Ferries' new ship (Honfleur)

Considerable efforts are being made to attract additional cruise business with calls and excursions being widened to more local attractions (to reduce the number of out of city trips), with a significant benefit to the local economy (a potential 6000+ cruise passengers could visit the city each year). Shaping Portsmouth is also actively working with local hotels and attractions and building new tours for 2020 to keep cruise passengers in the city, to the benefit of the local economy.

The panel welcomed the investigation of a water shuttle bus from PIP to Gunwharf in the targeting of independent excursions and links with Southampton Airport to encourage visitors to travel from Portsmouth port, not just Southampton. There are also local market focus groups taking

place with residents in the wider area to highlight the advantages of travelling from the local port.

It was recognised that Air Quality improvements had been made to ships to address pollution concerns, but that due to the city's concerns on vehicle emissions, levels continue to be monitored and tackled.

As well as PIP employing c.82 workers and MMD/Portico c180 on-site, Regulatory Services and Social Care staff also work closely with the port on day to day work.

Social Care's role in working with unaccompanied minors and the asylum process was explained. There were plans for a reception facility which would be used for short term assessments of UAMs and this would assist with dispersal to other local authorities.

For Regulatory Services there would be implications for their inspections on the withdrawal from the EU. Additional checks would lead to increased turnaround times for ships and discussions were taking place with colleagues in Transport regarding the impact this could have. On leaving the EU there would be an opportunity for Portsmouth to be used as a non-EU port for the selling of duty free on board ships.

3. RECOMMENDATIONS (see section 12 for budget and policy implications)

1. Capital improvement works be continued, subject to finances, to enhance facilities to bring these up to a competitive standard and pursue the new passenger boarding tower as part of the Transformation Plans to help reach the target of over 100 cruise calls per annum.
2. Air quality at PIP should continue to be monitored as this is essential for the city and campaigns take place to tackle vehicle emissions on-site.
3. Sustainable links should continue to be investigated for cruise passengers to use such as a water bus routes as well as shuttle buses.
4. Use the knowledge being obtained from local market focus groups in the wider region to publicise the advantages of travelling from Portsmouth as a local port.
5. Brittany Ferries be approached to help extend passenger holidays through their booking systems to link with local hotels and work continue with Shaping Portsmouth to launch a "sleep-park-ride" offer.
6. Continue marketing campaigns to attract tourists to Portsmouth Port (and visit Portsmouth destinations from cruise ships), linking with Shaping Portsmouth and continue to apply for Discover England Funding to support this.

7. Negotiations between Portsmouth City Council and the MOD proceed on future land usage as part of future business expansion aspirations.
 8. Any further development of reception/assessment provision for Unaccompanied Minors (UAMS) building on existing arrangements, should be submitted to the relevant Cabinet Member(s) portfolio meetings
 9. In preparation for leaving the European Union utilise the in-house and on-site expertise of WTO rules working outside of the EU to support other businesses, with the economic opportunities this may bring PCC.
4. **Section 4 - Objective 1: To consider business development, including cruise market ambitions, linking with the Council's tourism and marketing strategies and developments to attract new business**

4.1 **Background**

The PIP's achievements include:

- Portsmouth International Port (PIP) is the UK's largest municipal port
- Britain's best connected cruise and ferry port (being adjacent to the M275) and main shipping channels
- The UK's most successful municipal port (there are other models operating elsewhere including municipal, trust and private ownership)
- A specialist fresh produce handling port
- A successful ferry port which contributed positively to Portsmouth City Council's budget (£7.8m in 2017/18 financial year¹)
- Currently more than 900k vehicles each year with 2m passengers and 250k freight movements

There are 4 ferry routes to France (Caen, Le Harvre, St. Malo and Cherbourg) and 2 to Spain (Santander and Bilbao) plus the Channel Islands.

4.2 **History**

The Continental Ferry Port owned by PCC, opened in 1976, covering 4 acres at that time, initially hosting two ferry companies (Brittany Ferries and Townsend Thoresen, the latter becoming P&O). A second berth opened in 1977. This has grown to cover 66 acres including MMD Shipping Services (44 without MMD). The new terminal opened in 2011 and has been designed with sustainable features, such as smart LED lighting, seawater used to flush the toilets and rainwater harvesting. It is a modern facility with an airport style facility for checking in, security measures and a shuttle bus system.

Ship Berthing

- 4.3 There are 5 roll on roll off berths for ferry and cruise ships, with connections to France, Spain (Brittany Ferries had priority berths) and the Channel Islands (Condor). There is also ownership of Albert Johnson Quay and

¹ The 2018/19 PCC accounts show a net income from the Port of £7.2m

Flathouse Quay. At the main PIP site there is some spare capacity in the week for other ship business.

As landlords, PIP is responsible for maintaining the infrastructure and providing security on site for both freight and passengers. As well as providing ship berthing, there is also line handling to secure ships and the linkspans to the ships. PIP is a Competent Harbour Authority with the Queen's Harbour Master (QHM) having his own area and dividing line of responsibility. Both the PIP and QHM are contacted by the ships to give their estimated times of arrival. Portsmouth harbour radio links harbour control and the pilots, ships and tug boats. PIP had used the same towage provider as the MOD, with them having priority, therefore a separate agreement had recently been entered into with another provider (SMS towage) for commercial ships.

The arrival of the Queen Elizabeth aircraft carrier had resulted in some changes of the movement of other vessels. To facilitate its arrival there had been widening and deepening of the harbour and vessels are not allowed within 50m of it. There is close co-ordination with the Navy on her movements, and they are aware of the commercial sensitivity in changing port schedules, and there had not been a significant effect on sailing times.

The control of traffic on site is the responsibility of PIP. Border Force are based at the port with Special Branch working to counter terrorism and there is work with the statutory authorities.

Business

60% of income is from ferry and cruise operators:

- Brittany Ferries (with Brittany Ferries accounted for approximately 70% of the port income sailing to France and Spain)
- Condor Ferries serving the Channel Islands
- Cruise operators - Saga, Fred Olsen, CMV, Viking, Maersk, Fyffes and Seatrade
- MMD's fruit and vegetable business used to account for 70% of bananas imported to the UK going via Portsmouth this was now down to 50% (still one of the largest fruit import services in UK)
- MMD was diversifying its shipping business - e.g. the recent wind farm blades contract with MHI Vestas

Discussions were taking place with Saga about using Portsmouth as a home port for turnarounds, with cruises being a growing sector for PIP.

- 4.4 **MMD** (which does not form a main part of this review due to commercial sensitivities) is a separate trading entity owned by PCC, bought in 2008, which specialises in fruit and vegetable imports. There is also an opportunity here to do other business when the fruit ships are not in, so other markets, for general cargo, are being considered. Geest had moved their operations to Dover in January 2018 as they had changed the times of their arrivals to the weekends which conflicted with other business at MMD. This had been a loss but a restructure was being considered for the container business. Another set-back had been that Burgess Marine had gone into receivership.

Other port users included Portsmouth Handling Services (loading and discharging of ships) and Southern Maritime Services (providing meet and greet and baggage handling for cruise ships).

4.5 **The Camber** - this is also under the joint responsibility of the port via the Harbour Master. The Camber Quay in Old Portsmouth is home to Portsmouth's fishing fleet and has facilities for mooring yachts and pleasure boats. It also hosts HB Boat Park and is home to Land Rover BAR. Wightlink services also sail from here to the Isle of Wight, with recent investment in a double deck linkspan. It was reported that pilotage is compulsory for ships over 60m and licences for exceptions need to be submitted to the Harbour Master.

4.6 **Compliance/Standards**

John Feltham, Compliance Manager, reported on the PIP attainment of the following international standards/approvals:

- ISO 9001 Quality management
- OHSAS 18001 Health and Safety (transitioning to ISO 45001)
- ISO 14001 Environmental management
- ISO 27001 Information security management
- ISO 22301 Business Continuity Management

The terminal building had also won awards for its environmental initiatives.

In response to questions on a recent PCC audit² it was reported that the 2 areas highlighted had been addressed with all new staff now being trained and the CCTV policy had been completed, and it was noted that MMD had invested in upgrading their CCTV equipment.

4.7 **Business Plan Objectives**

Ian Palacio, Business Development Manager for PIP reported on the Business Plan, for which the objectives are:

- 1) Safe working environment - this had included the implementation of a drugs and alcohol policy³
- 2) Provide the City Council a revenue stream for long term growth
- 3) Seek commercial partnership arrangements for future expansion (to include £10m linkspan)
- 4) To maintain as a multi-use port - cruise/ferry/freight
- 5) Improve the infrastructure on site
- 6) Grow cruise calls - especially transit calls/stays in the city
- 7) Competent, well-trained and motivated workforce
- 8) Integrated work systems/governance/compliance

The Business Development Manager expanded on the longer term aspirations; in recognising the reliance on Brittany Ferries (with whom there

² Governance & Audit & Standards committee on 9 March 2018, report of Chief Internal Auditor

³ Approved by the Employment Committee on 17 October 2017

is a long-standing agreement) the aim was to attract additional customers to ensure a more sustainable business model. This would mainly be to gain more usage of the conventional quays. He reported on the plans for improvements to the terminal to attract business from other ports.

4.8 **Cruises**

46 cruise calls were booked for 2018 (approaching a record high), and the Port Director was aiming to increase this for the future (there had been 27 in 2017). The port can cater for small to medium size ships (up to 240m long). This would cater for high end small cruise ships; the largest ships here had been 1200 passengers which was up to the limit.

The Port Director was already targeting cruises from Holland which are not currently stopping at Portsmouth. His aim was to eventually secure 100 cruise calls, which would have a beneficial effect for the local economy with more people spending in the city. The longer term aim is to increase market share and secure commitment from established cruise operators.

There are 2 types of cruise calls - the turnarounds - allowing embarking and disembarking and the transit calls. The transit calls gave the opportunity to work with local tourist attractions, to offer excursions such as to the Historic Dockyard, the Isle of Wight and work was taking place with Shaping Portsmouth on encouraging people to remain in Portsmouth (as expanded on by Jane Singh). Currently a third of passengers chose to go to London, a third chose Stonehenge and a third stay in the Portsmouth area.

The cruise market was being expanded and increased popularity for both day visits as well as cruise turnarounds including SAGA (for the first time in 2018) as well as Fred Olsen, Viking and CMV. For 2019, 40 were planned; the dip was caused by SAGA which had one of its ships going out of service for a year.

Rail links are not usually attractive to the cruise passengers - those from Saga are usually chauffeur driven. The Port Director had spoken to Southampton Airport about offering a shuttle service in the same way they do for Southampton port. Parking deals are offered with some operators.

4.9 **Improvements to Terminal Building**

As part of the aspiration to attract more cruise calls in the future AECOM Consultants had been appointed to look at how to improve the terminal building to be more inviting for both the cruise and ferry business, looking at the baggage handling and providing additional check in desks etc. A capital bid had been submitted for the anticipated works which would take place over the next 3 years to help reach the target of 100 cruise calls. The panel heard that the consultants' report had been commissioned for Spring 2019 and the work would have a phased implementation over 3 years to improve the terminal building and for further works which included the levelling of Berth 2 to make it more efficient and safer (due to take place during the winter of 2019/20).

The work was necessary to attract business away from other ports so that the cruise companies would be confident of the full service provided at

Portsmouth and the cruise market itself was increasing with new vessels being built and the fly-cruise market expanding from America. The size of the ships was important as whilst Southampton could berth over 300m Portsmouth was concentrating on vessels up to 240m, which included many of the luxury lines and the boutique ships were the right size to berth here.

4.10 **Marketing**

The panel heard from Jane Singh, PCC Visitor Services and Development Manager, who explained her role and the links in the PCC Visitor Marketing Strategy for 2017-2020. One of the strategy's primary objectives is for Portsmouth to become a city with a distinctive culture, established as a national and international destination. Within this objective there are five service priorities which form the foundations of the marketing strategy, which are:

- *Support and grow the visitor economy*
- *Develop Portsmouth to become a European city break destination with world-class attractions*
- *Improve the quality of the visitor experience*
- *Marketing and promotion of the city as a destination promoting its distinctive strengths and specialisms*
- *Develop the Portsmouth 'great waterfront city' brand to facilitate a unified and strong marketing message as a national, European and global destination, improving the perception of the city.*

Part of the international objectives with their strategy is specific to the cruise market:

"the cruise market which is growing in size in both Portsmouth and Southampton and provides opportunities to work with the International Ports, cruise forums and tour operators in encouraging passengers to spend the day in the city rather than venturing further afield"

There is also work with Southampton Airport and specific airlines such as BMI, KLM and Flybe to attract domestic and European travellers to visit Portsmouth.

Marketing of the International Port starts with the selling point that Portsmouth is the UK's best connected port, and a key gateway for the UK. The port is included in all marketing collateral created by the PCC Visit Portsmouth team and distributed as part of all activity. It is featured on the Visit Portsmouth website and in the Travel Information pages in the Portsmouth Visitor Guides and Mini Guides. The Mini Guides are available in six languages and are distributed regionally and internationally at trade shows, international marketing events and at international ports.

The Port is also looking to increase visits by the current size of visiting ships and have attended Sea Trade events both in Miami and Portugal, promoting Portsmouth as a cruise destination.

4.11 **Brittany Ferries partnership work:**

Brittany Ferries have the Portsmouth destination brochures on their ships

and have a destination film to play on board and at arrival ports, with a French version also available. As 85% of Brittany Ferries' passengers are UK travellers using the Port this gives us the opportunity to sell the city while they are on board, sailing out and back with a fantastic view of the city, and to encourage them to visit again in the future. The Visitor Services team have also carried out talks on board the ferries about all things Portsmouth and would repeat this around the 75th anniversary of D-Day in June 2019.

4.12 **Excursions**

During 2018 the PCC team worked in partnership with Shaping Portsmouth as members of a Cruise Group. The principal outcome of this has been the creation by the PCC Visit Portsmouth Team, incorporating feedback from trade, of a series of cruise itineraries. The itineraries offer a flavour of the world-class offer in Portsmouth and the possible themes available, to encourage cruise companies to think of and include Portsmouth when creating bookable excursions for their cruise guests. These itineraries have been circulated at a number of marketing events and meetings with cruise companies and ground handlers. Meetings have taken place with key ground handler companies and following this some bookings have been achieved (including Historic Dockyard).

The Visitors Services team is also working on targeting the independent traveller on cruise ships, who has not booked an excursion, to encourage them to spend time in the city while their cruise is in port. The International Port provides a free cruise shuttle bus for each cruise call (going to the D-Day Story in Southsea and some to the Hard) and the PCC Visit Portsmouth team provide a Greeter to meet cruise passengers. Destination partners also offer a range of discounts to city attractions, with vouchers for city attractions. The possibility of providing a water shuttle bus to Gunwharf is also being explored.

Excursions are booked on board the cruise ships, and whilst PIP offers a free bus link with timetable in different languages (mainly used by German visitors) these are not accompanied tours once the destination is reached, so are for the 20% independent travellers.

80% of guests take up on-board excursions, with many cruise lines, like Viking, running their own tours to the Portsmouth attractions including the Historic Dockyard and the D-Day Story.

The Communications Plan includes presence at trade shows around the country and internationally, with a poster campaign on the London Underground. The main international audience is Europe, America and China.

Plans for D-Day 75th commemorations included a Fred Olsen cruise ship and Brittany Ferries taking veterans to and from France.

4.13 **Regional Opportunities**

Using the same cruise itineraries and meetings with ground handlers and cruise companies, PCC Visitor Services are also targeting cruise ships visiting Southampton to encourage passenger visits into Portsmouth.

The PCC Visit Portsmouth team, working with Hampshire County Council, are currently involved in a **Discover England** Fund project. This project will maximise the economic impact of the rising number of international cruise passengers who already dock into Southampton and Plymouth. The partnership will target visitors from Germany, the Netherlands, the Nordics and the USA with a suite of bookable, commissionable leisure excursions encouraging visitors to step ashore and explore the ports and surrounding counties.

4.14 **Marketing Campaigns**

Rachel McMinn, the Marketing Communications Officer for PIP reported on the marketing campaigns to raise Portsmouth's profile as a major continental port, with an enviable location with dramatic scenery for arrival to/departure from the city and harbour. The aims were:

- to secure a long term partner from established cruise operators
- to be the turnaround cruise port for the region
- secure Portsmouth's reputation for both continental and cruise markets reaching the local market

Focus groups would be taking place to ascertain how much local residents and those in the wider region (Chichester-Winchester) know about travelling from PIP for international holidays, and a campaign would then be launched.

PIP's Communications Officer was working with the cruise lines own PR teams to understand what cruise lines need for their guests to help expand the cruise business for Portsmouth through their social media sites and other marketing outlets. Brittany Ferries are also looking to attract more local customers (currently most of their customers come from west of London) and were involved in the Business Plan developments.

Portsmouth councillors would be invited by the Port Manager to attend an open day at PIP⁴ and could be involved in the focus groups.

The Communications Officer liaises with the cruise companies' PR teams and is working with Brittany Ferries to increase their profile locally for residents to make use of this facility. She also attends Cruise Britain events and sits on the British Port Association Communications meeting, and the Portsmouth profile is rising within trade media.

4.15 **Hotels**

To encourage passengers to arrive in Portsmouth before their trips to extend their holidays locally, further discussions could take place with Brittany Ferries to include this within their booking systems. The PCC website included information on hotel availability and there are new hotels being built in the city. Stef Nienaltowski also reported on 2 hotels looking to provide a "sleep-park-cruise" offer (to be bussed to the port and back) which Shaping Portsmouth would be looking to assist with in the second half of the year.

⁴ Councillors were invited to the port open day which took place on 13 March 2019

- 4.16 **Involvement of Shaping Portsmouth in promotion of cruise market**
Stef Nienaltowski, Director of Shaping Portsmouth explained the role of Shaping Portsmouth (the City Council is one of 31 funders, contributing 8%) running programmes in the city. Shaping Portsmouth brought together 11 organisations to look at the cruise passenger opportunities. He co-chaired the Shaping Portsmouth Cruise Passenger Programme with Mike Sellers.

The visiting cruise ships have 60 brochured tours - 59 of which took the passengers **out of the city**, with the other 1 being a walking tour of the Historic Dockyard. Therefore Shaping Portsmouth is working on building a set of premiere tours (aiming to be in brochures by 2020), working with the 2 major shipping agents. Shaping Portsmouth had received good feedback on the creation of 8 multi-centre heritage branded tours of the city. Added to the "a la carte" tours was Wet Wheels would provide disabled passengers a tour of the Solent.

The aim was to attract more visitors by showing the value of these tours, which show the history of the city. There was also the need to ensure a seamless approach of disembarking for a great passenger experience. Some passengers want to go back to their ship for lunch and others will eat locally. The working group felt that both ends of the market (high end and budget) can be catered for.

One of the tours offered was for exercise courses at Forts Widley and Purbrook. The other tours included the Mary Rose Museum, Gunwharf, Hovertravel, the Emirates Spinnaker Tower, the cathedral. Approaches were also being made to the Royal Navy for their inclusion. The work of the group showed enthusiasm and passion for promoting the city's attractions and heritage.

PIP's Business Manager reported that accommodating passengers via pick-ups were being looked and a water bus/taxi was being explored. The 3 main excursion companies currently worked with the foreign cruise-lines.

5.0 Section 5: Objective 2 - To examine the importance of the Port locally

5.1 Staff

There are 82 PIP staff and approximately 180 more working for MMD. A high percentage of the workforce would be local residents (95% for MMD).

It was noted that PIP as a PCC department had received the highest percentage of returns on the last staff survey (near 90%), showing an

engaged workforce. One area to work on would be addressing the port being seen as part of PCC by all its employees.

The regional importance of the port is recognised with Mike Sellers being appointed to the Solent LEP Maritime Steering Group.

PCC staff needed to be available to react to emergencies/incidents as well as providing a business support function, assisting the port in bringing in vessels, dealing with their cargo and passengers. The Regulatory Services team has 26 full time equivalent (FTE) posts with a range of skill sets. The Port requires a technical skill set and legal knowledge (currently EU law) so experienced officers are required here. As at October 2018 the equivalent of 0.6 FTE officers were assigned for the Port, with hours spread over the times that ships are in.

5.2 Local Economy

In 2019 there are 40 cruise ships scheduled to visit Portsmouth, 19 of these are call-in cruises with potentially 6,500 passengers and crew spending the day in the city. The International Port is working hard to increase the capacity for cruise liners in the Port as this is seen as a key area of growth for the future (as outlined in other sections of the report).

6. Section 6: Objective 3 - To investigate the challenges and opportunities of the European trading negotiations/'Brexit'

6.1 The main challenge ahead was to know the implications of Brexit to plan the necessary infrastructure, but there had been more government involvement over the last few weeks regarding border planning and the need to ensure swift movement of goods clarity was being sought on border implications of exiting the European Union; whilst the government impression was that there was need for a pragmatic approach in getting the infrastructure in place for imports, the French government had indicated that if no deal was reached the rules for exports brought in from outside Europe would apply from Day 1 (originally thought to be 29th March 2019). This could mean a 4 hour turnaround time for ships in France or Spain, whereas it was currently 1.5 hours impacting on PIP schedules.

6.2 Regulatory services

The panel heard from Richard Lee (Regulatory Services Manager) and Steve Bell (Environmental Health Team Leader) who explained the wide range of services and areas of responsibility that his department covered (some of which they were not the primary agency for).

Public health controls include:

- Infectious diseases on ships
- Ship sanitation
- Emergencies on ships
- De-infestation of pests on ships
- International health regulations
- Food safety on ships (including water and waste storage)

- Food borne diseases
- Legionella
- Norovirus
- Malaria and yellow fever
- Mosquito surveillance
- HIV/AIDS where there are concerns raised (in conjunction with Public Health England)

Import responsibilities include:

- Import controls - food of animal origin and food not of animal origin (mainly fruit) for which there is an inspection facility (although this is not a Border Inspection Post)
- Issuing certification for products - e.g. organic, harm in transit etc.
- Live animals and pets both of which have animal welfare issues regarding their transportation

Pollution:

Pollution from vessels and vehicles and waste materials was another area of responsibility, looking at the impact on air quality in the city.

6.3 **Pollution and Air Quality**

Regarding shipping pollution the panel asked if it was possible to differentiate port, leisure or Royal Naval vehicles for air quality testing? Whilst the vessels were not differentiated between, source apportionment studies did look at the likely source of pollution, including from shipping, and it was reported that over the last few decades vehicle pollution was the greatest concern for Portsmouth, although shipping is also a contributor. The Regulatory Services Manager believed that since the last detailed study in 2010 there had been a reduction in shipping movements and there had been improvements due to technology and the fuels used on the ships. Therefore the contribution to Portsmouth pollution levels from PIP had lowered since 2010 (when it had contributed approx.10%). It was also reported that the shipping and vehicles used different fuel types, and for particulates Portsmouth is below the EU directive levels, whereas Nitrogen Dioxide levels present the greatest concern for the city (created primarily by vehicles). The height of the stacks on the ships helped with the dilution and dispersal and there is a sophisticated monitoring system in the city.

The Port Manager reported that there were 2015 Sulphur Regulations to comply with, so scrubbers had been fitted to the commercial ships. LNG was new technology being explored for new ferries (using gas which helps lower emissions). The ferry and cruise ships would use significant plug in power ('cold ironing') however they are only in port for their 1.5 hour turnarounds. As PIP is a major UK port managing over 2m tonnage the Port Director has a place on the Air Quality Planning Board in the city to contribute to the Air Quality Action Plan to reflect plans to reduce emissions at the port. Vehicle pollution is the biggest challenge, which the port was also trying to tackle. From 2017 a new booking system had been brought in to space out HGV arrivals so they were not sitting with their engines idling for long periods of time or queuing on the M275, to help freight movement.

If checks are required for products coming through the port PCC will need to

consider the resourcing implications for this function. There may need to be documentation checks or actual physical checks which will need greater involvement and personnel to do this. The panel agreed that the implications of a hard border for Regulatory Services should remain high on the political agenda for the necessary resources to be in place.

6.4 **Brexit Preparations**

A comprehensive update was given by the Port Manager at the last evidence gathering meeting on 27 February 2019, who had shared similar information with the Solent Local Enterprise Partnership (LEP).

The Port officers had been involved with government departments over the last 12 months, including the Border Delivery Group. Portsmouth is the second largest (behind Dover) cross Channel port. As previously mentioned, 50% of bananas pass into the UK through Portsmouth, with MMD's specialist storage of fresh produce.

Portsmouth is a critical route for the Channel Islands with 95% of their goods exported from PIP, not just for fresh produce but also medical supplies. Already when there are weather delays this can lead to empty supermarket shelves in 48 hours there.

The EDCL panel was shown the layout of the site including freight passage using the roll-on/roll-off berth model with some freight accompanied and some unaccompanied. There is a maximum limit of around 150 accompanied lorries and 200 freight units so a maximum of 350 units in total. It takes approximately 1.5 hours to discharge and load the ships.

MMD deals with international trade from outside Europe, having specialist plant health inspection facilities on site.

M275 is 1 minute away from PIP - 13 lorry lines to the Rudmore Roundabout.

With Portsmouth also being a cruise destination there is the opportunity with Brexit for the Mediterranean cruises to have a stop at a non EU port in order to sell duty-free on board.

There are also existing international trade routes to Africa, U.S.A. and South America (as well as Rotterdam and Antwerp).

The Port Director was part of the Border Planning Group and his effort were focusing on both the worst case scenario of a "no deal Brexit" as well as being "Brexit ready". HMRC⁵ has worked on a simplified customs arrangement for Roll on Roll Off, plus plant and animal health to keep trade flowing from the ferries, and in the event of a no-deal Portsmouth would be the only designated port of entry on the south coast for plant based products. Portsmouth will be a port of entry for imported exotic animals (with

⁵ Her Majesty's Revenue & Customs

the necessary CITES⁶ approval, which Dover and Holyhead do not currently have).

6.5 Exports

Brittany Ferries are increasing their sailings to Le Havre from the end of March (Le Havre is given priority due to concerns at Calais). Normandy authorities are also preparing in case of a 'no deal' and have said that the UK will then be treated the same as for the rest of the world.

There is concern at the number of checks that will be required and there is not the land capacity or facilities to do this on site at the port. The Local Resilience Forum (LRF) has carried out an impact assessment and identified congestion on M275 as high risk for the port and city in a "no deal" situation, with concerns regarding medical supplies and traffic congestion to commuters.

Colleagues in Transport at PCC have prepared contingency plans (working on a traffic management plan to control the impact on the port) and looking for inspection points suitable for checking freight, such as a temporary holding area at Tipner (costing £4m). Only hauliers with bookings would be allowed into the port with a pass needed to go onto the ferries for France and Spain, and there would be fast-tracking for Condor ferries to the Channel Islands and MMD.

Portsmouth was carrying out the same modelling for Brexit as Dover - currently checks take approx. 2 minutes but if additional customs checks added 1.5 mins this could potentially spill traffic onto M275 in peak periods. The port has the will and the expertise to adapt and 145k businesses have not dealt with customs in the past, so there will be a potential income stream. With the plant health inspection facilities already in place some trade may divert from Dover.

6.6 Opportunities

PIP has World Trade Organisation (WTO) expertise. The sister site MMD already handles international cargo. Extra staff are being recruited for customs agents, port health and regulatory services and the port has freight forwarders who are seeing how revenue can be increased. PIP has DEFRA approved inspection facilities and is an Authorised Economic Operator (AEO)⁷ operator.

6.7 Longer term requirements

The opportunities for an inland clearance depot is being explored, to provide a one-stop-shop for inspection, away from the port but still close to M275, to carry out statutory inspections such as on animals. A specific site has not yet been identified but liaison is taking place with Asset Management colleagues at PCC.

It was acknowledged that the uncertainties from government meant that a lot

⁶ Convention on International Trade in Endangered Species of Wild Fauna and Flora

⁷ This recognises internationally recognised standards for international trade

of effort was being spent on contingency planning and members were grateful to the Port Director and his team for trying to find solutions and it was felt that businesses would be entrepreneurial in adapting to the challenges.

Members of the council were pleased to be briefed of developments and would be attending a briefing on 13 March which would include an update on MMD (rebranding⁸), which was supported by Councillor Ben Dowling, who attended as Cabinet Member for Planning, Regeneration and Economic Development. He welcomed the involvement of all members increasing their knowledge of port activities, especially with its contribution of £8m income to PCC's budget.

- 7 Section 7: Objective 4 - To consider the issue of unaccompanied minors located at the Port and to ensure there is a timely response to secure their safety

7.1 **Unaccompanied Minors (UAM) definitions and responsibilities**

Adam Shepherd, Head Assessment & Intervention and Debbie Dunne, Team Leader, Through Care Team, (both from PCC Children's Social Care), gave a presentation entitled "Unaccompanied Minors - our experience in Portsmouth".

The United Nation's definition of an unaccompanied minor (UAM) is:
An unaccompanied child is a person who is under the age of eighteen, unless, under the law applicable to the child, majority is, attained earlier and who is "separated from both parents and is not being cared for by an adult who by law or custom has responsibility to do so"

Children's Social Care responsibilities are in line with the Convention on the rights of the Child, in particular Article 3, paragraph 1 which states:
In all actions concerning children, whether undertaken by public or private social welfare institutions, courts of law, administrative authorities or legislative bodies, the best interests of the child shall be a primary consideration

For PCC when these young people pass the age of 18, if they have been Looked After Children for 13 weeks or more they continued to be supported by PCC to the age of 25 as Care Leavers under Children (Leaving) Care Act 2000.

UAMs arrive for a range of reasons, and the social care team work closely with colleagues in **UK Border Force** (who have a presence at the Port) who search vehicles arriving from France and Spain. When they discover illegal entrants who are minors Border Force will notify Portsmouth's Children's Social Care. These young people can be the victims of significant harm so it is PCC's responsibility to intervene and work with Hampshire Constabulary

⁸ MMD was rebranded as Portico in Spring 2019

in the interview process to see what harm/exploitation (including trafficking) they have been exposed to. There is a partnership approach to work proactively with voluntary and private organisations to meet the varied needs of UAMs within UK legislation and national policy frameworks. Regardless of immigration status, the child or young person's needs should be considered as paramount and an Unaccompanied Minor will be entitled to assessment as a child in need of care and protection under the Children Act 1989.

7.2 Profiles of UAMs

Whilst the national press covered stories of migrants being trafficked from Africa, Iran and Iraq, most of these migrants chose to settle in adjacent countries but some come further, sometimes by boat via Greece. For Portsmouth the countries of origin are as set out (with the highest number from the Sudan via Libya):

Sudan, Albania, Iraq, Iran, Kurdistan, Afghanistan, Libya, Eritrea, Syria, Bangladesh, Niger, Ethiopia, Vietnam, Gambia

It was asked why the UK is the ultimate destination for those arriving? Some did not have that intention and are caught up in organised crime. The UK does have a reputation for sanctuary, along with other European countries such as Italy that takes a high proportion of Afghan refugees. Staff are aware of the days and routes through the sharing of information and intelligence with Border Force.

Age profiles:

Under 15	4%
Aged 15	15%
Aged 16	42%
Aged 17	38%

From February 2018 there had been a clear process for liaising and social workers go with the police and interpreters to interview the young people to find out about their experiences (with many being caught up in conflicts or other extreme conditions) and take the child into the local authority's care. Many UAMs arrive without documentation so as part of their interview process a timeline and history are taken. Medical and dental assessments do not give a definitive age. In circumstances where there is a reason to doubt the age claimed, a more vigorous assessment is undertaken.⁹

7.3 Asylum outcomes:

- i) **Granted refugee status** (i.e. granted asylum) with limited leave to remain for five years, after which time they can normally apply for settlement (i.e. indefinite leave to remain).
- ii) **Refused asylum but granted humanitarian protection with limited leave to remain for five years**, after which time they can normally

⁹ In order for an age assessment for an unaccompanied minor to be valid, it must comply with the findings of R (B) v Merton LBC [2003] 4 All ER 280 (commonly referred to as the age assessment being "Merton Compliant"), where the Court provides guidance as to the conduct of an age assessment.

apply for settlement (i.e. indefinite leave to remain). This is most commonly granted where the person is at risk of a form of 'ill treatment' in their country of origin but which does not meet the criteria of the Refugee Convention. As it is very likely that those granted refugee status or humanitarian protection will qualify for indefinite leave to remain, their care and pathway planning should primarily focus on their long-term future in the UK, in the same way as for any other care leaver.

- iii) **Refused asylum but granted Unaccompanied Asylum Seeking Child (UASC) Leave.** This is normally for 30 months or until the age of 17½, whichever is the shorter period. This form of leave is granted to unaccompanied children where they do not qualify for refugee status or humanitarian protection, but where the Home Office cannot return them to their home country because it is not satisfied that safe and adequate reception arrangements are in place in that country. It is a form of temporary leave to remain and is not a route to settlement. It is important to note that this decision is a refusal of the child's asylum claim and will attract a right of appeal.

or

- iv) **Refused asylum and granted no leave to remain.** In this case the unaccompanied child is expected to return to their home country and their care.

7.4 **Working with UAMs**

The unaccompanied minors will be asked why they have come to the UK. The child will have access to an immigration solicitor. With use of interpreters language tests are undertaken to try to identify dialects and a profile is established. Those who are granted leave to remain will be given support to acquire skills.

English Language Assistants (ELA) in Portsmouth, work alongside pupils in schools to enable them to access the curriculum.

'Starting Out' is a 2 year, Department for Education funded project to help unaccompanied asylum-seeking children access education, which is used for funding of classroom assistants. There is also work with the Red Cross to help with orientation into British life.

The length of time support would be given was potentially up to the age of 25 in the case of care leavers.

7.5 **Challenges/Pressure on resources for Children's Social Care Budget**

There is staff involvement by team leaders, social workers and personal advisors, so UAM numbers will put pressure on the Children's Social Care resources (such as staff time) and the overall budget. When placements cannot be identified locally, such as with foster parents, there can be the need to place outside the city, with social workers and reviewing officers then needing to travel further afield, often to London.

There is a shortfall in government funding and the **National Transfer**

Scheme is a voluntary one. The quota is 0.07% of the population to be UAM but for Portsmouth it is 3 times this level with 96 UCMs in the care of the local authority. There were between 35/40 care leavers (approximately a quarter of the Portsmouth care leavers' population).

The government grant for each care leaver is only £200 per week which does not cover PCC costs. PCC's Social Care promote a publicity campaign and recruitment drive to attract local foster carers specifically for Unaccompanied Minors.

The Port Manager advised that as a statutory authority, along with HMRC and Border Force, PCC have to provide the facilities to deal with incursions and the police have their own set of responsibilities. The Head Assessment & Intervention for Children's Social Care also reported that plans for a **reception facility** were being considered, which would be used for short-term assessments. This would also help with the dispersal to other local authorities.

7.6 Security Issues

Border Force had been invited to attend to explain their role further but had sent apologies and had not submitted a formal written response. Social Care have a good working relationship with the Immigration Enforcement Team and UK Border Force, and are aware when boats are coming into port. There are quarterly meetings with port colleagues to share intelligence and Border Force and the police have a sophisticated database to combat modern day slavery, which could be used to seek prosecution.

European counterparts have different child social care systems and response regarding immigration. Photographs and fingerprints are checked and shared with European colleagues which gives factual evidence which can substantiate or not, the account of the journey shared by the young person. It was reported that there had been security strengthening measures at Calais since the dismantling of the informal refugee and migrant centre, although people were still gathering there. Security measures had been increased at Caen to prevent undetected accessing of vehicles. The Port Director reported that in 2017 there was government funding of £46m to the channel ports in France for security measures. At Ouistreham in Caen there was now a double perimeter fence as well as investment in more CCTV.

Border Force enforce immigration to prevent against illegal immigration. PIP provide CCTV and security guards who undertake a level of searches dependent upon government required levels.

It was asked how security was coordinated with the next door naval base? Each has their own security officer and there are Port Users Safety meetings on a quarterly basis. It is also required that workers are involved in Health and Safety discussions and port workers take part in risk assessments and there is consultation with the unions.

8. **Section 8: Objective 5 - To hear of recent and future investment plans for the Port (and funding implications for the City Council)**

8.1 **Transformation plans** are in place to carry on developing the port with £18.7m in PCC's budget and a £15m loan facility (over 10 years) for MMD's investment. Works at PIP would include:

- Berth levelling - to help attract more cruise lines and enable ships up to 253m to be accommodated
- Redesigning of the terminal building to handle up to 2,000 cruise passengers
- Provision of covered walkway access to cruise ships
- A new passenger boarding tower to coincide with Brittany Ferries' new ship (Honfleur).

All of this would help to reach the target of over 100 cruise calls p.a.

Consultants were being invited to tender to work on cruise passenger ferry flows. There was also investigation of how scanning facilities can be provided separately for cruise and ferry passengers. Investment was also needed for a baggage hall facility - as the immigration hall is currently used.

The Port Director was pleased to report that Brittany Ferries had signed a 10 year agreement, which was their first long-term agreement with PIP. Under the terms of this the passenger access/walkway between berths 3 & 4 needed to be replaced (the aim was for a high level walkway).

The Port Director wanted to take advantage of the MoD deepening and widening of the waterway to attract larger ships and to promote Portsmouth. His ambitions for the port had led to the appointment of a Business Development Manager and a dedicated Communications Officer to help attract the increase in cruise calls. Future plans would also seek more land, liaising with the MoD to utilise land for commercial shipping. There would also be consideration of more container business and further use of Fratton Goods Yard or Dunsbury Hill Farm. This could be for storage of white goods and textiles rather than fresh produce that needs refrigeration.

PCC had purchased the previous Eberhardt building, with the intention to lease to MMD shipping to use as their main office (which would have health and safety advantages for their administrative and account staff with easier access)

8.2 **Competition**

Competitor ports also have development schemes - Poole (new berth), Dover (western docks). All of the ports along the South Coast are in competition and targeting each other's business. Eurotunnel and low cost airlines are also competitor markets.

Therefore PIP has to develop business to be the safest and best port and to raise awareness of Portsmouth in this highly competitive market. The port has a competent and well trained workforce and in 2017/18 it contributed

£7.8m to Portsmouth City Council's budget.¹⁰

- 8.3 For **Regulatory Services** the diversification may have an impact with the service provided was shaped around the income level and there had been a downturn due to the reduced banana consignments, which was a decrease in income of approximately £60k to the service. There was still the need to react to the unplanned emergencies. Their service was directly affected by the change in business operations, such as the new wind turbine products, as these were not a product Regulatory Services need to deal with.

Members appreciated that this is a difficult area to recruit to/trained up/retain officers and it was dependent upon the level of produce coming in to the port, which was also linked with MMD business projections (and PCC support to their operations). In response the Port Manger explained the need for PIP to diversify their business, and for MMD the Vestas contract gave a better return than the Geest contract.

8.4 **Technological advances**

These are underway and include:

- Efficient position of freight (COPAS system) which is a booking system that helps to spread arrivals
- Enhanced WiFi provision at the Port across both sites and to the quayside to help speed up bookings
- MMD are investing in automatic container scanning to improve on-site efficiency
- Improved port inventory systems linking with customs systems (Hogia Freight System and CNS network)
- Cargo Management System linking with HMRC and Border Force (in a way already in use at airports), which will benefit shipping lines and hauliers with connections with the operators.

The inventory linked software had been trialled and used at other ports and talks were taking place with the shipping lines and hauliers to ensure their future compatibility. Further tests were needed to ensure capability for roll-on roll-off models.

9. **Equalities Impact Assessment**

Preliminary equality impact assessments would be carried out, where necessary, subject to the Cabinet decisions based on the recommendations set out in this report.

10. **Legal Comments**

Recommendation 1 - Any capital improvement works to be commissioned by PCC to be done so in line with relevant procurement regulations.

Recommendation 2 - The Council has a statutory duty under Local Air Quality Management (LAQM) legislation (Part IV of the Environment Act 1995) to

¹⁰ The accounts for 2018/19 showed a contribution of £7.2m

review air quality. Where concentrations exceeding national objectives measures must be put in place to reduce emissions and must be reported in the local Air Quality Action Plan (AQAP) - as such PIP are to consult with the existing PCC plan.

Recommendation 3 - no legal implications at this stage. Any further recommendation should be in consultation with the Council's Transport department noting any inward impact to the highway and/or the Project Network to which the Highways PFI team is to be consulted.

Recommendations 4, 5 and 6 - no legal implications at this stage.

Recommendation 7 - PCC Legal Property Team to be consulted during /prior to initiating any action post the negotiations with MOD re future usage as part of future business expansion aspirations.

Recommendation 8 - any development of reception/assessment provision for Unaccompanied Minors is to be developed in consultation with PCC Legal noting the statutory requirements of PCC pursuant to the Children (Leaving) Care Act 2000.

Recommendation 9 - any implementation of working outside of the EU will need to consider the possible impact on the highway in consultation with PCC transport department, the Police and the PFI Highway team.

11. Finance Comments

These are set out in section 12 that follows.

12. BUDGET AND POLICY IMPLICATIONS OF THE RECOMMENDATIONS

The following table highlights the budget and policy implications being presented by the panel's recommendations.

Recommendations	Action by	Policy Framework	Resource implications
1. Capital improvement works be continued, subject to finances, to enhance facilities to bring these up to a competitive standard and pursue the new passenger boarding tower as part of the Transformation Plans to help reach the target of over 100 cruise calls per annum.	Mike Sellers	Budget & Policy Framework (BPF)	Port's capital programme (2018/19 bids approved - £6m for the Passenger Boarding Tower and £12.7m for Cruise Expansion).
2. Air quality at PIP should continue to be monitored as this is essential for the city and campaigns take place to tackle vehicle emissions on-site.	Mike Sellers	Budget & Policy Framework (BPF)	Air Quality Action Plan being delivered as part of the Clean Maritime Plan, to be submitted to the DfT by June 2020 Capital funding will need to be identified.
3. Sustainable links should continue to be investigated for cruise passengers to use such as a water bus routes as well as shuttle buses.	Ian Diaper	Budget & Policy Framework (BPF)	New bus contract at port will have as a minimum euro 6 compliant vehicles. To be funded by grant / contractor / customers / port's cash limit / reserve.

Recommendations	Action by	Policy Framework	Resource implications
4. Use the knowledge being obtained from local market focus groups in the wider region to publicise the advantages of travelling from Portsmouth as a local port.	Rachel McMinn	Budget & Policy Framework (BPF)	<p>PCC is part of Shaping Portsmouth's core group. Rachel McMinn is working on a marketing plan to attract significant cruise ships to Portsmouth.</p> <p>To be funded from the port's cash limit / reserve.</p>
5. Brittany Ferries be approached to help extend passenger holidays through their booking systems to link with local hotels and work continue with Shaping Portsmouth to launch a "sleep-park-ride" offer.	Mike Sellers	Budget & Policy Framework (BPF)	<p>Port Director to liaise with Brittany Ferries' UK Director. They already work with a local bus operator to transport some passengers to and from the Port to Portsmouth's shops.</p> <p>No impact on port resources.</p>

Recommendations	Action by	Policy Framework	Resource implications
6. Continue marketing campaigns to attract tourists to Portsmouth Port (and visit Portsmouth destinations from cruise ships), linking with Shaping Portsmouth and continue to apply for Discover England Funding to support this.	Rachel McMinn & Jane Singh	Budget & Policy Framework (BPF)	PCC is part of Shaping Portsmouth's core group. Rachel McMinn is working on a marketing plan to attract significant cruise ships to Portsmouth. To be funded from the port's cash limit / reserve.
7. Negotiations between Portsmouth City Council and the MOD proceed on future land usage as part of future business expansion aspirations.	David Williams & Mike Sellers	Budget & Policy Framework (BPF)	Senior officers will continue to work closely with the MoD to unlock opportunities. Capital funding will be required.

Recommendations	Action by	Policy Framework	Resource implications
8. Any further development of reception/assessment provision for Unaccompanied Minors (UAMS) building on existing arrangements, should be submitted to the relevant Cabinet Member(s) portfolio meetings	Ian Diaper With Social Care	Budget & Policy Framework (BPF)	Under UK Border Force port approval, the port complies with trader produced facilities in respect of clandestines.
9. In preparation for leaving the European Union utilise the in-house and on-site expertise of WTO rules working outside of the EU to support other businesses, with the economic opportunities this may bring PCC.	Mike Sellers	Portico	An increase in Customs Agency Resources ahead of 31 Oct 19. To be funded by Portico.

Membership and Meetings of the EDCL Panel 2017-18 - The Port

At the start of 2017/18 municipal year the Economic Development, Culture & Leisure Scrutiny Panel (EDCL) membership was set as:

Councillors Steve Hastings (Chair), Scott Harris (Vice-Chair), Yahiya Chowdhury, Alicia Denny, Lee Hunt and Matthew Winnington.

The EDCL panel met on 15 September 2017 to discuss potential topics for review for submission to the Scrutiny Management Panel (SMP met on 29 September and approved this topic).

Following Councillor Hastings' resignation in December 2017 the panel was changed at Council on 13 February 2018 to appoint a new chair and replacement member. The panel then comprised:

Councillors Alicia Denny (Chair) , Scott Harris (Vice-Chair), Yahiya Chowdhury, Lee Hunt, Ian Lyon and Matthew Winnington.

For the municipal year 2018/19 the panel comprised:

Councillors George Fielding (Chair), Tom Wood (Vice-Chair), Frank Jonas, Robert New, Scott Payter-Harris and Will Purvis

The panel met formally on 5 occasions between March 2018 - February 2019 to receive evidence, as well as undertaking site visits and an informal briefing for the newly constituted panel.

For the municipal year 2019/20 the new panel charged with signing off the review was set as: Councillors George Fielding (Chair), Will Purvis (Vice-Chair), Frank Jonas, Hugh Mason and Robert New with Jeanette Smith replacing Ben Dowling from 16/7/19)

DATE	WITNESSES	DOCUMENTS RECEIVED
9 th Feb 2018 (site visit)	Site visit with Mike Sellers, Port Director	
22 March 2018	Mike Sellers, Port Director and John Feltham, Port Standards Compliance Manager	Powerpoint presentation Draft Scoping Document

DATE	WITNESSES	DOCUMENTS RECEIVED
16 August 2018 (informal)	Informal meeting at the Port with Mike Sellers, Port Director	Powerpoint presentation to newly comprised panel Viewed "PIP Open for Business" promo by UoP
10 October 2018	Mike Sellers, Port Director Richard Lee, Regulatory Services Manager	
16 November 2018	Adam Shepherd, Head of Assessment & Intervention and Debbie Dunne, Team Leader, Through Care Team (both Children's Social Care)	Powerpoint presentation "Unaccompanied minors - our experience in Portsmouth"
23 January 2019	Mike Sellers, Port Director Ian Palacio Jane Singh, Visitor Services Stef Nienaltowski - Shaping Portsmouth	PCC Visitor Guide & Discover England update
27 February 2019	Mike Sellers, Port Director Councillor Ben Dowling, Cabinet Member for Planning, Regeneration & Economic Development	Presentation - "Brexit update"

APPENDIX B

GLOSSARY (Abbreviations used in the report)

DEFRA	Department for Environment, Food & Rural Affairs
PIP	Portsmouth International Port
PCC	Portsmouth City Council
UAM	Unaccompanied Minor